



*SUNDARAM FINANCE DISTRIBUTION LIMITED*





## **Board of Directors**

S Venkatesan

Moahan Ananda Venkatesan

G C Rangan

## **Bankers**

State Bank of Travancore

ICICI Bank

## **Auditors**

M/s. Brahmaya & Co., Chennai  
Chartered Accountants

## **Registered Office**

21, Patullos Road, Chennai 600 002



**SUNDARAM FINANCE DISTRIBUTION LIMITED**

A wholly-owned subsidiary of



**SUNDARAM FINANCE**  
*Enduring values. New age thinking.*

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## Directors' Report

Your Directors' present the Tenth Annual Report and Audited Accounts for the year ended 31<sup>st</sup> March, 2004.

### FINANCIAL RESULTS

	(Rs. in Lakhs)	
	Year Ended	
	31.03.2004	31.03.2003
Profit after tax	38.42	58.43
Add: (Deficit)/Surplus of Previous Year	55.33	(3.10)
Surplus carried to Balance Sheet	93.75	55.33

### BUSINESS REVIEW

Considering the Insurance Regulatory and Development Authority's Regulations for issue of licence as an insurance broker/agent, your company opted for a corporate agency and accordingly changed its Objects Clause in order to engage in the distribution of financial products and act as an insurance agent. The name of the company was, accordingly, changed to '**Sundaram Finance Distribution Ltd**' in December 2003. Thereafter, your company obtained a composite licence to act as an agent in respect of both life and general insurance.

Your company commenced its operations as a corporate agent of National Insurance Company Ltd in December 2003 and earned a commission income of Rs.37.00 lakhs. Your company has since entered into an agreement with SBI Life Insurance Company Ltd in May 2004 for distribution of life insurance products.

Your company has drawn up plans to expand its distribution activities by adding more financial products apart from widening its ambit of distribution of both Life and General Insurance products.

With a view to conserving resources and building up reserves, your Directors do not recommend any dividend for the year.

### DIRECTORS

Sri. Moahan Ananda Venkatesan, Director, retires by rotation and being eligible offers himself for re-election.

### DIRECTORS' RESPONSIBILITY STATEMENT

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

- i) that in the preparation of the annual accounts, the applicable accounting standards had been followed;
- ii) that they had selected such accounting policies and applied them consistently and made judgements and estimates that are

reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;

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

### SECRETARIAL COMPLIANCE CERTIFICATE

In accordance with Section 383A of the Companies Act, 1956, the Secretarial Compliance Certificate is attached with this report.

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

Your Company has no activity relating to conservation of energy or technology absorption. Your Company did not have any foreign exchange earnings or outgo during the year.

### PERSONNEL

None of the employees of the Company is in receipt of remuneration in excess of 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.

Chennai 600 002

Date : 22<sup>nd</sup> May 2004

S Venkatesan

Moahan Ananda Venkatesan

G C Rangan

*Directors*

## Secretarial Compliance Certificate

Name of the Company : SUNDARAM FINANCE DISTRIBUTION LIMITED  
 Registration No. : U67120TN1993PLC25996  
 Authorized Capital : Rs.3,00,00,000/-  
 Paid-up Capital : Rs.1,50,00,000/-

To,  
 The Members  
 Sundaram Finance Distribution Limited  
 21, Patullos Road  
 Chennai – 600 002.

