

The financial details of companies for the previous 3 years as per the audited statement of Accounts  
Name of the Company: Sundaram Infotech Solutions Limited

(Rs. in Crores)

Particulars	30.09.2016	As per last Audited Financial Year - 31.03.2016	1 year prior to the last Audited Financial Year - 31.03.2015	2 years prior to the last Audited Financial Year - 31.03.2014
Equity Paid up Capital	16.40	16.40	16.40	16.40
Reserves and surplus	-8.46	-8.49	-7.67	-5.34
Carry forward losses	-	-	-	-
Net Worth	7.94	7.91	8.73	11.06
Miscellaneous Expenditure	-	-	-	-
Secured Loans	0.38	0.43	0.33	0.26
Unsecured Loans	-	-	-	-
Fixed Assets	0.55	0.58	0.49	0.46
Income from Operations	8.17	15.87	16.47	18.81
Total Income	8.38	16.19	16.75	19.47
Total Expenditure	8.28	17.03	19.12	18.56
Profit before Tax	0.09	-0.84	-2.37	0.91
Profit after Tax	0.03	-0.82	-2.33	0.90
Cash profit	0.18	-0.66	-2.20	1.05
EPS	0.02	-0.50	-1.42	0.55
Book value	4.84	4.82	5.32	6.74

**Note:** The financials should not be more than 6 months old. In such cases additional column may be added to provide the latest financials.

For SUNDARAM INFOTECH SOLUTIONS LIMITED

  
Secretary



**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF SUNDARAM INFOTECH SOLUTIONS LIMITED**

**1. Report on the Financial Statements**

We have audited the accompanying financial statements of Sundaram Infotech Solutions Limited ("the Company"), which comprise the Balance Sheet as at 30<sup>th</sup> September, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the six month period 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

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FOR SUNDARAM INFOTECH SOLUTIONS LIMITED**



Secretary  
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the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

#### 4. **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at September, 2016;
- b) in the case of the Statement of Profit and Loss, of the profit for the six month period ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the six month period 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. 23.4 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 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.

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Secretary



- (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) 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:
- the Company has disclosed the effect of the pending legal proceedings against it in its financial statements as mentioned in Note 23.5 of the Notes to the Accounts;
  - the company did not have any long term contracts including derivative contracts.
  - there was no amount to be transferred to the Investor Education and Protection Fund by the Company.

Place: Chennai  
Date: 25-11-2016

For BRAHMAYYA & Co  
Chartered Accountants

Firm Regn. No.000511S



P. Babu

Partner

Membership No. 203358

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For SUNDARAM INFOTECH SOLUTIONS LIMITED

Secretary

**SUNDARAM INFOTECH SOLUTIONS LIMITED**  
Balance Sheet as at 30th September 2016

(Amount in Rs.)

Particulars		Note No.	As at 30th September 2016		As at 31st March 2016	
<b>I. EQUITY AND LIABILITIES</b>						
<b>1 Shareholders' funds</b>						
	(a) Share Capital	2	164,000,000		164,000,000	
	(b) Reserves and Surplus	3	(84,574,146)		(84,874,278)	
	(c) Money received against share warrants		-	79,425,854	-	79,125,722
<b>2 Share application money pending allotment</b>						
<b>3 Non-current liabilities</b>						
	Long-term borrowings	4	3,849,955		4,252,355	
	Deferred tax liabilities (Net)		-		-	
	Other Long term liabilities		-		-	
	Long-term provisions	5	2,725,340	6,575,295	3,354,770	7,607,125
<b>4 Current liabilities</b>						
	Short-term borrowings					
	Trade payables					
	(A) Total outstanding dues to micro enterprises and small enterprises		-		-	
	(B) Total outstanding dues to creditors other than micro enterprises and small enterprises	6	8,227,082		4,498,076	
	Other current liabilities	7	15,796,610		14,546,938	
	Short-term provisions	8	735,068	24,758,760	1,871,414	20,916,428
<b>TOTAL</b>				<b>110,759,909</b>		<b>107,649,275</b>
<b>II. ASSETS</b>						
<b>1 Non-current assets</b>						
	(a) Fixed assets					
	(i) Tangible assets	9	5,527,363		5,813,135	
	(ii) Intangible assets		-		-	
	(iii) Capital work-in-progress		-		-	
	(iv) Intangible assets under development		-		-	
	(b) Non-current investments		-		-	
	(c) Deferred tax assets (net)	10	1,031,440		1,548,648	
	(d) Long-term loans and advances	11	46,936,755		45,011,908	
	(e) Other non-current assets	12	494,074	53,989,632	594,373	52,968,064
<b>2 Current assets</b>						
	(a) Current investments	13	20,988,131		20,856,599	
	(b) Inventories		-		-	
	(c) Trade receivables	14	28,959,133		22,064,546	
	(d) Cash and cash equivalents	15	2,656,705		5,697,878	
	(e) Short-term loans and advances	16	3,684,587		5,549,981	
	(f) Other current assets	17	481,721	56,770,277	512,207	54,681,211
<b>TOTAL</b>				<b>110,759,909</b>		<b>107,649,275</b>
Significant Accounting Policies and Notes to the Accounts 1 to 23						

As per our report of even date attached

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

Sd/-  
Deepa Ramesh  
Chief Executive Officer

Sd/-  
Srinivas Acharya

Sd/-  
M Ramaswamy  
Chief Financial Officer

Sd/-  
T K Sundararajan  
Directors

Sd/-  
P. Babu  
Partner  
Membership No. 203358  
Chennai  
Dated: 25th November 2016

Sd/-  
K. Rajagopal  
Secretary

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For SUNDARAM INFOTECH SOLUTIONS LIMITED

  
Secretary

**SUNDARAM INFOTECH SOLUTIONS LIMITED**  
**Profit and Loss statement for the Half Year ended 30th September 2016**

( Amount in Rs.)

