

***SUNDARAM BUSINESS SERVICES LIMITED***

***10th Annual Report 2014–15***



<b>Board of Directors</b>	T T Srinivasaraghavan M Ramaswamy T K Sundararajan S Preetha	
<b>Audit Committee</b>	TK Sundararajan S Preetha M Ramaswamy	Chairman
<b>Nomination &amp; Remuneration Committee</b>	T K Sundararajan S Preetha T T Srinivasaraghavan	Chairman
<b>Chief Executive Officer</b>	Rajesh Venkat	
<b>Chief Financial Officer</b>	R Prem	
<b>Secretary</b>	Charanya Sridharan	
<b>Bankers</b>	State Bank of Travancore HDFC Bank Limited State Bank of India Hongkong and Shanghai Banking Corporation	
<b>Auditors</b>	M/s. Brahmaya & Co., Chennai Chartered Accountants 48, Masilamani Road, Balaji Nagar, Royapettah, Chennai 600 014	
<b>Registered Office</b>	21, Patullos Road, Chennai 600 002 CIN: U74140TN2005PLC057179	
<b>Corporate Office</b>	20, Patullos Road, Chennai 600 002 Tel: +91 44 2859 9900 Email: info@sundarambpo.com Website: www.sundarambizserv.com	
<b>Overseas Branches</b>	Australia	

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**SUNDARAM BUSINESS SERVICES LIMITED**

A wholly-owned subsidiary of



**SUNDARAM FINANCE LIMITED**

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## Directors' Report

Your Directors have pleasure in presenting the Tenth Annual Report and Audited Accounts of the Company for the year ended 31st March 2015.

The summarised financial results of the Company are given hereunder:

(₹ in lakhs)

Particulars	Year ended	Year ended
	31 March, 2015	31 March, 2014
Total Income	2,402	2,136
Total Expenditure	2,543	2,431
Profit/(Loss) before Taxation	(141)	(295)
Provision for Taxation (includes deferred tax)	29	(5)
Profit/(Loss) after Taxation	(170)	(290)

### REVIEW OF OPERATIONS

Your Company posted revenues of ₹2402 lakhs during the financial year 2014-15 and a loss before tax of ₹141 lakhs, as against revenues of ₹2136 lakhs and loss before tax of ₹ 295 lakhs for the previous year.

The loss for the year is lower due to incremental revenue from existing clients and moderated spend on sales and marketing initiatives. There was a marked depreciation of the Australian Dollar against the US Dollar in the year under review, which significantly impacted the profitability for the year.

### OUTLOOK

In the coming year, your Company's focus is to provide business process outsourcing services to an expanded list of companies in the finance & accounting back office services vertical in Australia and UK. It is also expected that there will be higher revenues from existing clients. Further, there is an increased focus on productivity and process improvement to improve profitability.

### DIVIDEND

Your Directors do not recommend any dividend for the year under review.

### DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sri T K Sundararajan and Ms. S Preetha were appointed as Independent Directors for a period of 5 years from 28th March 2015 to 27th March 2020.

During the year, Sri Srinivas Acharya and Sri Paramesh Krishnaier, Directors resigned from the Board effective 28th March 2015. Your Directors place on record the significant contribution made by them to the deliberations of the Board for over a decade.

During the year Sri Rajesh Venkat, resigned from his position as a Manager and was appointed as a Chief Executive Officer of your Company with effect from 1st October 2014.

Sri R Prem was appointed as the Chief Financial Officer of your Company with effect from 1st April 2014.

### DECLARATION OF INDEPENDENCE

The Independent Directors have given a declaration that they meet

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the criteria of independence as provided under Section 149 (6) of the Companies Act, 2013.

#### **COMMITTEES OF THE BOARD**

The Audit committee of your Company was reconstituted with the induction of Sri T K Sundararajan and Ms S Preetha, Independent Directors and Sri M Ramaswamy, Non-Executive Director.

The Board of Directors of your Company at their meeting held on 28th March 2015 constituted the Nomination and Remuneration Committee (NRC) comprising of Sri T K Sundararajan and Ms S Preetha, Independent Directors and Sri T T Srinivasaraghavan, Non-Executive Director, as Members.

#### **NUMBER OF MEETINGS OF THE BOARD**

During the year under review, 5 meetings of the Board of Directors were held.

#### **REMUNERATION POLICY**

The NRC recommended a policy formulated on Remuneration for the Directors, Key Managerial Personnel and Senior Management and the same has been approved your Company's Board of Directors.

The remuneration policy, as approved and adopted by the Board, is attached as part of this report vide Annexure A

#### **RISK MANAGEMENT POLICY**

Your Company Is in the process of formulating a Risk Management Policy during the current financial year.

#### **DIRECTORS' RESPONSIBILITY STATEMENT**

Your directors confirm that:

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

2. the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the loss of the company for that period;
3. the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
4. the directors had prepared the annual accounts on a going concern basis;
5. the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT, 2013**

There were no investments made, loans or guarantees given by the Company during the year ended 31st March 2015.

#### **RELATED PARTY TRANSACTIONS**

During the year, the Company did not enter into any material transaction with related parties, under Section 188 of the Companies Act, 2013. All transactions entered into by the Company with the related parties were in the ordinary course of business and on an arm's length basis. Form AOC-2, as required under Section 134 (3) (h) of the Act, read with Rule 8 (2) of the Companies (Accounts) Rules 2014, is attached as part of this report vide Annexure B.

#### **EXTRACT OF ANNUAL RETURN**

As required under Section 92(3) of the Companies Act, 2013 and Rule 12 (1) of the Companies (Management and Administration) Rules, 2014, an extract of the Annual Return in Form MGT 9 as on 31st March 2015, is enclosed –Annexure C.

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

In pursuance of the provisions of Section 134(3)(m) of the Companies Act, 2013, read with Rule 8 of the Companies (Accounts) Rules, 2014, your Company has no activity relating to conservation of energy or technology absorption.

During the year under review, expenditure in foreign currencies amounted to ₹ 528.08 Lakhs. Foreign Currency earnings amounted to ₹ 2335.64 lakhs.

**PERSONNEL**

None of the employees of the Company is in receipt of remuneration in excess of the limits prescribed under Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

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

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

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy. No complaints were received during the year 2014-15.

**ACKNOWLEDGEMENT**

Your Directors gratefully acknowledge the support and co-operation extended to your company by all customers and the holding company, Sundaram Finance Limited. They also place on record their appreciation to all the employees of the Company for their sincere and dedicated service.

**T T Srinivasaraghavan****M Ramaswamy****T K Sundararajan****S Preetha**

Directors

Chennai 600 002

Date: 6th May, 2015

## REMUNERATION POLICY

(as recommended by the Nomination and Remuneration Committee on 6th May 2015)

Sundaram Business Services Limited (hereinafter referred to as 'the Company') has, since inception, formulated performance based remuneration structures for its employees at all levels, so as to provide ample opportunity for inclusive growth, supported with adequate learning. Accordingly, the remuneration structure is based on the qualification and skill levels at the time of joining the organisation and reviewed on a yearly basis by way of an assessment of their actual performance, through a robust "Performance Management System".

The components forming part of the compensation structure for each grade are designed to reward performance as well as to mitigate some of the location based hardships faced by the employees.

Section 178 (2), (3) and (4) of the Companies Act, 2013 read with the applicable rules thereto provide that the Nomination and Remuneration Committee (NRC) shall identify persons who are qualified to become Directors and shall also recommend to the Board a policy, relating to the remuneration for Directors, Key Managerial Personnel, Senior Management and other employees.

Accordingly, the NRC recommends the following Remuneration Policy of the Company so as to ensure that:

- a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the company successfully and is comparable to the compensation structure obtaining in other companies in the industry
- b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- c) remuneration to key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the company and its goals.

The following policy shall be hereinafter referred to as "Remuneration Policy of Sundaram Business Services Limited".

### I Definitions

- a) "Remuneration" means any monetary benefit or its equivalent extended to any person for services rendered by him/her and includes perquisites as defined under the Income-tax Act, 1961.
- b) "Key Managerial Personnel" means,
  - i.) Managing Director, Chief Executive Officer or Manager;
  - ii.) Whole-time Director;
  - iii.) Chief Financial Officer;
  - iv.) Company Secretary.
- c) "Senior Management", defined herein by the NRC and as may be modified from time to time by the Board, means the CEO of the Company
- d) "Employee" will mean an employee who has been appointed on the rolls of Sundaram Business Services Limited (hereinafter referred to as 'the Company') and has been issued an appointment order by the Company.