We have examined the registers, records, books and papers of **SUNDARAM FINANCE DISTRIBUTION LIMITED** (the Company) as required to be maintained under the Companies Act, 1956, (the Act) and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on **31<sup>st</sup> March 2004**. In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the Company, its officers and agents, we certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions and the rules made thereunder and all entries therein have been duly recorded.
2. The Company has filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities within the time prescribed under the Act and the rules made thereunder.
3. The Company is a Public Limited Company and has the minimum prescribed paid up capital.
4. The Board of Directors duly met Six (6) times on 11<sup>th</sup> April 2003, 27<sup>th</sup> May 2003, 25<sup>th</sup> September 2003, 17<sup>th</sup> November 2003, 2<sup>nd</sup> February 2004 and 22<sup>nd</sup> March 2004 in respect of which meetings proper notices were given and proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.
5. The Company was not required to close its Register of Members during the financial year ended 31<sup>st</sup> March 2004.
6. The Ninth Annual General Meeting for the financial year ended 31<sup>st</sup> March, 2003 was held on 23<sup>rd</sup> June 2003 after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in the Minutes Book maintained for the purpose.
7. Two Extra-Ordinary General Meetings were held on 11<sup>th</sup> April 2003 and 17<sup>th</sup> November 2003 during the financial year ended 31<sup>st</sup> March 2004, after giving shorter notice to the members of the Company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
8. The Company has not advanced any loans or given any guarantees or provided any securities to its directors or persons or firms or companies referred to under Section 295 of the Act.
9. The Company has not entered into any contract falling within the purview of Section 297 of the Act.
10. The Company was not required to make any entries in the register maintained under Section 301 of the Act.
11. As there were no instances falling within the purview of Section 314 of the Act, the Company has not obtained any approvals from the Board of Directors, Members or Central Government.
12. The Company has not issued any duplicate share certificates during the financial year ended 31<sup>st</sup> March 2004.
13. The Company:
  - i) has not effected any allotment / transfer/ transmission of securities during the financial year ended 31<sup>st</sup> March 2004.
  - ii) has not deposited any amount in a separate bank account as no dividend was declared during the financial year ended 31<sup>st</sup> March 2004.
  - iii) was not required to post warrants to any member of the Company as no dividend was declared during the financial year ended 31<sup>st</sup> March 2004.
  - iv) has not declared any dividend, issued any shares or debentures and has not accepted any deposits. Hence, the question of transfer of dividend to unpaid dividend account, application money due for refund, matured deposits, matured debentures and the interest accrued thereon which have remained unclaimed or unpaid for a period of seven years to Investor Education and Protection Fund does not arise.
  - v) has duly complied with the requirements of Section 217 of the Act.

14. The Board of Directors of the Company is duly constituted. There was no appointment of alternate director or director to fill casual vacancy during the financial year under review. The appointment of Shri. G.C.Rangan as Director in the Annual General Meeting held on 23<sup>rd</sup> June 2003, who was earlier appointed as Additional Director, has been duly made.
15. The Company has not appointed any Managing Director / Whole-time Director / Manager during the financial year under review.
16. The Company has not appointed any sole selling agent during the financial year ended 31<sup>st</sup> March 2004.
17. The Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director and / or such authorities prescribed under the various provisions of the Act during the financial year ended 31<sup>st</sup> March 2004.  
The Company has obtained the approval of the Registrar of Companies, as detailed below:
- i) Change of Name of the Company from Sundaram Finance Securities Limited to Sundaram Insurance Broking Limited vide Fresh Certificate of Incorporation issued on 21<sup>st</sup> May 2003;
  - ii) Change of Name of the Company from Sundaram Insurance Broking Limited to Sundaram Finance Distribution Limited vide Fresh Certificate of Incorporation issued on 5<sup>th</sup> December 2003.
18. The Directors have disclosed their interest in other firms/ companies to the Board of Directors pursuant to the provisions of the Act and the rules made thereunder.
19. The Company has not issued any shares, debentures or other securities during the financial year ended 31<sup>st</sup> March 2004.
20. The Company has not bought back any shares during the financial year and hence the question of complying with the buy back provisions does not arise.
21. The Company has no preference share capital and has not issued debentures and hence the question of redemption of preference shares/ debentures during the financial year does not arise.
22. There were no transactions necessitating the Company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. The Company has not invited / accepted any deposits including any unsecured loans falling within the purview of Section 58A during the financial year ended 31<sup>st</sup> March 2004.
24. The Company has not made any borrowings during the financial year ended 31<sup>st</sup> March 2004.
25. The Company has not made any loans and investments or given guarantees or provided securities to other bodies corporate and consequently no entries have been made in the Register kept for the purpose.
26. The Company has not altered the provisions of the Memorandum of Association with respect to situation of the Company's registered office from one State to another during the financial year under scrutiny.
27. The Company has altered the provisions of the Memorandum of Association with respect to the objects of the Company and necessary resolution under Section 17 of the Act was passed at a duly convened Extra-ordinary General meeting of the shareholders of the company on 17<sup>th</sup> November 2003 during the year under scrutiny and complied with the provisions of the Act.
28. The Company has altered the provisions of the Memorandum of Association with respect to name of the Company twice from Sundaram Finance Securities Limited to Sundaram Insurance Broking Limited with effect from 21<sup>st</sup> May 2003 and again from Sundaram Insurance Broking Limited to Sundaram Finance Distribution Limited with effect from 5<sup>th</sup> December 2003 during the year under scrutiny and complied with the provisions of the Act.
29. The Company has not altered the provisions of the Memorandum of Association with respect to share capital of the Company during the financial year under scrutiny.
30. The Company has altered its Articles of Association after obtaining approval of members at the Extra-ordinary General Meeting of the shareholders of the company held on 11<sup>th</sup> April 2003 and at the 9<sup>th</sup> Annual General Meeting held on 23<sup>rd</sup> June 2003 and the amendments to the Articles of Association have been duly filed with the Registrar of Companies, Chennai.
31. There was no prosecution initiated against or show cause notices received by the Company and no fines or penalties or any other punishment was imposed on the Company during the financial year, for offences under the Act.
32. The Company has not received any money as security from its employees during the financial year ended 31<sup>st</sup> March 2004.
33. According to the information and explanations given to us, the company has deposited both employee's and employer's contribution to Provident Fund with prescribed authorities pursuant to Section 418 of the Act.

