

***SUNDARAM FINANCE DISTRIBUTION LIMITED***

***22nd ANNUAL REPORT 2015-16***



## **BOARD OF DIRECTORS**

S Venkatesan

A N Raju

K Sankarakumar

## **BANKERS**

State Bank of Travancore

ICICI Bank

## **AUDITORS**

M/s. Brahmaya & Co., Chennai

Chartered Accountants

## **REGISTERED OFFICE**

21, Patullos Road

Chennai 600 002

CIN : U67120TN1993PLC025996



**SUNDARAM FINANCE DISTRIBUTION LIMITED**

A wholly-owned subsidiary of



**SUNDARAM FINANCE LIMITED**

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# Board's Report

Your Directors present the Twenty Second Annual Report and Audited Accounts for the year ended 31st March, 2016.

## FINANCIAL RESULTS

(₹ in cr.)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Income from Operations	7.42	10.43
Other Income	0.72	0.52
Total Income	8.14	10.95
Less: Total Expenditure	6.90	8.17
Profit before Tax	1.24	2.78
<b>Profit after Tax</b>	<b>1.00</b>	<b>1.91</b>
Surplus brought forward	0.63	0.42
Amount available for appropriation	1.63	2.33
<b>Appropriations have been made as under:</b>		
Transfers to General Reserve	0.10	0.19
Dividend	1.00	1.25
Dividend Tax	0.20	0.25
Surplus carried to balance sheet	0.33	0.63

## BUSINESS REVIEW

During the year, your Company earned revenue from operations of ₹7.42 cr. as against ₹10.43 cr. in the previous year. The profit after tax for the year was at ₹1.00 cr. as against ₹1.91 cr. 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 2015-16 on the paid-up capital of ₹50.00 lakhs, as against ₹25/-

per share (250% on the face value of ₹10/-) during the previous year. The dividend together with dividend tax of ₹0.20 cr. absorbs a sum of ₹1.20 cr.

## SUBSIDIARIES

Infreight Logistics Solutions Limited (Infreight) - There were no operations during the year under review.

## DIRECTORS

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

## NUMBER OF MEETINGS OF THE BOARD

During the year under review, 4 meetings of the Board of Directors were held.

## DIRECTORS' RESPONSIBILITY STATEMENT

Your directors confirm that:

- i) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii) the Directors 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 of the Company for that period;
- iii) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- iv) the Directors had prepared the annual accounts on a going concern basis; and

v) the Directors devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

(Appointment and Remuneration of Managerial Personnel) Rules, 2014.

**PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**

Your Company has the following investments as on 31st March 2016.

₹ in Cr.

Investment in Equity Instruments	2.83
Investment in Bonds	0.22

There were no loans made or guarantees given by the Company.

**RELATED PARTY TRANSACTIONS**

During the year, the Company has entered into materially significant transaction with related parties. All transactions entered into by the Company with the related parties were in the ordinary course of business and on an arm’s length basis. Form AOC-2 as required under Sec 134 (3) (h) of the Companies Act 2013, read with Rule 8(2) of the Companies (Accounts Rules) 2014, is attached as parts of this report vide Annexure A.

**EXTRACT OF ANNUAL RETURN**

As required under Section 92(3) of the Companies Act, 2013 and Rule 12 (1) of the Companies (Management and Administration) Rules, 2014, an extract of the Annual Return in Form MGT 9 as on 31st March 2016, is enclosed -Annexure B.

**INFORMATION AS PER SECTION 134(3)(m) OF THE COMPANIES ACT, 2013 READ WITH RULE 8 OF THE COMPANIES (ACCOUNTS), RULES, 2014**

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 the limits prescribed under Rule 5 of Companies

**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 from the Auditors that they satisfy the conditions prescribed under the Companies Act, 2013 and the Rules made thereunder (including satisfaction of criteria under Section 141 of the Companies Act, 2013), has been received from them.

**DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy. No complaints were received during the year 2015-16.

**ACKNOWLEDGEMENT**

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

**S. Venkatesan**

**A.N. Raju**

**K Sankarakumar**

**Directors**

Chennai 600 002

Date: 14th May 2016

## Form No. AOC-2

[Pursuant to clause (h) of sub-section (3) of Section 134 of the Act and Rule 8 (2)  
of the Companies (Accounts) Rules, 2014]

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis

**All transactions entered into by the Company during the year with related parties were on an arm's length basis.**

2. Details of material contracts or arrangement or transactions at arm's length basis

- a) Name(s) of the related party and nature of relationship

**Sundaram Finance Limited, Holding Company**

- b) Nature of contracts/arrangements/transactions

**Sourcing Fees and Services Expenses incurred towards distribution and marketing of financial products.**

- c) Duration of the contracts / arrangements/transactions - **One Year**

- d) Salient terms of the contracts or arrangements or transactions including the value, if any:

Service Expenses shall be paid under the following terms:

Cost per unit (Transaction)	₹452/-.
Pre-determined units of Transactions per annum	1,07,000
For every additional unit	₹452/-

Subject to a minimum of ₹40,50,000/- per month.

- e) Date(s) of approval by the Board, if any: **6th May 2015**  
f) Amount paid as advances, if any: **Nil**

**S. Venkatesan**

**A.N. Raju**

**K. Sankarakumar**

Directors

**FORM NO.MGT-9**  
**EXTRACT OF ANNUAL RETURN**  
**as on the financial year ended on 31st March 2016**

[Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12 (1)  
of the Companies (Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS**

(i)	CIN	U67120TN1993PLC025996
(ii)	Registration Date	13-10-1993
(iii)	Name of the Company	Sundaram Finance Distribution Limited
(iv)	Category / Sub-Category of the Company	Limited by Shares, Indian Non-Government Company
(v)	Address of the Registered Office and contact details	No. 21, Patullos Road, Chennai 600002 Sri P Viswanathan 044 28881207 pv@sundaramfinance.in
(vi)	Whether Listed Company Yes / No	No
(vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	Not Applicable

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10% or more of the total turnover of the company shall be stated

Sl. No.	Name and Description of main products / services	NIC Code of the Product / Service	% to total turnover of the company
1	Engaged in the distribution and marketing of financial, savings, loan, investment and insurance products	66 - Other Financial Activities	100%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

Sl. No.	NAME AND ADDRESS OF THE COMPANY	CIN / GLN	HOLDING/ SUBSIDIARY / ASSOCIATE	% of shares held	Applicable Section
1	Sundaram Finance Limited 21, Patullos Road, Chennai - 600002	L65191TN1954PLC002429	Holding	100	2(46)
2	Infreight Logistics Solutions Limited 21, Patullos Road, Chennai - 600002	U72900TN2000PLC063984	Subsidiary	100	2(87)(ii)



#### IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

##### (i) Category-wise Share Holding

	Category of Shareholders	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A.</b>	<b>Promoters</b>									
<b>(1)</b>	<b>Indian</b>									
(a)	Individual/HUF	-	-	-	-	-	-	-	-	-
(b)	Central Govt	-	-	-	-	-	-	-	-	-
(c)	State Govt(s)	-	-	-	-	-	-	-	-	-
(c)	Bodies Corp - Sundaram Finance Limited *	-	5,00,000	5,00,000	100.00	-	5,00,000	5,00,000	100.00	-
(d)	Banks / FI	-	-	-	-	-	-	-	-	-
(e)	Any Other ....	-	-	-	-	-	-	-	-	-
	<b>Sub-Total (A)(1)</b>	-	<b>5,00,000</b>	<b>5,00,000</b>	<b>100.00</b>	-	<b>5,00,000</b>	<b>5,00,000</b>	<b>100.00</b>	-
<b>(2)</b>	<b>Foreign</b>									
(a)	NRIs - Individuals	-	-	-	-	-	-	-	-	-
(b)	Other - Individuals	-	-	-	-	-	-	-	-	-
(c)	Bodies Corp.	-	-	-	-	-	-	-	-	-
(d)	Banks / FI	-	-	-	-	-	-	-	-	-
(e)	Any Other ....	-	-	-	-	-	-	-	-	-
	<b>Sub-Total (A)(2)</b>	-	-	-	-	-	-	-	-	-
	<b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	-	<b>5,00,000</b>	<b>5,00,000</b>	<b>100.00</b>	-	<b>5,00,000</b>	<b>5,00,000</b>	<b>100.00</b>	-
<b>B.</b>	<b>Public Shareholding</b>									
<b>(1)</b>	<b>Institutions</b>									
(a)	Mutual Funds	-	-	-	-	-	-	-	-	-
(b)	Banks / FI	-	-	-	-	-	-	-	-	-
(c)	Central Govt	-	-	-	-	-	-	-	-	-
(d)	State Govt(s)	-	-	-	-	-	-	-	-	-
(e)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
(f)	Insurance Companies	-	-	-	-	-	-	-	-	-
(g)	FII's	-	-	-	-	-	-	-	-	-
(h)	Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
(i)	Any Other - Foreign Portfolio Investors	-	-	-	-	-	-	-	-	-
	<b>Sub- Total (B)(1)</b>	-	-	-	-	-	-	-	-	-

	Category of Shareholders	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>2.</b>	<b>Non- Institutions</b>									
(a)	Bodies Corporate	-	-	-	-	-	-	-	-	-
(i)	Indian	-	-	-	-	-	-	-	-	-
(ii)	Overseas	-	-	-	-	-	-	-	-	-
(b)	Individuals									
i	Individual shareholders holding nominal shares capital up to ₹1 lakh	-	-	-	-	-	-	-	-	-
ii	Individual shareholders holding nominal shares capital in excess of ₹1 lakh	-	-	-	-	-	-	-	-	-
(c)	Others (specify)	-	-	-	-	-	-	-	-	-
	<b>Sub- Total (B)(2)</b>	-	-	-	-	-	-	-	-	-
	<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	-	-	-	-	-	-	-	-	-
(C)	Shares held by Custodian for GD ₹and ADRs	-	-	-	-	-	-	-	-	-
	<b>GRAND TOTAL (A)+(B)+(C)</b>	-	5,00,000	5,00,000	100.00	-	5,00,000	5,00,000	100.00	-