### II Remuneration Pattern

The NRC lays down the following remuneration pattern for Non-executive Directors and Independent Directors, Chief Executive Officer, Key Managerial Personnel, Senior Management and other employees under the Remuneration Policy:

1. The remuneration payable to Non-Executive Directors and Independent Directors shall consist of:
  - (a) Sitting fees, if any, payable for every meeting of the Board and sub-committees of the Board will be decided by the Board, from time to time;

- (b) Reimbursement of expenses for attending meetings of the Board and sub-committees of the Board.
2. The remuneration payable to Chief Executive Officer shall consist of:
- (a) Salary, allowances and perquisites;
- (b) Bonus for each financial year as may be decided by the Board of Directors, based on the performance;

The overall remuneration payable to Directors shall be within the limits prescribed under Section 197 of the Companies Act, 2013 read with Schedule V.

3. The remuneration payable to Key Managerial Personnel, Senior Management and other employees of the company shall consist of salary, allowances, perquisites and variable components reflecting the short and long term performance objectives appropriate to the working of the Company, which are aligned to industry standards.

#### IV Implementation of the Remuneration Policy

The remuneration payable to Non-executive Directors and Independent Directors shall be determined by the Board of Directors, after taking into account their performance and contribution.

The Remuneration Policy of the Company, to the extent applicable to Key Managerial Personnel other than Executive Directors, Senior Management and other employees shall be monitored by the Chief Executive Officer, who shall take appropriate steps to ensure that the remuneration is commensurate with their experience, qualification, responsibilities, contributions, performance and industry standards.

The NRC shall take suitable steps to issue guidelines, procedures and such other steps as may be considered appropriate from time to time, for effective implementation of the Remuneration Policy.

Annexure - B

### Form No. AOC-2

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

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

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

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

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

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

**T. T. Srinivasaraghavan**

**M Ramaswamy**

**T K Sundararajan**

**S Preetha**

Directors

Chennai 600 002

6th May, 2015

**Annual Report**

2014-15



**FORM NO.MGT-9****Extract of Annual Return as on the financial year ended on 31st March 2015**

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

**I. REGISTRATION AND OTHER DETAILS**

(i)	CIN	U74140TN2005PLC057179
(ii)	Registration Date	12/08/2005
(iii)	Name of the Company	Sundaram Business Services Limited
(iv)	Category / Sub-Category of the Company	Company limited by shares / Indian Non-Government Company
(v)	Address of the Registered Office and contact details	21, Patullos Road, Chennai 600 002 Tel. : 044 -2852 1181 www.sundarambizserv.com
(vi)	Whether Listed Company Yes / No	No
(vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	Not applicable

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

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

Sl. No.	Name and Description of main products / services	NIC Code of the Product / Service	% to total turnover of the company
1	Providing and/or arrange various services and undertake activities relating to information technology enabled services in the areas of accounting, insurance, banking, human resources, knowledge process outsourcing, document conversion, data processing, health care, media and publishing, legal, telecom and other areas for and on behalf of banks, companies, bodies corporate, trusts, funds, firms, associations, institutions, individuals and any other person in India and abroad	63 - Data Processing	100%

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

Sl. No.	NAME AND ADDRESS OF THE COMPANY	CIN / GLN	HOLDING/ SUBSIDIARY / ASSOCIATE	% of shares held	Applicable Section
1	Sundaram Finance Limited 21, Patullos Road, Chennai 600 002	L65191TN1954PLC002429	Holding	100%	2(46)

SUNDARAM BUSINESS SERVICES LIMITED

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**
**(i) Category-wise Share Holding**

	Category of Shareholders	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>										
<b>(1) Indian</b>										
(a)	Individual/HUF	-	-	-	-	-	-	-	-	-
(b)	Central Govt	-	-	-	-	-	-	-	-	-
(c)	State Govt(s)	-	-	-	-	-	-	-	-	-
(c)	Bodies Corp.*	-	150,00,000	150,00,000	100.00	-	150,00,000	150,00,000	100.00	-
(d)	Banks / FI	-	-	-	-	-	-	-	-	-
(e)	Any Other ....	-	-	-	-	-	-	-	-	-
	<b>Sub-Total (A)(1)</b>	-	<b>15000000</b>	<b>15000000</b>	<b>100.00</b>	-	<b>15000000</b>	<b>15000000</b>	<b>100.00</b>	-
<b>(2) Foreign</b>										
(a)	NRIs - Individuals									
(b)	Other - Individuals	-	-	-	-	-	-	-	-	-
(c)	Bodies Corp.	-	-	-	-	-	-	-	-	-
(d)	Banks / FI	-	-	-	-	-	-	-	-	-
(e)	Any Other ....	-	-	-	-	-	-	-	-	-
	<b>Sub-Total (A)(2)</b>	-	-	-	-	-	-	-	-	-
	<b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	-	<b>15000000</b>	<b>15000000</b>	<b>100.00</b>	-	<b>15000000</b>	<b>15000000</b>	<b>100.00</b>	-
<b>B. Public Shareholding</b>										
<b>(1) Institutions</b>										
(a)	Mutual Funds	-	-	-	-	-	-	-	-	-
(b)	Banks / FI	-	-	-	-	-	-	-	-	-
(c)	Central Govt	-	-	-	-	-	-	-	-	-
(d)	State Govt(s)	-	-	-	-	-	-	-	-	-
(e)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
(f)	Insurance Companies	-	-	-	-	-	-	-	-	-
(g)	FII's	-	-	-	-	-	-	-	-	-
(h)	Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
(i)	Any Other - Foreign Portfolio Investors	-	-	-	-	-	-	-	-	-
	<b>Sub- Total (B)(1)</b>	-	-	-	-	-	-	-	-	-

	Category of Shareholders	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>2.</b>	<b>Non- Institutions</b>									
(a)	Bodies Corporate	–	–	–	–	–	–	–	–	–
(i)	Indian	–	–	–	–	–	–	–	–	–
(ii)	Overseas	–	–	–	–	–	–	–	–	–
(b)	Individuals	–	–	–	–	–	–	–	–	–
i	Individual shareholders holding nominal shares capital up to ₹1 lakh	–	–	–	–	–	–	–	–	–
ii	Individual shareholders holding nominal shares capital in excess of ₹1 lakh	–	–	–	–	–	–	–	–	–
(c)	Others (specify)	–	–	–	–	–	–	–	–	–
	<b>Sub- Total (B)(2)</b>	–	–	–	–	–	–	–	–	–
	<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	–	–	–	–	–	–	–	–	–
(C)	<b>Shares held by Custodian for GDRs and ADRs</b>	–	–	–	–	–	–	–	–	–
	<b>GRAND TOTAL (A)+(B)+(C)</b>	–	<b>15000000</b>	<b>15000000</b>	<b>100.00</b>	–	<b>15000000</b>	<b>15000000</b>	<b>100.00</b>	–

\* includes six equity shares held by the nominees of Sundaram Finance Ltd.

**(ii) Shareholding of promoters**

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of shares	% of total shares of the company	% of shares pledged / encumbered to total shares	No. of shares	% of total shares of the company	% of shares pledged / encumbered to total shares	
1	Sundaram Finance Limited*	15,000,000	100.00	–	15,000,000	100.00	–	–
	Total	15000000	100.00	–	15000000	100.00	–	–

\* includes six equity shares held by the nominees of Sundaram Finance Ltd.

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

Name of the Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
<b>Sundaram Finance Limited</b>				
At the beginning of the year*	150,00,000	100	–	–
Increase / Decrease in Promoters Share holding during the year	–	–	–	–
At the end of the Year	–	–	150,00,000	100

\* includes six equity shares held by the nominees of Sundaram Finance Ltd.

