

LGf SERVICES LIMITED

10th ANNUAL REPORT 2013-14





Board of Directors

Paramesh Krishnaier

M. Ramaswamy

G. Sundararajan

Bankers

State Bank of Travancore

ICICI Bank

Auditors

M/s. Brahmayya & Co., Chennai

Chartered Accountants

Registered Office

21, Patullos Road

Chennai 600 002

CIN : U67190TN2004PLC052384

LGF SERVICES LIMITED

A wholly-owned subsidiary of



SUNDARAM FINANCE LIMITED

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Directors' Report

Your Directors present the Tenth Annual Report and Audited Accounts for the year ended 31st March, 2014.

FINANCIAL RESULTS

Particulars	(₹ in Lakhs)	
	Year ended March 31, 2014	Year ended March 31, 2013
Profit after tax	150.76	79.07
Add: Surplus of Previous Year	28.26	15.60
Amount available for appropriation	179.02	94.67
Transfer to General Reserve	15.08	7.91
Dividend	100.00	50.00
Dividend Tax	16.99	8.50
Surplus carried to Balance Sheet	46.95	28.26

BUSINESS REVIEW

During the year, your Company earned revenue from operations of ₹ 746 lakhs as against ₹ 646 lakhs in the previous year. The profit after tax for the year was at ₹ 151 lakhs as against ₹ 79 lakhs in the previous year.

DIVIDEND

Your directors are happy to recommend a higher dividend of ₹ 40 per share (400% on the face value of ₹ 10/-) for the financial year 2013-14 on the paid-up capital of ₹ 25.00 lakhs, as against ₹ 20/- per share (200% on the face value of ₹ 10/-). The dividend together with dividend tax of ₹ 16.99 lakhs absorbs a sum of ₹ 116.99 lakhs.

DIRECTORS

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

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.

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

The provisions of Section 217(2A) of the Companies Act, 1956 are not applicable to the only employee on the rolls of your company.

DEPOSITS

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

AUDITORS

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

ACKNOWLEDGEMENT

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

Paramesh Krishnaier

M Ramaswamy

G Sundararajan

Directors

Chennai 600 002

Date: 14th May, 2014

Secretarial Compliance Certificate

Name of the Company : LGF SERVICES LIMITED
Registration No. : U67190TN2004PLC052384
Authorized Capital : ₹ 25,00,000/-
Paid-up Capital : ₹ 25,00,000/-

To
The Members
LGF Services Limited
21, Patullas Road,
Chennai – 600 002.

I have examined the registers, records, books and papers of **LGF SERVICES LIMITED** (the Company), as required to be maintained under the Companies Act, 1956, (the Act) and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended 31st March 2014. In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the Company, its officers and agents, I certify that in respect of the aforesaid period:

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 there under 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 there under.
3. The Company is a Public limited Company and has the minimum prescribed paid up capital.
4. The Board of Directors duly met Four (4) times on 20th May 2013, 2nd September 2013, 21st October 2013 and 29th January 2014 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 31st March 2014.
6. The Ninth Annual General Meeting for the financial year ended 31st March 2013 was held on 29th June 2013 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. No Extra-Ordinary General Meeting was held during the financial year ended 31st March 2014.
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 during the year ended 31st March 2014.
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 year ended 31st March 2014.
13. The Company:
 - i) has not effected any allotment / transfer / transmission of securities during the year ended 31st March 2014.
 - ii) has deposited the amount of final dividend for the year 2012-13 in a separate bank account on 2nd July 2013



