

SUNDARAM INSURANCE BROKING SERVICES LIMITED

***6th ANNUAL REPORT
2015-2016***

BOARD OF DIRECTORS

Srinivas Acharya

S. Ravindran

S. Sivakumar

BANKERS

State Bank of Travancore

AUDITORS

M/s. Brahmayya & Co., Chennai

Chartered Accountants

REGISTERED OFFICE

21, Patullos Road

Chennai 600 002

Tel: 044-28521181

CIN : U67100TN2010PLC078063

SUNDARAM INSURANCE BROKING SERVICES LIMITED

A wholly-owned subsidiary of



SUNDARAM FINANCE LIMITED

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Boards' Report

Your Directors have pleasure in presenting the Sixth 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 ₹)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Total Revenue	7,63,744	1,98,947
Total Expenses	42,066	57,138
Profit / (Loss) before Tax	7,21,678	1,41,809
Tax expense	2,24,000	42,000
Profit / (Loss) after Tax	4,97,678	99,809

REVIEW OF OPERATIONS

Your Company has not yet commenced its core operations.

DIRECTORS

Sri S Ravindran, 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' RESPONSIBILITIES STATEMENT

Your directors confirm that:

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

- 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;
- the Directors had prepared the annual accounts on a going concern basis; and
- 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

Your Company has Mutual Fund investments to the tune of ₹5.29 lakhs as on 31st March 2016. There were no loans made or guarantees given by the Company

RELATED PARTY TRANSACTIONS

During the year, the Company did not enter into any material transaction with related parties, under Section 188 of the Companies Act, 2013. 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 Section 134 (3) (h) of the Act, 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.

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

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 year under review.

AUDITORS

M/s Brahmaya & 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.

ACKNOWLEDGEMENT

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

Srinivas Acharya

S. Ravindran

S. Sivakumar

Directors

Chennai 600 002

Date: 13th May, 2016

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.

Chennai 600 002

Date: 13th May 2016

Srinivas Acharya

S. Ravindran

S. Sivakumar

Directors

FORM NO.MGT-9**Extract of Annual Return of Sundaram Insurance Broking Services Limited
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	U67100TN2010PLC078063
(ii)	Registration Date	15th November 2010
(iii)	Name of the Company	Sundaram Insurance Broking Services Limited
(iv)	Category / Sub-Category of the Company	Public Company / Company limited by shares
(v)	Address of the Registered Office and contact details	21, Patullos Road, Chennai 600 002 Tel - 044-28521181
(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 Insurance brokers of all kinds of Insurable perils including of Life, Medical and other general insurance and such other business as may be allowed from time to time for the Insurance Brokers under the rules of Insurance Regulatory Development Authority of India (IRDAI).	66 - Other financial activities	Gain on sale of Current investments - 60.52%

* Yet to Start Business - Gain on sale of Mutual Fund investments is shown as other income under Revenues in the Profit and Loss Statement of the Company as on 31st March 2016.

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 Company	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	
A. Promoters										
(1) Indian										
(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	-	-	-	-	-	-	-	-	-
	Sub-Total (A)(1)	-	5,00,000	5,00,000	100.00	-	5,00,000	5,00,000	100.00	-
(2) Foreign										
(a)	NRIs - Individuals	-	-	-	-	-	-	-	-	-
(b)	Other - Individuals	-	-	-	-	-	-	-	-	-
(c)	Bodies Corp.	-	-	-	-	-	-	-	-	-
(d)	Banks / FI	-	-	-	-	-	-	-	-	-
(e)	Any Other	-	-	-	-	-	-	-	-	-
	Sub-Total (A)(2)	-	-	-	-	-	-	-	-	-
	Total shareholding of Promoter (A)= (A)(1)+(A)(2)	-	5,00,000	5,00,000	100.00	-	5,00,000	5,00,000	100.00	-
B. Public Shareholding										
(1) Institutions										
(a)	Mutual Funds	-	-	-	-	-	-	-	-	-
(b)	Banks / FI	-	-	-	-	-	-	-	-	-
(c)	Central Govt	-	-	-	-	-	-	-	-	-
(d)	State Govt(s)	-	-	-	-	-	-	-	-	-
(e)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
(f)	Insurance Companies	-	-	-	-	-	-	-	-	-
(g)	FIs	-	-	-	-	-	-	-	-	-
(h)	Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
(i)	Any Other - Foreign Portfolio Investors	-	-	-	-	-	-	-	-	-
	Sub-Total (B)(1)	-	-	-	-	-	-	-	-	-