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

Name of the Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year*	Not Applicable			
Increase / Decrease in Promoters Share holding during the year				
At the end of the Year				

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

Sl. No.	Name of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	<b>Sri T T Srinivasaraghavan, Director*</b>				
	At the beginning of the year	1	–	–	–
	Increase / Decrease in Share holding during the year	–	–	–	–
	At the end of the Year	–	–	1	–
2	<b>Sri M Ramaswamy, Director*</b>				
	At the beginning of the year	1	–	–	–
	Increase / Decrease in Share holding during the year	–	–	–	–
	At the end of the Year	–	–	1	–
3	<b>Sri T K Sundararajan, Director</b>				
	At the beginning of the year	–	–	–	–
	Increase / Decrease in Share holding during the year	–	–	–	–
	At the end of the Year	–	–	–	–
4	<b>Ms S Preetha, Director</b>				
	At the beginning of the year	–	–	–	–
	Increase / Decrease in Share holding during the year	–	–	–	–
	At the end of the Year	–	–	–	–
5	<b>Mr Srinivas Acharya, Director<sup>§</sup>*</b>				
	At the beginning of the year	1	–	–	–
	Increase / Decrease in Share holding during the year	–	–	–	–
	At the end of the Year	–	–	1	–
6	<b>Mr Paramesh Krishnaier, Director<sup>§</sup>*</b>				
	At the beginning of the year	1	–	–	–
	Increase / Decrease in Share holding during the year	–	–	–	–
	At the end of the Year	–	–	1	–
7	<b>Mr Rajesh Venkat, Chief Executive Officer</b>				
	At the beginning of the year	–	–	–	–
	Increase / Decrease in Share holding during the year	–	–	–	–
	At the end of the Year	–	–	–	–
8	<b>Mr S Prem, Chief Financial Officer</b>				
	At the beginning of the year	–	–	–	–
	Increase / Decrease in Share holding during the year	–	–	–	–
	At the end of the Year	–	–	–	–
9	<b>Ms Charanya Sridharan, Secretary</b>				
	At the beginning of the year	–	–	–	–
	Increase / Decrease in Share holding during the year	–	–	–	–
	At the end of the Year	–	–	–	–

\* 1 Equity Share of ₹10/- each held as nominee of Sundaram Finance Limited jointly with others.

§ Mr Srinivas Acharya & Mr Paramesh Krishnaier, Directors resigned from their Directorship on 28th March 2015

SUNDARAM BUSINESS SERVICES LIMITED

**V. INDEBTEDNESS**

(In ₹)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
(i) Principal Amount	2,09,18,125	–	–	2,09,18,125
(ii) Interest due but not paid	–	–	–	–
(iii) Interest accrued but not due	–	–	–	–
<b>Total (i + ii + iii)</b>	2,09,18,125	–	–	2,09,18,125
<b>Change in Indebtedness during the financial year</b>				
Addition		2,49,25,236	–	2,49,25,236
Reduction	2,09,18,125	–	–	2,09,18,125
Net Change	(2,09,18,125)	2,49,25,236	–	40,07,111
<b>Indebtedness at the end of the financial year</b>				
(i) Principal Amount	–	24,925,236	–	2,49,25,236
(ii) Interest due but not paid	–	532,601	–	5,32,601
(iii) Interest accrued but not due	–	–	–	–
<b>Total (i + ii + iii)</b>	–	2,54,57,837	–	2,54,57,837

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

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

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL (CONTD.)

### B. Remuneration to other directors:

Particulars of Remuneration	Fee for attending board / committee meetings	Commission	Others	Total Amount
<b>Independent Directors</b>				
Sri T K Sundararajan				
Ms S Preetha				
<b>Total (1)</b>				
<b>Other Non-Executive Directors</b>				
Sri T T Srinivasaraghavan		Nil		
Sri M Ramaswamy				
<b>Total (2)</b>				
<b>Total (B) = (1 + 2)</b>				
Total Managerial Remuneration				
Overall Ceiling as per the Act		Not Applicable		

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

Sl. No.	Particulars of Remuneration	CEO	Company Secretary*	CFO	Total Amount (in ₹)
1	Gross Salary				
	a) Salary as per provisions contained in Section 17 (1) of the Income-tax Act, 1961	3183105		2543142	5726247
	b) Value of perquisites u/s 17 (2) Income-tax Act, 1961	107200		10800	118000
	c) Profits in lieu of salary under section 17 (3) Income-tax Act, 1961	NIL	Nil	NIL	
2	Stock Option#	220313		Nil	220313
3	Sweat Equity				
4	Commission				
	- as % of profit	Nil		Nil	Nil
	- others, specify				
5	Others, please specify				
	<b>Total (A)</b>	<b>3510618</b>		<b>2553942</b>	<b>6064560</b>

\* Ms Charanya Sridharan has been nominated by M/s Sundram Finance Limited the holding company and no remuneration is borne by this Company.

# Stock Options have been issued by Sundaram Finance Limited, the holding company.

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

There were no penalties / punishment / compounding of offences against the Company, Directors and other Officers in Default during the year ended 31st March 2015.

# INDEPENDENT AUDITOR'S REPORT

## to the Members of M/s. Sundaram Business Services Limited

### 1. Report on the Financial Statements

We have audited the accompanying financial statements of Sundaram Business Services Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

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

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

### 3. Auditor's Responsibility

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

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

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

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

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

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

### 4. Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give



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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, 2015;
- b) in the case of the Statement of Profit and Loss, of the loss 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. Emphasis of Matter

We draw attention to the financial statements being prepared on a “going concern” basis despite accumulated losses being more than 50% of the net worth of the company and in view of the measures contemplated by the company, as mentioned in Note no. 23.10 to the financial statements.

Our opinion is not qualified in respect of this matter.

6. Report on Other Legal and Regulatory Requirements

- (i) As required by the Companies (Auditor’s Report) Order, 2015 (“the Order”) issued by the Central Government of India in terms of sub-section 11 of section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraph 3 of the Order.
- (ii) As required by Section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by

this Report are in agreement with the books of account.

- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. the company has disclosed the effect of the pending litigations in its financial statements as mentioned in Note 23.13 of the Notes to the Accounts;
  - ii. the company did not have any long term contracts including long term derivative contracts. The derivative contracts outstanding are short term in nature and no material foreseeable losses are anticipated from the same by the company.
  - iii. there was no amount to be transferred to the Investor Education and Protection Fund by the Company during the year.

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

Place: Chennai  
Date: 6th May, 2015

## Annexure to the Auditors' Report referred to in Paragraph 6 of our Report of even date

1. a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
  - b) Fixed assets have been physically verified by the Management during the year, in accordance with an annual plan of verification, which in our opinion is reasonable having regard to the size of the company and the nature of the fixed assets. The discrepancies noticed on such verification were not material and have been properly dealt with in the books of account.
2. In our opinion and according to the information and explanations given to us, the Company has not granted any loans secured or unsecured to companies, firms or other parties covered in the register maintained under Section 189 of the Act. Therefore, clauses (iii) (a) and (b) of paragraph 3 of the Order are not applicable to the Company for the year.
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 purchase of fixed assets and for services rendered. During the course of our audit, no major weaknesses were noticed in the internal controls and therefore the reporting of the same does not arise.
4. The company has not accepted deposits from public.
5. The Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act.
6. i) According to the records of the Company and the information and explanations given to us, undisputed statutory dues, including Provident Fund, Employees State Insurance, Income tax and Service tax and other material statutory dues have been regularly deposited during the year with the appropriate authorities. According to the information and explanations given to us, there are no arrears of statutory dues which are outstanding as at 31st March 2015 for a period of more than six months from the date they became payable.
- ii) According to the records of the Company and the information and explanations given to us, the following dues have not been deposited on account of dispute:
- | Nature of dues | Amount (₹ ) | Period to which the amount relates | Forum where the dispute is pending |
|----------------|-------------|------------------------------------|------------------------------------|
| Service Tax    | 2,26,126/-  | 2009-10                            | Service Tax Tribunal               |
| Service Tax    | 6,20,951/-  | 2010-11 and 2011-12                | Commissioner Appeals               |
| Income Tax     | 1,07,640/-  | 2008-09                            | Income Tax Tribunal                |
- iii) Based on our examination of the records and the information and explanations given to us, there was no amount to be transferred to Investor Education and Protection Fund by the Company during the year in accordance with the relevant provision of the Companies Act, 1956 and the rules made thereunder.
7. The Company has accumulated losses at the end of the financial year and has incurred cash losses during the current and immediately preceding financial year.