\* Includes 6 shares held by the nominees of Sundaram Finance Limited

### (ii) Shareholding of promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of shares	% of total shares of the company	% of shares pledged / encumbered to total shares	No. of shares	% of total shares of the company	% of shares pledged / encumbered to total shares	
1	Sundaram Finance Limited*	5,00,000	100%	-	5,00,000	100%	-	-
	Total	500000	100%	-	500000	100%	-	-

\* Includes 6 shares held by the nominees of Sundaram Finance Limited

**(iii) Change in Promoters' Shareholding (please specify, if there is no change)**

Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
<b>Sundaram Finance Limited*</b>				
At the beginning of the year	5,00,000	100%	-	-
Increase / Decrease in Promoters Share holding during the year	-	-	-	-
At the end of the Year	-	-	5,00,000	100%

\*Includes 6 shares held by the nominees of Sundaram Finance Limited

**(iv) Shareholding Pattern of top ten shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):**

Name of the Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	NOT APPLICABLE			
Increase / Decrease in Share holding during the year				
At the end of the Year (or on the date of separation, if separated during the year)				

**(v) Shareholding of Directors and Key Managerial Personnel:**

Sl. No.	Name of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	<b>Sri S Venkatesan</b>				
	At the beginning of the year	-	-	-	-
	Increase / Decrease in Share holding during the year	-	-	-	-
	At the end of the Year	-	-	-	-
2	<b>Sri A N Raju *</b>				
	At the beginning of the year	1	-	-	-
	Increase / Decrease in Share holding during the year	-	-	-	-
	At the end of the Year	-	-	1	-
3	<b>Sri K Sankarakumar *</b>				
	At the beginning of the year	1	-	-	-
	Increase / Decrease in Share holding during the year	-	-	-	-
	At the end of the Year	-	-	1	-

\* Held as nominees of Sundaram Finance Limited jointly with others

SUNDARAM FINANCE DISTRIBUTION LIMITED

**V. INDEBTEDNESS**
**Indebtedness of the Company including interest outstanding / accrued but not due for payment**

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>	Nil			
(i) Principal Amount				
(ii) Interest due but not paid				
(iii) Interest accrued but not due				
<b>Total (i + ii + iii)</b>				
<b>Change in Indebtedness during the financial year</b>				
Addition				
Reduction				
<b>Net Change</b>				
<b>Indebtedness at the end of the financial year</b>				
(i) Principal Amount				
(ii) Interest due but not paid				
(iii) Interest accrued but not due				
<b>Total (i + ii + iii)</b>				

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**
**A. Remuneration to Managing Director, Whole-time Directors and / or Manager:**

Sl. No.	Particulars of Remuneration	Name of the MD/WTD/ Manager	Total Amount
1	Gross Salary	NOT APPLICABLE	
	(a) Salary as per provisions contained in Section 17 (1) of the Income-tax Act, 1961		
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961		
	(c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961		
2	Stock Option		
3	Sweat Equity		
4	Commission		
	- as % of profit		
	- others, specify		
5	Others, please specify		
	Total (A)		
	Ceiling as per the Act		

**B. Remuneration to other directors:**

Name of the Directors	Particulars of Remuneration			Total Amount
	Fee for attending board / committee meetings	Commission	Others, please specify	
Independent Directors	Not Applicable			Nil
Total (1)				
Other Non-Executive Directors	Nil			
Sri S Venkatesan				
Sri A N Raju				
Sri K Sankarakumar				
Total (2)				
Total (b) = (1+2)				
Overall Ceiling as per the Act	Not Applicable			

**C. Remuneration to Key Managerial Personnel other than MD/ Manager / WTD**

Sl. No.	Particulars of Remuneration	Company Secretary	CFO	Total Amount
1	Gross Salary	NOT APPLICABLE		
	a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961			
	b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961			
	c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961			
2	Stock Option			
3	Sweat Equity			
4	Commission			
	- as % of profit			
	- others, specify			
5	Others, please specify			
	Total (A)			

**VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:**

There were no penalties / punishment / compounding of offences against the Company, Directors and other Officers in Default during the year ended 31st March 2016.

# Independent Auditors' Report

## To the Members of Sundaram Finance Distribution Limited

### 1. Report on the Financial Statements

We have audited the accompanying financial statements of Sundaram Finance Distribution Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### 2. Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to 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 principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### 3. Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the

accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the 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 financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

### 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

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the Company as at March 31, 2016;

- 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

- i) As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section 11 of section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraph 3 and 4 of the Order.
- ii) As required by Section 143 (3) of the Act, we report that:
  - a) We have sought and 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 it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of the written representations received from the directors as on 31st March, 2016 taken on

record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.

- f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the Operating Effectiveness of such controls, refer to our separate report in "Annexure B"
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. the Company has disclosed the effect of the pending litigations in its financial statements as mentioned in Note 21.3 of the Notes to the accounts;
  - ii. the Company did not have any long term contracts including derivative contracts;
  - iii. there was no amount to be transferred to the Investor Education and Protection Fund by the Company.

For **BRAHMAYYA & CO.,**  
Chartered Accountants  
Firm Regn. No.000511S  
**P. BABU**  
Partner  
Membership No.203358

Place: Chennai  
Date : 14-05-2016

## “Annexure A” 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 any loans secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, clauses (iii) (a), (b) and (c) of paragraph 3 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, the company has not granted any loans, made any investments or provided any guarantee or security as envisaged under Section 185 and Section 186 of the Act, 2013 respectively.
3. The Company has not accepted any deposits from the public.
4. The Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act.
5. i) In our opinion and according to the information and explanations given to us, undisputed statutory dues, including Provident Fund, Income tax, Service tax, cess 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 2016 for a period of more than six months from the date they became payable.  
ii) In our opinion and according to the information and explanations given to us, there are no dues of Service tax which have not been deposited on account of any dispute. The dues in respect of Income tax which have not been deposited on account of dispute are as follows:

Nature of dues	Amount (₹)	Period to which the amount relates	Forum where the dispute is pending
Income Tax	6,46,765/-	Assessment Year 2009-10	CIT (A)

6. The Company does not have any borrowings from banks, financial institutions, government or by issue of debentures.

7. The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) or by way of term loans.
8. 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 by its officers or employees were noticed or reported during the course of our audit.
9. The Company has not incurred any expenditure towards managerial remuneration.
10. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with related parties are in compliance with Section 177 and Section 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards
11. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
12. In our opinion and according to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them.
13. 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 (i), clause (ii), clause (xii) and clause (xvi) of paragraph 3 of the Companies (Auditor’s Report) Order, 2016 is not applicable to the Company for the year

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

**P. BABU**

Partner

Place: Chennai

Date : 14-05-2016

Membership No.203358



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## “Annexure B” to the Auditors’ Report referred to in Paragraph 5 of our Report of even date

Report on the Internal Financial Controls under Clause (i) of Sub-Section 3 of Section 143 of the Companies, Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of Sundaram Finance Distribution Limited (“the Company”) as of 31 March 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

### **Management’s Responsibility for Internal Financial Controls**

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (‘ICAI’). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### **Auditors’ Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained

and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

### **Meaning of Internal Financial Controls over Financial Reporting**

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting

and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **BRAHMAYYA & CO.,**  
Chartered Accountants  
Firm Regn. No.000511S  
**P. BABU**  
Partner  
Membership No.203358

Place: Chennai  
Date : 14-05-2016

# Balance Sheet

## as at 31st March, 2016

(In ₹)

	Note	March 31, 2016	March 31, 2015
<b><u>EQUITY AND LIABILITIES</u></b>			
<b>1) Shareholders' funds</b>			
a) Share Capital	2	50,00,000	50,00,000
b) Reserves and Surplus	3	14,05,00,018	14,25,12,893
c) Money received against share warrants		-	-
		14,55,00,018	14,75,12,893
<b>2) Share application money pending allotment</b>			
		-	-
<b>3) Non-current liabilities</b>			
a) Long Term Borrowings		-	-
b) Deferred Tax Liabilities (Net)		-	-
c) Other Long term liabilities		-	-
d) Long-term provisions	4	7,24,181	11,61,129
		7,24,181	11,61,129
<b>4) Current liabilities</b>			
a) Short Term Borrowings		-	-
b) Trade payables	5	-	-
i) total outstanding due to micro and small enterprises		-	-
ii) total outstanding due of creditors other than micro and small enterprises		10,06,117	13,98,584
c) Other current liabilities		-	-
d) Short-term provisions	6	1,34,65,753	1,64,63,111
		1,44,71,870	1,78,61,695
		<b>16,06,96,069</b>	<b>16,65,35,717</b>
<b><u>ASSETS</u></b>			
<b>1) Non-current assets</b>			
a) Fixed Assets		-	-
i) Tangible assets		-	-
ii) Intangible assets		-	-
iii) Capital work in progress		-	-
iv) Intangible assets under development		-	-
b) Non-current investments	7	3,04,56,862	3,04,56,862
c) Deferred tax assets (net)	8	2,13,542	1,56,600
d) Long-term loans and advances	9	3,96,24,027	3,26,45,230
e) Other non-current assets		-	-
		7,02,94,431	6,32,58,692
<b>2) Current assets</b>			
a) Current investments	10	6,63,92,563	8,54,12,459
b) Inventories		-	-
c) Trade receivables	11	1,52,86,536	1,40,59,830
d) Cash and cash equivalents	12	77,21,869	31,52,878
e) Short term loans and advances	13	8,00,140	5,71,770
f) Other current assets	14	2,00,530	80,088
		9,04,01,638	10,32,77,025
		<b>16,06,96,069</b>	<b>16,65,35,717</b>
<b><u>TOTAL ASSETS</u></b>			