	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	
2.	Non- Institutions									
(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)									
	Trusts	-	-	-	-	-	-	-	-	-
	Clearing Members	-	-	-	-	-	-	-	-	-
	Sub-Total (B)(2)	-	-	-	-	-	-	-	-	-
	Total Public Shareholding (B)= (B)(1)+(B)(2)	-	-	-	-	-	-	-	-	-
(C)	Shares held by Custodian for GDRs and ADRs	-	-	-	-	-	-	-	-	-
	GRAND TOTAL (A)+(B)+(C)	-	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	5,00,000	100%	–	5,00,000	100%	–	–

* Includes 6 shares held by the nominees of Sundaram Finance 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
Sundaram Finance Limited				
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 Magerial 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	–	–	–	–
	Increase / Decrease in Share holding during the year	–	–	–	–
	At the end of the Year	–	–	–	–
2	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	–
3	Sri S Ravindran* Director				
	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

V. INDEBTEDNESS

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

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:

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

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

Sl. No.	Particulars of Remuneration	CEO	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	Not Applicable			
3	Sweat Equity	Not Applicable			
4	Commission	Not Applicable			
	- as % of profit				
	- others, specify				
5	Others, please specify	Not Applicable			
	Total (A)	Not Applicable			
	Ceiling as per the Act	Not Applicable			

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 AUDITOR'S REPORT

To the Members of Sundaram Insurance Broking Services Limited

1. Report on the Financial Statements

We have audited the accompanying financial statements of Sundaram Insurance Broking Services 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 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 did not have any pending litigation;
- 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
L. RAVI SANKAR
Partner
Membership No.25929

Place: Chennai
Date : 13-05-2016

“Annexure A” to the Auditor’s 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 loan to its directors and has not made any investment, provided any guarantee or security as envisaged in section 185 and 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 Income tax, and other material statutory dues have been regularly deposited during the year with the appropriate authorities. According to the information and explanations given to us, there are no arrears of statutory dues which are outstanding as at 31st March 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 Income tax which have not been deposited on account of any dispute.
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
L. RAVI SANKAR
Partner
Membership No.25929

Place: Chennai
Date : 13-05-2016

“Annexure B” to the Auditor’s 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 Insurance Broking Services 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
L. RAVI SANKAR
Partner
Membership No.25929

Place: Chennai
Date : 13-05-2016

Balance Sheet

as at 31st March, 2016

(In ₹)

	Note	March 31, 2016	March 31, 2015
I. EQUITY AND LIABILITIES			
1) Shareholders' funds			
a) Share Capital	2	50,00,000	50,00,000
b) Reserves and Surplus	3	14,18,989	9,21,311
c) Money received against share warrants		-	-
		64,18,989	59,21,311
2) Non-current liabilities			
a) Long Term Borrowings		-	-
b) Deferred Tax Liabilities (Net)		-	-
c) Other Long term liabilities		-	-
d) Long-term provisions		-	-
		-	-
3) Current liabilities			
a) Short Term Borrowings		-	-
b) Trade payables	4	-	-
i) total outstanding due to micro and small enterprises		-	-
ii) total outstanding due of creditors other than micro and small enterprises		25,763	25,281
c) Other current liabilities		-	-
d) Short-term provisions		-	-
		25,763	25,281
TOTAL EQUITY AND LIABILITIES		64,44,752	59,46,592
II. ASSETS			
1) Non-current assets			
a) Fixed Assets		-	-
i) Tangible assets		-	-
ii) Intangible assets		-	-
iii) Capital work in progress		-	-
iv) Intangible assets under development		-	-
b) Non-current investments		-	-
c) Deferred tax assets (net)		-	-
d) Long-term loans and advances	5	2,347	84,442
e) Other non-current assets		-	-
		2,347	84,442
2) Current assets			
a) Current investments	6	5,29,459	57,67,241
b) Inventories		-	-
c) Trade receivables		-	-
d) Cash and cash equivalents	7	56,14,165	94,909
e) Short term loans and advances		-	-
f) Other current assets	8	2,98,781	-
		64,42,405	58,62,150
TOTAL ASSETS		64,44,752	59,46,592

As per our report of even date attached

Srinivas Acharya

For **Brahmayya & Co.,**

Chartered Accountants

Registration Number .000511S

S Ravindran

L Ravi Sankar

Partner

Membership No.25929

S Sivakumar

Chennai

13th May 2016

Directors

SUNDARAM INSURANCE BROKING SERVICES LIMITED

Statement of Profit and Loss

for the Year Ended 31st March, 2016

(In ₹)