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8. Based on our audit procedures and the information and explanations given by the Management, we are of the opinion that the Company has not defaulted in the repayment of dues to the bank. The company does not have any borrowings from financial institutions or by issue of debentures.
  9. In our opinion and according to the information and explanations given to us, the Company has not given any guarantees for loans taken by others from banks or financial institutions.
  10. Based on our examination of the records and the information and explanations given to us, the term loans were applied for the purposes for which the loans were obtained.
  11. To the best of our knowledge and belief and according to the information and explanations given to us, during the year no

fraud by the Company and no fraud on the Company were noticed or reported during the course of our audit.

12. In our opinion and according to the information and explanations given to us, the nature of the Company's business/ activities during the year has been such that clause ii of paragraph 3 of the Companies (Auditor's Report) Order, 2015 is not applicable to the Company for the year.

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

Place: Chennai  
Date: 6th May, 2015

## Balance Sheet

as at 31st March, 2015

(In ₹)

Particulars	Note No.	March 31, 2015	March 31, 2014
<b>I. EQUITY AND LIABILITIES</b>			
<b>1) Shareholders' funds</b>			
(a) Share Capital	2	15,00,00,000	15,00,00,000
(b) Reserves and Surplus	3	(8,36,96,778)	(6,66,64,446)
(c) Money received against share warrants		—	—
		6,63,03,222	8,33,35,554
<b>2) Share Application Money Pending Allotment</b>			
		—	—
<b>3) Non-Current Liabilities</b>			
(a) Long-Term Borrowings	4	2,00,00,000	—
(b) Deferred Tax Liabilities (Net)	5A	29,628	—
(c) Other Long-Term Liabilities		—	—
(d) Long-Term Provisions	6	—	8,31,877
		2,00,29,628	8,31,877
<b>4) Current Liabilities</b>			
(a) Short-Term Borrowings	7	49,25,236	2,09,18,125
(b) Trade Payables	8	1,46,38,735	1,05,35,950
(c) Other Current Liabilities	9	30,91,611	35,77,163
(d) Short-Term Provisions	10	71,01,200	1,01,06,213
		2,97,56,782	4,51,37,451
<b>Total</b>		<b>11,60,89,632</b>	<b>12,93,04,882</b>
<b>II. ASSETS</b>			
<b>1) Non-current assets</b>			
(a) Fixed Assets	11		
i) Tangible Assets		1,02,44,087	1,03,82,912
ii) Intangible Assets		53,69,534	33,84,179
iii) Capital Work-in-Progress		—	—
iv) Intangible Assets under Development		—	—
(b) Non-Current Investments		—	—
(c) Deferred Tax Assets (Net)	5B	—	2,73,550
(d) Long-Term Loans and Advances	12	2,54,01,855	3,23,45,618
(e) Other Non-Current Assets		—	—
		4,10,15,476	4,63,86,259
<b>2) Current Assets</b>			
(a) Current Investments		—	—
(b) Trade Receivables	13	3,68,51,810	5,58,88,350
(c) Cash and Bank Balances	14	38,15,802	40,40,823
(d) Short-Term Loans and Advances	15	1,86,58,311	1,42,15,484
(e) Other Current Assets	16	1,57,48,233	87,73,966
		7,50,74,156	8,29,18,623
<b>Total</b>		<b>11,60,89,632</b>	<b>12,93,04,882</b>
Significant Accounting policies and Notes to the Accounts 1 to 23			

As per our report of even date attached

For **Brahmayya & Co.,**  
Chartered Accountants  
**FRN 000511S**
**L Ravi Sankar**

Partner

Membership No. : 25929

Chennai

6th May, 2015

**Rajesh Venkat**

Chief Executive Officer

**R Prem**

Chief Financial Officer

**Charanya Sridharan**

Secretary

**S Preetha**

Directors

**T T Srinivasaraghavan**
**M. Ramaswamy**
**T K Sundararajan**

## Statement of Profit and Loss for the Year Ended 31st March, 2015

( In ₹ )

Particulars	Note No.	2014-15	2013-14
<b>INCOME:</b>			
Revenue from Operations	17	23,70,53,205	21,22,04,741
Other Income	18	32,04,637	14,14,591
<b>Total Revenue</b>		<b><u>24,02,57,842</u></b>	<b><u>21,36,19,332</u></b>
<b>EXPENSES:</b>			
Employee Benefits	19	13,31,74,712	9,92,55,024
Administrative and Other Expenses	20	8,63,97,286	8,36,56,953
Sales and Marketing expenses	21	2,68,83,110	5,28,24,854
Finance Costs	22	29,17,864	8,09,631
Depreciation	11	49,58,722	66,09,190
<b>Total Expenses</b>		<b><u>25,43,31,694</u></b>	<b><u>24,31,55,652</u></b>
<b>Profit/(Loss) Before Tax</b>		<b><u>(1,40,73,852)</u></b>	<b><u>(2,95,36,320)</u></b>
Tax Expense:			
1) Current Tax		26,16,902	-
2) Tax paid for earlier Years		38,400	-
3) Deferred Tax		3,03,178	(5,24,034)
		29,58,480	(5,24,034)
<b>Profit/(Loss) after Tax from continuing operations</b>		<b><u>(1,70,32,332)</u></b>	<b><u>(2,90,12,286)</u></b>
<b>Earnings per Equity Share:</b>			
Weighted Average Number of Shares considered (Face Value ₹10/- per share)		1,50,00,000	1,50,00,000
Basic and Diluted earnings per share (in ₹)		(1.14)	(1.93)
Significant Accounting policies and Notes to the Accounts 1 to 23			

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

**T T Srinivasaraghavan**

**M. Ramaswamy**

**L Ravi Sankar**

**T K Sundararajan**

Partner

Membership No. : 25929

**Rajesh Venkat**  
Chief Executive Officer

**R Prem**  
Chief Financial Officer

**Charanya Sridharan**  
Secretary

**S Preetha**  
Directors

Chennai

6th May, 2015

SUNDARAM BUSINESS SERVICES LIMITED

## NOTES TO THE ACCOUNTS

### NOTE 1: SIGNIFICANT ACCOUNTING POLICIES

1.1 The financial Statements are prepared and presented under the historical cost convention on the accrual basis of accounting and comply with the relevant provisions of the Companies Act, 2013.

The preparation of the financial statements, in conformity with generally accepted accounting principles, requires the use of estimates and assumptions that affect the reported amount of assets and liabilities as at the Balance sheet date, reported amounts of revenue and expenses during the year and disclosure of contingent liabilities as at that date. The estimates and assumptions used in these financial statements are based upon the management's evaluation of the relevant facts and circumstances as of the date of the financial statements. The assets and liabilities have been classified as non current and current based on a twelve month operating cycle.

1.2 Income Recognition:

Income is recognized on accrual basis

1.3 Fixed Assets and Depreciation/ Amortisation:

Tangible assets are carried at historical cost less accumulated depreciation and impairment, if any.

Depreciation on tangible assets is provided on the written-down value method over the useful life of assets estimated by the Company. Depreciation for assets purchased/ sold during the year is charged on a pro-rata basis.

The Company estimates the useful lives for the fixed assets as follows:

Computers Equipment

- Servers and Network                      10 years
- End User Devices                              7 years

Office Equipment                              8 years

Electrical installations                      15 years

For these class of assets, based on an internal assessment, the Company believes that the useful life mentioned above represents the period over which the company expects to use these assets. Hence the useful life for these assets is different from the useful life as prescribed under Part C of Schedule II to the Companies Act, 2013.

Intangible assets represent Computer Software acquired/developed, of which cost is amortised over expected useful life which is governed as per the Accounting Standard for Intangible Assets issued by the Institute of Chartered Accountants of India.

1.4 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.

1.5 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 is accounted for in Profit and Loss Statement.

1.6 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.

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## NOTES TO THE ACCOUNTS (Contd.)

### B) Post Employment Benefits:

#### Defined Contribution Plan

##### i) Provident Fund

The Company contributes to a Government Administered Provident Fund, Pension Fund and Employees State Insurance on account of its employees.

##### ii) Superannuation

The Company makes fixed contributions as a percentage on salary to a Superannuation Fund, which is administered by trustees and managed by the Life Insurance Corporation of India Limited.

The above contributions are charged to Profit and Loss Statement.

#### Defined Benefit Plan

##### iii) Gratuity

The company makes an annual contribution to a Gratuity Fund administered by trustees and managed by Life Insurance Corporation of India (LIC). The company accounts its liability based on an actuarial valuation, as at the Balance Sheet date, determined every year by LIC using the projected unit credit method.