Significant Accounting Policies and Notes to the Accounts - 1 to 21

As per our report of even date attached

For **Brahmayya & Co.,**

Chartered Accountants

Registration Number. 000511S

**P Babu**

Partner

Membership No.203358

Chennai

14th May, 2016

SUNDARAM FINANCE DISTRIBUTION LIMITED

**S Venkatesan**

**A N Raju**

**K Sankarakumar**

Directors

## Statement of Profit and Loss for the Year Ended 31st March, 2016

( In ₹ )

	Note	2015-2016	2014-2015
<b>REVENUE :</b>			
Revenue from Operations	15	7,42,15,382	10,42,65,260
Other income	16	71,90,334	51,91,310
<b>Total Revenue</b>	<b>(A)</b>	<b><u>8,14,05,716</u></b>	<b><u>10,94,56,570</u></b>
<b>EXPENSES:</b>			
Finance Costs	17	77,243	1,771
Employee benefits	18	73,74,851	75,64,476
Administrative and Other expenses	19	6,15,87,674	7,46,97,399
Provisions and Write Off	20	-	(5,62,500)
<b>Total Expenses</b>	<b>(B)</b>	<b><u>6,90,39,768</u></b>	<b><u>8,17,01,146</u></b>
<b>Profit before Tax</b>	<b>(A-B)</b>	<b>1,23,65,948</b>	<b>2,77,55,424</b>
Tax expense:			
Current tax		24,00,000	87,00,000
Deferred tax		(56,942)	(16,972)
		<u>23,43,058</u>	<u>86,83,028</u>
<b>Profit after Tax</b>		<b><u>1,00,22,890</u></b>	<b><u>1,90,72,396</u></b>
Earnings per equity share:			
Weighted average number of shares		5,00,000	5,00,000
Basic		20.05	38.14
Diluted		20.05	38.14
Significant Accounting Policies and Notes to the Accounts - 1 to 21			

As per our report of even date attached  
For **Brahmayya & Co.**,  
Chartered Accountants  
Registration Number: 000511S  
**P Babu**  
Partner  
Membership No.203358  
Chennai  
14th May, 2016

**S Venkatesan**

**A N Raju**

**K Sankarakumar**

Directors

**Annual Report**  
2015-16

# CASH FLOW STATEMENT

( In ₹ )

	2015-16	2014-15
<b>A) CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit	1,00,22,890	1,90,72,396
Add: Provision for Taxation (including Deferred Tax)	<u>23,43,058</u>	<u>86,83,028</u>
	1,23,65,948	2,77,55,424
Finance Costs	77,243	1,771
Less: Interest Income	(2,94,441)	(6,02,276)
Less: Net gain on sale of investments	(66,40,504)	(44,59,877)
Add: Diminution in value of investment	-	(5,62,500)
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>55,08,246</b>	<b>2,21,32,542</b>
(Increase)/Decrease in Long Term Loans and Advances	(88,78,798)	(1,35,06,419)
(Increase)/Decrease in Short Term Loans and Advances	(2,28,370)	74,71,271
(Increase)/Decrease in Trade Receivables	(12,26,708)	2,52,50,356
(Increase) /Decrease in Bank Deposits	(60,00,000)	-
(Increase)/Decrease in Other Current Assets	(1,20,441)	3,72,037
Increase / (Decrease) in Long Term Provisions	(4,36,948)	1,15,712
Increase / (Decrease) in Short Term Provisions	11,583	(2,30,985)
Increase / (Decrease) in Other Current Liabilities	-	(17,107)
Increase (Decrease) in Trade Payables	<u>(3,92,466)</u>	<u>(3,94,515)</u>
Cash generated from Operations	(1,72,72,148)	1,90,60,350
Finance Costs Paid	(77,243)	(1,771)
Direct Taxes Paid	(5,00,000)	(39,00,000)
<b>NET CASH FROM OPERATING ACTIVITIES (A)</b>	<b><u>(1,23,41,145)</u></b>	<b><u>3,72,91,121</u></b>
<b>B) CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Current Investments	(10,50,50,000)	(25,35,77,025)
Sale of Current Investments (net proceeds)	12,40,69,896	21,73,16,463
Interest Received	2,94,442	6,02,276
Net gain/loss on sale of investments	66,40,504	44,59,877
<b>NET CASH FROM INVESTING ACTIVITIES (B)</b>	<b><u>2,59,54,842</u></b>	<b><u>(31,1,98,409)</u></b>
<b>C) CASH FLOW FROM FINANCING ACTIVITIES</b>		
Dividend paid	(1,50,44,706)	(1,75,49,250)
<b>NET CASH FROM FINANCING ACTIVITIES (C)</b>	<b><u>(1,50,44,706)</u></b>	<b><u>(1,75,49,250)</u></b>
<b>Net Increase in Cash and Cash Equivalents (A)+(B)+(C)</b>	<b><u>(14,31,009)</u></b>	<b><u>(1,14,56,538)</u></b>
Cash and Cash Equivalents at the Beginning of the Period	31,58,878	1,46,09,416
Cash and Cash Equivalents at the end of the period	<u>17,21,869</u>	<u>31,52,878</u>
<b>COMPONENTS OF CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>		
Current Account with Banks	17,21,869	31,52,878
Cash, Stamps and Stamp Papers on Hand	-	-
Short Term Deposits	-	-

As per our report of even date attached

For **Brahmayya & Co.,**

Chartered Accountants

Registration Number. 000511S

**P Babu**

Partner

Membership No.203358

Chennai

14th May, 2016

**S Venkatesan**

**A N Raju**

**K Sankarakumar**

Directors

SUNDARAM FINANCE DISTRIBUTION LIMITED

## 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, 2013.

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, insurance commission 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. The expenses and actuarial gain/ loss on account of the above benefit plan is recognized in the Statement of Profit and Loss account on the basis of an actuarial valuation.

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## NOTES TO THE ACCOUNTS (Contd.)

### 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 ₹)

	31.03.2016	31.03.2015
<b>Authorised</b>		
30,00,000 Equity shares of face value of ₹10/- each	<u>3,00,00,000</u>	<u>3,00,00,000</u>
<b>Issued, Subscribed and fully paid up</b>		
5,00,000 Equity Shares of face value of ₹10/- each	<u>50,00,000</u>	<u>50,00,000</u>

	Nos.	Nos.
<b>Reconciliation of number of shares</b>		
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	—	—
<b>Shares outstanding at the end of the year</b>	<b>5,00,000</b>	<b>5,00,000</b>

**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 31.03.2016	No. of Shares	% held as at 31.03.2015
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 ₹)

	31.03.2016		31.03.2015	
<b>a. General Reserve</b>				
Opening balance	13,62,13,240		13,43,06,000	
Add: Transfer from Surplus in the Statement of Profit and Loss	10,00,000		19,07,240	
		13,72,13,240		13,62,13,240
<b>b. Surplus in the Statement of Profit and Loss</b>				
Opening Balance	62,99,653		41,79,203	
Add: Profit for the year from the Statement of Profit and Loss	1,00,22,890		1,90,72,396	
	<b>1,63,22,543</b>		<b>2,32,51,599</b>	
Less: Appropriations				
General Reserve	10,00,000		19,07,240	
Dividend				
Final (Proposed)	1,00,00,000		1,25,00,000	
Dividend Distribution Tax	20,35,765	32,86,778	25,44,706	62,99,653
		<b>14,05,00,018</b>		<b>14,25,12,893</b>

### Note 4

#### LONG TERM PROVISIONS

(In ₹)

	31.03.2016	31.03.2015
Provision for employee benefits	7,24,181	11,61,129

### Note 5

#### TRADE PAYABLES \*

(In ₹)

	31.03.2016	31.03.2015
i) Total outstanding due to micro and small enterprises	-	-
ii) Total outstanding due of creditors other than micro and small enterprises		
- For Expenses	4,91,062	8,14,931
- For Others	5,15,055	5,83,653
	<b>10,06,117</b>	<b>13,98,584</b>

\* 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 ₹)

	31.03.2016	31.03.2015
Provision for employee benefits	14,29,988	14,18,405
Others		
- Proposed Dividend	1,00,00,000	1,25,00,000
- Dividend Distribution Tax	20,35,765	25,44,706
	<u>1,34,65,753</u>	<u>1,64,63,111</u>

**Note 7**
**NON-CURRENT INVESTMENTS**

(In ₹)

	31.03.2016	31.03.2015
a) Investments in Equity Instruments	2,82,81,862	2,82,81,862
b) Investments in Bonds	21,75,000	21,75,000
	<u>3,04,56,862</u>	<u>3,04,56,862</u>

## NOTES TO THE ACCOUNTS (Contd.)

	Face Value (In ₹)	As at 31.03.2016		As at 31.03.2015	
		Holding (Numbers)	Cost (In ₹)	Holding (Numbers)	Cost (In ₹)
<b>a) Investments in Equity Instruments</b>					
i) Subsidiary Companies (Unquoted)					
Infreight Logistics Solutions Limited	10	56,11,200	44,81,615	56,11,200	44,81,615
ii) Other Companies (Unquoted)					
UMW Industries Limited. *	10	78,000	1,560	78,000	1,560
Sundaram BPO India Ltd	10	14,10,250	2,82,80,302	14,10,250	2,82,80,302
<b>TOTAL</b>			<b>3,27,63,477</b>		<b>3,27,63,477</b>
* Investments are carried at other than cost					
Less: Provision for investment - Infreight Logistics Solutions Limited	–	–	44,81,615	–	44,81,615
			<u>2,82,81,862</u>		<u>2,82,81,862</u>
<b>b) Investments in Bonds</b>					
<b>Non-Trade (Quoted)</b>					
8% IRFC Tax Free Bonds, 2012	1,000	2,175	21,75,000	2,175	21,75,000
			<u>21,75,000</u>		<u>21,75,000</u>

(In ₹)

	Cost	Market Value
Aggregate amount of Quoted Investments	21,75,000	23,70,750
Aggregate amount of Unquoted Investments	3,27,63,477	

### Note 8

#### DEFERRED TAX ASSET

(In ₹)