- which is within five days from the date of declaration of such dividend.
- iii) has paid dividends to the members within a period of 30 (Thirty) days from the date of declaration during the financial year ended 31st March 2014.
- iv) has no unpaid dividend and hence the question of transfer of dividend to unpaid dividend account does not arise. The Company has not issued fresh shares or debentures and has not accepted any deposits and hence, the question of 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 and the appointment to the Board has been duly made and registered.
15. The Company has not appointed any Managing Director / Whole-time Director / Manager during the year under review.
16. The Company has not appointed any sole selling agent during the year ended 31st March 2014.
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 year ended 31st March 2014.
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 there under.
19. The Company has not issued any shares, debentures or other securities during the financial year ended 31st March 2014.
20. The Company has not bought back any shares during the year under review 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 year under review 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 year ended 31st March 2014.
24. The Company has not made any borrowings during the financial year ended 31st March 2014.
25. The Company has made loans to bodies corporate during the year ended 31st March 2014 in compliance with the provisions of the Act and has made necessary entries in the register kept for the purpose.
26. During the year under review, the Company has not altered the provisions of its Memorandum and its Articles of Association.
27. 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 year ended 31st March 2014, for offences under the Act.
28. The Company has not received any money as security from its employees during the year ended 31st March 2014.
29. According to the information and explanations given to me, during the year under review, the provisions relating to contribution to Provident Fund did not apply to the Company.
- Place: Chennai
Date: 31st March, 2014
- Malini Seshadri, A.C.S.**
No. 5493 CP1323

Annexure A to Secretarial Compliance Certificate

Registers as maintained by the Company during the year ended 31st March, 2014

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

Annexure B to Secretarial Compliance Certificate

Returns/Documents/forms filed with the Registrar of Companies, Regional Director, Central Government or other authorities during the year ended 31st March 2014

REGISTRAR OF COMPANIES

Sl. No	Form No.	Relevant Section	Description
1.	66	383A	Compliance Certificate issued by Ms Malini Seshadri, Practising Company Secretary, for the financial year ended 31st March 2013.
2.	23AC -XBRL & 23ACA - XBRL	220	Balance Sheet and Profit & Loss Account for the financial year ended 31st March 2013.
3.	20 B	159	Annual Return made upto 29th June 2013 (Date of AGM).

REGIONAL DIRECTOR

NIL

CENTRAL GOVERNMENT & OTHER AUTHORITIES

NIL

Place: Chennai

Date: 31st March, 2014

Malini Seshadri, A.C.S.

No. 5493 CP1323

LGF SERVICES LIMITED

INDEPENDENT AUDITORS' REPORT

To the Members of LGF Services Limited

1) Report on the Financial Statements

We have audited the accompanying financial statements of LGF Services Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

2) Management's Responsibility for the Financial Statements

Management is responsible for 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 Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control 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

- a) Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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.
- b) An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's 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 control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

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, 2014;
- 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

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India

in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

2. As required by section 227(3) of the Act, we report that:
- a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - c. The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the

Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;

- e. On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For BRAHMAYYA & CO.,

Chartered Accountants

Firm Registration No.000511S

L. RAVI SANKAR

Partner

Membership No.25929

Place : Chennai

Date : 14th May, 2014

Annexure to the Auditors' Report

Referred to in Paragraph 5 of Our Report of Even Date

1. In our opinion and according to the information and explanations given to us, the company has not granted or taken loans to / from companies, firms or other parties covered in the register maintained under Section 301 of the Act. Therefore, the provisions of clauses iii(a) to iii(g) of Paragraph 4 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, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to services rendered by the company. During the course of our audit, no major weaknesses have been noticed in the internal controls and therefore the reporting of the same does not arise.
3. The company has not accepted deposits.
4. The company has an internal audit system which in our opinion, is commensurate with the size and the nature of its business.
5. The Central Government has not prescribed the maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956.
6.
 - a) According to the records of the company and the information and explanations given to us, income tax and service 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 and service tax which are outstanding as at 31st March, 2014 for a period of more than six months from the date they become payable.
7. According to the records of the company and the information and explanations given to us, there are no dues of service tax which have not been deposited on account of any dispute. Details of disputed income tax demand, not deposited on account of short credit of TDS, are as follows:

Nature of dues	Amount (₹)	Period to which the amount relates	Forum where the dispute is pending
Income Tax	7,58,040	Assessment Year 2011-12	Assessing Officer