##### iv) Leave Encashment

The company makes an annual contribution to a Fund and managed by SBI Life Insurance Company Limited. The Company accounts its Liability based on Actuarial Valuation, as at the Balance sheet date, determined every year, using projected unit credit method.

The expense and actuarial gain /loss on account of the above benefit plans are recognized in the profit and loss Statement on the basis of an actuarial valuation.

### C) Other Long Term Employee Benefits:

The estimated liability in respect of other long term benefits like Employee Assured Bonus Scheme, has been provided on the basis of actuarial valuation.

### 1.7 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 the consideration of prudence.

### 1.8 Intangible Assets:

Computer software acquired is recorded as an intangible asset and its cost is amortized over the estimated useful life.

### 1.9 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.

### 1.10 Provisions:

Provisions are recognized when there is existence of 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 obligation

**NOTES TO THE ACCOUNTS (Contd.)**
**Note 2**
**SHARE CAPITAL**

(In ₹)

Particulars	31.03.2015	31.03.2014
Authorised 1,50,00,000 Equity Shares of ₹ 10/- each.	15,00,00,000	15,00,00,000
	<b>15,00,00,000</b>	<b>15,00,00,000</b>
Issued, subscribed and fully paid up capital 1,50,00,000 Equity Shares of ₹ 10/- each	15,00,00,000	15,00,00,000
<b>Total</b>	<b>15,00,00,000</b>	<b>15,00,00,000</b>

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

Name	Status	Class of Share	No. of Shares#	% held as at 31.03.2015	No. of Shares #	% held as at 31.03.2014
Sundaram Finance Limited	Holding Company	Equity shares	1,50,00,000	100%	1,50,00,000	100%
<b>Total</b>			<b>1,50,00,000</b>		<b>1,50,00,000</b>	

# includes six equity shares held by the nominees of Sundaram Finance Ltd.

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

Particulars	31.03.2015	31.03.2014
Shares outstanding at the beginning of the year	1,50,00,000	1,50,00,000
Add: Shares issued during the year	—	—
Less: Shares bought back during the year	—	—
<b>Shares outstanding at the end of the year</b>	<b>1,50,00,000</b>	<b>1,50,00,000</b>



## NOTES TO THE ACCOUNTS (Contd.)

### Note 3

#### RESERVES AND SURPLUS

(In ₹)

Particulars	31.03.2015	31.03.2014
Opening Balance	(6,66,64,446)	(3,76,52,160)
Add: Loss for the year from the Profit and Loss Statement	(1,70,32,332)	(2,90,12,286)
<b>Total</b>	<b>(8,36,96,778)</b>	<b>(6,66,64,446)</b>

### Note 4

#### LONG TERM BORROWINGS

(In ₹)

Particulars	31.03.2015	31.03.2014
Unsecured Loan		
From a Related Party – Holding Company	2,00,00,000	–
<b>Total</b>	<b>2,00,00,000</b>	<b>–</b>

Terms of repayment: The Loan amount shall be repayable not earlier than three years from the date of availment.

### Note 5A

#### DEFERRED TAX LIABILITIES

(In ₹)

Particulars	31.03.2015	31.03.2014
<b>DEFERRED TAX LIABILITIES</b>		
Depreciation	7,14,916	–
<b>LESS: DEFERRED TAX ASSETS</b>		
Provision for doubtful debts/Advances	6,85,288	–
<b>Total</b>	<b>29,628</b>	<b>–</b>

### Note 5B

#### DEFERRED TAX ASSETS

(In ₹)

Particulars	31.03.2015	31.03.2014
<b>DEFERRED TAX LIABILITIES</b>		
Depreciation	–	5,78,022
<b>LESS: DEFERRED TAX ASSETS</b>		
Provision for Employee Benefits	–	8,51,572
<b>Total</b>	<b>–</b>	<b>2,73,550</b>

**NOTES TO THE ACCOUNTS (Contd.)**
**Note 6**
**LONG TERM PROVISIONS**

(In ₹)

Particulars	31.03.2015	31.03.2014
Provision for Employee Benefits	–	8,31,877
<b>Total</b>	<b>–</b>	<b>8,31,877</b>

**Note 7**
**SHORT TERM BORROWINGS**

(In ₹)

Particulars	31.03.2015	31.03.2014
Secured Loan		
From Bank		
Working Capital demand loans and Cash Credit		
Cash Credit *	–	1,34,18,125
Unsecured Loan		
Working Capital demand loans and Cash Credit		
Cash Credit **	49,25,236	–
From Related Parties – Fellow subsidiary Company	–	75,00,000
<b>Total</b>	<b>49,25,236</b>	<b>2,09,18,125</b>

\* Working Capital facility from a Bank secured by first charge on the entire current assets of the company including receivables.

\*\* Working Capital facility from a Bank pending creation of charge.

**Note 8**
**TRADE PAYABLES**

(In ₹)

Particulars	31.03.2015	31.03.2014
For Expenses	1,46,38,735	1,05,35,950
For Others	–	–
<b>Total</b>	<b>1,46,38,735</b>	<b>1,05,35,950</b>

**Note 9**
**OTHER CURRENT LIABILITIES**

(In ₹)

Particulars	31.03.2015	31.03.2014
TDS Payable	7,22,881	7,08,251
Interest accrued and due on borrowings	5,32,601	–
Others	18,36,129	28,68,912
<b>Total</b>	<b>30,91,611</b>	<b>35,77,163</b>

**Note 10**
**SHORT-TERM PROVISIONS**

(In ₹)

Particulars	31.03.2015	31.03.2014
Provision for Employee Benefits	71,01,200	1,01,06,213
<b>Total</b>	<b>71,01,200</b>	<b>1,01,06,213</b>

Note 11

(In ₹)

**FIXED ASSETS**

Description	Gross Block			Depreciation						Net Block	
	As at 01.04.2014	Additions	Deductions	As at 31.03.2015	As at 01.04.2014	Additions	Impairment	Deductions	Impairment Reversal	As at 31.03.2015	As at 31.03.2014
<b>Tangible Assets</b>											
Desktops and Printer	62,33,695	66,045	-	62,99,740	36,65,681	10,48,970	-	-	-	47,14,651	15,85,089
Electrical Equipment	37,46,066	25,190	11,813	37,59,443	8,90,573	3,95,875	-	4,410	-	12,82,038	24,77,405
IT Network, Servers	83,06,921	13,52,785	-	96,59,706	61,19,523	7,05,722	-	-	-	68,25,245	28,34,461
Office Equipment	19,48,990	3,56,232	-	23,05,222	7,05,945	3,93,048	-	-	-	10,98,993	12,06,229
Furniture and Fixtures	15,90,586	2,42,599	-	18,33,185	14,23,166	90,511	-	-	-	15,13,677	3,19,508
Motor Cars	32,74,120	12,49,435	14,82,044	30,41,511	19,12,578	3,29,766	-	10,22,228	-	12,20,116	18,21,395
<b>SUB TOTAL (A)</b>	<b>2,51,00,378</b>	<b>32,92,286</b>	<b>14,93,857</b>	<b>2,68,98,807</b>	<b>1,47,17,466</b>	<b>29,63,892</b>	<b>-</b>	<b>10,26,638</b>	<b>-</b>	<b>1,66,54,720</b>	<b>1,02,44,087</b>
	<b>(2,50,64,317)</b>	<b>(13,91,812)</b>	<b>(13,55,751)</b>	<b>(2,51,00,378)</b>	<b>(109,26,306)</b>	<b>(42,77,881)</b>	<b>-</b>	<b>(4,86,721)</b>	<b>-</b>	<b>(1,47,17,466)</b>	<b>(1,03,82,912)</b>
<b>Intangible Assets</b>											
Computer Software	1,04,50,510	39,80,185	-	1,44,30,695	70,66,331	19,94,830	-	-	-	90,61,161	53,69,534
<b>SUB TOTAL (B)</b>	<b>1,04,50,510</b>	<b>39,80,185</b>	<b>-</b>	<b>1,44,30,695</b>	<b>70,66,331</b>	<b>19,94,830</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>90,61,161</b>	<b>53,69,534</b>
	<b>(88,19,091)</b>	<b>(18,51,419)</b>	<b>(2,20,000)</b>	<b>(104,50,510)</b>	<b>(48,26,691)</b>	<b>(23,31,309)</b>	<b>-</b>	<b>(91,667)</b>	<b>-</b>	<b>(70,66,331)</b>	<b>(33,84,179)</b>
<b>Total (A+B) (Current Year)</b>	<b>3,55,50,888</b>	<b>72,72,471</b>	<b>14,93,857</b>	<b>4,13,29,502</b>	<b>2,17,83,797</b>	<b>49,58,722</b>	<b>-</b>	<b>10,26,638</b>	<b>-</b>	<b>2,57,15,881</b>	<b>1,56,13,621</b>
<b>(Previous Year)</b>	<b>(3,38,83,408)</b>	<b>(32,43,231)</b>	<b>(15,75,751)</b>	<b>(3,55,50,888)</b>	<b>(157,52,997)</b>	<b>(66,09,190)</b>	<b>-</b>	<b>(5,78,388)</b>	<b>-</b>	<b>(2,17,83,797)</b>	<b>(1,81,30,413)</b>