	Note	Apr-Sep 16	2015 - 16
Revenue From Operations	18	81,681,766	158,739,056
Other income	19	2,073,419	3,199,567
<b>Total Revenue</b>		<b>83,755,185</b>	<b>161,938,623</b>
<b>Expenses:</b>			
Cost of purchases	20	25,296,873	54,572,627
Employee benefits expenses	21	44,199,690	88,460,440
Administrative and other expenses	22	12,480,501	25,551,619
Depreciation and amortization expenses	9	852,715	1,729,717
<b>Total Expenses</b>		<b>82,829,779</b>	<b>170,314,404</b>
<b>Profit before tax</b>		<b>925,406</b>	<b>(8,375,781)</b>
Tax expense:			
Minimum Alternate Tax availed		108,065	-
Deferred tax		517,209	(200,905)
		625,274	(200,905)
Less: MAT Credit Entitlement		-	(200,905)
<b>Profit after tax for the year from continuing operations</b>		<b>300,132</b>	<b>(8,174,876)</b>
Earnings per equity share:			
Face Value per Equity Share (in Rupees)		10	10
Number of Equity Shares		16400000	16400000
Weighted Average Number of Equity Shares		16400000	16400000
Basic and Diluted Earnings per share (in Rupees)		0.02	-0.5
Significant Accounting Policies and Notes to the Accounts	1 to 23		

As per our report of even date attached

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

Sd/-  
Deepa Ramesh  
Chief Executive Officer

Sd/-  
Srinivas Acharya

Sd/-  
M Ramaswamy  
Chief Financial Officer

Sd/-  
T K Sundararajan  
Directors

Sd/-  
P. Babu  
Partner  
Membership No. 203358  
Chennai  
Dated: 25th November 2016

Sd/-  
K. Rajagopal  
Secretary

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**For SUNDARAM INFOTECH SOLUTIONS LIMITED**

  
Secretary

**SUNDARAM INFOTECH SOLUTIONS LIMITED**

**Cash Flow Statement**

(Amount in Rs.)

		Apr - Sep 16		2015-16	
<b>A)</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES:</b>				
	Net Profit	3,00,132		(81,74,876)	
	Provision for Taxation	6,25,274		(2,00,905)	
		9,25,406		(83,75,781)	
	Add: Provision for doubtful debts	(3,22,177)	6,03,229	(10,44,391)	(94,20,172)
	Depreciation		8,52,715		17,29,717
	Interest Received		-		11,19,240
	<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>		<b>14,55,944</b>		<b>(88,09,695)</b>
	(Increase) Decrease in other non-current assets	1,00,299		(1,19,845)	
	(Increase) Decrease in Inventories	-		-	
	(Increase) Decrease in Trade Receivables	(65,72,410)		79,47,310	
	(Increase) Decrease in short-term loans and advances	18,65,394		9,20,541	
	(Increase) Decrease in Long-term loans and advances	(20,32,912)		43,76,099	
	(Increase) Decrease in other current assets	30,486		(1,21,896)	
	Increase (Decrease) in Long-term borrowings	(4,02,400)		9,91,915	
	Increase (Decrease) in Long-term provisions	(6,29,430)		37,118	
	Increase (Decrease) in Trade payable	37,29,006		(64,08,101)	
	Increase (Decrease) in other current liabilities	12,49,672		68,50,124	
	Increase (Decrease) in Short-term provisions	(11,36,346)	(37,98,642)	4,55,327	1,49,28,592
	Cash generated from Operations		(23,42,698)		61,18,897
	Direct Taxes Paid		-		-
	<b>NET CASH FROM OPERATING ACTIVITIES (A)</b>		<b>(23,42,698)</b>		<b>61,18,897</b>
<b>B)</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>				
	Purchase of Fixed Assets		(5,66,943)		(26,24,416)
	Sale of Fixed Asset		-		-
	Purchase / Sale of Investments (Net)		(1,31,532)		(49,03,573)
	Interest Received		-		11,19,240
	<b>NET CASH FROM INVESTING ACTIVITIES (B)</b>		<b>(6,98,475)</b>		<b>(64,08,749)</b>
<b>C)</b>	<b>CASH FROM FINANCING ACTIVITIES</b>				
	Proceeds from issue of Equity Shares		-		-
	Increase (Decrease) in short term borrowings		-		-
	<b>NET CASH FROM FINANCING ACTIVITIES (C)</b>		<b>-</b>		<b>-</b>
	<b>NET INCREASE IN CASH AND CASH EQUIVALENTS (A)+(B)+(C)</b>		<b>(30,41,173)</b>		<b>(2,89,851)</b>
	<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>		<b>56,97,878</b>		<b>59,87,729</b>
	<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>		<b>26,56,705</b>		<b>56,97,878</b>
<b>1)</b>	<b>COMPONENTS OF CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>				
	Current Account with Banks		26,41,002		57,69,359
	Effect of Foreign Exchange rates on Cash and Cash Equivalents		11,703		(75,481)
	Cash, Stamps and Stamp Papers on Hand		4,000		4,000
			26,56,705		56,97,878

As per our report of even date attached

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

Sd/-  
Deepa Ramesh  
Chief Executive Officer

Sd/-  
Srinivas Acharya

Sd/-  
M Ramaswamy  
Chief Financial Officer

Sd/-  
T K Sundararajan  
Directors

Sd/-  
P. Babu  
Partner  
Membership No. 203358  
Chennai  
Dated: 25th November 2016

Sd/-  
K. Rajagopal  
Secretary

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For SUNDARAM INFOTECH SOLUTIONS LIMITED

  
Secretary

**1. SIGNIFICANT ACCOUNTING POLICIES**

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

- 1.2 Income Recognition:

Income from sales and services is accounted on accrual basis.

- 1.3 Inventory

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

- 1.4 Fixed Assets and Depreciation:

Fixed assets other than assets taken on lease are stated at historical cost less accumulated depreciation. Depreciation on assets is provided on the Written Down Value Method as per Schedule II of the Companies Act, 2013 considering the estimated useful life time of the assets.