8. The company does not have any accumulated losses at the end of the financial year and has not incurred cash loss during the current year.
9. The company does not have any borrowing from financial institutions, banks or by issue of debentures.
10. According to the information and explanations given to us, during the year, 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.
 - d) issued any debentures.
 - e) raised monies by public issue.
 - f) raised monies on short term basis.
11. The company is not a chit fund / nidhi / mutual benefit fund or society.
12. Based on our examination of records and information and explanations given to us, proper records have been maintained of the transactions and contracts relating to dealing in securities and timely entries have been made therein. The securities have been held by the company in its own name.
13. 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.
14. In our opinion and according to the information and explanations given to us, the nature of the company's business/ activities during the period have been such that clauses i, ii, v, xiii, and xviii of paragraph 4 of the Companies (Auditors Report) Order, 2003 are not applicable to the company.

For **BRAHMAYYA & CO.,**

Chartered Accountants

Firm Registration No.000511S

L. RAVI SANKAR

Partner

Membership No.25929

Place : Chennai

Date : 14th May, 2014

Balance Sheet

as at 31st March, 2014

(In ₹)

Particulars	Note	March 31, 2014	March 31, 2013
<u>EQUITY AND LIABILITIES</u>			
1) Shareholders' funds			
a) Share Capital	2	25,00,000	25,00,000
b) Reserves and Surplus	3	3,44,93,278	3,11,17,214
c) Money received against share warrants		—	—
		3,69,93,278	3,36,17,214
2) Share application money pending allotment			
		—	—
3) Non-current liabilities			
a) Long Term Borrowings		—	—
b) Deferred Tax Liabilities (Net)		—	—
c) Other Long term liabilities		—	—
d) Long-term provisions	4	16,957	16,772
		16,957	16,772
4) Current liabilities			
a) Short Term Borrowings		—	—
b) Trade payables	5	9,78,801	44,07,559
c) Other current liabilities	6	613	—
d) Short-term provisions	7	1,17,22,724	58,54,727
		1,27,02,138	1,02,62,286
TOTAL		4,97,12,373	4,38,96,272
<u>ASSETS</u>			
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)	8	4,516	6,690
d) Long-term loans and advances	9	1,45,11,632	1,06,69,970
e) Other non-current assets		—	—
		1,45,16,148	1,06,76,660
2) Current assets			
a) Current investments	10	1,58,52,397	—
b) Inventories		—	—
c) Trade receivables	11	1,78,61,133	2,04,33,253
d) Cash and cash equivalents	12	13,99,061	10,90,382
e) Short term loans and advances	13	83,634	1,16,91,341
f) Other current assets	14	—	4,636
		3,51,96,225	3,32,19,612
TOTAL		4,97,12,373	4,38,96,272

Significant Accounting Policies and Notes to the Accounts - 1 to 20

As per our report of even date attached
For **Brahmayya & Co.**,
Chartered Accountants
Registration Number. 000511S

L Ravi Sankar
Partner
Membership No.25929

Chennai
14th May, 2014

LGF SERVICES LIMITED

Paramesh Krishnaier

M Ramaswamy

G Sundararajan

Directors



Statement of Profit and Loss

for the Year Ended 31st March, 2014

(In ₹)

Particulars	Note	2013-14	2012-13
Revenue from operations	15	7,46,12,450	6,46,41,828
Other income	16	6,86,102	14,99,002
Total Revenue	(A)	<u>7,52,98,552</u>	<u>6,61,40,830</u>
Finance Costs	17	–	8,458
Employee benefits	18	4,19,100	1,64,260
Administrative and Other expenses	19	5,27,33,439	5,43,65,752
Total Expenses	(B)	<u>5,31,52,539</u>	<u>5,45,38,470</u>
Profit before Tax	(A-B)	2,21,46,013	1,16,02,360
Tax expense:			
Current tax		70,68,275	37,02,238
Deferred tax		2,174	(6,690)
		70,70,449	36,95,548
Profit after tax		<u>1,50,75,564</u>	<u>79,06,812</u>
Earnings per equity share:			
Weighted average number of shares		2,50,000	2,50,000
Basic		60.30	31.63
Diluted		60.30	31.63
Significant Accounting Policies and Notes to the Accounts - 1 to 20			