Place: Chennai  
Date: 17<sup>th</sup> May 2004

for **R. Sridharan & Associates**  
Company Secretaries

**R. SRIDHARAN**  
Partner  
C.P.No. 3239



## Annexure A to Secretarial Compliance Certificate

Registers as maintained by the Company during the financial year ending on 31<sup>st</sup> March, 2004

Sl. No.	Section Number	Name of the Register
1.	-	Share Transfer Register
2.	150	Register of Members
3.	193	Minutes of the meetings of Board of Directors
4.	193	Minutes of the meetings of the Members
5.	303	Register of Directors
6.	307	Register of Directors' Shareholding
7.	372A	Register of Investments / Loans /Guarantees and Securities
8.	-	Board Meeting Attendance Register
9.	-	General Meeting Attendance Register
10.	-	Common Seal Register

Place : Chennai

Date : 17<sup>th</sup> May 2004

for **R. Sridharan & Associates**

Company Secretaries

**R. SRIDHARAN**

Partner

C.P.No. 3239



## Annexure B to Secretarial Compliance Certificate

Returns/ Documents/ Forms filed with the Registrar of Companies, Regional Director,  
Central Government or other authorities during the financial year ended 31<sup>st</sup> March 2004

### REGISTRAR OF COMPANIES

Sl. No.	Form No.	Relevant Section	Description
1.	32	303	Resignation of Shri.S.Viji, Shri. T.T. Srinivasaraghavan and Shri. Srinivas Acharya from the Board and Appointment of Shri. G.C.Rangan as Additional Director with effect from 28 <sup>th</sup> March 2003.
2.	-	21	Application for change of name from Sundaram Finance Securities Limited to Sundaram Insurance Broking Limited.
3.	29	264	Consent to act as Director given by Shri. G.C. Rangan.
4.	23	192	Special Resolution for alteration in the main object by substituting Clause 1 of the Memorandum of Association of the Company.
5.	23	192	Special Resolution for alteration in the Articles of Association by substituting Article 2 of the Company under Section 31 of the Companies Act, 1956
6.	23	192	Special Resolution for alteration in the Articles of Association by substituting Article 9 of the Company under Section 31 of the Companies Act, 1956
7.	Sch VI	220	Balance Sheet for the financial year ended 31 <sup>st</sup> March 2003.
8.	32	303	Appointment of Shri. G.C.Rangan as Director with effect from 23 <sup>rd</sup> June 2003.
9.	Sch V	159	Annual Return made upto 23 <sup>rd</sup> June 2003 (Date of AGM).
10.	-	383A	Compliance Certificate issued by Ms. Malini Seshadri, Practicing Company Secretary, for the financial year ended 31 <sup>st</sup> March 2003.
11.	1A	-	Application for availability for name
12.	23	192	Special Resolution for change in the main objects by substituting clause 1 of the Memorandum of Association of the Company.
13.	-	21	Application for change of name from Sundaram Insurance Broking Limited to Sundaram Finance Distribution Limited.