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

- 1.5 Valuation of Investments:

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

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

- 1.6 Foreign Currency Transactions:

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

- 1.7 Employee Benefits:

**A) Short Term Employee Benefits:**

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

**B) Post employment benefits:**

**Defined Contribution Plan**

**(i) Provident Fund**

The Company contributes to a Government administered Provident Fund.

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

**(ii) Superannuation**

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

**Defined Benefit Plan**

**(i) Gratuity**

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

**(ii) Leave Encashment**

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

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

**(iii) Medical reimbursement**

Liability on account of Medical reimbursement of employees is provided on actuarial basis.

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





1.8 Taxation:

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

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

1.9 Intangible Assets:

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

1.10 Impairment of Assets:

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

1.11 Provisions:

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

**NOTE 2**

**SHARE CAPITAL**

Particulars	( Amount in Rs.)	
	30.09.2016	31.03.2016
Authorised 1,70,00,000 Equity Shares of Rs. 10/- each	17,00,00,000	17,00,00,000
Issued, Subscribed and fully paid up capital 1,64,00,000 Equity Shares of Rs. 10/- each	16,40,00,000	16,40,00,000

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

Name of the share holder	Status	No. of Shares #	% held as at 30.09.2016	No. of Shares #	% held as at 31.03.2016
Sundaram Finance Ltd	Holding Company	1,64,00,000	100	1,64,00,000	100

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

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

Particulars	( Amount in Rs.)	
	30.09.2016	31.03.2016
Opening number of shares outstanding	1,64,00,000	1,64,00,000
Add: Shares issued	-	-
Less: Shares bought back	-	-
Closing number of shares outstanding	1,64,00,000	1,64,00,000

**NOTE 3**

**RESERVES AND SURPLUS**

Particulars	( Amount in Rs.)	
	30.09.2016	31.03.2016
Opening balance	(8,48,74,278)	(7,66,99,403)
Add: Transfer from Surplus in the Profit and Loss statement	3,00,132	(81,74,875)
	<b>(8,45,74,146)</b>	<b>(8,48,74,278)</b>

**NOTE 4**

**LONG TERM BORROWINGS**

Particulars	( Amount in Rs.)	
	30.09.2016	31.03.2016
Long term maturities of finance lease obligations	38,49,955	42,52,355

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

Period	30.09.2016		31.03.2016	
	Future Lease payments	Principal Outstanding	Future Lease payments	Principal Outstanding
Not later than 1 year	20,35,800	15,54,079	19,70,760	14,58,553
2 to 5 years	38,49,955	33,55,881	42,52,355	36,57,982
Above 5 years	Nil	Nil	Nil	Nil



**NOTE 5**  
**LONG TERM PROVISIONS**

( Amount in Rs.)		
Particulars	30.09.2016	31.03.2016
Provision for employee benefits	27,25,340	33,54,770
	<b>27,25,340</b>	<b>33,54,770</b>

**NOTE 6**  
**TRADE PAYABLES**

( Amount in Rs.)		
Particulars	30.09.2016	31.03.2016
<b>Total outstanding dues to creditors other than micro enterprises and small enterprises:</b>		
For expenses	78,96,793	41,98,646
For others	3,30,289	2,99,430
	<b>82,27,082</b>	<b>44,98,076</b>

**NOTE 7**  
**OTHER CURRENT LIABILITIES**

( Amount in Rs.)		
Particulars	30.09.2016	31.03.2016
Income received in advance	73,18,385	48,54,084
Current Maturities of Finance Lease Obligations	20,35,800	19,70,760
Statutory dues payable	46,38,141	39,27,578
Advance received from customers	-	9,48,046
Others	18,04,284	28,46,470
	<b>1,57,96,610</b>	<b>1,45,46,938</b>

**NOTE 8**  
**SHORT TERM PROVISIONS**

( Amount in Rs.)		
Particulars	30.09.2016	31.03.2016
Provision for employee benefits	7,35,068	18,71,414
	<b>7,35,068</b>	<b>18,71,414</b>