As per our report of even date attached
For **Brahmayya & Co.**,
Chartered Accountants
Registration Number. 000511S
L Ravi Sankar
Partner
Membership No.25929
Chennai
14th May, 2014

Paramesh Krishnaier
M Ramaswamy
G Sundararajan
Directors

NOTES TO THE ACCOUNTS

Note 1: Significant Accounting Policies

- 1.1 The financial statements are prepared and presented under the historical cost convention on the accrual basis of accounting and comply with the relevant provisions of the Companies Act, 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 amounts of assets and liabilities as at the Balance Sheet date, reported amounts of revenues and expenses during the year and disclosure of contingent liabilities as at that date. The estimates and assumptions used in the financial statements are based upon the management's evaluation of the relevant facts and circumstances as of the date of financial statements. The assets and liabilities have been classified as non-current and current based on a twelve month operating cycle.

- 1.2 **Income Recognition:**

Income in respect of services rendered and brokerage is accounted on accrual basis.

- 1.3 **Valuation of Investments:**

Long Term investments are stated at cost. Provision for decline in value, other than temporary, is considered wherever necessary.

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

- 1.4 **Employee Benefits:**

- A) **Short Term Employee Benefits:**

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

- B) **Defined Benefit Plan**

- i) **Gratuity**

The company has made provision towards gratuity on an estimated basis.

- C) **Other Long Term Employee Benefits:**

The liability in respect of other long term benefits like Employee Assured Bonus Scheme, reimbursement of medical expenses has been provided.

- 1.5 **Taxation:**

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

- 1.6 **Impairment of Assets:**

The carrying amounts of assets are reviewed at each balance sheet date to ascertain impairment based on internal/external factors. An impairment loss is recognized when the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the higher of the net selling price of the assets and their value in use.

- 1.7 **Provisions:**

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

**NOTES TO THE ACCOUNTS (Contd.)****Balance Sheet****Note 2: Share Capital**

(In ₹)

	31.03.2014	31.03.2013
Authorised capital		
2,50,000 Equity shares of face value of ₹ 10/- each (Previous Year - 2,50,000 Equity shares of face value of ₹ 10/- each)	<u>25,00,000</u>	<u>25,00,000</u>
Issued, Subscribed and fully paid up		
2,50,000 Equity shares of face value of ₹ 10/- each	<u>25,00,000</u>	<u>25,00,000</u>
Reconciliation of number of shares	Nos.	Nos.
Shares outstanding at the beginning of the year	2,50,000	2,50,000
Add: Shares issued during the year	—	—
Less: Shares bought back during the year	—	—
Shares outstanding at the end of the year	2,50,000	2,50,000

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 31.03.2014	No. of Shares	% held as at 31.03.2013
Sundaram Finance Limited*	Holding Company	2,50,000	100%	2,50,000	100%

* include 6 equity shares held by nominees of Sundaram Finance Limited

NOTES TO THE ACCOUNTS (Contd.)

Note 3: Reserves and Surplus

(In ₹)

	31.03.2014	31.03.2013
a. General Reserve		
Opening balance	2,82,90,681	2,75,00,000
Add: Transfer from Surplus in the Statement of Profit and Loss	15,07,556	7,90,681
	<u>2,97,98,237</u>	<u>2,82,90,681</u>
b. Surplus in the Statement of Profit and Loss		
Opening Balance	28,26,533	15,60,152
Add: Profit for the year from the Statement of Profit and Loss	1,50,75,564	79,06,812
	<u>1,79,02,097</u>	<u>94,66,964</u>
Less : Appropriations		
General Reserve	15,07,556	7,90,681
Dividend		
Final (Proposed)	1,00,00,000	50,00,000
Dividend Distribution Tax	16,99,500	8,49,750
	<u>1,16,99,500</u>	<u>58,49,750</u>
	<u>3,44,93,278</u>	<u>3,11,17,214</u>