REGIONAL DIRECTOR

NIL

CENTRAL GOVERNMENT & OTHER AUTHORITIES

NIL

Place : Chennai  
Date : 17<sup>th</sup> May 2004

for **R. Sridharan & Associates**  
Company Secretaries

**R. SRIDHARAN**

Partner

C.P.No. 3239

## Auditors' Report

TO THE SHAREHOLDERS OF SUNDARAM FINANCE DISTRIBUTION LIMITED.

1. We have audited the attached balance sheet of M/s. Sundaram Finance Distribution Limited, as at 31st March 2004, and also the profit and loss account and the cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that:
  - (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (ii) In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books.
    - (iii) The balance sheet, profit and loss account and cash flow statement dealt with by this report are in agreement with the books of account.
    - (iv) In our opinion, the balance sheet, profit and loss account and 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 2004 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March 2004 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
    - (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 2004;
      - (b) in the case of the profit and loss account, of the profit for the year ended on that date; and
      - (c) in the case of the cash flow statement, of the cash flows for the year ended on that date.

**For BRAHMAYYA & CO.,**  
Chartered Accountants

Chennai  
22<sup>nd</sup> May, 2004

**P.BABU**  
Partner  
Membership No. 203358

## 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 were noticed on such verification. Fixed Assets disposed off during the year were not substantial.
2. In our opinion and according to the information and explanations given to us, the company has not granted or taken any loan secured or unsecured to or from companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956.
3. 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. 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.
4. In our opinion, and according to the information and explanations given to us, there are no transactions that need to be entered into a Register in pursuance of Section 301 of the Companies Act, 1956.
5. The company has not accepted deposits from public.
6. The company has an internal audit system, which in our opinion, is commensurate with the size and the nature of its business.
7. The Central Government has not prescribed the maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956.
8.
  - a) According to the records of the company, income tax was regularly deposited during the year with the appropriate authorities.
  - b) According to the information and explanations given to us, there are no undisputed amounts payable in respect of income tax, which are outstanding as at 31<sup>st</sup> March, 2004 for a period of more than six months from the date they become payable.
9. According to the records of the company and the information and explanations given to us, there are no dues of income tax which have not been deposited on account of any dispute.
10. The company does not have any accumulated losses at the end of the financial year and has not incurred cash losses during the current and immediately preceding financial years.
11. The company does not have any borrowing from financial institutions, banks or by issue of debentures.
12. 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.
  - f) raised monies by public issue during the year.
13. The company is not a chit fund / nidhi / mutual benefit fund or society.
14. Based on our examination of records and information and explanations given to us, proper records have been maintained of the transactions and contracts relating to dealing in securities and timely entries have been made therein. The shares and securities have been held by the company in its own name.
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 ii, xiii, and xviii of paragraph 4 of the Companies (Auditors' Report) Order, 2003 are not applicable to the company.

**For BRAHMAYYA & CO.,**  
Chartered Accountants

Chennai  
22<sup>nd</sup> May, 2004

**P.BABU**  
Partner

Membership No. 203358

## Balance Sheet

as at 31st March, 2004

		31.03.2004		31.03.2003
	Schedule	Rs.		Rs.
<b>I SOURCES OF FUNDS:</b>				
<b>1. Shareholders' Funds</b>				
a) Capital	1	1,50,00,000		1,50,00,000
b) Reserves and Surplus	2	93,74,556		55,32,571
		2,43,74,556		2,05,32,571
<b>2. Loan Funds</b>				
a) Secured Loans		-		-
b) Unsecured Loans		-		-
<b>Total</b>		2,43,74,556		2,05,32,571
<b>II APPLICATIONS OF FUNDS:</b>				
<b>1. Fixed Assets</b>				
a) Gross Block	3	8,04,670		8,06,182
b) Less: Depreciation		7,62,684		7,36,205
c) Net Block		41,986		69,977
<b>2. Investments</b>				
	4	2,12,76,834		1,79,62,811
<b>3. Deferred Tax Asset</b>				
		6,88,171		10,44,388
<b>4. Current Assets, Loans and Advances</b>				
a) Current Assets	5	33,75,336		7,59,717
b) Loans and Advances	6	3,06,929		7,29,274
	(A)	36,82,265		14,88,991
<b>Less:</b>				
Current Liabilities	7	13,14,700		44,505
	(B)	13,14,700		44,505
Net Current Assets	(A-B)	23,67,565		14,44,486
<b>5. Miscellaneous expenditure</b> (to the extent not written off or adjusted)				
Preliminary Expenses	8	-		10,909
<b>Total</b>		2,43,74,556		2,05,32,571
Notes to the accounts	13			

