

SUNDARAM INFOTECH SOLUTIONS LIMITED

***7th Annual Report
2011-12***

Board of Directors

T T Srinivasaraghavan

Srinivas Acharya

S Venkatesan

K Swaminathan

Secretary

K Rajagopal

Bankers

State Bank of Travancore

Tamilnad Mercantile Bank Limited

The Hongkong and Shanghai Banking Corporation Limited

Auditors

M/s. Brahmaya & Co.,

Chartered Accountants

Chennai

Registered Office

21, Patullos Road, Chennai 600 002

Corporate Office

Desabandhu Plaza, 2nd Floor

47, Whites Road

Chennai 600 014

Tel : 044 28514066

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SUNDARAM INFOTECH SOLUTIONS LIMITED

A wholly-owned subsidiary of



SUNDARAM FINANCE LIMITED

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Directors' Report

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

The summarised financial results of the Company are given hereunder:

(₹ in lakhs)

| Particulars | Year ended 31.03.2012 | Year ended 31.03.2011 |
|-------------------|--------------------------|--------------------------|
| Total Revenue | 25,42.52 | 21,24.56 |
| Total Expenses | 25,26.55 | 20,43.44 |
| Profit before Tax | 15.97 | 81.12 |
| Less: Taxation | (2.40) | (1.53) |
| Profit after Tax | 18.37 | 82.65 |

REVIEW OF OPERATIONS

Your Company added 14 new clients during the year and made deeper inroads into the Australian market. During the year, your Company made significant progress towards developing the next generation software solution for Lending Companies.

DIRECTOR

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

CHIEF EXECUTIVE OFFICER

Sri Malli J Sivakumar, Chief Executive Officer of your Company, resigned with effect from 1st May 2012 to pursue his personal aspirations. Your Directors wish to place on record his contribution to the Company.

DIRECTORS' RESPONSIBILITY STATEMENT

Your directors confirm that:

- in the preparation of the annual accounts, the applicable accounting standards have been followed;
- they have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent, so as to give a true and fair view of

the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;

- they have taken proper and sufficient care for the maintenance of adequate accounting records, in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- they have prepared the annual accounts on a going-concern basis.

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

Your Company has no activity relating to conservation of energy or technology absorption. During 2011-12, expenditure in foreign currencies amounted to ₹ 387.40 lakhs and foreign currency earnings amounted to ₹ 649.05 lakhs.

PERSONNEL

None of the employees of the Company is in receipt of remuneration in excess of the revised limits prescribed under Section 217(2A) of the Companies Act, 1956.

DEPOSITS

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

AUDITORS

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

ACKNOWLEDGEMENT

Your Directors thank the holding company, Sundaram Finance Ltd. for its support. They also wish to place on record their appreciation of all the employees of the Company for their sincere and dedicated service.

T. T. Srinivasaraghavan
Srinivas Acharya
K. Swaminathan
Directors

Chennai 600 002
Date: 23rd May 2012

Auditors' Report

To the Members of Sundaram Infotech Solutions Limited

1. We have audited the attached Balance Sheet of Sundaram Infotech Solutions Limited, (the Company) as at 31st March 2012, the Profit and Loss Statement and the Cash Flow Statement of the company for the year on that date, annexed thereto which we have signed under reference to this report. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 (together the 'Order') issued by the Central Government in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, (the Act) we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that:
 - i) we have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - ii) in our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books.
 - iii) the Balance Sheet, Profit and Loss Statement and Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - iv) in our opinion, the Balance Sheet, Profit and Loss Statement and the Cash flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956, to the extent applicable.
 - v) on the basis of written representations received from the directors, as on 31st March 2012 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956, and
 - vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - a) in the case of the Balance Sheet, of the state of affairs of the company as at 31st March 2012;
 - b) in the case of the Profit and Loss Statement, of the profit for the year ended on that date; and
 - c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

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

Place : Chennai
Date : 23rd May 2012

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

1. The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets. Fixed assets have been physically verified by the management during the year, which in our opinion is reasonable having regard to the size of the Company and the nature of fixed assets. No discrepancies noticed on such verification. There was no disposal of fixed assets during the year.
2.
 - a) The Inventory has been physically verified during the year by the management. In our opinion, the frequency of physical verification is reasonable compared to inventory level.
 - b) The procedures of physical verification of inventories for the year under review followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
 - c) The company is maintaining records of inventory. No material discrepancies have been noticed on physical verification of stock as compared to the book records.
3.
 - a)
 - i) The Company has taken unsecured loan from one company covered in the register maintained under Section 301 of the Act. The maximum amount involved during the year was ₹ 12,40,00,000/-. The loan was converted into Equity Share Capital during the year.
 - ii) Based on the information and explanations given to us, the rate of interest and other terms and conditions of the loan are prima-facie not prejudicial to the interest of the company.
 - iii) Apart from the above, the company has not taken any loans, secured or unsecured from companies or other parties covered in the register maintained under section 301 of the Companies Act,1956.
 - b) In our opinion and according to the information and explanations given to us, the company has not granted any loan secured or unsecured to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.
Therefore, the provisions of clauses (iii) (a) to (d) of paragraph 4 of the Order are not applicable.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchases of fixed assets and sale of services. During the course of our audit, no major weaknesses have been noticed in the internal controls and therefore the reporting of the same does not arise.
5. In our opinion, and according to the information and explanations given to us, the transactions that need to be entered into a register in pursuance of Section 301 of the Act have been so entered.
6. The company has not accepted deposits from public.
7. The company has an internal audit system, which in our opinion, is commensurate with the size and the nature of its business.
8. The Central Government has not prescribed the maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956.
9.
 - a) According to the records of the company, income tax, sales tax and service tax was regularly deposited during the period with the appropriate authorities.
 - b) According to the information and explanations given to us, there are no undisputed amounts payable in respect of income tax, sales tax and service tax which are outstanding as at 31st March, 2012 for a period of more than six months from the date they become payable.