	31.03.2016	31.03.2015
On Investments	1,43,218	1,06,798
On Employee Benefits	70,324	49,802
	<u>2,13,542</u>	<u>1,56,600</u>

**NOTES TO THE ACCOUNTS (Contd.)**
**Note 9**
**LONG-TERM LOANS AND ADVANCES**

(In ₹)

	31.03.2016	31.03.2015
<b>Unsecured, Considered Good</b>		
Advance Income Tax and Tax deducted at source (net of Provision)	3,81,61,320	3,17,35,988
Staff Advances	13,39,788	8,44,220
Other Advances	1,22,919	65,022
<b>Total</b>	<b>3,96,24,027</b>	<b>3,26,45,230</b>

Advance payment of Income Tax and Tax deducted at source is net of provision for Income Tax of ₹2,25,48,488/- and tax paid under dispute of ₹1,72,44,442/- (Previous Year provision for Income Tax ₹3,53,11,651/- and tax paid under dispute ₹ 64,02,564/- respectively)

**Note 10**
**CURRENT INVESTMENTS-OTHERS**

	Face Value (In ₹)	As at 31.03.2016		As at 31.03.2015	
		Holding (Number)	Cost (In ₹)	Holding (Number)	Cost (In ₹)
<b>Unquoted, Valued at cost or fair value whichever is lower</b>					
<b>Investments in Mutual Funds:</b>					
Sundaram Money Fund	10	8,28,307	2,63,92,563	8,66,236	2,54,12,459
Sundaram Money Fund-FTP (Growth)	10	-	-	20,00,000	2,00,00,000
ICICI Prudential Long Term Gilt Fund - Growth	10	8,37,342	4,00,00,000	8,37,342	4,00,00,000
<b>Aggregate amount of Unquoted Investments</b>			<b>6,63,92,563</b>		<b>8,54,12,459</b>

(In ₹)

	Cost	
	31.03.2016	31.03.2015
Aggregate amount of Unquoted Investments	6,63,92,563	8,54,12,459
Less : Provision for diminution	-	-
	<b>6,63,92,563</b>	<b>8,54,12,459</b>

## NOTES TO THE ACCOUNTS (Contd.)

### Note 11

#### TRADE RECEIVABLES

(In ₹)

	31.03.2016	31.03.2015
<b>Unsecured Considered Good</b>		
<b>More than six months</b>	–	–
<b>Less than six months</b>		
Service Income	1,50,93,473	1,39,58,216
Insurance Commission	51,190	1,01,614
Brokerage	1,41,873	-
	<u>1,52,86,536</u>	<u>1,40,59,830</u>

### Note 12

#### CASH AND CASH EQUIVALENTS

(In ₹)

	31.03.2016	31.03.2015
Balances with Banks in Current Accounts	17,21,869	31,52,878
Bank Deposits (upto 12 months maturity)	60,00,000	-
	<u>77,21,869</u>	<u>31,52,878</u>

### Note 13

#### SHORT-TERM LOANS AND ADVANCES

(In ₹)

	31.03.2016	31.03.2015
<b>Unsecured, Considered good</b>		
Service Tax Input Credit	5,07,584	3,26,080
Staff advances	2,83,855	2,39,058
Other advances	8,701	6,632
	<u>8,00,140</u>	<u>5,71,770</u>

### Note 14

#### OTHER CURRENT ASSETS

(In ₹)

	31.03.2016	31.03.2015
Interest Receivable	2,00,530	80,088

**NOTES TO THE ACCOUNTS (Contd.)**
**STATEMENT OF PROFIT AND LOSS**
**Note 15 : REVENUE FROM OPERATIONS:**

(In ₹)

	2015-2016	2014-2015
Service Income	7,18,71,956	10,11,23,836
Insurance Commission	7,03,194	8,74,295
Brokerage	16,40,232	22,67,129
	<b>7,42,15,382</b>	<b>10,42,65,260</b>

**Note 16 : OTHER INCOME**

(In ₹)

	2015-2016	2014-2015
Interest Income	3,90,740	6,63,953
Net gain on sale of Current investments	66,40,504	44,59,877
Other non-operating income	1,59,090	67,480
	<b>71,90,334</b>	<b>51,91,310</b>

**Note 17 : FINANCE COSTS**

(In ₹)

	2015-2016	2014-2015
Interest	77,243	1,771

**Note 18 : EMPLOYEE BENEFITS**

(In ₹)

	2015-2016	2014-2015
Salaries, allowances and Bonus	68,67,965	67,98,842
Company's contribution to Provident Fund and Gratuity	3,05,565	5,05,245
Staff Welfare Expenses	2,01,321	2,60,389
	<b>73,74,851</b>	<b>75,64,476</b>

**Defined Contribution Plan:**

The Company has recognised the following amounts in the statement of Profit and Loss, which are included in Employee benefits in Note No.18

(In ₹)

	2015-16	2014-15	2013-14	2012-13	2011-12
Contribution to Provident Fund	82,616	1,09,379	1,46,665	1,31,322	1,05,478
Contribution to Pension Fund	1,51,425	1,37,859	1,17,772	1,26,510	1,22,080
Contribution to Employees' State Insurance	-	-	-	-	59,321

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

(In ₹)

Description of Benefit Plans		Funded Gratuity	
		2015-16	2014-15
A)	Reconciliation of opening and closing balances of the present value of the defined benefit obligation		
	Opening Balance: Present value of obligation	5,06,612	2,83,051
	Interest cost	40,529	22,644
	Current service cost	82,676	64,196
	Benefits paid	-	(41,525)
	Actuarial (gain)/loss on obligations	(33,524)	1,78,246
	Closing Balance :Present value of obligation	5,96,293	5,06,612
B)	Reconciliation of opening and closing balances of the fair value of plan assets		
	Opening Balance : Fair value of plan assets	5,71,634	3,90,269
	Expected return on plan assets	55,498	42,158
	Contributions made	92,079	1,80,732
	Benefits paid	-	(41,525)
	Actuarial gain/(loss) on plan assets	-	-
	Closing Balance:Fair value of plan assets	7,19,212	5,71,634
C)	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	5,96,293	5,06,612
	Closing Balance : Fair value of plan assets	7,19,212	5,71,634
	Unrecognised past service cost	-	-
	Net Asset/(Liability) recognised in Balance Sheet	1,22,919	65,022
D)	Expenses recognised in the Statement of Profit and Loss		
	Current service cost	82,676	64,196
	Interest cost	40,529	22,644
	Expected return on plan assets	55,498	42,158
	Net actuarial (gain)/loss recognized	(33,524)	1,78,246
	Total Expenses	34,183	2,22,928
E)	Actuarial assumptions *		
	Discount rate	8%	8%
	Expected rate of return on plan assets	8%	8%
	Rate of increase in compensation levels	7%	7%
	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.)**

(In ₹)

	31.03.2016	31.03.2015	31.03.2014	31.03.2013	31.03.2012
Defined Benefit Obligation	5,96,293	5,06,612	2,83,051	2,86,720	1,76,027
Plan Assets	7,19,212	5,71,634	3,90,269	3,08,877	2,12,013
Surplus / (deficit)	1,22,919	65,022	1,07,218	22,157	35,986
Experience adjustments on plan liabilities	(33,524)	1,78,246	(95,064)	45,477	(62,396)
Experience adjustments on plan assets	-	-	-	-	-

The present value of obligation towards compensated absences, as per actuarial certificate, as on 31.03.2016 was ₹2,12,698 (31.03.2015 – ₹1,50,643 ) and is provided in the books of account.

**Other Employee Benefits**

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

(In ₹)

	31.03.2016	31.03.2015	31.03.2014	31.03.2013	31.03.2012
Staff Medical Scheme	92,689	54,414	98,621	81,195	59,614
Employee Assured Bonus Scheme	11,79,329	16,36,119	17,07,555	8,15,598	3,36,368

**Note 19**
**ADMINISTRATIVE AND OTHER EXPENSES**

(In ₹)

	2015-2016	2014-2015
Outsourcing cost	1,18,50,172	2,55,97,002
Service Expenses	4,88,46,014	4,83,04,958
Rates and taxes	5,858	4,369
Miscellaneous expenses	8,85,630	7,91,070
	<b>6,15,87,674</b>	<b>7,46,97,399</b>

**Note 20**
**PROVISIONS AND WRITE OFF (NET)**

(In ₹)

	2015-2016	2014-2015
Diminution in value of investments	-	-
Less: Reversal of diminution in value of investments	-	(5,62,500)
	-	<b>(5,62,500)</b>



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## NOTES TO THE ACCOUNTS (Contd.)

### 21 GENERAL

21.1 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'

21.2 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

##### **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

Sundaram BNP Paribas Fund Services Limited

Sundaram Insurance Broking Services Limited

Sundaram Asset Management Singapore Pte Limited

Sundaram BPO India Limited

Royal Sundaram General Insurance Co. Limited (Effective from 29-Jul-2015)

**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	Subsidiaries	Fellow Subsidiaries	2015-16	2014-15
<b>Expenses</b>					
Sundaram Finance Ltd.					
Sourcing Fees	1,07,267			1,07,267	16,72,958
Service Expenses	4,88,46,014			4,88,46,014	4,83,04,958
Royal Sundaram General Insurance Co. Limited					
Insurance			7,411	7,411	-
<b>Income</b>					
Sundaram Business Services Limited					
Interest on Inter-Corporate loan			-	-	3,77,804
<b>Assets</b>					
<b>Investment in Equity Shares</b>					
Infreight Logistics Solutions Limited		44,81,615		44,81,615	44,81,615
Sundaram BPO India Limited			2,82,80,302	2,82,80,302	2,82,80,302
<b>Inter Corporate loan</b>					
Sundaram Business Services Limited					
- Repayment			-	-	75,00,000
<b>Prepaid Expenses</b>					
Royal Sundaram General Insurance Co. Limited			9,963	9,963	-
<b>Liabilities</b>					
<b>Sundaram Finance Ltd.</b>					
- Equity Share Holdings	50,00,000			50,00,000	50,00,000
- Dividend Payable	1,00,00,000			1,00,00,000	1,25,00,000
- Sourcing Fees payable	-			-	3,01,686

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

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## NOTES TO THE ACCOUNTS (Contd.)