As per our report of even date attached

For **Brahmayya & Co.,**  
Chartered Accountants

**S Venkatesan**  
Director

**Moahan Ananda Venkatesan**  
Director

**G C Rangan**  
Director

**P Babu**

Partner

Membership No. 203358

Chennai

22nd May, 2004

## Profit and Loss Account

for the Year Ended 31st March, 2004

	Schedule	2003-2004 Rs.	2002-2003 Rs.
<b><u>INCOME:</u></b>			
Income from Operations	9	41,90,974	1,02,69,670
Other Income	10	24,99,318	4,14,241
<b>Total</b>	<b>(A)</b>	<b><u>66,90,292</u></b>	<b><u>1,06,83,911</u></b>
<b><u>EXPENDITURE:</u></b>			
Establishment Expenses	11	-	5,14,924
Administrative and Other Expenses	12	13,68,190	7,25,377
Preliminary Expenses written off		10,909	10,910
<b>Total</b>	<b>(B)</b>	<b><u>13,79,099</u></b>	<b><u>12,51,211</u></b>
<b>Gross Profit</b>	<b>(A-B)</b>	<b>53,11,193</b>	<b>94,32,700</b>
<b><u>Less:</u></b>			
Depreciation		27,991	1,51,272
Provision for Taxation			
- Current		10,85,000	12,25,000
- Deferred		3,56,217	22,13,710
		<u>14,69,208</u>	<u>35,89,982</u>
<b>Net Profit</b>		<b><u>38,41,985</u></b>	<b><u>58,42,718</u></b>
Balance brought forward from previous year		55,32,571	(3,10,147)
Amount available for Appropriation		<u>93,74,556</u>	<u>55,32,571</u>
<b><u>APPROPRIATIONS</u></b>			
General Reserve		-	-
Surplus - Balance carried to Balance Sheet		<u>93,74,556</u>	<u>55,32,571</u>
		<u>93,74,556</u>	<u>55,32,571</u>
Notes to the accounts	13		
Earnings per Equity Share			
Number of shares (Face value Rs. 10/- per share)		15,00,000	15,00,000
Basic and Diluted earnings per share (in Rupees)		2.56	3.90

As per our report of even date attached

For **Brahmayya & Co.,**  
Chartered Accountants

**S Venkatesan**  
Director

**Moahan Ananda Venkatesan**  
Director

**G C Rangan**  
Director

**P Babu**

Partner

Membership No. 203358

Chennai

22nd May, 2004

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## SCHEDULES

	31.03.2004	31.03.2003
	Rs.	Rs.
<b>1 Capital</b>		
<b>Authorised</b>		
30,00,000 Equity Shares of Rs.10/- each	<u>3,00,00,000</u>	<u>3,00,00,000</u>
Issued, Subscribed and fully paid-up:		
15,00,000 Equity Shares of Rs.10/- each		
(Entire shares are held by Sundaram Finance Ltd.		
- the holding company and its nominees)	<u>1,50,00,000</u>	<u>1,50,00,000</u>
	<b><u>1,50,00,000</u></b>	<b><u>1,50,00,000</u></b>
<b>2 Reserves And Surplus</b>		
Surplus - Balance in Profit and Loss Account	93,74,556	55,32,571
	<u>93,74,556</u>	<u>55,32,571</u>

### 3 Fixed Assets

(In Rupees)

DESCRIPTION	GROSS BLOCK AT COST				DEPRECIATION				NET BLOCK	
	As at 01.04.2003	Additions	Deductions	As at 31.03.2004	Upto 01.04.2003	Depreciation for the year	Deductions	Upto 31.03.2004	As at 31.03.2004	As at 31.03.2003
Office Equipment	8,06,182	—	1,512	8,04,670	7,36,205	27,991	1,512	7,62,684	41,986	69,977
<b>Total</b>	<b>8,06,182</b>	<b>—</b>	<b>1,512</b>	<b>8,04,670</b>	<b>7,36,205</b>	<b>27,991</b>	<b>1,512</b>	<b>7,62,684</b>	<b>41,986</b>	<b>69,977</b>