10. According to the records of the company and the information and explanations given to us, there are no dues of income tax, sales tax and service tax which have not been deposited on account of any dispute.
11. The company has accumulated losses at the end of the financial year and has not incurred loss during the current year.
12. The company has an overdraft facility from a banker. Apart from the above, the company does not have any borrowing from financial institutions or by issue of debentures.
13. According to the information and explanations given to us, the company has not:
 - a) granted loans or advances on the basis of security by way of pledge of shares, debentures and other securities.
 - b) given any guarantees for loan taken by others from banks or financial institutions.
 - c) availed any term loan during the year.
 - d) raised funds during the year.
 - e) issued any debentures during the year.
 - f) raised monies by public issue during the year.
14. The company is not a chit fund / nidhi / mutual benefit fund or society.
15. To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the company was noticed or reported during the year.
16. In our opinion and according to the information and explanations given to us, the nature of the company's business/ activities during the year have been such that clauses xiii, xiv and xviii of paragraph 4 of the Companies (Auditors Report) Order, 2003 are not applicable to the company.

For **BRAHMAYYA & CO.,**

Chartered Accountants

Firm Regn. No.000511S

L. RAVI SANKAR

Partner

Membership No.25929

Place : Chennai

Date : 23rd May 2012

Balance Sheet

as at 31st March, 2012

(In ₹)

| Particulars | Note | As at 31st March 2012 | | As at 31st March 2011 | |
|---|------|-----------------------|---------------------------|-----------------------|---------------------------|
| I. EQUITY AND LIABILITIES | | | | | |
| 1) Shareholders' funds | | | | | |
| a) Share Capital | 2 | 16,40,00,000 | | 4,00,00,000 | |
| b) Reserves and Surplus | 3 | (12,78,87,954) | | (12,97,25,056) | |
| c) Money received against share warrants | | - | 3,61,12,046 | - | (8,97,25,056) |
| 2) Share application money pending allotment | | | - | | - |
| 3) Non-current liabilities | | | | | |
| Long-term borrowings | 4 | 36,57,975 | | 43,77,095 | |
| Deferred tax liabilities (Net) | 5 | 12,392 | | 2,52,126 | |
| Other Long term liabilities | | - | | - | |
| Long-term provisions | 6 | 2,29,383 | 38,99,750 | - | 46,29,221 |
| 4) Current liabilities | | | | | |
| Short-term borrowings | 7 | - | | 13,46,63,484 | |
| Trade payables | 8 | 3,73,32,789 | | 93,25,437 | |
| Other current liabilities | 9 | 1,12,34,421 | | 74,41,480 | |
| Short-term provisions | 10 | 83,10,596 | 5,68,77,806 | 51,14,306 | 15,65,44,707 |
| TOTAL | | | <u>9,68,89,602</u> | | <u>7,14,48,872</u> |
| II. ASSETS | | | | | |
| 1) Non-current assets | | | | | |
| a) Fixed assets | 11 | | | | |
| i) Tangible assets | | 52,15,975 | | 55,80,331 | |
| ii) Intangible assets | | - | | - | |
| iii) Capital work-in-progress | | - | | - | |
| iv) Intangible assets under development | | - | | 1,06,19,769 | |
| b) Non-current investments | | - | | - | |
| c) Deferred tax assets (net) | | - | | - | |
| d) Long-term loans and advances | 12 | 3,57,65,343 | | 2,54,99,671 | |
| e) Other non-current assets | 13 | 4,36,030 | 4,14,17,348 | 4,78,345 | 4,21,78,116 |
| 2) Current assets | | | | | |
| a) Current investments | | - | | - | |
| b) Inventories | 14 | 49,577 | | - | |
| c) Trade receivables | 15 | 2,87,71,633 | | 1,90,72,387 | |
| d) Cash and cash equivalents | 16 | 1,85,10,924 | | 47,25,030 | |
| e) Short-term loans and advances | 17 | 76,38,898 | | 48,31,354 | |
| f) Other current assets | 18 | 5,01,222 | 5,54,72,254 | 6,41,985 | 2,92,70,756 |
| TOTAL | | | <u>9,68,89,602</u> | | <u>7,14,48,872</u> |

Significant Accounting Policies and Notes to the Accounts 1 to 25

As per our report of even date attached

For **Brahmayya & Co.,**
Chartered Accountants
Registration Number: 000511S
L Ravi Sankar

Partner
Membership No. 25929
Chennai
Dated: 23rd May 2012

T T Srinivasaraghavan

Srinivas Acharya

K Rajagopal
Secretary

K Swaminathan
Directors

SUNDARAM INFOTECH SOLUTIONS LIMITED

Profit and Loss Statement

for the Year Ended 31st March, 2012

(In ₹)

| Particulars | Note | 2011-12 | 2010-11 |
|---|---------|---------------------|---------------------|
| REVENUE: | | | |
| Revenue From Operations | 19 | 25,25,77,915 | 21,06,35,520 |
| Other income | 20 | 16,74,383 | 18,20,952 |
| Total Revenue | | 25,42,52,298 | 21,24,56,472 |
| EXPENSES: | | | |
| Cost of purchases | 21 | 8,07,08,876 | 3,31,01,629 |
| Employee benefits expenses | 22 | 13,11,77,282 | 12,01,91,789 |
| Finance expenses | 23 | 36,48,338 | 1,10,24,605 |
| Administrative and other expenses | 24 | 3,53,34,184 | 3,74,11,175 |
| Bad Debts | | - | 6,46,991 |
| Depreciation and amortization expenses | | 17,86,250 | 19,68,126 |
| Total Expenses | | 25,26,54,930 | 2,04,344,315 |
| Profit before tax | | 15,97,368 | 81,12,157 |
| Tax expense: | | | |
| Minimum Alternate Tax | | - | 10,49,526 |
| Deferred tax | | (2,39,734) | (1,53,157) |
| | | (2,39,734) | 8,96,369 |
| Less: MAT Credit Entitlement | | - | 10,49,526 |
| | | (2,39,734) | (1,53,157) |
| Profit after tax for the year from continuing operations | | 18,37,102 | 82,65,314 |
| Earnings per equity share: | | | |
| Face Value per Equity Share (in ₹) | | 10 | 10 |
| Number of Equity Shares | | 1,64,00,000 | 40,00,000 |
| Weighted Average Number of Equity Shares | | 1,34,18,579 | 40,00,000 |
| Basic and Diluted Earnings per share (in ₹) | | 0.14 | 2.07 |
| Significant Accounting Policies and Notes to the Accounts | 1 to 25 | | |

As per our report of even date attached
For **Brahmayya & Co.**,
Chartered Accountants
Registration Number: 000511S
I. Ravi Sankar
Partner
Membership No. 25929
Chennai
Dated: 23rd May 2012

T T Srinivasaraghavan

Srinivas Acharya

K Rajagopal
Secretary

K Swaminathan
Directors

Notes to the Accounts

Note 1

SIGNIFICANT ACCOUNTING POLICIES

- 1.1 The financial statements are prepared and presented under the historical cost convention and on the accrual basis of accounting and comply with the relevant provisions of the Companies Act, 1956.