NOTE 9  
FIXED ASSETS

Description	Gross Block at cost				Depreciation				Net Block	
	Cost As at 01.04.2016	Additions	Deductions	Cost As at 30.09.2016	As at 01.04.2016	Additions	Deductions	Upto 30.09.2016	As at 30.09.2016	As at 31.03.2016
<b>Tangible Assets</b>										
Computer System	12,57,150 (12,36,257)	- (20,893)	-	12,57,150 (12,57,150)	10,44,726 (9,17,867)	40,831 (1,26,859)	-	10,85,557 (10,44,726)	1,71,593 (2,12,424)	2,12,424 (3,18,390)
Office Equipment	7,44,072 (7,15,153)	27,293 (28,919)	-	7,71,365 (7,44,072)	5,44,625 (4,72,913)	31,432 (71,712)	-	5,76,057 (5,44,625)	1,95,308 (1,99,447)	1,99,447 (2,42,240)
Furniture and Fixtures	8,02,737 (8,02,737)	-	-	8,02,737 (8,02,737)	5,84,313 (5,02,836)	29,639 (81,477)	-	6,13,952 (5,84,313)	1,88,785 (2,18,424)	2,18,424 (2,99,901)
Plant and Machinery	1,96,239 (1,96,239)	-	-	1,96,239 (1,96,239)	1,29,931 (1,19,279)	4,589 (10,652)	-	1,34,520 (1,29,931)	61,719 (66,308)	66,308 (76,960)
<b>Total</b>	<b>30,00,198 (29,50,386)</b>	<b>27,293 (49,812)</b>	<b>-</b>	<b>30,27,491 (30,00,198)</b>	<b>23,03,595 (20,12,895)</b>	<b>1,06,491 (2,90,700)</b>	<b>-</b>	<b>24,10,086 (23,03,595)</b>	<b>6,17,405 (6,96,603)</b>	<b>6,96,603 (9,37,491)</b>
<b>Tangible Assets (Under Lease)</b>										
Computers	69,33,774 (64,52,001)	5,39,650 (25,74,604)	- (20,92,831)	74,73,424 (69,33,774)	20,93,571 (29,46,699)	6,39,687 (12,39,702)	- (20,92,830)	27,33,258 (20,93,571)	47,40,166 (48,40,203)	48,40,203 (35,05,302)
Vehicle	7,89,851 (7,89,851)	-	-	7,89,851 (7,89,851)	5,13,522 (3,14,207)	1,06,537 (1,99,315)	-	6,20,059 (5,13,522)	1,69,792 (2,76,329)	2,76,329 (4,75,644)
<b>Total</b>	<b>77,23,625 (72,41,852)</b>	<b>5,39,650 (25,74,604)</b>	<b>- (20,92,831)</b>	<b>82,63,275 (77,23,625)</b>	<b>26,07,093 (32,60,906)</b>	<b>7,46,224 (14,39,017)</b>	<b>- (20,92,830)</b>	<b>33,53,317 (26,07,093)</b>	<b>49,09,958 (51,16,532)</b>	<b>51,16,532 (39,80,946)</b>
<b>Intangible Assets</b>										
Computer Software	12,81,835 (12,81,835)	-	-	12,81,835 (12,81,835)	12,81,835 (12,81,835)	-	-	12,81,835 (12,81,835)	-	-
<b>Total</b>	<b>12,81,835 (12,81,835)</b>	<b>-</b>	<b>-</b>	<b>12,81,835 (12,81,835)</b>	<b>12,81,835 (12,81,835)</b>	<b>-</b>	<b>-</b>	<b>12,81,835 (12,81,835)</b>	<b>-</b>	<b>-</b>
<b>Grand Total</b>	<b>1,20,05,658</b>	<b>5,66,943</b>	<b>-</b>	<b>1,25,72,601</b>	<b>61,92,523</b>	<b>8,52,715</b>	<b>-</b>	<b>70,45,238</b>	<b>55,27,363</b>	<b>58,13,135</b>
<b>Previous year</b>										
Tangible Assets	1,01,92,238	26,24,416	20,92,831	1,07,23,823	52,73,801	17,29,717	20,92,830	49,10,688	58,13,135	49,18,437
Intangible Assets	12,81,835	-	-	12,81,835	12,81,835	-	-	12,81,835	-	-
<b>Total</b>	<b>1,14,74,073</b>	<b>26,24,416</b>	<b>20,92,831</b>	<b>1,20,05,658</b>	<b>65,55,636</b>	<b>17,29,717</b>	<b>20,92,830</b>	<b>61,92,523</b>	<b>58,13,135</b>	<b>49,18,437</b>

Figures in brackets relate to previous year.



**NOTE 10****DEFERRED TAX ASSET (NET)**

(Amount in Rs.)

Particulars	30.09.2016	31.03.2016
Employee Benefits	9,55,240	14,56,886
Depreciation	76,200	91,762
	<b>10,31,440</b>	<b>15,48,648</b>

**NOTE 11****LONG-TERM LOANS AND ADVANCES**

(Amount in Rs.)

Particulars	30.09.2016	31.03.2016
Advance Tax and Tax Deducted At Source (Net of provision for Taxation) #	3,07,70,559	2,88,26,328
Advance Fringe Benefit Tax (Net of provision) *	13,842	13,842
MAT Credit Entitlement	1,54,78,620	1,55,86,685
Staff Advance	6,73,734	5,85,053
	<b>4,69,36,755</b>	<b>4,50,11,908</b>

# Advance Tax and TDS receivable is net off of provision for Taxation of Rs. 1,66,59,457/- (31.03.2016 - Rs. 1,66,59,457/-)

\* Advance Fringe Benefit tax is net off of provision for tax of Rs. 7,25,158/- (31.03.2016 - Rs.7,25,158/-)

**NOTE 12****OTHER NON - CURRENT ASSETS**

(Amount in Rs.)

Particulars	30.09.2016	31.03.2016
Unamortised future finance charges	4,94,074	5,94,373
	<b>4,94,074</b>	<b>5,94,373</b>

**NOTE 13****CURRENT INVESTMENTS**

(Amount in Rs.)

Particulars	30.09.2016	31.03.2016
Investments in Mutual Fund	2,09,88,131	2,08,56,599
	<b>2,09,88,131</b>	<b>2,08,56,599</b>

Particulars	As at 30.09.2016		As at 31.03.2016	
	Holding (Number)	Cost (Amount in Rs.)	Holding (Number)	Cost (Amount in Rs.)
Sundaram Money Fund - Growth	4,40,150	1,43,37,731	4,51,718	1,42,06,199
Sundaram Ultra Short-term Fund - Growth	3,79,433	66,50,400	3,79,433	66,50,400
Aggregate amount of Unquoted Investments		<b>2,09,88,131</b>		<b>2,08,56,599</b>

**NOTE 14****TRADE RECEIVABLES**

(Amount in Rs.)

Particulars	30.09.2016	31.03.2016
<b>Unsecured, considered good</b>		
Outstanding for a period exceeding six months from due date	31,80,866	-
Others	2,57,78,267	2,20,64,547
<b>Unsecured, considered Doubtful</b>		
Outstanding for a period exceeding six months from due date	1,80,870	1,73,975
Others	-	3,75,919
Less: Provision for doubtful debts	1,80,870	5,49,895
	<b>2,89,59,133</b>	<b>2,20,64,546</b>



**NOTE 15****CASH AND CASH EQUIVALENTS**

( Amount in Rs.)

Particulars	30.09.2016	31.03.2016
Cash on Hand	4,000	4,000
Balances with Banks In Current Account	26,52,705	56,93,878
	<b>26,56,705</b>	<b>56,97,878</b>

**NOTE 16****SHORT TERM LOANS AND ADVANCES**

( Amount in Rs.)