**SCHEDULES**

	31.03.2004		31.03.2003
	Rs.		Rs.
<b>4 Investments</b>			
	Face Value (FV)		
Long Term – at Cost			
<b>I In Trust Securities</b>			
In units of mutual fund			
<b>Unquoted</b>			
Non - Trade			
Sundaram Bond Saver - Appreciation Scheme -9,79,782 Units (Opening Balance 7,17,391 Units, 9,79,782 units purchased and 7,17,391 units sold during the year)	97,97,820	2,05,25,000	1,30,26,251
Sundaram Income Plus - Appreciation Scheme (Opening Balance 4,78,992 units, sold during the year)		–	49,35,000
<b>II In Equity shares</b>			
<b>Unquoted</b>			
UMW Industries Ltd. (78,000 Equity shares of Rs.10 each)		1,560	1,560
<b>Current Investments</b>			
<b>In Trust Securities</b>			
Sundaram Money Fund-Appreciation Scheme-56,490 units (67,763 units purchased and 11,273 units sold during the year)	5,64,900	7,50,274	–
		<u>2,12,76,834</u>	<u>1,79,62,811</u>
Net asset value of units in Mutual fund		<u>2,18,02,162</u>	<u>1,93,17,427</u>

**SCHEDULES**

	31.03.2004	31.03.2003
	Rs.	Rs.
<b>5 Current Assets</b>		
Income Receivable	20,97,094	6,67,945
Cash and Bank Balances :		
With Scheduled Banks in		
Current accounts	2,78,242	91,772
Deposit accounts	10,00,000	-
	<u>33,75,336</u>	<u>7,59,717</u>
<b>6. Loans and Advances</b>		
Advance payment of Income Tax and Tax deducted at Source (Net of Provision)	3,06,929	7,29,274
	<u>3,06,929</u>	<u>7,29,274</u>
<b>7. Current Liabilities</b>		
Sundry Creditors		
- For Expenses	10,73,634	35,485
- For Others	2,41,066	9,020
	<u>13,14,700</u>	<u>44,505</u>
<b>8. Miscellaneous Expenditure</b>		
(To the extent not written off or adjusted)		
Preliminary Expenses - per last Balance Sheet	10,909	21,819
Less: Written off during the year	10,909	10,910
	<u>-</u>	<u>10,909</u>



**SCHEDULES**

	2003 - 2004 Rs.	2002 - 2003 Rs.
<b>9. Income From Operations</b>		
Insurance Commission	39,22,770	-
Service Charge, Incentives etc.	2,68,204	1,02,69,670
	<b><u>41,90,974</u></b>	<b><u>1,02,69,670</u></b>
<b>10. Other Income</b>		
Profit on Sale of Investments	24,17,512	94,575
Profit on Sale of Shares and Securities	-	2,05,380
Interest on Bank deposits	51,737	-
Bad Debts Recovered	18,150	33,914
Miscellaneous Income	11,919	80,372
	<b><u>24,99,318</u></b>	<b><u>4,14,241</u></b>
<b>11. Establishment Expenses</b>		
Salaries, Wages and Bonus	-	4,48,390
Company's Contribution to Provident Fund and ESI Fund	-	33,348
Staff Welfare Expenses	-	33,186
	<b><u>-</u></b>	<b><u>5,14,924</u></b>
<b>12. Administrative and Other expenses</b>		
Sourcing Fee	11,67,696	-
Rates and Taxes	3,200	3,200
Professional Charges	48,540	31,240
Printing and Stationery	11,008	1,356
Travelling & conveyance	1,12,464	-
Miscellaneous Expenses	25,282	30,826
Incentives	-	4,79,332
Bad Debts	-	97,030
Loss on Sale of Investments	-	82,393
	<b><u>13,68,190</u></b>	<b><u>7,25,377</u></b>

## SCHEDULES

### 13 NOTES TO THE ACCOUNTS

#### 1 SIGNIFICANT ACCOUNTING POLICIES :

##### 1.1 Income Recognition :

Insurance agency commission is accounted on accrual basis.

##### 1.2 Valuation of Fixed Assets :

Fixed assets are carried at historical cost less accumulated depreciation.

##### 1.3 Depreciation / Amortisation Policy :

Depreciation on assets is provided on Written Down Value Method at rates prescribed in Schedule XIV to the Companies Act, 1956.

##### 1.4 Valuation of Investments :

Long Term investments are carried at cost.