The preparation of the financial statements in conformity with generally accepted accounting principles requires the use of estimates and assumptions that affect the reported amount of assets and liabilities as at the Balance Sheet date, reported amount of revenues and expenses during the year and disclosure of contingent liabilities as at that date. The estimates and assumption used in these financial statements are based upon the management's evaluation of the relevant facts and circumstances as of the date of the financial statements.

- 1.2 Income Recognition:

Income from sales and services is accounted on accrual basis.

- 1.3 Inventory

Stock-in-trade is valued at lower of cost and net realisable value.

- 1.4 Fixed Assets and Depreciation:

Fixed assets other than assets taken on lease are stated at historical cost less accumulated depreciation.

Depreciation on assets is provided on the Written Down Value Method at rates prescribed in Schedule XIV to the Companies Act, 1956. Assets acquired costing ₹ 5000 or less are written down in the year of acquisition to ₹ 1.

In accordance with AS 19 'Leases', Computer System and Office Equipment taken on finance lease are capitalised and depreciated over the lease period.

- 1.5 Valuation of Investments:

Long-term investments are stated at cost and 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.

- 1.6 Foreign Currency Transactions:

Transactions in foreign currencies are accounted at the prevailing rates of exchange on the date of the transaction. Monetary items denominated in foreign currencies are restated at the prevailing rates of exchange at the Balance Sheet date. Gain or Loss arising out of fluctuations in exchange rates are accounted for in the Profit and Loss Statement.

- 1.7 Employee Benefits:

- A) Short Term Employee Benefits:

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

NOTES TO THE ACCOUNTS (Contd.)

B) Post employment benefits:

Defined Contribution Plan

i) Provident Fund

The Company contributes to a Government administered Provident Fund.

The company also contributes to a government administered Employees Pension Scheme under the Employees Provident Fund Act and Employee's State Insurance schemes on behalf of its employees.

ii) Superannuation

The Company makes fixed contribution as a percentage on salary to the superannuation fund, which is administered by trustees and managed by the Life Insurance Corporation of India (LIC). The above contribution are charged to the Profit and Loss Statement.

Defined Benefit Plan

i) Gratuity

The Company makes an annual contribution to a Gratuity Fund administered by trustees and managed by LIC. The company accounts its liability for future gratuity benefits based on actuarial valuation, as at balance sheet date, determined every year by LIC using the Projected Unit Credit method.

ii) Leave Encashment

Liability on account of encashment of leave of employees is provided on actuarial basis.

The actuarial gain/loss arising in the above benefit plans has been duly recognized in the Profit and Loss Statement.

1.8 Taxation:

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

Deferred Tax Liabilities on the timing difference are fully provided for. Deferred Tax Assets are recognised on the consideration of prudence.

1.9 Intangible Assets:

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

1.10 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 higher of the net selling price of the assets and their value in use.

1.11 Provisions:

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

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

NOTES TO THE ACCOUNTS (Contd.)

Note 2

SHARE CAPITAL

(In ₹)

| Particulars | 31.03.2012 | 31.03.2011 |
|--|--------------|-------------|
| Authorised 1,70,00,000 Equity Shares of ₹ 10/- each | 17,00,00,000 | 4,00,00,000 |
| Issued, Subscribed and fully paid up capital 1,64,00,000 Equity Shares of ₹ 10/- each | 16,40,00,000 | 4,00,00,000 |

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

| Name of the share holder | Status | No. of Shares # | % held as at 31.03.2012 | No. of Shares # | % held as at 31.03.2011 |
|--------------------------|--------------------|-----------------|----------------------------|-----------------|----------------------------|
| Sundaram Finance Ltd | Holding Company | 1,64,00,000 | 100 | 40,00,000 | 100 |

Includes six equity shares held by nominees of Sundaram Finance Ltd.

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

(In ₹)

| Particulars | 31.03.2012 | 31.03.2011 |
|--------------------------------------|-------------|------------|
| Opening number of shares outstanding | 40,00,000 | 40,00,000 |
| Add: Shares issued | 1,24,00,000 | — |
| Less: Shares bought back | — | — |
| Closing number of shares outstanding | 1,64,00,000 | 40,00,000 |

Note 3

RESERVES AND SURPLUS

(In ₹)

| Particulars | Opening as on 01.04.2011 | Addition during the year | Deductions/ Appropriations during the year | Closing balance as on 31.03.2012 |
|---|-----------------------------|-----------------------------|--|-------------------------------------|
| Surplus - Balance in Profit and Loss Statement | (12,97,25,056) | 18,37,102 | — | (12,78,87,954) |

| Particulars | Opening as on 01.04.2010 | Addition during the year | Deductions/ Appropriations during the year | Closing balance as on 31.03.2011 |
|---|-----------------------------|-----------------------------|--|-------------------------------------|
| Surplus - Balance in Profit and Loss Statement | (13,79,90,370) | 82,65,314 | — | (12,97,25,056) |

NOTES TO THE ACCOUNTS (Contd.)