Note	2015-16	2014-15
REVENUE		
Revenue from operations	-	-
Other income	7,63,744	1,98,947
Total Revenue	<u>7,63,744</u>	<u>1,98,947</u>
EXPENSES		
Finance Costs	-	3,280
Administrative and Other expenses	42,066	53,858
Total Expenses	<u>42,066</u>	<u>57,138</u>
Profit before Tax	7,21,678	1,41,809
Tax expense:		
Current tax	1,82,074	33,000
MAT Credit (Entitlement) / Availed	41,926	9,000
Net Current Tax	2,24,000	42,000
Deferred tax	-	-
	2,24,000	42,000
Profit after tax	<u>4,97,678</u>	<u>99,809</u>
Earnings per equity share:		
Weighted average number of shares	5,00,000	5,00,000
Basic	1.00	0.20
Diluted	1.00	0.20
Significant Accounting Policies and Notes to the Accounts 1 to 12		

As per our report of even date attached
For **Brahmayya & Co.**,
Chartered Accountants
Registration Number .000511S
L Ravi Sankar
Partner
Membership No.25929
Chennai
13th May 2016

Srinivas Acharya

S Ravindran

S Sivakumar

Directors

Cash Flow Statement

(In ₹)

		2015-2016		2014-2015	
A)	<u>CASH FLOW FROM OPERATING ACTIVITIES:</u>				
	Net Profit	4,97,678		99,809	
	Add: Provision for Taxation	2,24,000		42,000	
		7,21,678		1,41,809	
	Finance Costs	-		3,280	
	Less: Interest Income	(3,01,526)		(5,713)	
	Less: Dividend Income	-		(1,774)	
	Less: Net gain on sale of investments	(4,62,218)		(1,91,460)	
	OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		(42,066)		(53,858)
	(Increase) / Decrease in Long Term Loans and Advances	61,095		88,767	
	Increase / (Decrease) in Bank Deposits	(55,00,000)		-	
	Increase / (Decrease) in Other Current Assets	(2,98,781)		-	
	Increase / (Decrease) in Other Current Liabilities	482		-	
	Cash generated from Operations		(57,37,204)		88,767
	Finance Costs Paid		-		(3,280)
	Direct Taxes Paid		(2,03,000)		(87,961)
	NET CASH FROM OPERATING ACTIVITIES	(A)	(59,82,270)		(56,332)
B)	<u>CASH FLOW FROM INVESTING ACTIVITIES</u>				
	Purchase of Current Investments		-		(1,58,00,882)
	Sale of Current Investments		52,37,782		1,56,57,648
	Interest Received		3,01,526		5,713
	Dividend Received		-		1,774
	Net gain/loss on sale of investments		4,62,218		1,91,460
	NET CASH FROM INVESTING ACTIVITIES	(B)	60,01,526		55,713
C)	<u>CASH FLOW FROM FINANCING ACTIVITIES</u>				
	Proceeds from issue of Equity shares		-		-
	NET CASH FROM FINANCING ACTIVITIES	(C)	-		-
	NET INCREASE IN CASH AND CASH EQUIVALENTS	(A)+(B)+(C)	19,256		(619)
	CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		94,909		95,528
	CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		1,14,165		94,909
	COMPONENTS OF CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR				
	Current Account with Banks		1,14,165		94,909

As per our report of even date attached

For **Brahmayya & Co.**,
Chartered Accountants
Registration Number: 000511S
L Ravi Sankar
Partner
Membership No. 25929
Chennai
13th May 2016

Srinivas Acharya

S Ravindran

S Sivakumar

Directors

Notes to the Accounts

1 SIGNIFICANT ACCOUNTING POLICIES

- 1.1 The financial statements are prepared and presented under the historical cost convention on the accrual basis of accounting and comply with the relevant provisions of the Companies Act, 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 and expenditure are accounted on accrual basis.

- 1.3 Valuation of Investments :

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

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

- 1.4 Taxation :

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

- 1.5 Provisions :

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

NOTES TO THE ACCOUNTS (Contd.)

Note 2

Share Capital

(In ₹)

	31.03.2016	31.03.2015
Authorised		
10,00,000 Equity shares of face value of ₹ 10/- each	<u>1,00,00,000</u>	<u>1,00,00,000</u>
Issued, Subscribed and fully paid up		
5,00,000 Equity shares of face value of ₹ 10/- each	<u>50,00,000</u>	<u>50,00,000</u>

Reconciliation of number of shares	Nos.	Nos.
Shares outstanding at the beginning of the year	5,00,000	5,00,000
Add: Shares issued during the year	—	—
Less: Shares bought back during the year	—	—
Shares outstanding at the end of the year	5,00,000	5,00,000

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

Name of the Shareholder	Status	No. of Shares	% held as at 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

Note 3

Reserves and Surplus

(In ₹)

Surplus in the Statement of Profit and Loss	31.03.2016		31.03.2015	
Opening Balance	9,21,311		8,21,502	
Add: Profit for the year from the Profit and Loss statement	4,97,678		99,809	
	<u>14,18,989</u>		<u>9,21,311</u>	
Less : Appropriations				
General Reserve	—		—	
Dividend				
Interim	—		—	
Final (Proposed)	—		—	
Dividend Tax	—		—	
	<u>14,18,989</u>		<u>9,21,311</u>	

NOTES TO THE ACCOUNTS (Contd.)