21.3 The pending litigations as on 31st March, 2016 have been compiled by the company and reviewed by the Statutory Auditors. The effect of the current position of the litigations have been evaluated and appropriately considered and disclosed in the financial statements..

21.4 Miscellaneous expenses include Remuneration to Auditors towards: (In ₹)

Audit Fee	2015-2016	2014-2015
Statutory Audit	3,00,000	2,00,000
Tax Audit	75,000	40,000
Certification	20,000	20,000

21.5 Earnings Per Share (Basic and diluted)

		2015-2016	2014-2015
A.	Profit for the year after taxation (in ₹)	1,00,22,890	1,90,72,396
B.	Weighted average no. of equity shares	5,00,000	5,00,000
C.	Basic and diluted earnings per share (A/B) (in ₹)	20.05	38.14
D.	Dividend Proposed/Paid (₹)	1,00,00,000	1,25,00,000
E.	Dividend per share (₹)	20.00	25.00

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

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

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Signatures to notes 1 to 21

As per our report of even date attached  
For **Brahmayya & Co.,**  
Chartered Accountants  
Registration Number. 000511S  
**P Babu**  
Partner  
Membership No.203358  
Chennai  
14th May, 2016

**S Venkatesan**

**A N Raju**

**K Sankarakumar**

Directors

## Form AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

(In ₹)

1	Name of the subsidiary	Infreight Logistics Solutions Limited
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	31.03.2016
3	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	NA
4	Share capital	5,61,12,000.00
5	Reserves & surplus	(10,73,89,267.15)
6	Total assets	4,96,764.85
7	Total Liabilities	5,17,74,032.00
8	Investments	-
9	Turnover	54,783.00
10	Profit before taxation	(2,17,576.06)
11	Provision for taxation	-
12	Profit after taxation	(2,17,576.06)
13	Proposed Dividend	-
14	% of shareholding	100%

As per our report of even date attached  
For **Brahmayya & Co.**,  
Chartered Accountants  
Registration Number: 000511S  
**P Babu**  
Partner  
Membership No.203358  
Chennai  
14th May, 2016

**S Venkatesan**

**A N Raju**

**K Sankarakumar**

Directors

**INFREIGHT LOGISTICS SOLUTIONS LIMITED**

**16th Annual Report  
2015-16**



### **Board of Directors**

Srinivas Acharya

P Viswanathan

S. Sivakumar

### **Audit Committee**

S. Sivakumar

Srinivas Acharya

### **Manager**

Sidhartha Sankar Malla

### **Secretary**

P.N. Srikant

### **Bankers**

HDFC Bank Ltd.

Canara Bank

### **Auditors**

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

### **Registered Office**

21, Patullos Road,  
Chennai 600 002

CIN : U72900TN2000PLC063984

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## **INFREIGHT LOGISTICS SOLUTIONS LIMITED**

A subsidiary of



### **SUNDARAM FINANCE LIMITED**

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## Board's Report

Your Directors have pleasure in presenting the Sixteenth Annual Report and Audited Accounts of the Company for the year ended 31st March, 2016.

The summarised financial results of the Company are given hereunder:

(₹ in lakhs)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Total Income	0.55	0.73
Total Expenditure	2.72	14.07
Profit before Tax	(2.17)	(13.34)
Taxation	–	–
Profit after Tax	(2.17)	(13.34)

### REVIEW OF OPERATIONS

There were no operations during the year under review.

### DIRECTOR

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

During the year, Sri Rahul Lalbhai Mehta, Director resigned from the Board effective 29th April 2016. Your Directors place on record the significant contribution made by him to the deliberations of the Board for over a decade.

### NUMBER OF MEETINGS OF THE BOARD

During the year under review, 4 meetings of the Board of Directors were held.

### DIRECTORS' RESPONSIBILITY STATEMENT

Your directors confirm that:

- i) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;

- ii) the Directors had 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) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- iv) the Directors had prepared the annual accounts on a going concern basis; and
- v) the Directors devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

There were no investments made, loans or guarantees given by the Company during the year ended 31st March 2016.

### RELATED PARTY TRANSACTIONS

During the year, the Company did not enter into any transaction with related parties, i.e., its promoters, Directors, and their relatives under Section 188 of the Companies Act, 2013. Form AOC-2 as required under Sec 134(3)(h) of the Companies Act 2013, read with Rule 8(2) of the Companies (Accounts Rules) 2014, is attached as part of this report vide Annexure A.

### EXTRACT OF ANNUAL RETURN

As required under Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of the Annual Return in Form MGT 9 as on 31st March 2016, is enclosed - Annexure B.



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**INFORMATION AS PER SECTION 134(3)(m) OF THE COMPANIES ACT, 2013**

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 Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are not applicable.

**DEPOSITS**

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

**AUDITORS**

M/s Dharmendra & Co, Chartered Accountants, Mumbai, retire and are eligible for reappointment. A certificate from the Auditors that they satisfy the conditions prescribed under the Companies Act, 2013 and the Rules made thereunder (including satisfaction of criteria under Section 141 of the Companies Act, 2013), has been received from them.

**ACKNOWLEDGEMENT**

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

**Srinivas Acharya**

Chennai 600 002

**P Viswanathan**

Date: 29th April, 2016

**S Sivakumar**

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**ANNEXURE – A**

**Form No. AOC–2**

(Pursuant to clause (h) of sub–section (3) of Section 134 of the Act and Rule 8 (2) of the Companies (Accounts) Rules, 2014)

**Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub–section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto**

1. Details of contracts or arrangements or transactions not at arm's length basis

**All transactions entered into by the Company during the year with related parties were on an arm's length basis.**

2. Details of material contracts or arrangement or transactions at arm's length basis

**The transactions entered into by the Company during the year with related parties on an arm's length basis were not material in nature.**

**Srinivas Acharya**

Chennai 600 002

**P Viswanathan**

Date: 29th April, 2016

**S Sivakumar**

**INFREIGHT LOGISTICS SOLUTIONS LIMITED**

**FORM NO. MGT-9**
**ANNEXURE – B**
**EXTRACT OF ANNUAL RETURN**

as on the financial year ended on 31st March 2016

 [Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12 (1)  
 of the Companies (Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS**

(i)	CIN	U72900TN2000PLC063984
(ii)	Registration Date	25-04-2000
(iii)	Name of the Company	Infreight Logistics Solutions Limited
(iv)	Category / Sub-Category of the Company	Limited by Shares, Indian Non-Government Company
(v)	Address of the Registered Office and contact details	No. 21, Patullos Road, Chennai 600002 Sri P Viswanathan 044 28881207 pv@sundaramfinance.in
(vi)	Whether Listed Company Yes / No	No
(vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	Not Applicable

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10% or more of the total turnover of the company shall be stated

Sl. No.	Name and Description of main products / services	NIC Code of the Product / Service	% to total turnover of the company
1	Carrying on the business of manufacturing, importing, exporting, supplying, installing, maintaining, drawing, designing or otherwise dealing in computers, software, hardware, teaching and training aids, electronic security equipment's telecommunications equipment/systems and other equipment's required for providing systems management.	52 – Warehousing and support activities for transportation	100%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

Sl. No.	NAME AND ADDRESS OF THE COMPANY	CIN / GLN	HOLDING/ SUBSIDIARY / ASSOCIATE	% of shares held	Applicable Section
1	Sundaram Finance Distribution Limited, 21, Patullos Road, Chennai – 600002	U67120TN1993PLC025996	Holding	100.00	2(46)

#### IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

##### (i) Category-wise Share Holding

	Category of Shareholders	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A.</b>	<b>Promoters</b>									
<b>(1)</b>	<b>Indian</b>									
(a)	Individual/HUF	-	-	-	-	-	-	-	-	-
(b)	Central Govt	-	-	-	-	-	-	-	-	-
(c)	State Govt(s)	-	-	-	-	-	-	-	-	-
(d)	Bodies Corp.*	-	56,11,200	56,11,200	100.00	-	56,11,200	56,11,200	100.00	-
(e)	Banks / FI	-	-	-	-	-	-	-	-	-
(f)	Any Other ....	-	-	-	-	-	-	-	-	-
	<b>Sub-Total (A)(1)</b>	-	<b>56,11,200</b>	<b>56,11,200</b>	<b>100.00</b>	-	<b>56,11,200</b>	<b>56,11,200</b>	<b>100.00</b>	-
<b>(2)</b>	<b>Foreign</b>									
(a)	NRIs - Individuals	-	-	-	-	-	-	-	-	-
(b)	Other - Individuals	-	-	-	-	-	-	-	-	-
(c)	Bodies Corp.	-	-	-	-	-	-	-	-	-
(d)	Banks / FI	-	-	-	-	-	-	-	-	-
(e)	Any Other ....	-	-	-	-	-	-	-	-	-
	<b>Sub-Total (A)(2)</b>	-	-	-	-	-	-	-	-	-
	<b>Total shareholding of Promoter (A)= (A)(1)+(A)(2)</b>	-	<b>56,11,200</b>	<b>56,11,200</b>	<b>100.00</b>	-	<b>56,11,200</b>	<b>56,11,200</b>	<b>100.00</b>	-
<b>B.</b>	<b>Public Shareholding</b>									
<b>(1)</b>	<b>Institutions</b>									
(a)	Mutual Funds	-	-	-	-	-	-	-	-	-
(b)	Banks / FI	-	-	-	-	-	-	-	-	-
(c)	Central Govt	-	-	-	-	-	-	-	-	-
(d)	State Govt(s)	-	-	-	-	-	-	-	-	-
(e)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
(f)	Insurance Companies	-	-	-	-	-	-	-	-	-
(g)	FII's	-	-	-	-	-	-	-	-	-
(h)	Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
(i)	Others (Specify)	-	-	-	-	-	-	-	-	-
	<b>Sub-Total (B)(1)</b>	-	-	-	-	-	-	-	-	-
<b>2.</b>	<b>Non-Institutions</b>									
(a)	Bodies Corporate	-	-	-	-	-	-	-	-	-
(i)	Indian	-	-	-	-	-	-	-	-	-
(ii)	Overseas	-	-	-	-	-	-	-	-	-