Note 4

LONG TERM BORROWINGS

(In ₹)

| Particulars | 31.03.2012 | 31.03.2011 |
|---|------------|------------|
| Long term maturities of finance lease obligations | 36,57,975 | 43,77,095 |

Disclosure in respect of finance lease contracts as per Accounting Standard - AS 19 - Leases:

(In ₹)

| Period | 31.03.2012 | | 31.03.2011 | |
|---------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | Future Lease payments | Principal Outstanding | Future Lease payments | Principal Outstanding |
| 2 to 5 years | 36,57,975 | 31,56,753 | 43,77,095 | 37,34,931 |
| Above 5 years | Nil | Nil | Nil | Nil |

Note 5

DEFERRED TAX LIABILITIES (NET)

(In ₹)

| Particulars | 31.03.2012 | 31.03.2011 |
|--|---------------|-----------------|
| Depreciation | 5,97,443 | 6,62,893 |
| Less: Deferred Tax Asset - Employee Benefits | 5,85,051 | 4,10,767 |
| | <u>12,392</u> | <u>2,52,126</u> |

Note 6

LONG TERM PROVISIONS

(In ₹)

| Particulars | 31.03.2012 | 31.03.2011 |
|-------------------------|------------|------------|
| Gratuity Fund liability | 2,29,383 | - |

Note 7

SHORT TERM BORROWINGS

(In ₹)

| Particulars | 31.03.2012 | 31.03.2011 |
|----------------------|------------|---------------------|
| Secured | | |
| From Banks* | - | 1,06,63,484 |
| Unsecured | | |
| From Holding Company | - | 12,40,00,000 |
| | <u>-</u> | <u>13,46,63,484</u> |

* Secured by hypothecation of Book debts of the company

Note 8**TRADE PAYABLES**

(In ₹)

| Particulars | 31.03.2012 | 31.03.2011 |
|--------------|--------------------|------------------|
| For expenses | 3,69,80,127 | 88,66,067 |
| For others | 3,52,662 | 4,59,370 |
| | <u>3,73,32,789</u> | <u>93,25,437</u> |

Note 9**OTHER CURRENT LIABILITIES**

(In ₹)

| Particulars | 31.03.2012 | 31.03.2011 |
|---------------------------------|--------------------|------------------|
| Income received in advance | 8,53,409 | 6,52,068 |
| Liability for Leased Assets | 20,58,275 | 20,54,100 |
| TDS payable | 34,70,792 | 19,59,660 |
| Service Tax payable | 8,00,386 | 16,00,636 |
| Sales Tax payable | 6,01,077 | 31,385 |
| Advance received from customers | 34,44,286 | 11,25,110 |
| Others | 6,196 | 18,521 |
| | <u>1,12,34,421</u> | <u>74,41,480</u> |

Note 10**SHORT TERM PROVISIONS**

(In ₹)

| Particulars | 31.03.2012 | 31.03.2011 |
|---------------------------------|------------------|------------------|
| Provision for employee benefits | 83,10,596 | 51,14,306 |
| | <u>83,10,596</u> | <u>51,14,306</u> |

NOTE 11

FIXED ASSETS

(In Rs)

| Description | Gross Block at cost | | | Depreciation | | | Net Block | | | |
|--------------------------------------|----------------------------|----------------------------|-------------|----------------------------|--------------------------|--------------------------|------------|--------------------------|--------------------------|--------------------------|
| | Cost As at 31.03.2011 | Additions | Deductions | Cost As at 31.03.2012 | Upto 31.03.2011 | Additions | Deductions | Upto 31.03.2012 | As at 31.03.2012 | As at 31.03.2011 |
| Tangible Assets | | | | | | | | | | |
| Computer System | 85,92,927 (85,27,089) | 1,28,000 (65,838) | 10,46,196 | 76,74,731 (85,92,927) | 76,86,982 (70,48,183) | 3,92,398 (6,38,799) | 9,79,346 | 71,00,034 (76,86,982) | 5,74,697 (9,05,945) | 9,05,945 (14,78,906) |
| Office Equipment | 4,84,883 (2,35,766) | 80,600 (2,49,117) | 1,00,000 | 4,65,483 (4,84,883) | 2,62,160 (1,95,267) | 1,11,541 (66,893) | 99,974 | 2,73,727 (2,62,160) | 1,91,756 (2,22,723) | 2,22,723 (40,499) |
| Furniture and Fixtures | 1,92,591 (1,22,749) | 1,01,645 (69,842) | - | 2,94,236 (1,92,591) | 1,85,884 (1,14,564) | 68,226 (71,320) | - | 2,54,110 (1,85,884) | 40,126 (6,707) | 6,707 (8,185) |
| Plant and Machinery | 1,25,150 (1,25,150) | 71,089 (-) | - | 1,96,239 (1,25,150) | 57,202 (46,223) | 18,516 (10,979) | - | 75,718 (57,202) | 120,521 (67,948) | 67,948 (78,927) |
| Total | 93,95,551 (90,10,754) | 3,81,334 (3,84,797) | 11,46,196 | 86,30,689 (93,95,551) | 81,92,228 (74,04,237) | 5,90,681 (7,87,991) | 10,79,320 | 77,03,589 (81,92,228) | 927,100 (12,03,323) | 12,03,323 (16,06,517) |
| Tangible Assets (Under Lease) | | | | | | | | | | |
| Computers | 78,26,627 (40,48,306) | 13,06,000 (37,78,321) | 92,600 | 90,40,027 (78,26,627) | 34,88,736 (23,92,235) | 12,80,028 (10,96,501) | 10,766 | 47,57,998 (34,88,736) | 42,82,029 (43,37,891) | 43,37,891 (16,56,071) |
| Office Equipments | 3,01,600 (3,01,600) | - | - | 3,01,600 (3,01,600) | 2,62,483 (2,05,993) | 32,271 (56,490) | - | 2,94,754 (2,62,483) | 6,846 (39,117) | 39,117 (95,607) |
| Total | 81,28,227 (43,49,906) | 13,06,000 (37,78,321) | 92,600 | 93,41,627 (81,28,227) | 37,51,219 (25,98,228) | 13,12,299 (11,52,991) | 10,766 | 50,52,752 (37,51,219) | 42,88,875 (43,77,008) | 43,77,008 (17,51,678) |
| Intangible Assets | | | | | | | | | | |
| Computer Software | 12,81,835 (12,81,835) | - | - | 12,81,835 (12,81,835) | 12,81,835 (10,62,251) | - | - | 12,81,835 (12,81,835) | - | - |
| Intangible assets under development | 1,06,19,769 (-) | 58,33,014 (1,06,19,769) | 1,64,52,783 | - (1,06,19,769) | - | - | - | - | - | - |
| Total | 1,19,01,604 (12,81,835) | 58,33,014 (1,06,19,769) | 1,64,52,783 | 12,81,835 (1,19,01,604) | 12,81,835 (10,62,251) | - | - | 12,81,835 (12,81,835) | - | - |
| Grand Total | 2,94,25,382 | 75,20,348 | 1,76,91,579 | 1,92,54,151 | 1,32,25,282 | 19,02,980 | 10,90,086 | 1,40,38,176 | 52,15,975 | 1,62,00,100 |
| Previous year | | | | | | | | | | |
| Tangible Assets | 1,33,60,660 | 41,63,118 | - | 1,75,23,778 | 1,00,02,465 | 19,40,982 | - | 1,19,43,447 | 55,80,331 | 33,58,195 |
| Intangible Assets | 12,81,835 | 1,06,19,769 | - | 1,19,01,604 | 10,62,251 | 2,19,584 | - | 12,81,835 | 10,619,769 | 2,19,584 |
| Total | 1,46,42,495 | 1,47,82,887 | - | 2,94,25,382 | 1,10,64,716 | 21,60,566 | - | 1,32,25,282 | 1,62,00,100 | 35,77,779 |