Note 4

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	25,763	25,281
- For Others	-	-
	<u>25,763</u>	<u>25,281</u>

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

Note 5

Long Term Loans and Advances

(In ₹)

	31.03.2016	31.03.2015
Unsecured considered good		
- Advance Income Tax and TDS	2,347	42,516
- MAT Credit Entitlement	-	41,926
	<u>2,347</u>	<u>84,442</u>

Advance payment of Income Tax and Tax deducted at source is net of provision for Income Tax of ₹ 3,51,209/- (31/03/2015 - Provision for Income Tax ₹ 1,96,000/-)

Note 6

Current investments - Others

	Face Value (In ₹)	As at 31.03.2016		As at 31.03.2015	
		Holding (Number)	Cost (In ₹)	Holding (Number)	Cost (In ₹)
Unquoted, Valued at cost					
Investments in Mutual Funds:					
Sundaram Money Fund - Growth option	10	18,951	5,29,459	2,06,844	57,67,241
Aggregate amount of Unquoted Investments			<u>5,29,459</u>		<u>57,67,241</u>

Note 7

Cash and Cash Equivalents:

(In ₹)

	31.03.2016	31.03.2015
Balances with Banks in Current Accounts	1,14,165	94,909
Bank Deposits (upto 12 months maturity)	55,00,000	-
	<u>56,14,165</u>	<u>94,909</u>

NOTES TO THE ACCOUNTS (Contd.)**Note 8****Other Current Assets**

(In ₹)

	31.03.2016	31.03.2015
Interest Receivable	2,98,781	–

STATEMENT OF PROFIT AND LOSS**Note 9****Other Income**

(In ₹)

	2015-16	2014-15
Interest Receipts	3,01,526	5,713
Gain on sale of Current investments	4,62,218	1,91,460
Dividend Income	–	1,774
	<u>7,63,744</u>	<u>1,98,947</u>

Note 10**Finance Costs**

(In ₹)

	2015-16	2014-15
Interest	–	3,280
	<u>–</u>	<u>3,280</u>

Note 11**Administrative and other expenses**

(In ₹)

	2015-16	2014-15
Audit Fees	25,763	25,281
Printing and Stationery	8,820	6,615
Miscellaneous expenses	7,483	21,962
	<u>42,066</u>	<u>53,858</u>

NOTES TO THE ACCOUNTS (Contd.)

12. GENERAL

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

Related Parties:

Holding Company:

Sundaram Finance Limited

Fellow Subsidiaries:

Sundaram BNP Paribas Home Finance Limited

Sundaram Asset Management Company Limited

Sundaram Trustee Company Limited

Sundaram Finance Distribution Limited

Sundaram Infotech Solutions Limited

Sundaram Business Services Limited

Infreight Logistics Solutions Limited

Sundaram BNP Paribas Fund Services Limited

LGF Services Limited

Sundaram Asset Management Singapore Pte Limited

Sundaram BPO India Limited

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

Related Party Transaction :

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

Nature of Transactions	Holding Company	Fellow Subsidiaries	2015-16	2014-15
Liabilities				
Sundaram Finance Limited				
– Equity Share Capital	50,00,000		50,00,000	50,00,000

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

NOTES TO THE ACCOUNTS (Contd.)

12.2 Earnings per share:

	2015-2016	2014-2015
A. Profit for the year (₹)	4,97,678	99,809
B. Weighted average number of equity shares of ₹ 10/- (in numbers)	5,00,000	5,00,000
C. Basic and Diluted Earnings per share (₹) (A/B)	1.00	0.20

12.3 There are no amounts due to Small Scale Industries in terms of "The Micro, Small and Medium Enterprises Development Act, 2006".

12.4 The company does not have any employees on its rolls.

12.5 Miscellaneous expenses include remuneration to auditors towards:

(In ₹)

	2015-2016	2014-2015
Audit Fee		
Statutory Audit	10,000	10,000
Tax Audit	5,000	5,000
Certification	7,500	7,500

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

Signature to Schedule 1 to 12

As per our report of even date attached
For **Brahmayya & Co.,**
Chartered Accountants
Registration Number : 000511S
L Ravi Sankar
Partner
Membership No. 25929
Chennai
13th May 2016

Srinivas Acharya

S Ravindran

S Sivakumar

Directors