	Category of Shareholders	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(b)	Individuals	-	-	-	-	-	-	-	-	-
(i)	Individual shareholders holding nominal share capital up to ₹1 lakh	-	-	-	-	-	-	-	-	-
(ii)	Individual shareholders holding nominal share capital in excess of ₹1 lakh	-	-	-	-	-	-	-	-	-
(c)	Others (specify)	-	-	-	-	-	-	-	-	-
	<b>Sub-Total (B)(2)</b>	-	-	-	-	-	-	-	-	-
	<b>Total Public Shareholding (B) = (B)(1)+(B)(2)</b>	-	-	-	-	-	-	-	-	-
(C)	Shares held by Custodian for GDRs and ADRs	-	-	-	-	-	-	-	-	-
	<b>GRAND TOTAL (A)+(B)</b>	-	<b>56,11,200</b>	<b>56,11,200</b>	-	-	<b>56,11,200</b>	<b>56,11,200</b>	<b>100.00</b>	-

\* includes six equity shares held by the nominees of Sundaram Finance Distribution Limited

#### (ii) Shareholding of promoters

Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
	No. of shares	% of total shares of the company	% of shares pledged / encumbered to total shares	No. of shares	% of total shares of the company	% of shares pledged / encumbered to total shares	
Sundaram Finance Distribution Limited*	56,11,200	100.00	-	56,11,200	100.00	-	-
Total	56,11,200	100.00	-	56,11,200	100.00	-	-

\* includes six equity shares held by the nominees of Sundaram Finance Distribution Limited

**(iii) Change in Promoters' Shareholding (please specify, if there is no change)**

Name of the Shareholders		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	At the beginning of the year*	56,11,200	100	–	–
	Increase / Decrease in Promoters Share holding during the year	–	–	–	–
	At the end of the Year	–	–	56,11,200	100

\* includes six equity shares held by the nominees of Sundaram Finance Distribution Limited

**(iv) Shareholding Pattern of top ten shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):**

Name of the Shareholders		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year		Not Applicable			
Increase / Decrease in Promoters Share holding during the year					
At the end of the Year (or on the date of separation, if separated during the year)					

**(v) Shareholding of Directors and Key Managerial Personnel:**

Sl. No.	Name of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Sri Srinivas Acharya* Director				
	At the beginning of the year	1	-	-	-
	Increase / Decrease in Share holding during the year	-	-	-	-
	At the end of the Year	-	-	1	-
2	Sri P Viswanathan* Director				
	At the beginning of the year	1	-	-	-
	Increase / Decrease in Share holding during the year	-	-	-	-
	At the end of the Year	-	-	1	-
3	Sri S Sivakumar* Director				
	At the beginning of the year	1	-	-	-
	Increase / Decrease in Share holding during the year	-	-	-	-
	At the end of the Year	-	-	1	-
4	Sri P N Srikant* Company Secretary				
	At the beginning of the year	1	-	-	-
	Increase / Decrease in Share holding during the year	-	-	-	-
	At the end of the Year	-	-	1	-
5	Sri Sidhartha Sankar Malla Manager				
	At the beginning of the year	-	-	-	-
	Increase / Decrease in Share holding during the year	-	-	-	-
	At the end of the Year	-	-	-	-

\*Held as nominees of Sundaram Finance Distribution Limited jointly with others

## V. INDEBTEDNESS

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>	Nil			
(i) Principal Amount				
(ii) Interest due but not paid				
(iii) Interest accrued but not due				
<b>Total (i + ii + iii)</b>				
<b>Change in Indebtedness during the financial year</b>				
Addition				
Reduction				
Net Change				
<b>Indebtedness at the end of the financial year</b>				
(i) Principal Amount				
(ii) Interest due but not paid				
(iii) Interest accrued but not due				
<b>Total (i + ii + iii)</b>				

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Managing Director, Whole-time Directors and / or Manager:

Sl. No.	Particulars of Remuneration	Name of the MD / WTD / Manager	Total Amount
		Sri Sidhartha Sankar Malla*	
1	Gross Salary	Not Applicable	
	a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961		
	b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961		
	c) Profits in lieu of salary under section 17 (3) of the Income-tax Act, 1961		
2	Stock Option		
3	Sweat Equity		
4	Commission		
	– as % of profit		
	– others, specify		
5	Others, please specify		
	Total (A)		
	Ceiling as per the Act		

\* Sri Sidhartha Sankar Malla, Manager has been nominated by M/s Sundaram Finance Limited the ultimate holding Company and no remuneration is borne by this company.

**B. Remuneration to other directors:**

Sl. No.	Name of the Directors	Fee for attending board / committee meetings	Commission	Others, please specify	Total Amount
1	Independent Directors			Nil	
	Total (1)				
2	Other Non-Executive Directors				
	Sri Srinivas Acharya				
	Sri P Viswanathan				
	Sri S Sivakumar				
	Total (2)			Nil	
	Total Managerial Remuneration				
	Overall Ceiling as per the Act			Not Applicable	

**C. Remuneration to Key Managerial Personnel other than MD/ Manager / WTD**

Sl. No.	Particulars of Remuneration	Company Secretary*	Total Amount
1	Gross Salary		
	a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961		
	b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961		
	c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961		
2	Stock Option		
3	Sweat Equity		Nil
4	Commission		
	– as % of profit		
	– others, specify		
5	Others, please specify		
	Total (A)		

\*The Company Secretary Sri P N Srikant, has been nominated by Sundaram Finance Limited the ultimate holding Company and no remuneration is borne by this Company

**VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:**

There were no penalties / punishment / compounding of offences against the Company, Directors and other Officers in Default during the year ended 31st March 2016.



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# Independent Auditor's Report

To the members of Infreight Logistics Solutions Limited

## **REPORT ON THE STANDALONE FINANCIAL STATEMENTS**

We have audited the accompanying standalone financial statements of Infreight Logistics Solutions Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2016 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.

## **Management's Responsibility for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone 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 principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies, making judgement and estimates that are reasonable and prudent, and design, implementation and maintenance of adequate Internal Financial Controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

## **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial control system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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 of the state of affairs of the Company as at 31st March, 2016, and its loss and its cash flows for the year ended on that date.

## Report on other legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, we report that :
  - a. we have sought and 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 specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e. on the basis of written representations received from the directors as on March 31, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, from being appointed as a director in terms of section 164(2) of the Act.
- f. with respect to Internal Financial Controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"
- g. with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. the Company does not have any pending litigations which would impact its financial position;
  - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. the Company is not required to transfer any fund to the Investor Education and Protection Fund.

**For Dharmendra & Co.,**  
Chartered Accountants  
Firm Registration No – 112827W  
**Dharmendra C. Shah**  
Proprietor  
Membership No. 040234

Place : Mumbai  
Date : 29th April, 2016

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## The Annexure A referred to in our Report of even date to the members of Infreight Logistics Solutions Limited for the year ended 31st March, 2016

As required by Companies (Auditor's Report) Order, 2016 issued by the Ministry of Corporate Affairs, on the basis of checks of the books and records as we considered appropriate and according to the information and explanations given to us during the course of audit, we state as under:-

- i. The Company does not have any fixed assets, accordingly clause (i) (a) to i(c) of the Order are not applicable to the Company for the current year.
- ii. The Company does not have any inventories, accordingly clause (ii) (a) to ii(c) of the Order are not applicable to the Company for the current year.
- iii. The Company has not granted unsecured loans to parties covered in the register maintained under section 189 of the Act, accordingly clause iii(a) to iii(b) of the Order are not applicable to the Company for the current year.
- iv. According to the information and explanations given to us, the Company has not granted any loans, investments, guarantee and security, therefore provisions of section 185 and 186 of the Companies Act, 2013 are not applicable to the Company.
- v. The Company has not accepted any deposits from the public and hence directives of the Reserve Bank of India and the provisions of the Act and Rules framed there under are not applicable to the Company.
- vi. As explained to us, the maintenance of cost records has not been prescribed by the Central Government under section 148(1) of the Act in respect of Company's operations.
- vii. a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, income 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, customs duty, wealth tax, excise duty, service tax and cess not been deposited on account of any dispute.
- viii. The Company has not taken any loan or borrowing from financial institutions or bank or government or debenture holder, accordingly clause viii of the order not applicable to the Company for current year.
- ix. The Company has not raised any money by way of public offer, further public offer (including debt instruments) and term loan during the year.
- x. 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.
- xi. The Company has not paid any managerial remuneration during the year, accordingly clause xi of the order not applicable to the Company for current year.

- xii. The Company is not a Nidhi Company, accordingly clause xii of the order not applicable to the Company for current year.
- xiii. In our opinion and according to the information and explanations given to us, transactions entered by the Company with related parties are in compliance with section 188 of the Act, to the extent applicable. Being an unlisted Company provisions of section 177 of the Act are not applicable. In our opinion, details of transactions with the related parties have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv. According to the information and explanations given to us, the Company has not entered into any non-cash transactions with the Directors or persons connected with.
- xvi. The Company is not required to be registered as Non-banking Finance Company as required under section 45-IA of the Reserve Bank of India Act, 1934.

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

**Dharmendra C. Shah**

Proprietor

Place : Mumbai

Date : 29th April, 2016

Membership No. 040234

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## Annexure B referred to in our Report of even date to the members of Infreight Logistics Solutions Limited for the year ended 31st March, 2016

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act**

We have audited the Internal Financial Controls over financial reporting of Infreight Logistics Solutions Limited (“the Company”) as at March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

### **Management’s Responsibility for Internal Financial Controls**

The Company’s management is responsible for establishing and maintaining Internal Financial Controls based on the internal financial control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (“the ICAI”). These responsibilities include the design, implementation and maintenance of adequate Internal Financial Controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### **Auditor’s Responsibility**

Our responsibility is to express an opinion on the Company’s Internal Financial Controls over financial reporting based on our audit.