Current Investments are valued at lower of Cost and Market Value/ Net Asset Value

Cost is ascertained on First in First out Basis.

##### 1.5 Taxation :

Provision for tax is made for Current and Deferred taxes.

Deferred tax liabilities are provided for and deferred tax assets are recognised only if there is a certainty of realisation of such assets.

#### 2. BALANCE SHEET :

##### 2.1 Deferred Tax Asset :

In accordance with the Accounting Standard – 22 “Accounting for taxes on Income” issued by the Institute of Chartered Accountants of India, the company has recognised the Deferred Tax Asset arising out of timing difference. The details are:

(In Rs.)

Particulars	Deferred Tax Asset
	31.03.04
Depreciation	11,955
Unabsorbed Loss	6,76,216
<b>Total</b>	<b>6,88,171</b>

2.2 Advance payment of Income Tax and Tax deducted at source is net of Provision for Income Tax of Rs.53,29,470 (31.03.2003 - Rs.42,44,470).

2.3 Income Receivable under Current Assets include the following balances due from Companies under the same management.

(In Rs.)

Company	Balance as on 31.03.04	Maximum amount outstanding at any time during the year	Balance as on 31.03.03	Maximum amount outstanding at any time during the previous year.
Sundaram Asset Management Company Limited.	–	6,41,849	6,41,849	7,07,757

2.4 The company does not owe any amount to Small Scale Industries.

**SCHEDULES**
**13 NOTES TO THE ACCOUNTS (Contd.)**
**3. PROFIT AND LOSS ACCOUNT**
**3.1 Profit / Loss on Sale of Investments comprises:**

(In Rs.)

	2003-2004		2002-2003	
	Profit	Loss	Profit	Loss
Long term Investments	23,31,162	–	83,235	–
Current Investments	86,350	–	11,340	82,393
<b>Total</b>	<b>24,17,512</b>	<b>–</b>	<b>94,575</b>	<b>82,393</b>

**3.2 Professional charges under “Administrative and Other Expenses” include Remuneration to Auditors towards :**

(In Rs.)

	2003-2004	2002-2003
Statutory Audit	20,000	20,000
Tax Audit	8,000	8,000
Certification	2,500	–
Service Tax	2,440	2,240
<b>Total</b>	<b>32,940</b>	<b>30,240</b>

**GENERAL :**

- 4.1 The name of the company was changed to “Sundaram Insurance Broking Limited” with effect from 21<sup>st</sup> May, 2003. Subsequently, this name has been changed to “Sundaram Finance Distribution Ltd.” with effect from 5<sup>th</sup> December, 2003.
- 4.2 Previous year’s figures have been regrouped / reclassified wherever necessary to conform to current year’s classification.
- 4.3 Figures have been rounded off to the nearest rupee.

Signatures to Schedules 1 to 13

As per our report of even date attached

For **Brahmayya & Co.,**  
Chartered Accountants

**S Venkatesan**  
Director

**Moahan Ananda Venkatesan**  
Director

**G C Rangan**  
Director

**P Babu**

Partner

Membership No. 203358

Chennai

22nd May, 2004

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## Balance Sheet Abstract and Company's General Business Profile

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

### I Registration Details

Registration No.

State Code

Balance Sheet Date

Date                      Month                      Year

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

Public Issue	Rights Issue
<input type="text" value=""/> <input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/> <input type="text" value=""/> <input type="text" value=""/>	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/> <input type="text" value=""/> <input type="text" value=""/>
Bonus Issue	Private Placement
<input type="text" value=""/> <input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/> <input type="text" value=""/> <input type="text" value=""/>	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/> <input type="text" value=""/> <input type="text" value=""/>