Particulars	30.09.2016	31.03.2016
<b>Unsecured, considered good</b>		
Rental Deposit	2,89,793	3,73,855
Advance to Staff	3,08,094	1,50,043
Input credit - Unutilised	14,15,453	14,58,636
Prepaid Expenses	60,524	13,84,991
Others	16,10,723	21,82,456
	<b>36,84,587</b>	<b>55,49,981</b>

**NOTE 17****OTHER CURRENT ASSETS**

( Amount in Rs.)

Particulars	30.09.2016	31.03.2016
Unamortised future finance charges	4,81,721	5,12,207
	<b>4,81,721</b>	<b>5,12,207</b>

**NOTE 18****REVENUE FROM OPERATIONS**

( Amount in Rs.)

Particulars	Apr-Sep 16	2015 - 16
Sale of Software Licenses	2,03,42,467	4,82,59,888
Software Services rendered	6,13,39,299	11,04,79,168
	<b>8,16,81,766</b>	<b>15,87,39,056</b>

Revenue from operations includes -	Apr-Sep 16	2015 - 16
Net (loss)/gain on foreign currency transaction and translation	(2,56,935)	1,08,683
Earnings in Foreign Currency(on actual basis) Sale of Software License and Services rendered	4,00,45,235	7,58,57,767



**NOTE 19****OTHER INCOME**

( Amount in Rs.)

Particulars	Apr-Sep 16	2015 - 16
Interest Income	23,466	11,949
Interest on Income Tax Refund	-	11,19,240
Profit on sale of investment	6,31,532	13,03,573
Notice pay received	3,08,997	6,26,470
Provision no longer required written back	11,09,424	-
Miscellaneous Income	-	1,38,335
<b>Total</b>	<b>20,73,419</b>	<b>31,99,567</b>

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

**NOTE 20****COST OF PURCHASES**

( Amount in Rs.)

Particulars	Apr-Sep 16	2015 - 16
<b>Software Licenses</b>		
Opening Stock	-	-
Add: Purchase	1,67,18,335	3,82,25,963
Less: Closing Stock	-	-
<b>Total Software License purchases (A)</b>	<b>1,67,18,335</b>	<b>3,82,25,963</b>
<b>Hardware Products</b>		
Opening Stock	-	-
Add: Purchase	-	-
Less: Closing Stock	-	-
<b>Total Hardware Product purchases (B)</b>	<b>-</b>	<b>-</b>
Cost of services	85,78,537	1,63,46,665
<b>Total Cost of services (C)</b>	<b>85,78,537</b>	<b>1,63,46,665</b>
<b>Total Cost of Purchases (A + B + C)</b>	<b>2,52,96,873</b>	<b>5,45,72,627</b>

**NOTE 21****EMPLOYEE BENEFIT EXPENSES**

( Amount in Rs.)

Particulars	Apr-Sep 16	2015 - 16
Salaries, allowances and bonus	4,14,21,679	8,26,37,669
Companies contribution to Provident Fund, Employees' State Insurance scheme, Gratuity Fund	25,32,680	51,71,192
Staff welfare expenses	2,45,331	6,51,579
	<b>4,41,99,690</b>	<b>8,84,60,440</b>



**NOTE 22****ADMINISTRATIVE AND OTHER EXPENSES**

( Amount in Rs.)

Particulars	Apr-Sep 16	2015 - 16
Rent	30,52,006	63,60,428
Lease Rent	3,06,111	6,12,612
Communication expenses	4,47,040	9,17,622
Electricity expenses	4,45,766	9,01,106
Travelling and conveyance	36,35,260	58,78,560
Insurance	3,59,658	5,45,617
Repairs and Maintenance	21,51,468	42,03,520
Professional fees	7,03,046	15,85,286
Rates and Taxes	1,17,582	4,54,343
Provision for doubtful debts (Net)	(3,22,177)	(10,44,391)
Bad Debts	-	19,33,927
Miscellaneous expenses	15,84,741	32,02,988
	<b>1,24,80,501</b>	<b>2,55,51,619</b>

**NOTE 23****GENERAL****23.1 Employee Benefits:**

## i) Defined Contribution Plan:

( Amount in Rs.)

Company Contribution to	2016-17 (Apr-Sep)	2015 - 16	2014 - 15	2013 - 14	2012 - 13
a) Provident Fund	3,99,527	7,16,875	9,11,761	13,35,551	14,15,791
b) Pension Fund	5,24,373	10,15,821	8,95,309	7,96,236	10,55,719
c) Employees' State Insurance	-	-	-	50,427	1,01,920
d) Superannuation Fund	1,75,996	1,90,091	2,08,914	2,52,231	45,365

**23.2 Related Party disclosures:** In accordance with the AS 18 - 'Related Party Disclosures', the details of related parties and the transactions with related parties are given below.

**Holding Company:**

Sundaram Finance Limited

**Fellow Subsidiaries:**

Sundaram Finance Distribution Ltd.  
Sundaram BNP Paribas Home Finance Ltd.  
Sundaram Asset Management Company Ltd.  
Sundaram Trustee Company Ltd.  
LGF Services Ltd.  
Infreight Logistics Solutions Ltd.  
Sundaram Business Services Ltd.  
Sundaram BNP Paribas Fund Services Ltd.  
Sundaram Insurance Broking Services Ltd.  
Sundaram Asset Management Singapore Pte Ltd.  
Sundaram BPO India Ltd.  
Royal Sundaram General Insurance Co Ltd.

**Key Management Personnel:**

Deepa Ramesh - Chief Executive Officer  
Ramaswamy M - Chief Financial Officer  
Rajagopal K - Secretary



**SUNDARAM INFOTECH SOLUTIONS LIMITED**

23.3 The nature and volume of transactions of the company for the year ended 30.09.2016 with the related parties are as follows.

(Amount in Rs.)