We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by the ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of Internal Financial Controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate Internal Financial Controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the Internal Financial Controls system over financial reporting and their operating effectiveness. Our audit of Internal Financial Controls over financial reporting included obtaining an understanding of Internal Financial Controls over financial reporting including obtaining an understanding of Internal Financial Controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

### **Meaning of Internal Financial Controls Over Financial Reporting**

A Company’s Internal Financial Control over financial reporting is a process designed to provide reasonable assurance regarding the

reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's Internal Financial Control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of Internal Financial Controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to

error or fraud may occur and not be detected. Also, projections of any evaluation of the Internal Financial Controls over financial reporting to future periods are subject to the risk that the Internal Financial Control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliances with the policies or procedures may deteriorate.

#### **Opinion**

In our opinion, the Company has, in all material respects, an adequate Internal Financial Controls system over financial reporting and such Internal Financial Controls over financial reporting were operating effectively as at March 31, 2016 based on the internal control over financial reporting criteria established by the Company considering the essential components of Internal Financial Control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

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

**Dharmendra C. Shah**

Place : Mumbai

Proprietor

Date : 29th April, 2016

Membership No. 040234

# Balance Sheet

as at 31st March, 2016

(In ₹)

	Note	31st March, 2016	31st March, 2015
<b>I. EQUITY AND LIABILITIES</b>			
<b>1) Shareholders' funds</b>			
(a) Share capital	2	5,61,12,000.00	5,61,12,000.00
(b) Reserves and surplus	3	(10,73,89,267.15)	(10,71,71,691.07)
(c) Money received against share warrants		—	—
		<u>(5,12,77,267.15)</u>	<u>(5,10,59,691.07)</u>
<b>2) Share application money pending allotment</b>			
		—	—
<b>3) Non-current liabilities</b>			
(a) Long-term borrowings		—	—
(b) Deferred tax liabilities (Net)		—	—
(c) Other Long term liabilities		—	—
(d) Long-term provisions		—	—
		<u>—</u>	<u>—</u>
<b>4) Current liabilities</b>			
(a) Short-term borrowings	4	5,17,00,000.00	5,22,00,000.00
(b) Trade payables		—	—
(c) Other current liabilities	5	74,032.00	1,09,221.00
(d) Short-term provisions		—	—
		<u>5,17,74,032.00</u>	<u>5,23,09,221.00</u>
<b>TOTAL</b>		<u><b>4,96,764.85</b></u>	<u><b>12,49,529.93</b></u>
<b>II. ASSETS</b>			
<b>1) Non-current assets</b>			
(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)		—	—
(d) Long-term loans and advances		—	—
(e) Other non-current assets		—	—
		<u>—</u>	<u>—</u>
<b>2) Current assets</b>			
(a) Current investments		—	—
(b) Inventories		—	—
(c) Trade receivables		—	—
(d) Cash and cash equivalents	6	4,96,764.85	9,37,446.93
(e) Short-term loans and advances	7	—	3,12,083.00
(f) Other current assets		—	—
		<u>4,96,764.85</u>	<u>12,49,529.93</u>
<b>TOTAL</b>		<u><b>4,96,764.85</b></u>	<u><b>12,49,529.93</b></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

**Sidhartha Sankar Malla**  
Manager

**P.N. Srikant**  
Secretary

**Srinivas Acharya**  
**S. Sivakumar**  
**P. Viswanathan**  
Directors

Membership No. - 040234

Place : Mumbai  
Date : 29th April, 2016

Place : Chennai  
Date : 29th April, 2016

INFREIGHT LOGISTICS SOLUTIONS LIMITED

## Statement of Profit and Loss

for the Year Ended 31st March, 2016

(In ₹)

	Note	2015-16	2014-15
I. Revenue from operations		-	-
II. Other income	8	54,783.00	73,038.10
<b>III. Total Revenue (I + II)</b>		<b>54,783.00</b>	<b>73,038.10</b>
IV. Expenses:			
Cost of Services		-	-
Purchases of Stock-in-Trade		-	-
Changes in inventories of finished goods work-in-progress and Stock-in-Trade		-	-
Employee benefits expenses		-	-
Finance costs	9	337.08	-
Depreciation and amortization expense		-	-
Other expenses	10	2,72,022.00	14,07,041.00
<b>Total expenses</b>		<b>2,72,359.08</b>	<b>14,07,041.00</b>
V. (Loss)/ Profit before exceptional and extraordinary items and tax (III-IV)		(2,17,576.08)	(13,34,002.90)
VI. Exceptional items		-	-
VII. (Loss)/ Profit before extraordinary items and tax (V-VI)		(2,17,576.08)	(13,34,002.90)
VIII. Extraordinary Items		-	-
<b>IX. (Loss)/ Profit before tax (VII-VIII)</b>		<b>(2,17,576.08)</b>	<b>(13,34,002.90)</b>
X Tax expense:			
1) Current tax		-	-
2) Deferred tax		-	-
<b>XI (Loss)/ Profit for the period from continuing operations (IX-X)</b>		<b>(2,17,576.08)</b>	<b>(13,34,002.90)</b>
XII (Loss)/ Profit from discontinuing operations		-	-
XIII Tax expense of discontinuing operations		-	-
XIV (Loss)/ Profit from Discontinuing operations (after tax) (XII-XIII)		-	-
<b>XV (Loss)/ Profit for the period (XI + XIV)</b>		<b>(2,17,576.08)</b>	<b>(13,34,002.90)</b>
XVI Earnings per equity share:			
(1) Basic		(0.04)	(0.24)
(2) Diluted		(0.04)	(0.24)
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

**Sidhartha Sankar Malla**  
 Manager

**P.N. Srikant**  
 Secretary

**Srinivas Acharya**  
**S. Sivakumar**  
**P. Viswanathan**  
 Directors

Membership No. - 040234

Place : Mumbai  
 Date : 29th April, 2016

Place : Chennai  
 Date : 29th April, 2016

**Annual Report**  
 2015-16



# Cash Flow Statement

(In ₹)

	2015-16	2014-15
<b>(A) CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit after Tax	(2,17,576.08)	(13,34,002.90)
<b>Adjustments for:</b>		
Loss on Sale of Fixed Assets/Written off	-	3,60,245.00
	(2,17,576.08)	(9,73,757.90)
<b>Changes in Assets &amp; Liabilities:</b>		
(Increase) / Decrease in Trade Receivables	-	4,98,467.00
(Increase) / Decrease in Short term Loans and Advances	3,12,083.00	4,20,455.00
Increase / (Decrease) in Trade Payables	-	(1,73,150.00)
Increase / (Decrease) in other Current liabilities	(35,189.00)	17,253.00
Ajustment on account of Amalgamation in respect of Reseve & Surplus	-	1,31,562.28
<b>Net Cash from Operating Activities (A)</b>	59,317.92	(79,170.62)
<b>(B) CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Non-Current Investments	-	(10,00,000.00)
<b>Net Cash from investing Activities (B)</b>	-	10,00,000.00
<b>(C) CASH FLOW FROM FINANCING ACTIVITIES</b>		
Repayment of Short - term Borrowings	(5,00,000.00)	-
<b>Net Cash from Financing Activities (C)</b>	(5,00,000.00)	-
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A + B + C)</b>	(4,40,682.08)	9,20,829.38
Cash and cash equivalents at the beginning of the year	9,37,446.93	16,617.55
Cash and cash equivalents at the end of the year	4,96,764.85	9,37,446.93
<b>Components of Cash and Cash Equivalents at the year end</b>		
Balances with Banks - in Current Accounts	4,96,764.85	9,37,446.93
Cash on Hand	-	-
	4,96,764.85	9,37,446.93

**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.

For Dharmendra & Co.,  
Chartered Accountants  
Firm Registration No. - 112827W  
Dharmendra C. Shah  
Proprietor

**Sidhartha Sankar Malla**  
Manager

**P.N. Srikant**  
Secretary

**Srinivas Acharya**  
**S. Sivakumar**  
**P. Viswanathan**  
Directors

Membership No. - 040234

Place : Mumbai  
Date : 29th April, 2016

Place : Chennai  
Date : 29th April, 2016

INFREIGHT LOGISTICS SOLUTIONS LIMITED

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## Notes to Financial Statements

### For the Year Ended 31st March, 2016

Note 1

#### Significant Accounting Policies

##### 1.1 Basis of preparation of financial statements

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, 2013.

1.2 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. The assets and liabilities have been classified as non-current and current based on a twelve months of operating cycle.

##### 1.3 Borrowing Cost

Borrowing cost includes interest and amortization of ancillary costs.

##### 1.4 Revenue Recognition

Income and expenditure are accounted on accrual basis.

##### 1.5 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.

## NOTES TO THE ACCOUNTS (Contd.)

### 1.6 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.

### 1.7 Cash & Cash Equivalents

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

### 1.8 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.

## Note 2

### SHARE CAPITAL

(In ₹)

	As at March 31, 2016	As at March 31, 2015
<b>Authorised Capital</b>		
1,01,00,000 (1,01,00,000) Equity Shares of ₹10/- each	<u>10,10,00,000.00</u>	<u>10,10,00,000.00</u>
	10,10,00,000.00	10,10,00,000.00
<b>Issued Subscribed &amp; fully paid up Share Capital</b>		
<b>Equity Share Capital</b>		
56,11,200 (56,11,200) Equity Shares of ₹ 10/- each	<u>5,61,12,000.00</u>	<u>5,61,12,000.00</u>
	<b><u>5,61,12,000.00</u></b>	<b><u>5,61,12,000.00</u></b>

As per the Scheme of Amalgamation of Sundaram Parekh Warehousing Services Limited with the Company, the Authorised Share Capital of Sundaram Parekh Warehousing Services Limited of 1,00,000 Equity Shares of ₹ 10/- each amounting to ₹ 10,00,000/- has been added to the Authorised Share Capital of the Company as 1,00,000 Equity Shares of ₹ 10/- each amounting to ₹ 10,00,000/- financial year ended 31st March 2015 - Refer Note No. 12.