Note 4 : Long-Term Provisions

(In ₹)

	31.03.2014	31.03.2013
Provision for employee benefits	16,957	16,772
	<u>16,957</u>	<u>16,772</u>

Note 5: Trade Payables*

(In ₹)

	31.03.2014	31.03.2013
For Expenses	6,52,691	18,73,881
For Others	3,26,110	25,33,678
	<u>9,78,801</u>	<u>44,07,559</u>

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

**NOTES TO THE ACCOUNTS (Contd.)****Note 6 : Other Current Liabilities**

	(In ₹)	
	31.03.2014	31.03.2013
Sundry creditors for finance	613	-
	<u>613</u>	<u>-</u>

Note 7 : Short-term provisions

	(In ₹)	
	31.03.2014	31.03.2013
Provision for employee benefits	23,224	4,977
Others		
– Proposed Dividend	1,00,00,000	50,00,000
– Dividend Distribution Tax	16,99,500	8,49,750
	<u>1,17,22,724</u>	<u>58,54,727</u>

Note 8 : Deferred Tax Asset

	(In ₹)	
	31.03.2014	31.03.2013
On Employee Benefits	4,516	6,690

Note 9 : Long-Term Loans and Advances

	(In ₹)	
	31.03.2014	31.03.2013
Advance Income Tax and Tax deducted at source (net of Provision)	1,45,11,632	1,06,69,970

Advance payment of Income Tax and Tax deducted at source is net of provision for Income Tax of ₹ 1,94,01,706/- and Tax payable of ₹ 7,58,040/- (31/03/2013 – Provision for Income Tax ₹ 1,23,33,431/- and Tax payable ₹ 7,58,040/-)

NOTES TO THE ACCOUNTS (Contd.)

Note 10 : Current Investments - Others

(In ₹)

	Face Value (In ₹)	As at 31.03.2014		As at 31.03.2013	
		Holding (Number)	Cost (In ₹)	Holding (Number)	Cost (In ₹)
Unquoted valued at cost					
Investments in Mutual Funds:					
Sundaram Money Fund	10	4,03,098	1,08,52,397	—	—
Sundaram FIIP Quarterly Series - 90 days	10	3,03,538	50,00,000	—	—
Particulars					
Aggregate amount of Unquoted Investments			<u>158,52,397</u>		<u>—</u>

Note 11: Trade Receivables

(In ₹)

	31.03.2014	31.03.2013
Unsecured Considered Good		
More than six months	—	—
Less than six months		
Service Income	1,78,56,247	2,04,31,754
Brokerage	4,886	1,499
	<u>1,78,61,133</u>	<u>2,04,33,253</u>

Note 12 : Cash and Cash equivalents

(In ₹)

	31.03.2014	31.03.2013
Balance with Banks in Current Accounts	13,99,061	10,90,382

Note 13 : Short Term Loans and Advances

(In ₹)

	31.03.2014	31.03.2013
Unsecured, Considered Good		
Loans and advances to related parties		
To Holding Company	—	94,00,000
Service Tax Input Credit	83,634	22,91,341
	<u>83,634</u>	<u>1,16,91,341</u>

Note 14: Other Current Assets

(In ₹)

	31.03.2014	31.03.2013
Interest Receivable	—	4,636

NOTES TO THE ACCOUNTS (Contd.)
Statement of Profit and Loss
Note 15 : Revenue from Operations

	(In ₹)	
	2013-14	2012-13
Service Income	7,44,87,878	6,45,25,271
Brokerage	1,24,572	1,16,557
	<u>7,46,12,450</u>	<u>6,46,41,828</u>

Note 16: Other Income

	(In ₹)	
	2013-14	2012-13
Interest Income	2,06,311	11,05,452
Dividend Income	3,94,473	2,21,177
Net gain on sale of Current investments	59,835	7,221
Other non-operating Income	25,483	1,65,152
	<u>6,86,102</u>	<u>14,99,002</u>

Note 17: Finance Costs

	(In ₹)	
	2013-14	2012-13
Interest	—	8,458
	<u>—</u>	<u>8,458</u>

NOTES TO THE ACCOUNTS (Contd.)