Nature of Transactions	Holding Company		Fellow Subsidiaries		Total	
	30-09-2016	31-03-2016	30-09-2016	31-03-2016	30-09-2016	31-03-2016
<b>INCOME</b>						
Revenue from Operations						
Sundaram Finance Limited	11,31,410	40,27,647			11,31,410	40,27,647
Sundaram BNP Paribas Fund Services Limited			7,73,478	38,11,919	7,73,478	38,11,919
Sundaram BNP Paribas Home Finance Limited			28,22,058	44,33,999	28,22,058	44,33,999
Sundaram Business Services Limited						
Sundaram BPO India Limited						
<b>Total</b>	<b>11,31,410</b>	<b>40,27,647</b>	<b>35,95,536</b>	<b>82,45,918</b>	<b>47,26,946</b>	<b>1,22,73,565</b>
<b>EXPENSES</b>						
Lease Rent, Office Rent						
Sundaram Finance Limited	22,76,685	61,70,227			22,76,685	61,70,227
Internal Audit fee, other expenses						
Sundaram Finance Limited	26,78,541	51,00,000			26,78,541	51,00,000
Implementation charges - S3G						
Sundaram Finance Limited	1,00,74,100	1,48,01,956			1,00,74,100	1,48,01,956
Payroll Processing						
Sundaram BPO India Limited			90,000	1,80,000	90,000	1,80,000
Insurance						
Royal Sundaram General Insurance Co Ltd			1,21,386	37,648	1,21,386	37,648
<b>Total</b>	<b>1,50,29,326</b>	<b>2,60,72,183</b>	<b>2,11,386</b>	<b>2,17,648</b>	<b>1,52,40,712</b>	<b>2,62,89,831</b>
<b>ASSETS</b>						
Income Receivables as on 30.09.2016						
Sundaram Finance Limited	2,21,187	11,516			2,21,187	11,516
Sundaram BNP Paribas Fund Services Limited			1,49,382	7,39,608	1,49,382	7,39,608
Sundaram BNP Paribas Home Finance Limited				7,55,357		7,55,357
Sundaram BPO India Limited						
Advance						
Royal Sundaram General Insurance Co Ltd				39,058		39,058
<b>Total</b>	<b>2,21,187</b>	<b>11,516</b>	<b>1,49,382</b>	<b>15,34,023</b>	<b>3,70,569</b>	<b>15,45,539</b>
<b>LIABILITIES</b>						
Internal Audit Fees, Payroll Processing charges Outstanding as on 30.09.2016						
Sundaram Finance Limited	38,45,223	18,42,502			38,45,223	18,42,502
Sundaram BPO India Limited				34,200		34,200
<b>Total</b>	<b>38,45,223</b>	<b>18,42,502</b>	<b>-</b>	<b>34,200</b>	<b>38,45,223</b>	<b>18,76,702</b>

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





23.4 The Accounts of the Company have been prepared on a "going concern" basis notwithstanding the company having accumulated losses and having incurred loss for the year, the company is contemplating measures such as productivity improvement, pricing, cost control measures and client on board which are likely to have a favorable impact on the financial position of the company.

23.5 The list of pending litigations as on 30th September,2016 have been compiled by the company and reviewed by the Statutory Auditors. The effect of the current position of the litigations has been evaluated and appropriately considered and disclosed in the financial statements.

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):**

Particulars	Apr-Sep 16	2015 - 16
A. Profit for the year after taxation (In Rs.)	300,132	(8,174,876)
B. Total weighted average number of equity shares of Rs. 10/- each outstanding at the end of the year (in	16,400,000	16,400,000
C. Basic and diluted earnings per share (A/B)	0.02	-0.50

**23.8 Expenditure in Foreign currency (on accrual basis):**

Particulars	Apr-Sep 16	2015 - 16
Professional and consultancy fee	549,389	1,122,623
Subscription to Association	-	104,799
Other matters - Purchase of Software, Marketing, travelling etc.	23,246,989	55,155,013

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

As per our report of even date attached

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

Sd/-  
Deepa Ramesh  
Chief Executive Officer

Sd/-  
Srinivas Acharya

Sd/-  
M Ramaswamy  
Chief Financial Officer

Sd/-  
T K Sundararajan  
Directors

Sd/-  
P. Babu  
Partner  
Membership No. 203358  
Chennai  
Dated: 25th November 2016

Sd/-  
K. Rajagopal  
Secretary

**CERTIFIED TRUE COPY**

**For SUNDARAM INFOTECH SOLUTIONS LIMITED**

  
**Secretary**

## Independent Auditor's Report

To the Members of Sundaram Infotech Solutions Limited

### 1. Report on the Financial Statements

We have audited the accompanying financial statements of Sundaram Infotech Solutions Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

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

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

### 3. Auditor's Responsibility

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

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

### 4. Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2016;
- b) in the case of the Statement of Profit and Loss, of the 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. 23.6 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, 2016 ("the Order") issued by the Central Government of India in terms of sub-section 11 of section 143 of the Act, we give in the "Annexure - A" a statement on the matters specified in paragraph 3 and 4 of the Order.
- (ii) As required by Section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the Operating Effectiveness of such controls, refer to our separate report in "Annexure - B"
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. the Company has disclosed the effect of the pending legal proceedings against it in its financial statements as mentioned in Note 23.7 of the Notes to the Accounts;
  - ii. the company did not have any long term contracts including derivative contracts.
  - iii. there was no amount to be transferred to the Investor Education and Protection Fund by the Company.