The company has single class of shares - equity shares of face value of ₹ 10 each.

## NOTES TO THE ACCOUNTS (Contd.)

### 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, 2016		As at 31st March, 2015	
	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	<b>56,11,200</b>	<b>5,61,12,000.00</b>	<b>56,11,200</b>	<b>5,61,12,000.00</b>

### 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, 2016			As at 31st March, 2015		
	No. of Shares *	%	₹	No. of Shares	%	₹
Sundaram Finance Distribution Limited	56,11,200	100%	5,61,12,000.00	56,11,200	100%	5,61,12,000.00

\* Including Equity Shares held by nominees.

### 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, 2016			As at 31st March, 2015		
	No. of Shares *	%	₹	No. of Shares	%	₹
Sundaram Finance Distribution Limited	56,11,200	100%	5,61,12,000.00	56,11,200	100%	5,61,12,000.00

\* Including Equity Shares held by nominees.

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

(In ₹)

	As at March 31, 2016	As at March 31, 2015
<b>Statement of Profit &amp; Loss</b>		
At the beginning of the year	(10,71,71,691.07)	(10,59,69,250.45)
Less: Credit balance in profit & loss statement of transferor company	-	1,31,562.28
Less: Capital account of transferor company	-	10,00,000.00
Add: Investment in equity shares in transferor company	-	(10,00,000.00)
Add: (Loss)/ Profit for the year	(2,17,576.08)	(13,34,002.90)
<b>At the end of the year</b>	<b>(10,73,89,267.15)</b>	<b>(10,71,71,691.07)</b>

**Note 4****SHORT – TERM BORROWINGS**

(In ₹)

	As at March 31, 2016	As at March 31, 2015
<b>Unsecured Borrowings</b>		
From Ultimate Holding Company (Refer Related Party Statement)*	5,17,00,000.00	5,22,00,000.00
Total Short Term Borrowings	<u>5,17,00,000.00</u>	<u>5,22,00,000.00</u>
<b>(*Repayment Term is one year from sanction date and renewable for further period and borrowing is interest free.)</b>		

**Note 5****OTHER CURRENT LIABILITIES**

(In ₹)

	As at March 31, 2016	As at March 31, 2015
Expenses Payable	73,932.00	1,07,497.00
Statutory Liabilities Payable	100.00	1,724.00
	<u>74,032.00</u>	<u>1,09,221.00</u>

**Note 6****CASH & BANK BALANCES**

(In ₹)

	As at March 31, 2016	As at March 31, 2015
Cash and Cash Equivalent		
Balances with scheduled banks in current account	4,96,764.85	9,37,446.93
Cash on hand	-	-
	<u>4,96,764.85</u>	<u>9,37,446.93</u>

**Note 7**
**SHORT TERM LOANS & ADVANCES  
(UNSECURED, CONSIDERED GOOD)**

(In ₹)

	As at March 31, 2016	As at March 31, 2015
Other Loans & Advances		
Income Tax (TDS Receivables)	-	3,12,083.00
	<u>-</u>	<u>3,12,083.00</u>

**Note 8**
**OTHER INCOME**

(In ₹)

	FY 2015 - 2016		FY 2014 - 2015	
Interest on Income Tax Refund	37,437.00		7,412.10	
Deposit/Advances/Creditors W/Back	17,346.00	54,783.00	65,626.00	73,038.10
		<u>54,783.00</u>		<u>73,038.10</u>

**Note 9**
**FINANCE COSTS**

(In ₹)

	FY 2015 - 2016		FY 2014 - 2015	
Bank Charges		337.08		-
		<u>337.08</u>		<u>-</u>

## NOTES TO THE ACCOUNTS (Contd.)

### Note 10

#### OTHER EXPENSES

(In ₹)

	FY 2015 - 2016	FY 2014 - 2015
Printing & Stationery	-	6,983.00
Professional Fees & Legal Charges	1,89,311.00	3,66,090.00
Advertisement	-	8,250.00
Auditors' Remuneration (Refer Note (a) below)	18,861.00	48,808.00
Miscellaneous Expenses	63,850.00	90,638.00
Income Tax for Previous Period (For FY 2011-12)	-	27,560.00
Bad Debts	-	4,98,467.00
Loss on Assets written off	-	3,60,245.00
	<b>2,72,022.00</b>	<b>14,07,041.00</b>
<b>a) Details of payments made to auditor :</b>		
<u>As Auditor (Including Service Tax)</u>		
Statutory Audit Fees	17,175.00	34,200.00
<u>In other capacity (Including Service Tax)</u>		
For Other Services	1,686.00	14,608.00
	<b>18,861.00</b>	<b>48,808.00</b>

### Note 11

#### EARNINGS PER SHARE

	FY 2015 - 2016	FY 2014 - 2015
Net (Loss)/ Profit as per Profit and Loss Account (₹)	(2,17,576.08)	(13,34,002.90)
Shares outstanding at the beginning of the year	Nos. 56,11,200	Nos. 56,11,200
Shares issued during the year	-	-
Weighted average number of shares outstanding during the year	Nos. 56,11,200	Nos. 56,11,200
Basic and diluted earnings per share (₹)	(0.04)	(0.24)

## NOTES TO THE ACCOUNTS (Contd.)

### Note 12

#### General

#### **Scheme of Amalgamation between Sundaram Parekh Warehousing Services Limited with the Company under sections 391 and 394 of the Companies Act, 1956, in the immediately preceding financial year 2014-2015.**

On 13th November 2014, the Board of Directors approved a Scheme of Amalgamation ('Scheme') of Sundaram Parekh Warehousing Limited ('Transferor Company') with the Company ('Transferee Company') under sections 391 and 394 of the Companies Act, 1956. In January 2015, the Company filed a petition for approvals of the scheme with the Hon'ble High Court of Madras ('the Court'). The Court approved the Scheme vide its order dated 18th March 2015 with the appointed date (effective date) as 1st April 2014. The certified true copy of the scheme was filed under Form INC-28, with the Registrar of Companies on 1st April 2015 and same was approved on 10th April 2015. The salient features of the Scheme are as follows:

The Transferee Company shall, upon the scheme coming into effect, record the assets and liabilities of the Transferor Company vested in it pursuant to this Scheme at the respective book values thereof at the close of business of the day immediately preceding the appointed date (effective date). The balance in the profit and loss account appearing in the financial statements of the Transferor Company shall be aggregated with the balance in the profit and loss account appearing in the financial statements of the Transferee Company.

All inter-company transactions between Transferor and Transferee Companies from the appointed date (effective date) shall be regarded as intra-company transactions.

From the appointed date (effective date), the authorised share capital of the transferor Company shall stand combined with the authorised share capital of the transferee Company. Upon the Scheme becoming fully effective, the authorised share capital of the Company would be ₹ 10,10,00,000/- divided into 1,01,00,000 equity shares of ₹ 10/- each.

In accordance with the Scheme approved by the Court, the accounting for this amalgamation has been done in the immediately preceding financial year (2014-15) in accordance with the "Pooling of Interest Method" referred to in Accounting Standard 14 - "Accounting for Amalgamation" of the Companies (Accounting Standards) Rules, 2006.

### Note 13

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

### Note 14

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

### Note 15

#### Previous year figures

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



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## NOTES TO THE ACCOUNTS (Contd.)

### Note 16

Estimated amount of contracts remaining to be executed on capital account as well as other commitments, not provided for (net of advances) is ₹ Nil (2015 : ₹ Nil). Contingent liabilities is ₹ Nil (2015 : ₹ Nil).

### Note 17

(In ₹)

	FY 2015 - 2016	FY 2014 - 2015
CIF Value of Imports / Consumption of Materials	Nil	Nil

### Note 18

(In ₹)

	FY 2015 - 2016	FY 2014 - 2015
Earnings in Foreign Currency/ Expenditure in Foreign Currency	Nil	Nil

### Note 19

There are no separate reportable segments as per Accounting Standard AS-17 Segment Reporting

### Note 20

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

**Note 21**

A statement on Transactions with Related Parties is given hereunder as per Accounting Stanadard 18:

Holding Companies	Sundaram Finance Limited Sundaram Finance Distribution 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 Sundaram Insurance Broking Services Limited Sundaram Asset Management Singapore Pte Limited Sundaram BPO India Limited Royal Sundaram General Insurance Co. Limited
Key Management Personnel	Mr. Sidhartha Sankar Malla, Manager Mr. P. N. Srikant, Secretary

Details of transactions with above related parties for the year ended 31.03.2016

(In ₹)

Particulars	Holding Cos.	Subsidiary Co.	Fellow Subsidiary Cos.	Key Management Personnel	Relative of Key Management Personnel	Total Related Parties (FY 2015-2016)	Total Related Parties (FY 2014-2015)
Transactions during the year						-	-
<b>LIABILITIES :</b>							
<b>Inter-corporate Loan Repaid to:</b>							
Sundaram Finance Ltd.	5,00,000.00					5,00,000.00	-
<b>Outstanding Balances at the end of the year</b>							
Inter-corporate Loan							
Sundaram Finance Ltd.	5,17,00,000.00					5,17,00,000.00	5,22,00,000.00

In terms of our report attached

 For Dharmendra & Co.,  
 Chartered Accountants  
 Firm Registration No. - 112827W  
 Dharmendra C. Shah  
 Proprietor

Membership No. - 040234

 Place : Mumbai  
 Date : 29th April, 2016

**Sidhartha Sankar Malla**  
 Manager

**P.N. Srikant**  
 Secretary

**Srinivas Acharya**  
**S. Sivakumar**  
**P. Viswanathan**  
 Directors

 Place : Chennai  
 Date : 29th April, 2016