Figures in brackets relate to previous year.
Depreciation on assets used for development of Computer Software amounting to ₹1,16,730/- (Previous Year - ₹1,92,440/-) debited to intangible assets under development.

Note 12**LONG-TERM LOANS AND ADVANCES**

(In ₹)

| Particulars | 31.03.2012 | 31.03.2011 |
|---|--------------------|--------------------|
| Advance Tax and Tax Deducted At Source (Net of provision for Taxation)# | 3,40,89,327 | 2,38,23,655 |
| Advance Fringe Benefit Tax (Net of provision)* | 13,842 | 13,842 |
| MAT Credit Entitlement | 16,62,174 | 16,62,174 |
| | <u>3,57,65,343</u> | <u>2,54,99,671</u> |

Advance Tax and TDS receivable is net off of provision for Taxation of ₹ 16,62,174/- (31.03.2011 - ₹ 16,62,174/-)

* Advance Fringe Benefit tax is net off of provision for tax of ₹ 8,25,640/- (31.03.2011 - ₹ 8,25,640/-)

Note 13**OTHER NON - CURRENT ASSETS**

(In ₹)

| Particulars | 31.03.2012 | 31.03.2011 |
|------------------------------------|-----------------|-----------------|
| Others | | |
| Unamortised future finance charges | 4,36,030 | 4,78,345 |
| | <u>4,36,030</u> | <u>4,78,345</u> |

Note 14**INVENTORIES**

(In ₹)

| Particulars | 31.03.2012 | 31.03.2011 |
|------------------|---------------|------------|
| Valued at cost | | |
| Software License | 49,577 | - |
| | <u>49,577</u> | <u>-</u> |

Note 15**TRADE RECEIVABLES**

(In ₹)

| Particulars | 31.03.2012 | 31.03.2011 |
|---|--------------------|--------------------|
| Unsecured, considered good | | |
| Outstanding for a period exceeding six months from due date | 20,47,561 | 5,17,817 |
| Others | 2,67,24,072 | 1,85,54,570 |
| | <u>2,87,71,633</u> | <u>1,90,72,387</u> |

Note 16

CASH AND CASH EQUIVALENTS

(In ₹)

| Particulars | 31.03.2012 | 31.03.2011 |
|--------------|--------------------|------------------|
| Cash on Hand | 4,000 | 4,000 |
| With banks | 1,85,06,924 | 47,21,030 |
| | <u>1,85,10,924</u> | <u>47,25,030</u> |

Note 17

SHORT TERM LOANS AND ADVANCES

(In ₹)

| Particulars | 31.03.2012 | 31.03.2011 |
|----------------------------|------------------|------------------|
| Unsecured, considered good | | |
| Rental deposit | 20,97,007 | 23,87,816 |
| Employees advances | 6,02,203 | 3,05,809 |
| Service Tax input | 7,93,536 | 4,52,576 |
| Advance to suppliers | 21,68,240 | - |
| Prepaid Expenses | 19,30,698 | 11,72,244 |
| Others | 47,214 | 5,12,909 |
| | <u>76,38,898</u> | <u>48,31,354</u> |

Note 18

OTHER CURRENT ASSETS

(In ₹)

| Particulars | 31.03.2012 | 31.03.2011 |
|------------------------------------|-----------------|-----------------|
| Unamortised future finance charges | 5,01,222 | 6,41,985 |
| | <u>5,01,222</u> | <u>6,41,985</u> |

NOTES TO THE ACCOUNTS (Contd.)

Note 19

REVENUE FROM OPERATIONS

(In ₹)

| Particulars | 2011 - 2012 | 2010 - 2011 |
|----------------------------|---------------------|---------------------|
| Sale of | | |
| Hardware Products | 3,29,07,655 | 32,68,270 |
| Software Licenses | 6,07,41,380 | 4,31,44,929 |
| Software Services rendered | 15,89,28,880 | 16,42,22,321 |
| | <u>25,25,77,915</u> | <u>21,06,35,520</u> |

(In ₹)

| REVENUE FROM OPERATIONS INCLUDES | 2011 - 2012 | 2010 - 2011 |
|--|-------------|-------------|
| Net gain on foreign currency transaction and translation | 11,76,726 | 4,26,104 |
| Earnings in Foreign Currency (on actual basis) | | |
| Sale of Software License and Services rendered | 6,49,04,777 | 9,19,50,693 |

Note 20

OTHER INCOME

(In ₹)

| Particulars | 2011 - 2012 | 2010 - 2011 |
|---|------------------|------------------|
| Interest on Income Tax Refund | 3,66,381 | 3,58,656 |
| Dividend Income | 97,728 | — |
| Profit on sale and lease back of assets | 76,211 | 1,33,406 |
| Notice pay received | 9,29,569 | 13,19,380 |
| Miscellaneous Income | 2,04,494 | 9,510 |
| | <u>16,74,383</u> | <u>18,20,952</u> |

Profit arising out of sale and leaseback of fixed assets has been recognised over the lease period in proportion to the depreciation charged on those assets, as required by Accounting Standard - AS 19 - Leases.