Figures in brackets pertain to March 31, 2014

**NOTES TO THE ACCOUNTS (Contd.)**
**Note 12**
**LONG-TERM LOANS AND ADVANCES**

(In ₹)

Particulars	31.03.2015	31.03.2014
<b>Unsecured, Considered Good</b>		
Capital Advance	4,00,000	–
Advances to Staff	12,91,531	22,55,802
Prepaid expenses	1,58,293	1,96,942
<b>Other Loans and Advances</b>		
Advance Income Tax and Tax Deducted at Source (net of provision)	2,20,49,668	2,76,25,393
Fringe Benefit Tax (net of provision)	1,13,493	1,52,720
MAT Credit Entitlement	13,88,870	21,14,761
<b>Total</b>	<b>2,54,01,855</b>	<b>3,23,45,618</b>

- i) Advance Income Tax and Tax Deducted at Source is net of Provision for Tax ₹33,96,253/- (31.03.14 – ₹ 28,88,179)
- ii) Fringe Benefit Tax is net of Provision for Fringe Benefit Tax of ₹NIL/- (31.03.14 – ₹16,165/-)

**Note 13**
**TRADE RECEIVABLES**

(In ₹)

Particulars	31.03.2015	31.03.2014
<b>Unsecured, Considered Good</b>		
Outstanding for a period exceeding six months from due date	15,17,184	27,34,308
Others	3,53,34,626	5,31,54,042
	<b>3,68,51,810</b>	<b>5,58,88,350</b>
<b>Unsecured, Considered doubtful</b>		
Outstanding for a period exceeding six months from due date	17,29,765	20,25,497
Others	3,08,610	–
Less: Provision for doubtful debts	20,38,375	20,25,497
<b>Total</b>	<b>3,68,51,810</b>	<b>5,58,88,350</b>

## NOTES TO THE ACCOUNTS (Contd.)

### Note 14

#### CASH AND CASH EQUIVALENTS

(In ₹)

Particulars	31.03.2015	31.03.2014
<b>Cash and Cash Equivalents</b>		
<b>Cash-on-Hand</b>	11,981	9,594
Balances with Banks		
In Current accounts	31,95,879	34,23,287
Other Bank Balances		
In Deposit account*	6,07,942	6,07,942
<b>Total</b>	<b>38,15,802</b>	<b>40,40,823</b>

\* Deposit of ₹ 6,07,942 provided as margin money to the bank for obtaining guarantee.

### Note 15

#### SHORT-TERM LOANS AND ADVANCES

(In ₹)

Particulars	31.03.2015	31.03.2014
<b>Unsecured, Considered Good</b>		
<b>Employee Advances</b>	6,61,110	7,63,446
Prepaid Expenses	26,54,246	33,97,741
Service Tax Receivable	1,27,38,333	81,91,149
GST Refund Due	6,73,560	1,87,602
Rent Deposit	4,46,309	5,17,631
Others	14,84,753	9,50,411
	<b>1,86,58,311</b>	<b>1,40,07,980</b>
<b>Unsecured, Considered doubtful</b>		
Loans to ex-employees	1,50,000	1,61,000
Salary recoverable	29,386	57,504
	1,79,386	2,18,504
Less: Provision for doubtful loans & advances	1,79,386	11,000
	—	2,07,504
<b>Total</b>	<b>1,86,58,311</b>	<b>1,42,15,484</b>

**NOTES TO THE ACCOUNTS (Contd.)**
**Note 16**
**OTHER CURRENT ASSETS**

(In ₹)

Particulars	31.03.2015	31.03.2014
<b>Unsecured, Considered Good</b>		
Interest Accrued on fixed deposit	94,882	43,146
Other Receivables	–	2,22,790
Unbilled Revenue	1,56,53,351	85,08,030
<b>Total</b>	<b>1,57,48,233</b>	<b>87,73,966</b>

**Note 17**
**REVENUE FROM OPERATIONS**

(In ₹)

Particulars	2014–2015	2013–2014
Business Process Outsourcing and Related Activities	23,70,53,205	21,22,04,741
	<b>23,70,53,205</b>	<b>21,22,04,741</b>

Particulars	2014–2015	2013–2014
<b>Revenue from operations includes –</b>		
Earnings in Foreign Currency	23,35,64,421	20,79,42,172

**Note 18**
**OTHER INCOME**

(In ₹)

Particulars	2014–2015	2013–2014
Interest	9,75,593	8,82,125
Gain on Redemption of Mutual Fund units	4,778	2,82,703
Bad debts recovered	–	73,441
Provisions no longer required written back	15,49,164	–
Miscellaneous Income	6,75,102	1,76,322
<b>Total</b>	<b>32,04,637</b>	<b>14,14,591</b>

**Note 19**
**EMPLOYEE BENEFITS**

(In ₹)

Particulars	2014–2015	2013–2014
Salaries, Allowances, Commission, Bonus etc	12,40,36,075	9,01,05,014
Company's contribution to Provident Fund, Gratuity, Superannuation and Employees State Insurance Schemes	70,66,515	63,57,187
Staff Welfare Expenses	20,72,122	27,92,823
<b>Total</b>	<b>13,31,74,712</b>	<b>9,92,55,024</b>

**NOTES TO THE ACCOUNTS (Contd.)****Note 20****ADMINISTRATIVE AND OTHER EXPENSES**

(In ₹)

Particulars	2014–2015	2013–2014
Rent	1,99,90,971	2,03,55,192
Communication expenses	45,17,159	71,72,226
Electricity expenses	87,58,322	84,97,911
Insurance	19,64,013	21,22,407
Travelling and Conveyance	1,09,42,530	1,22,11,719
Outsourcing Cost	1,71,01,904	77,26,704
Professional Charges	37,27,626	41,43,201
Rates and Taxes	1,55,044	60,650
Repairs and Maintenance		
Equipments	79,65,834	86,43,389
Others	42,17,473	42,09,071
Loss on Sale of Fixed Assets	7,403	–
Exchange Fluctuation (net)	35,76,803	19,53,237
Bad Debts & Advance written off	57,109	1,559
Provision for Doubtful Debts		
– Sundry Debtors (net)	63,714	20,25,494
– Loans & advances	1,79,386	11,000
Training and Recruitment Expenses	9,43,554	24,71,067
Printing and Stationery	2,55,165	2,18,933
Bank Charges and Commission	9,22,933	9,21,005
Miscellaneous Expenses	10,50,343	9,12,188
<b>Total</b>	<b>8,63,97,286</b>	<b>8,36,56,953</b>

**Note 21****SALES AND MARKETING EXPENSES**

(In ₹)

Particulars	2014–2015	2013–2014
Sales and Marketing expenses	2,68,83,110	5,28,24,854
<b>Total</b>	<b>2,68,83,110</b>	<b>5,28,24,854</b>

**Note 22****FINANCE COST**

(In ₹)

Particulars	2014–2015	2013–2014
Interest Expenses	28,80,171	6,83,899
Others	37,693	1,25,732
<b>Total</b>	<b>29,17,864</b>	<b>8,09,631</b>

## NOTES TO THE ACCOUNTS (Contd.)

### Note 23

#### General

#### 23.1 Disclosure as per AS 15

##### Employee Benefits:

##### Defined Contribution Plan:

During the year, the Company has recognized the following amounts in the Profit and Loss Statement, which are included in Employee Benefits:

Particulars	(In ₹)				
	2014 – 2015	2013 – 2014	2012 – 2013	2011–2012	2010 – 2011
Contribution to Provident Fund	39,99,876	29,77,625	38,58,377	56,31,119	59,39,919
Contribution to Employees' State Insurance	9,47,939	9,03,167	16,62,278	27,55,071	26,88,788
Contribution to Superannuation Fund	38,827	38,177	1,54,063	3,43,721	6,35,587

##### Gratuity:

##### Defined Benefit Plan

#### A. Reconciliation of opening and closing balances of present value of the defined benefit obligation.

Particulars	(In ₹)	
	31.03.2015	31.03.2014
Present value of obligations at the beginning of the year	29,29,913	35,36,007
Interest cost	1,51,246	1,29,217
Current service cost	6,88,815	7,81,335
Benefits paid	(29,36,478)	(39,20,390)
Past service liability – transferred in	–	–
Actuarial (gain) / loss on obligation	18,22,964	24,03,744
Present value of obligations at the end of the year	26,56,460	29,29,913

#### B. Reconciliation of opening and closing balances of fair value of Plan Assets Fund Maintained by LIC

Particulars	(In ₹)	
	31.03.2015	31.03.2014
Fair value of plan assets at the beginning of the year	26,33,577	50,98,483
Expected return on plan assets	6,61,182	3,34,533
Contributions	12,49,856	10,35,625
Benefits paid	(29,36,478)	(39,20,390)
Actuarial loss/gain on plan assets	–	85,326
Fair value of plan assets at the end of the year	16,08,137	26,33,577



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

## C. Table showing fair value of plan assets

(In ₹)

Particulars	31.03.2015	31.03.2014
Fair Value of plan assets at beginning of year	26,33,577	50,98,483
Actual return on plan assets	6,61,182	4,19,859
Contributions	12,49,856	10,35,625
Benefits Paid	(29,36,478)	(39,20,390)
Fair Value of plan assets at end of year	16,08,137	26,33,577
Funded Status	(10,48,323)	(2,96,336)

## D. Actuarial Gain/Loss recognized

(In ₹)

Particulars	31.03.2015	31.03.2014
Actuarial (gain)/loss on obligations	18,22,964	24,03,744
Actuarial (gain)/loss for the year – plan assets	–	85,326
Actuarial (gain)/loss on obligations	18,22,964	23,18,418
Actuarial (gain) / loss recognized in the year	18,22,964	23,18,418

## E. The amounts to be recognized in the balance sheet

(In ₹)

Particulars	31.03.2015	31.03.2014
Present value of obligations as at the end of year	26,56,460	29,29,913
Fair value of plan assets as at the end of the year	16,08,137	26,33,577
Funded status	(10,48,323)	(2,96,336)
Net assets/(liability) recognized in balance sheet	(10,48,323)	(2,96,336)

## F. The amounts to be recognized in the profit or loss statement

(In ₹)

Particulars	31.03.2015	31.03.2014
Current Service cost	6,88,815	7,81,335
Interest Cost	1,51,246	1,29,217
Expected return on plan assets	(6,61,182)	(3,34,533)
Net Actuarial (gain)/loss recognized in the year	18,91,218	23,18,418
Expenses recognized in statement of Profit and loss	20,70,097	28,94,437

## G. Actuarial Assumptions \*

Particulars	31.03.2015	31.03.2014
Discount Rate	8.00%	8.20%
Expected return on plan assets	8.75%	9.15%
Rate of increase in compensation levels	8.00%	8.00%
Attrition rate	24%	24%

## NOTES TO THE ACCOUNTS (Contd.)

\* 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 employment market. Amount for the current and previous four years are as follows:

(In ₹)

Particulars	31.03.2015	31.03.2014	31.03.2013	31.03.2012	31.03.2011
Defined Benefit Obligation	26,56,460	29,29,913	35,36,007	49,01,087	60,97,159
Plan Assets	16,08,137	26,33,577	50,98,483	54,00,356	65,02,675
Surplus / (Deficit)	(10,48,323)	(2,96,336)	15,62,476	4,99,269	4,05,516
Experience adjustments on plan liabilities	18,91,218	23,18,418	(26,17,866)	(11,86,235)	2,88,427
Experience adjustments on plan assets	—	—	—	—	—

### Other Long Term Benefits:

The Company's liability towards other long term benefits are provided based on actuarial valuation as at 31st March 2015. The details are given below:

Particulars	2014–2015	2013–2014	2012–2013	2011–2012	2010–2011
Leave encashment	3,061	12,65,853	13,08,296	19,99,995	26,21,656
Employee Assured Bonus Scheme	—	—	—	42,58,674	28,45,876

23.2 The Company has availed cash credit facility of ₹49,25,236 and a bank guarantee of ₹50,00,000 from a Scheduled Bank for which it is in the process of registering the charge with Ministry of Company Affairs as at the year-end. Pending registration of charge, the amounts due to the bank has been considered as 'Unsecured loan' under 'Short-term borrowings'.

23.3 Miscellaneous expenses under "Administrative and other expenses" includes remuneration to auditors (Excluding Service Tax) towards:

(In ₹)

Particulars	2014–2015	2013–2014
Statutory Audit	3,00,000	90,000
Tax Audit	50,000	30,000
Certification fees	95,000	90,000

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## NOTES TO THE ACCOUNTS (Contd.)

### 23.4. Details of transactions with Related Parties:

<b>Parties</b>	<b>Relationship</b>
Sundaram Finance Limited	Holding Company
Infreight Logistics Solutions Limited	Fellow subsidiary
LGF Services Limited	Fellow subsidiary
Sundaram Asset Management Company Limited	Fellow subsidiary
Sundaram Asset Management Singapore Pte Ltd	Fellow subsidiary
Sundaram BNP Paribas Fund Services Limited	Fellow subsidiary
Sundaram BNP Paribas Home Finance Limited	Fellow subsidiary
Sundaram BPO India Limited	Fellow subsidiary
Sundaram Finance Distribution Limited	Fellow subsidiary
Sundaram Infotech Solutions Limited	Fellow subsidiary
Sundaram Insurance Broking Services Limited	Fellow subsidiary
Sundaram Parekh Warehousing Services Limited *	Fellow subsidiary
Sundaram Trustee Company Limited	Fellow subsidiary

#### Key Management Personnel:

Mr. Rajesh Venkat	Chief Executive Officer
Mr.R.Prem	Chief Financial Officer
Ms.Charanya Sridharan	Secretary

\* Sundaram Parekh Warehousing Services Limited has been merged with Infreight Logistics Solutions Limited with effect from 01st April 2014, pursuant to the order passed by the Honorable High Court of Judicature at Madras on 18th March 2015.

**NOTES TO THE ACCOUNTS (Contd.)**
**Related Party Transactions for the year ended 31st March 2015:**

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	Subsidiary Company	Fellow Subsidiaries	Joint Venture/ Associates	Total 2014-15	Previous Year 2013-14
<b>Expenses</b>						
Sundaram Finance Limited						
a) Rent	1,58,37,220				1,58,37,220	1,68,78,387
b) Training Programme	20,000				20,000	39,000
c) Internal Audit	4,00,000				4,00,000	3,50,000
d) Web Hosting	6,03,917				6,03,917	8,10,341
e) Web Maintenance Charges	16,000				16,000	2,17,000
f) Interest on Loan	11,32,273				11,32,273	—
Sundaram Finance Distribution Limited						
Interest on Loan			3,77,804		3,77,804	4,57,665
<b>Software Purchased</b>						
Sundaram Infotech Solutions Limited						10,50,000
<b>Sale of Car</b>	3,32,482				3,32,482	
Purchase of Car	6,75,585				6,75,585	
<b>Asset—Outstanding Balance as on 31.03.2015</b>						
<b>Receivables</b>						
Sundaram BPO India Limited			13,64,019		13,64,019	7,83,063
Sundaram Finance Limited	6,22,705				6,22,705	7,28,282
<b>Liabilities—Outstanding Balance as on 31.03.2015</b>						
<b>Equity Shares</b>						
Sundaram Finance Limited	15,00,00,000	—	—		15,00,00,000	15,00,00,000
<b>Inter Corporate Loans</b>						
Sundaram Finance Distribution Limited				—	—	75,00,000
Sundaram Finance Limited	2,00,00,000				2,00,00,000	—
Interest on Loan	5,32,601				5,32,601	—
<b>Payables</b>						
Sundaram Finance Limited	15,06,844	—	—	—	15,06,844	18,99,527
Sundaram BPO India Limited			9,37,118		9,37,118	8,94,817

No Amount has been written off/written back during the year

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

23.5. The Company Secretary Ms.Charanya Sridharan has been nominated by M/s. Sundaram Finance Limited the Holding company and no remuneration is borne by this company.