Note 18 : Employee Benefits

(In ₹)

	2013-14	2012-13
Salaries, allowances and Bonus	4,08,145	1,49,666
Company's contribution to Gratuity	4,932	8,391
Staff Welfare Expenses	6,023	6,203
	<u>4,19,100</u>	<u>1,64,260</u>

Defined Contribution Plan:

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

(In ₹)

Particulars	2013-14	2012-13
Contribution to Provident Fund	–	2,415
Contribution to Pension Fund	–	3,787

Note 19 : Administrative and Other expenses

(In ₹)

	2013-14	2012-13
Outsourcing cost	2,87,00,315	3,21,98,917
Service Expenses	2,38,96,928	2,19,95,966
Rates and Taxes	10,580	43,917
Miscellaneous Expenses	1,25,616	1,26,952
	<u>5,27,33,439</u>	<u>5,43,65,752</u>

Miscellaneous expenses include Remuneration to Auditors towards:

(In ₹)

Audit Fee	2013-14	2012-13
Statutory Audit	65,000	55,000
Tax Audit	25,000	20,000
Certification	20,000	35,000

NOTES TO THE ACCOUNTS (Contd.)

Note 20: General

- 20.1 The operations of the Company are conducted by outsourced personnel.
- 20.2 The company provides business support services for Oriental Insurance Company Limited. There are no separate reportable segments as per Accounting Standard AS 17 'Segment Reporting'.
- 20.3 Related Party disclosures: In accordance with the Accounting Standard 18 on 'Related Party disclosures', the details of related parties and the transactions with related parties are given below:

RELATED PARTIES:

Holding Company:

Sundaram Finance Limited

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

Professional Management Consultants Limited (Till 15th May 2013)

Infreight Logistics Solutions Limited

Sundaram BNP Paribas Fund Services Limited

Sundaram Parekh Warehousing Services Limited

Caltec Servicez Private Limited (Till 15th May 2013)

Sundaram Insurance Broking Services Limited

Sundaram Asset Management Singapore Pte Limited

Sundaram BPO India Limited

NOTES TO THE ACCOUNTS (Contd.)

Related Party Transactions

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

(In ₹)

Nature of Transactions	Holding Company	Fellow Subsidiaries	Total
Expenses			
Sundaram Finance Ltd.			
Sourcing Fees	5,30,614 (14,42,710)		5,30,614 (14,42,710)
Service Expenses	2,38,96,928 (2,19,95,966)		2,38,96,928 (2,19,95,966)
Income			
Sundaram Finance Limited			
Interest on Inter Corporate Deposit	2,06,311 (11,05,452)		2,06,311 (11,05,452)
Assets			
Inter Corporate Deposit			
Sundaram Finance Limited			
Investment	– (1,15,00,000)		– (1,15,00,000)
Disinvestment	94,00,000 (1,74,00,000)		94,00,000 (1,74,00,000)
Outstanding at the end of the year	– (94,00,000)		– (94,00,000)
Interest Receivable			
Sundaram Finance Limited	– (4,636)		– (4,636)
Liabilities			
Sundaram Finance Ltd.			
– Equity Share Holdings	25,00,000 (25,00,000)		25,00,000 (25,00,000)
– Dividend Payable	1,00,00,000 (50,00,000)		1,00,00,000 (50,00,000)
– Service Expenses Payable	– (12,32,701)		– (12,32,701)
– Sourcing Fees payable	– (2,61,230)		– (2,61,230)

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

Previous year figures are given in brackets.