NOTES TO THE ACCOUNTS (Contd.)

Note 21

COST OF PURCHASES

(In ₹)

| Particulars | 2011 - 2012 | 2010 - 2011 |
|---|---------------------------|---------------------------|
| Software Licenses | | |
| Opening Stock | - | - |
| Add: Purchase | 4,68,42,984 | 3,00,02,795 |
| Less: Closing Stock | 49,577 | - |
| Total Software License purchases (A) | <u>4,67,93,407</u> | <u>3,00,02,795</u> |
| Hardware Products | | |
| Opening Stock | - | - |
| Add: Purchase | 3,15,43,229 | 30,98,834 |
| Less: Closing Stock | - | - |
| Total Hardware Product purchases (B) | <u>3,15,43,229</u> | <u>30,98,834</u> |
| Cost of services | 23,72,240 | - |
| Total Cost of services (C) | <u>23,72,240</u> | <u>-</u> |
| Total Cost of Purchases (A + B + C) | <u>8,07,08,876</u> | <u>3,31,01,629</u> |

Note 22

EMPLOYEE BENEFIT EXPENSES

(In ₹)

| Particulars | 2011 - 2012 | 2010 - 2011 |
|--|----------------------------|----------------------------|
| Salaries, allowances and bonus | 12,53,55,829 | 11,58,87,884 |
| Companies contribution to Provident Fund, Employees' State Insurance scheme, Gratuity Fund | 44,66,102 | 30,85,807 |
| Staff welfare expenses | 13,55,351 | 12,18,098 |
| | <u>13,11,77,282</u> | <u>12,01,91,789</u> |

Note 23

FINANCIAL EXPENSES

(In ₹)

| Particulars | 2011 - 2012 | 2010 - 2011 |
|-----------------------|-------------------------|---------------------------|
| Interest expense | 33,26,759 | 1,07,21,937 |
| Other Borrowing costs | 3,21,579 | 3,02,668 |
| | <u>36,48,338</u> | <u>1,10,24,605</u> |

Note 24**ADMINISTRATIVE AND OTHER EXPENSES**

(In ₹)

| Particulars | 2011 - 2012 | 2010 - 2011 |
|--------------------------------|--------------------|--------------------|
| Rent | 65,60,326 | 34,31,387 |
| Lease Rent | 5,50,583 | 3,68,455 |
| Communication expenses | 7,60,789 | 6,34,756 |
| Electricity expenses | 19,39,866 | 19,13,015 |
| Travelling and conveyance | 1,49,48,823 | 1,88,15,425 |
| Insurance | 5,56,068 | 4,92,135 |
| Repairs and Maintenance | 43,59,463 | 14,29,810 |
| Professional fees | 17,42,573 | 62,92,874 |
| Rates and Taxes | 8,01,281 | 96,829 |
| Loss on sale of Tangible Asset | 1,24,617 | — |
| Miscellaneous expenses * | 29,89,795 | 39,36,489 |
| | 3,53,34,184 | 3,74,11,175 |

* Miscellaneous expenses include Remuneration to Auditors towards:

| Particulars | 2011 - 2012 | 2010 - 2011 |
|-----------------|-------------|-------------|
| Statutory Audit | 60,000 | 50,000 |
| Tax Audit | 20,000 | 15,000 |
| Certification | 50,000 | 50,000 |

NOTE 25**GENERAL**

25.1 Employee Benefits:

i) Defined Contribution Plan:

(In ₹)

| Company Contribution to | 2011-12 | 2010-11 | 2009-10 | 2008-09 |
|-------------------------------|-----------|-----------|-----------|----------|
| a) Provident Fund | 13,16,772 | 14,17,475 | 10,91,033 | 9,38,956 |
| b) Pension Fund | 12,40,371 | 13,75,175 | 10,75,946 | 9,52,807 |
| c) Employees' State Insurance | 2,83,831 | 2,87,682 | 67,643 | 57,099 |
| d) Superannuation Fund | 2,12,176 | 2,05,244 | 1,69,371 | 1,32,377 |

ii) Defined Benefit Plan:

Gratuity

A. Reconciliation of opening and closing balances of present value of the defined benefit obligation. (In ₹)

| Particulars | 2011-12 | 2010-11 |
|---|-------------------------|-------------------------|
| Present value of obligations as at beginning of the year | 25,16,671 | 17,51,662 |
| Interest cost | 2,01,334 | 1,40,133 |
| Current service cost | 6,41,581 | 5,02,766 |
| Benefits paid | (6,53,019) | (76,523) |
| Actuarial loss on obligation | 4,60,455 | 1,98,633 |
| Present value of obligations as at the end of the year | <u>31,67,022</u> | <u>25,16,671</u> |

B. Reconciliation of opening and closing balances of fair value of plan assets fund maintained by LIC

| Particulars | 2011-12 | 2010-11 |
|--|-------------------------|-------------------------|
| Fair value of plan assets as at beginning of the year | 27,42,325 | 24,36,863 |
| Expected return on plan assets | 2,55,672 | 2,22,840 |
| Contributions | 5,92,661 | 1,59,145 |
| Benefits paid | (6,53,019) | (96,523) |
| Actuarial gain on plan assets | - | - |
| Fair value of plan assets as at the end of the year | <u>29,37,639</u> | <u>27,42,325</u> |

C. Reconciliation of present value of defined benefit obligation and fair value of plan assets to the assets and liabilities

| Particulars | 2011-12 | 2010-11 |
|--|------------------------|------------------------|
| Present value of obligations as at the end of the year | 31,67,022 | 25,16,671 |
| Fair value of plan assets as at the end of the year | 29,37,639 | 27,42,325 |
| Net liability recognised in the balance sheet | <u>2,29,383</u> | <u>2,25,654</u> |