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

Total Liabilities	Total Assets
<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="2"/> <input type="text" value="4"/> <input type="text" value="3"/> <input type="text" value="7"/> <input type="text" value="5"/>	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="2"/> <input type="text" value="4"/> <input type="text" value="3"/> <input type="text" value="7"/> <input type="text" value="5"/>
Sources of Funds	Reserves & Surplus
Paid up Capital	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="9"/> <input type="text" value="3"/> <input type="text" value="7"/> <input type="text" value="5"/>
<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="1"/> <input type="text" value="5"/> <input type="text" value="0"/> <input type="text" value="0"/> <input type="text" value="0"/>	Unsecured Loans
Secured Loans	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/> <input type="text" value=""/> <input type="text" value=""/>
<input type="text" value=""/> <input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/> <input type="text" value=""/> <input type="text" value=""/>	Investments
Applications of Funds	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="2"/> <input type="text" value="1"/> <input type="text" value="2"/> <input type="text" value="7"/> <input type="text" value="7"/>
Net Fixed Assets	Misc. Expenditure
<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="4"/> <input type="text" value="2"/>	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/> <input type="text" value=""/> <input type="text" value=""/>
Net Current Assets	Deferred Tax Asset
<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="2"/> <input type="text" value="3"/> <input type="text" value="6"/> <input type="text" value="8"/>	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="6"/> <input type="text" value="8"/> <input type="text" value="8"/>
Accumulated Loss	
<input type="text" value=""/> <input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/> <input type="text" value=""/> <input type="text" value=""/>	

### IV Performance of Company (Amount in Rs. Thousands)

Turnover	Total Expenditure
<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="6"/> <input type="text" value="6"/> <input type="text" value="9"/> <input type="text" value="0"/>	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="1"/> <input type="text" value="3"/> <input type="text" value="7"/> <input type="text" value="9"/>
+ - Profit / (Loss) Before Tax	+ - Profit / (Loss) After Tax
<input checked="" type="checkbox"/> <input type="checkbox"/> <input type="text" value=""/> <input type="text" value="5"/> <input type="text" value="2"/> <input type="text" value="8"/> <input type="text" value="3"/>	<input checked="" type="checkbox"/> <input type="checkbox"/> <input type="text" value=""/> <input type="text" value="3"/> <input type="text" value="8"/> <input type="text" value="4"/> <input type="text" value="2"/>
(Please tick appropriate box + for profit, - for loss)	
Earnings Per Share      Rs.      Ps.	Dividend Rate %
<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="2"/> <input type="text" value="."/> <input type="text" value="5"/> <input type="text" value="6"/>	<input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>

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

Item Code No. (ITC Code)      Not Applicable

(ITC Code) / Service

## CASH FLOW STATEMENT

	2003 - 2004		2002 - 2003	
	(in Rs.)			
<b>A) CASH FLOW FROM OPERATING ACTIVITIES:</b>				
Net Profit	38,41,985		58,42,718	
Provision for Taxation (Including Wealth Tax)	14,41,217		34,38,710	
	52,83,202		92,81,428	
Add: Financial Expenses	—	52,83,202	2,235	92,83,663
Depreciation		27,991		1,51,272
Preliminary exp written off		10,909		10,910
(Profit) loss on assets		—		1,22,076
(Profit) loss on Investments		(24,17,512)		(12,182)
Interest / Dividend Received		(221)		(859)
		<b>29,04,369</b>		<b>95,54,880</b>
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>				
(Increase) Decrease in net stock on hire		—		48,484
(Increase) Decrease in Loans and Advances	(14,29,149)		16,92,734	
(Increase) Decrease in Bank Deposits (net)	(10,00,000)		—	
Increase (Decrease) in Current Liabilities	12,70,195	(11,58,954)	(5,33,761)	12,07,457
Cash generated from Operations		17,45,415		1,07,62,337
Financial Expenses			(2,235)	
Direct Taxes Paid	(6,62,655)	(6,62,655)	(11,24,899)	(11,27,134)
		<b>10,82,760</b>		<b>96,35,203</b>
<b>NET CASH FROM OPERATING ACTIVITIES (A)</b>				
<b>B) CASH FLOW FROM INVESTING ACTIVITIES</b>				
Purchase of Investments		(2,14,25,000)		(1,85,11,251)
Sale of Investments		2,05,28,489		70,14,878
Dividend Received		221		859
		(8,96,290)		(1,14,95,514)
<b>NET CASH FROM INVESTING ACTIVITIES (B)</b>				
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS(A) + (B)</b>		<b>1,86,470</b>		<b>(18,60,311)</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>		<b>91,772</b>		<b>19,52,083</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>		<b>2,78,242</b>		<b>91,772</b>
<b>COMPONENTS OF CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>				
Current Account with Banks		2,78,242		91,772

**S Venkatesan**  
Director

**Moahan Ananda Venkatesan**  
Director

**G C Rangan**  
Director

Chennai  
22nd May, 2004

## Notes