NOTES TO THE ACCOUNTS (Contd.)

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

20.5 Earnings Per Share (Basic and diluted)

A. Profit for the year after taxation (in ₹)

B. Weighted average no. of equity shares

C. Basic and diluted earnings per share (A/B) (in ₹)

D. Dividend Proposed/Paid (₹)

E. Dividend per share (₹)

	2013-14	2012-13
A.	1,50,75,564	79,06,812
B.	2,50,000	2,50,000
C.	60.30	31.63
D.	1,00,00,000	50,00,000
E.	40.00	20.00

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

Signatures to Notes 1 to 20

As per our report of even date attached
For **Brahmayya & Co.**,
Chartered Accountants
Registration Number. 000511S
L Ravi Sankar
Partner
Membership No.25929
Chennai
14th May, 2014

Paramesh Krishnaier
M Ramaswamy
G Sundararajan
Directors

Cash Flow Statement

for the Year Ended 31st March, 2014

(In ₹)

	2013-14	2012-13
A) CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit	1,50,75,564	79,06,812
Add: Provision for Taxation (including Deferred Tax)	70,70,449	36,95,548
	<u>2,21,46,013</u>	<u>1,16,02,360</u>
Less: Net gain on sale of investments	(59,835)	(7,221)
Less: Dividend Income	(3,94,473)	(2,21,177)
Less: Interest Income	(2,06,311)	(11,05,452)
Operating Profit Before Working Capital Changes	<u>2,14,85,394</u>	<u>1,02,68,510</u>
(Increase)/Decrease in Long Term Loans and Advances	(91,09,937)	6,52,668
(Increase)/Decrease in Short Term Loans and Advances	1,16,07,707	39,72,813
(Increase)/Decrease in Trade Receivables	25,72,121	(16,76,580)
(Increase)/Decrease in Other Current Assets	4,636	(4,428)
Increase (Decrease) in Long Term Provisions	185	16,772
Increase (Decrease) in Short Term Provisions	18,247	4,977
Increase/(Decrease) in Other Current Liabilities	613	-
Increase (Decrease) in Trade Payables	<u>(34,28,758)</u>	<u>32,37,820</u>
Cash generated from Operations	16,64,814	62,04,042
Direct Taxes Paid	(18,00,000)	(33,00,000)
NET CASH FROM OPERATING ACTIVITIES (A)	<u>2,13,50,208</u>	<u>1,31,72,552</u>
B) CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Current Investments	(9,43,34,212)	(6,91,82,943)
Sale of Current Investments	7,84,81,814	6,97,78,107
Interest Received	2,06,311	11,05,452
Dividend Received	3,94,473	2,21,177
Net Gain on sale of investments	59,835	7,221
NET CASH FROM INVESTING ACTIVITIES (B)	<u>(1,51,91,779)</u>	<u>19,29,014</u>
C) CASH FROM FINANCING ACTIVITIES		
Dividend paid	(58,49,750)	(1,45,27,813)
NET CASH FROM FINANCING ACTIVITIES (C)	<u>(58,49,750)</u>	<u>(1,45,27,813)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS (A) + (B) + (C)	3,08,679	5,73,753
Cash and Cash Equivalents at the Beginning of the Year	10,90,382	5,16,629
Cash and Cash Equivalents at the End of the Year	13,99,061	10,90,382
Components of cash and Cash Equivalents at the end of the Year		
Current Account with Banks	13,99,061	10,90,382
Cash, Stamps and Stamp Papers on Hand	-	-

As per our report of even date attached
For **Brahmayya & Co.**,
Chartered Accountants
Registration Number. 000511S

L Ravi Sankar
Partner
Membership No.25929
Chennai
14th May, 2014

Paramesh Krishnaier

M Ramaswamy

G Sundararajan

Directors

LGF SERVICES LIMITED