D. Expenses recognised in the profit and loss statement

| Particulars | 2011-12 | 2010-11 |
|---|-------------------------|------------------------|
| Current Service cost | 6,41,581 | 5,02,766 |
| Interest Cost | 2,01,334 | 1,40,133 |
| Expected return of plan assets | (2,55,672) | (2,22,840) |
| Net Actuarial(Gain) / loss recognized in the year | 4,60,455 | 1,98,633 |
| Expenses to be recognized in the profit and loss statement | <u>10,47,698</u> | <u>6,18,692</u> |

E. Details showing fair value of plan assets

(In ₹)

| Particulars | 2011-12 | 2010-11 |
|--|------------------|------------------|
| Fair value of plan assets as at beginning of the year | 27,42,325 | 24,36,863 |
| Actual return on plan assets | 2,55,672 | 2,22,840 |
| Contributions | 5,92,661 | 1,59,145 |
| Benefits paid | (6,53,019) | (76,523) |
| Fair value of plan assets as at the end of the year | 29,37,639 | 27,42,325 |

F. Actuarial gain / (Loss) recognised

| Particulars | 2011-12 | 2010-11 |
|---|-------------------|-------------------|
| Actuarial gain / (loss) on obligation | 4,60,455 | 1,98,633 |
| Actuarial gain / (loss) on plan assets | — | — |
| Total gain / (loss) for the year | (4,60,455) | (1,98,633) |
| Actuarial gain / (loss) recognised in the year | (4,60,455) | (1,98,633) |

G. Actuarial assumptions

| Particulars | 2011-12 | 2010-11 |
|-----------------------|-------------|-------------|
| Discount Rate | 8.0% | 8.0% |
| Salary Increment | 6.0% | 6.0% |
| Return on plan assets | 9.2% | 9.0% |
| Attrition rate | 1-3% | 1-3% |

Mortality rates

Based on LIC (1994-1996)

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.

Amount for the current and previous three years as follows:

(In ₹)

| Particulars | 2011-12 | 2010-11 | 2009-10 | 2008-09 |
|--|------------|-----------|-----------|----------|
| Defined Benefit Obligation | 31,67,022 | 25,16,671 | 17,51,662 | 9,88,871 |
| Plan Assets | 29,37,639 | 27,42,325 | 24,36,863 | 8,64,688 |
| Surplus / (Deficit) | (2,29,383) | 2,25,654 | 6,85,201 | 1,54,183 |
| Experience adjustments on plan liabilities | 4,60,455 | 1,98,633 | 3,37,839 | 54,575 |
| Experience adjustments on plan assets | — | — | — | 4,810 |

25.2 The accounts of the company have been prepared on a “going concern” basis as the management is continuing with its initiatives for productivity improvement, pricing and cost control measures which are likely to have a further favourable impact on the financial position of the company.

25.3 Related Party disclosures: In accordance with the AS 18 - ‘Related Party Disclosures’, the details of related parties and the transactions with related parties are given below.

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

LGF Services Limited

Sundaram Business Services Limited

Infreight Logistics Solutions Limited

Professional Management Consultants Limited

Sundaram BNP Paribas Fund Services Limited

Sundaram Parekh Warehousing Services Limited

Sundaram Insurance Broking Services Limited

Caltec Servicez Private Limited

Associate:

Sundaram Mutual Fund

Key Management Personnel:

Mr. Malli J. Sivakumar, Chief Executive Officer.

The nature and volume of transactions of the company for the year ended 31.03.2012, with the related parties are as follows.

| Nature of Transactions | Holding Company | | Fellow Subsidiaries | | Associate | | Total | |
|--|---------------------|--------------------|---------------------|-------------------|-----------|----------|---------------------|--------------------|
| | 2011-12 | 2010-11 | 2011-12 | 2010-11 | 2011-12 | 2010-11 | 2011-12 | 2010-11 |
| INCOME | | | | | | | | |
| Revenue from Operations | | | | | | | | |
| Sundaram Finance Limited | 12,17,32,218 | 9,41,86,497 | | | | | 12,17,32,218 | 9,41,86,497 |
| Sundaram BNP Paribas Fund Services Limited | | | 38,52,000 | 27,88,935 | – | – | 38,52,000 | 27,88,935 |
| Sundaram BNP Paribas Home Finance Limited | | | 2,95,66,415 | 1,98,450 | – | – | 2,95,66,415 | 1,98,450 |
| Sundaram Business Services Limited | | | 9,88,050 | – | – | – | 9,88,050 | – |
| Total | 12,17,32,218 | 9,41,86,497 | 3,44,06,465 | 29,87,385 | – | – | 15,61,38,683 | 9,71,73,882 |
| EXPENSES | | | | | | | | |
| Lease Rent & Branch Rent | | | | | | | | |
| Sundaram Finance Limited | 24,35,967 | 15,53,815 | | | | | 24,35,967 | 15,53,815 |
| Internal Audit fee, other expenses | | | | | | | | |
| Sundaram Finance Limited | 3,81,433 | 6,61,304 | | | | | 3,81,433 | 6,61,304 |
| Payroll Processing | | | | | | | | |
| Sundaram Business Services Limited | | | 1,45,500 | 1,58,776 | | | 1,45,500 | 1,58,776 |
| Interest | | | | | | | | |
| Sundaram Finance Limited | 24,12,240 | 99,46,521 | | | | | 24,12,240 | 99,46,521 |
| Total | 52,29,640 | 1,21,61,640 | 1,45,500 | 1,58,776 | – | – | 53,75,140 | 1,23,20,416 |
| ASSETS | | | | | | | | |
| Income Receivables as on 31.03.2012 | | | | | | | | |
| Sundaram Finance Limited | 1,49,95,738 | 11,88,759 | | | | | 1,49,95,738 | 11,88,759 |
| Sundaram BNP Paribas Fund Services Limited | | | 1,92,800 | (7,31,289) | | | 1,92,800 | (7,31,289) |
| Advance | | | | | | | | |
| Sundaram Finance Limited | 19,95,000 | – | | | | | 19,95,000 | – |
| Total | 1,69,90,738 | 11,88,759 | 1,92,800 | (7,31,289) | – | – | 1,71,83,538 | 4,57,470 |
| LIABILITIES | | | | | | | | |
| Payroll Processing charges Outstanding as on 31.03.2012 | | | | | | | | |
| Sundaram Business Services Limited | | | 9,600 | 14,725 | | | 9,600 | 14,725 |
| Total | – | – | 9,600 | 14,725 | – | – | 9,600 | 14,725 |