For **BRAHMAYYA & CO.,**  
Chartered Accountants  
Firm Regn. No.000511S

**L. RAVI SANKAR**

Partner

Membership No.25929

Place: Chennai

Date : 05-05-2016



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## “Annexure A” 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.  
c) The company does not have any immovable properties.
2. Inventories have been physically verified by the Management during the year, in accordance with an plan of verification. The discrepancies noticed on such verification were not material and have been properly dealt with in the books of account.
3. In our opinion and according to the information and explanations given to us, the Company has not granted any loans secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, clauses (iii)(a), (b) and (c) of paragraph 3 of the Order are not applicable to the Company for the year.
4. In our opinion and according to the information and explanations given to us, the company has not granted any loan to its directors and has not made any investment, provided any guarantee or security as envisaged in section 185 and 186 of the Companies Act, 2013 respectively.
5. The company has not accepted deposits from public.
6. The Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act.
7. i) In our opinion and according to the information and explanations given to us, undisputed statutory dues, including Provident Fund, Employees State Insurance, Income tax, sales tax, Service tax, value added tax, cess and other material statutory dues have been regularly deposited during the year with the appropriate authorities. According to the information and explanations given to us, there are no arrears of statutory dues which are outstanding as at 31st March 2016 for a period of more than six months from the date they became payable.  
ii) In our opinion and according to the information and explanations given to us, there are no statutory dues, including Provident Fund, Employees State Insurance, Income tax, sales tax, Service tax, value added tax, cess which have not been deposited on account of any dispute.
8. Based on our audit procedures and the information and explanations given by the Management, we are of the opinion that the Company does not have borrowings from banks, financial institutions, Government or by issue of debentures.
9. Based on our examination of the records and the information and explanations given to us, the company has not raised money by way of initial public offer or further public offer.
10. To the best of our knowledge and belief and according to the information and explanations given to us, during the year, no fraud by the Company and no fraud on the Company by its officers or employees were noticed or reported by the company during the course of our audit.
11. The Company has paid/provided for managerial remuneration within the limits of Section 197 read with Schedule V to the Act.



12. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with related parties are in compliance with Section 177 and Section 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards
13. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
14. In our opinion and according to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them.
15. 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 (xii) and clause (xvi) of paragraph 3 of the Companies (Auditor's Report) Order, 2016 are 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 : 05-05-2016



## “Annexure B” to the Auditors’ Report referred to in paragraph 6 of our report of even date

Report on the Internal Financial Controls under Clause (i) of Sub-Section 3 of Section 143 of the Companies, Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of Sundaram Infotech Solutions Limited (“the Company”) as of 31st March 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

### **Management’s Responsibility for Internal Financial Controls**

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (‘ICAI’). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### **Auditors’ Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls

and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

### **Meaning of Internal Financial Controls over Financial Reporting**

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary



to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **BRAHMAYYA & CO.,**  
Chartered Accountants  
Firm Regn. No.000511S

**L. RAVI SANKAR**  
Partner

Place: Chennai  
Date : 05-05-2016

Membership No.25929



# Balance Sheet

as at 31st March, 2016

(In ₹)

Particulars	Note	As at 31st March 2016		As at 31st March 2015	
<b>I. EQUITY AND LIABILITIES</b>					
<b>1 Shareholders' funds</b>					
(a) Share Capital	2	16,40,00,000		16,40,00,000	
(b) Reserves and Surplus	3	(8,48,74,278)		(7,66,99,403)	
(c) Money received against share warrants		-	7,91,25,722	-	8,73,00,597
<b>2 Share application money pending allotment</b>					
<b>3 Non-current liabilities</b>					
Long-term borrowings	4	42,52,355		32,60,440	
Deferred tax liabilities (Net)		-		-	
Other Long term liabilities		-		-	
Long-term provisions	5	33,54,770	76,07,125	33,17,652	65,78,092
<b>4 Current liabilities</b>					
Short-term borrowings					
Trade payables					
(A) Total outstanding dues to micro enterprises and small enterprises		-		-	
(B) Total outstanding dues to creditors other than micro enterprises and small enterprises	6	44,98,076		1,09,06,177	
Other current liabilities	7	1,45,46,938		76,96,814	
Short-term provisions	8	18,71,414	2,09,16,428	14,16,087	2,00,19,078
<b>TOTAL</b>			<b>10,76,49,275</b>		<b>11,38,97,767</b>
<b>II. ASSETS</b>					
<b>1 Non-current assets</b>					
<b>(a) Fixed assets</b>					
(i) Tangible assets	9	58,13,135		49,18,437	
(ii) Intangible assets		-		-	
(iii) Capital work-in-progress		-		-	
(iv) Intangible assets under development		-		-	
<b>(b) Non-current investments</b>					
(c) Deferred tax assets (net)	10	15,48,648		13,47,743	
(d) Long-term loans and advances	11	4,50,11,908		4,93,88,005	
(e) Other non-current assets	12	5,94,373	5,29,68,064	4,74,528	5,61,28,713
<b>2 Current assets</b>					
(a) Current investments	13	2,08,56,599		1,59,53,026	
(b) Inventories		-		-	
(c) Trade receivables	14	2,20,64,546		2,89,67,466	
(d) Cash and cash equivalents	15	56,97,878		59,87,729	
(e) Short-term loans and advances	16	55,49,981		64,70,522	
(f) Other current assets	17	5,12,207	5,46,81,211	3,90,311	5,77,69,054
<b>TOTAL</b>			<b>1,076,49,275</b>		<b>11,38,97,767</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  
Registration Number: 000511S  
**L Ravi Sankar**  
Partner  
Membership No. 25929  
Chennai  
Dated: 5th May, 2016

**Deepa Ramesh**  
Chief Executive Officer

**Srinivas Acharya**

**M Ramaswamy**  
Chief Financial Officer

**T K Sundararajan**

**K Rajagopal**  
Secretary

Directors

SUNDARAM INFOTECH SOLUTIONS LIMITED

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For **SUNDARAM INFOTECH SOLUTIONS LIMITED**  
  
**Secretary**



## Statement of Profit and Loss

for the Year Ended 31st March, 2016

(In ₹)