23.6. There is no amount due to small scale industries in terms of “The Micro, Small and Medium Enterprises Development Act, 2006”

**23.7. Earnings per Share (Basic and diluted):**

(In ₹)

Particulars	2014–15	2013–14
A. Profit for the year after taxation (₹)	(1,70,32,332)	(2,90,12,286)
B. Total number of equity shares of ₹10/- each outstanding at the end of the year (in numbers)	1,50,00,000	1,50,00,000
C. Basic and diluted earnings per share (₹) (A/B)	(1.14)	(1.93)

**23.8. Foreign Currency Transactions:**

(On Accrual Basis)

(In ₹)

Particulars	2014–15	2013–14
<b>Earnings in Foreign Currency</b>		
Income from Services	23,35,64,421	20,79,42,172
<b>Expenditure in Foreign Currency</b>		
Salaries, travel, office expenses	5,28,08,469	6,74,34,367

**23.9. Claims against the Company not acknowledged as debt:**

(In ₹)

Particulars	2014–15	2013–14
Service Tax matters – appeal filed by the Company	8,47,077	4,52,931
Income Tax matters – appeal filed by the Company	1,07,640	1,07,640

## NOTES TO THE ACCOUNTS (Contd.)

- 23.10. The Accounts of the Company have been prepared on a “going concern” basis notwithstanding the loss incurred during the year and the accumulated losses exceeding 50% of paid-up equity share capital as the company is contemplating measures such as new customer acquisition, productivity improvement, pricing and cost control measures which are likely to have a favourable impact on the financial position of the company.
- 23.11. The Current tax of ₹26,16,902 relates to the company’s overseas branch and has been computed based on the laws applicable to the jurisdiction in which the branch operates. This amount has been charged during the year due to non-availability of taxable profits.
- 23.12. In accordance with the provisions of The Companies Act, 2013 the Company has during the year reviewed its policy of providing depreciation on tangible fixed assets and also has reassessed the remaining useful lives of those assets as on 1st April 2014. The assets have been depreciated on the written-down value method over the useful life as assessed by the company which is different from the useful life specified in Schedule II to the Companies Act, 2013.  
Consequently depreciation for the year ended 31st March 2015 is lower by ₹ 20.01 lakhs.
- 23.13. The pending litigations as on 31st March, 2015 have been compiled by the company and reviewed by the Statutory Auditors. The effect of the current position of the litigations have been evaluated and appropriately considered and disclosed in the financial statements.
- 23.14. As at the Balance Sheet date, the Company’s net foreign exchange exposures that are not hedged by a derivative instrument or otherwise is ₹3,48,35,512 (₹4,87,88,714 as at 31 March 2014).
- 23.15. The Provident fund authorities were seeking to consider other allowances as a part of basic wages for the purpose of calculation of Provident fund. Consequently, the Company obtained an interim injunction from the High Court of Madras restraining the Regional Provident Fund Commissioner, Chennai from issuing orders in respect of proceedings under section 7A of the Employees Provident Funds and Miscellaneous Provisions Act, 1952 pertaining to the above calculation.  
Pending the outcome of the judicial proceedings and also having regard to Circular No.7(1) 2012/RCs Review Meeting/21224 dated 18th December 2012 of the Central Provident Fund Commissioner wherein the inclusion of other allowances as a part of basic wages was kept in abeyance, no effect has been given in the financial statements.
- 23.16. Estimated amount of contracts remaining to be executed on capital account – ₹ 4,00,000/- (Net of Advances).
- 23.17. Prior year figures have been regrouped/reclassified wherever necessary to conform to current year’s classification.

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

**L Ravi Sankar**  
Partner  
Membership No. : 25929  
Chennai  
6th May, 2015

**Rajesh Venkat**  
Chief Executive Officer

**R Prem**  
Chief Financial Officer

**Charanya Sridharan**  
Secretary

**S Preetha**  
Directors

**T T Srinivasaraghavan**

**M. Ramaswamy**

**T K Sundararajan**

# CASH FLOW STATEMENT

	2014-15 (In ₹)	2013-14 (In ₹)
<b>A) CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit	(1,70,32,332)	(2,90,12,286)
Add: Provision for Taxation	29,20,080	(5,24,034)
	<u>(1,41,12,252)</u>	<u>(2,95,36,320)</u>
Add: Financial Expenses	29,17,864	8,09,631
Depreciation	49,58,722	66,09,190
(Profit)/ Loss on sale of Investments	(4,778)	(2,82,703)
Interest / Dividend Income	(9,75,593)	(8,82,125)
Unrealised Foreign Currency Loss/(Gain)	4,19,269	56,590
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b><u>(67,96,768)</u></b>	<b><u>(2,32,25,737)</u></b>
(Increase) Decrease in Long-Term Loans and Advances	29,43,924	47,70,861
(Increase) Decrease in Short -Term Loans and Advances	(44,42,826)	(4,87,428)
(Increase) Decrease in Other Current Assets	(69,74,267)	(33,11,071)
(Increase) Decrease in Trade Receivables	1,86,80,280	(63,25,024)
Increase (Decrease) in Other Long-Term Provisions	(8,31,877)	(4,24,087)
Increase (Decrease) in Other Short-Term Provisions	(30,05,013)	(29,12,529)
Increase (Decrease) in Trade Payables	41,02,784	(22,90,875)
Increase (Decrease) in Other Current Liabilities	<u>(4,85,552)</u>	<u>(1,41,079)</u>
<b>Cash generated from Operations</b>	<b><u>31,90,685</u></b>	<b><u>(3,43,46,969)</u></b>
Financial Expenses	(29,17,864)	(8,09,631)
Direct Taxes Paid	13,82,937	-
<b>NET CASH FROM OPERATING ACTIVITIES (A)</b>	<b><u>16,55,758</u></b>	<b><u>(3,51,56,600)</u></b>
<b>B) CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(72,72,471)	(32,43,231)
Sale of Fixed Assets	4,67,219	9,97,363
Investment in Fixed Deposit	-	(1,07,942)
Sale/Redemption of Investments in Mutual Funds	30,04,778	3,79,82,703
Purchase of Investments in Mutual Funds	(30,00,000)	(2,62,00,000)
Interest Received	9,75,593	8,82,125
<b>NET CASH FROM INVESTING ACTIVITIES (B)</b>	<b><u>(58,24,881)</u></b>	<b><u>1,03,11,018</u></b>
<b>C) CASH FLOW FROM FINANCING ACTIVITIES</b>		
Increase (Decrease) in Short-Term Borrowings	(1,59,92,889)	2,09,18,125
Increase (Decrease) in Long-Term Borrowings	2,00,00,000	-
<b>NET CASH FROM FINANCING ACTIVITIES (C)</b>	<b><u>40,07,111</u></b>	<b><u>2,09,18,125</u></b>
<b>D) Effect of Foreign Exchange rates on Cash and Cash Equivalents (net) (D)</b>	<b><u>(63,008)</u></b>	<b><u>(33,983)</u></b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS (A)+(B)+(C)+(D)</b>	<b><u>(2,25,021)</u></b>	<b><u>(39,61,439)</u></b>
Cash and Cash Equivalents at the beginning of the Year	34,32,881	73,94,320
<b>Cash and Cash Equivalents at the end of the year</b>	<b><u>32,07,860</u></b>	<b><u>34,32,881</u></b>
Components of Cash and Cash Equivalents At the end of the year		
Balance with Banks	31,95,879	34,23,287
Cash on Hand	11,981	9,594
	<b><u>32,07,860</u></b>	<b><u>34,32,881</u></b>

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

**L Ravi Sankar**  
Partner  
Membership No. : 25929  
Chennai  
6th May, 2015

**Rajesh Venkat**  
Chief Executive Officer

**R Prem**  
Chief Financial Officer

**Charanya Sridharan**  
Secretary

**S Preetha**  
Directors

**T T Srinivasaraghavan**

**M. Ramaswamy**

**T K Sundararajan**

SUNDARAM BUSINESS SERVICES LIMITED