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

SUNDARAM INFOTECH SOLUTIONS LIMITED

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

25.5 Earnings per share (Basic and Diluted): (In ₹)

| Particulars | 2011-12 | 2010-11 |
|--|-------------|-----------|
| A. Profit for the year after taxation (In ₹) | 18,37,102 | 82,65,314 |
| B. Total weighted average number of equity shares of ₹ 10/- each outstanding at the end of the year (in numbers) | 1,34,18,579 | 40,00,000 |
| C. Basic and diluted earnings per share (A/B) | 0.14 | 2.07 |

25.6 Expenditure in Foreign currency (on accrual basis): (In ₹)

| Particulars | 2011-12 | 2010-11 |
|--|-------------|-------------|
| Professional and consultancy fee | 11,64,800 | 45,29,795 |
| Purchase of Hardware Products | 18,87,040 | 30,98,835 |
| Subscription to Association | 1,22,476 | 29,464 |
| Other matters – Purchase of Software, Marketing, travelling etc. | 3,55,65,486 | 3,07,84,430 |

25.7 The presentation in the balance sheet, profit and loss statement and notes to the accounts has been in terms of revised Schedule VI to the Companies Act, 1956, which has become mandatory with effect from 01/04/2011. Previous year's figures have been regrouped/reclassified wherever necessary to conform to the current year's presentation.

25.8 Figures have been rounded off to the nearest rupee.

Signatures to Notes 1 to 25

As per our report of even date attached
 For **Brahmayya & Co.**,
 Chartered Accountants
 Registration Number: 000511S
L Ravi Sankar
 Partner
 Membership No. 25929
 Chennai
 Dated:23rd May 2012

T T Srinivasaraghavan

Srinivas Acharya

K Rajagopal
 Secretary

K Swaminathan
 Directors

Cash Flow Statement for the year ended 31.03.2012

(In ₹)

| | 2011-2012 | 2010-2011 | |
|---|----------------------|----------------------|--------------------|
| A) CASH FLOW FROM OPERATING ACTIVITIES: | | | |
| Net Profit | 18,37,102 | 82,65,314 | |
| Provision for Taxation | (2,39,734) | (1,53,157) | |
| | 15,97,368 | 81,12,157 | |
| Add: Financial Expenses | 36,48,338 | 1,10,24,605 | 191,36,762 |
| Depreciation | | 17,86,250 | 19,68,126 |
| Interest Received | | 3,66,381 | 3,58,656 |
| Dividend Received | | 97,728 | - |
| Operating Profit Before Working Capital Changes | 65,67,847 | 2,07,46,232 | |
| (Increase) Decrease in other non-current assets | 42,315 | (2,67,437) | |
| (Increase) Decrease in Inventories | (49,577) | - | |
| (Increase) Decrease in Trade Receivables | (96,99,246) | 38,58,103 | |
| (Increase) Decrease in short-term loans and advances | (28,07,544) | (13,31,660) | |
| (Increase) Decrease in Long-term loans and advances | (102,65,672) | (89,90,210) | |
| (Increase) Decrease in other current assets | 1,40,763 | (4,22,858) | |
| Increase (Decrease) in Long-term borrowings | (7,19,120) | 22,84,465 | |
| Increase (Decrease) in Long-term provisions | 2,29,383 | - | |
| Increase (Decrease) in Trade payable | 2,80,07,352 | 35,14,926 | |
| Increase (Decrease) in other current liabilities | 37,92,941 | (11,95,472) | |
| Increase (Decrease) in Short-term provisions | 31,96,290 | (12,09,271) | (37,59,414) |
| Cash generated from Operations | 1,84,35,732 | 1,69,86,818 | |
| Financial Expenses | 36,48,338 | 1,10,24,605 | |
| Direct Taxes Paid | - | - | |
| NET CASH FROM OPERATING ACTIVITIES (A) | 1,47,87,394 | 59,62,213 | |
| B) CASH FLOW FROM INVESTING ACTIVITIES | | | |
| Purchase of Fixed Assets | (91,97,875) | 1,45,90,447 | |
| Purchase of Investments | 3,29,00,000 | - | |
| Sale of Investments | 3,29,00,000 | - | |
| Interest Received | 3,66,381 | 3,58,656 | |
| Dividend Received | 97,728 | - | |
| NET CASH FROM INVESTING ACTIVITIES (B) | 96,61,984 | (1,42,31,791) | |
| C) CASH FROM FINANCING ACTIVITIES | | | |
| Proceeds from issue of Equity Shares | 12,40,00,000 | - | |
| Increase (Decrease) in short term borrowings | (13,46,63,484) | 96,63,484 | |
| NET CASH FROM FINANCING ACTIVITIES (C) | (1,06,63,484) | 96,63,484 | |
| NET INCREASE IN CASH AND CASH EQUIVALENTS (A)+(B)+(C) | 1,37,85,894 | 13,93,906 | |
| CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR | 47,25,030 | 33,31,124 | |
| CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR | 1,85,10,924 | 47,25,030 | |
| 1) COMPONENTS OF CASH AND CASH EQUIVALENTS | | | |
| AT THE END OF THE YEAR | | | |
| Current Account with Banks | 1,79,61,646 | 44,62,981 | |
| Effect of Foreign Exchange rates on Cash and Cash Equivalents | 5,45,278 | 2,58,049 | |
| Cash, Stamps and Stamp Papers on Hand | 4,000 | 4,000 | |
| | 1,85,10,924 | 47,25,030 | |

As per our report of even date attached

For **Brahmayya & Co.**,
Chartered Accountants
Registration Number: 000511S

L Ravi Sankar
Partner
Membership No. 25929

Chennai
Dated: 23rd May 2012

SUNDARAM INFOTECH SOLUTIONS LIMITED

T T Srinivasaraghavan

Srinivas Acharya

K Rajagopal
Secretary

K Swaminathan
Directors