Particulars	Note	2015-16	2014-15
<b>REVENUE:</b>			
Revenue From Operations	18	15,87,39,056	16,46,88,080
Other income	19	31,99,567	28,36,723
<b>Total Revenue</b>		<b>16,19,38,623</b>	<b>16,75,24,803</b>
<b>EXPENSES:</b>			
Cost of purchases	20	5,45,72,628	6,55,51,045
Employee benefits expenses	21	8,84,60,440	8,85,45,237
Administrative and other expenses	22	2,55,51,618	3,54,25,596
Depreciation and amortization expenses	9	17,29,717	17,10,550
<b>Total Expenses</b>		<b>17,03,14,403</b>	<b>19,12,32,428</b>
<b>Profit before tax</b>		<b>(83,75,780)</b>	<b>(2,37,07,625)</b>
Tax expense:			
Minimum Alternate Tax		-	-
Deferred tax		(2,00,905)	(4,36,436)
		(2,00,905)	(4,36,436)
Less: MAT Credit Entitlement		- (2,00,905)	- (4,36,436)
<b>Profit after tax for the year from continuing operations</b>		<b>(81,74,875)</b>	<b>(232,71,189)</b>
Earnings per equity share:			
Face Value per Equity Share (in Rupees)		10	10
Number of Equity Shares		1,64,00,000	16400000
Weighted Average Number of Equity Shares		1,64,00,000	16400000
Basic and Diluted Earnings per share (in Rupees)		(0.50)	(1.42)
Significant Accounting Policies and Notes to the Accounts	1 to 23		

As per our report of even date attached  
For Brahmayya & Co.,  
Chartered Accountants  
Registration Number: 000511S  
**L. Ravi Sankar**  
Partner  
Membership No. 25929  
Chennai  
Dated: 5th May, 2016

**Deepa Ramesh**  
Chief Executive Officer

**M Ramaswamy**  
Chief Financial Officer

**K Rajagopal**  
Secretary

**Srinivas Acharya**

**T K Sundararajan**

Directors

## Cash Flow Statement

(In ₹)

	2015-2016	2014-2015	
<b>A) CASH FLOW FROM OPERATING ACTIVITIES:</b>			
Net Profit	(81,74,875)	(2,32,71,189)	
Provision for Taxation	(2,00,905)	(4,36,436)	
	<u>(83,75,780)</u>	<u>(2,37,07,625)</u>	
Add: Provision for doubtful debts	(10,44,391) (94,20,171)	15,94,285 (2,21,13,340)	
Depreciation	17,29,717	17,10,550	
Interest Received	11,19,240	-	
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>(88,09,694)</b>	<b>(2,04,02,790)</b>	
(Increase) Decrease in other non-current assets	(1,19,845)	(75,721)	
(Increase) Decrease in Inventories	-	-	
(Increase) Decrease in Trade Receivables	79,47,310	81,77,275	
(Increase) Decrease in short-term loans and advances	9,20,541	(18,78,767)	
(Increase) Decrease in Long-term loans and advances	43,76,099	(67,78,252)	
(Increase) Decrease in other current assets	(1,21,896)	(71,352)	
Increase (Decrease) in Long-term borrowings	9,91,915	6,40,185	
Increase (Decrease) in Long-term provisions	37,118	8,58,220	
Increase (Decrease) in Trade payable	(64,08,101)	(29,55,041)	
Increase (Decrease) in other current liabilities	68,50,124	(1,44,618)	
Increase (Decrease) in Short-term provisions	4,55,327	(19,67,735)	
Cash generated from Operations	<u>61,18,898</u>	<u>(2,45,98,596)</u>	
Direct Taxes Paid	-	-	
<b>NET CASH FROM OPERATING ACTIVITIES (A)</b>	<b><u>61,18,898</u></b>	<b><u>(2,45,98,596)</u></b>	
<b>B) CASH FLOW FROM INVESTING ACTIVITIES</b>			
Purchase of Fixed Assets	(26,24,416)	(20,55,464)	
Sale of Fixed Asset	-	38,492	
Purchase / Sale of Investments (Net)	(49,03,573)	(2,66,35,893)	
Interest Received	11,19,240	-	
<b>NET CASH FROM INVESTING ACTIVITIES (B)</b>	<b><u>(64,08,749)</u></b>	<b><u>2,46,18,921</u></b>	
<b>C) CASH FROM FINANCING ACTIVITIES</b>			
Proceeds from issue of Equity Shares	-	-	
Increase (Decrease) in short term borrowings	-	-	
<b>NET CASH FROM FINANCING ACTIVITIES (C)</b>	<b><u>-</u></b>	<b><u>-</u></b>	
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS (A)+(B)+(C)</b>	<b>(2,89,851)</b>	<b>20,325</b>	
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	<b>59,87,729</b>	<b>59,67,404</b>	
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<b><u>56,97,878</u></b>	<b><u>59,87,729</u></b>	
<b>1) COMPONENTS OF CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>			
Current Account with Banks	57,69,359	66,45,906	
Effect of Foreign Exchange rates on Cash and Cash Equivalents	(75,481)	(6,62,177)	
Cash, Stamps and Stamp Papers on Hand	4,000	4,000	
	<u>56,97,878</u>	<u>59,87,729</u>	

As per our report of even date attached  
**For Brahmayya & Co.,**  
Chartered Accountants  
Registration Number: 000511S  
**L Ravi Sankar**  
Partner  
Membership No. 25929  
Chennai  
Dated: 5th May, 2016

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Secretary

Directors

**SUNDARAM INFOTECH SOLUTIONS LIMITED**

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**For SUNDARAM INFOTECH SOLUTIONS LIMITED**

  
**Secretary**

## Notes to the Accounts

### 1. SIGNIFICANT ACCOUNTING POLICIES

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

- 1.2 Income Recognition:

Income from sales and services is accounted on accrual basis.

- 1.3 Inventory

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

- 1.4 Fixed Assets and Depreciation:

Fixed assets other than assets taken on lease are stated at historical cost less accumulated depreciation. Depreciation on assets is provided on the Written Down Value Method as per Schedule II of the Companies Act, 2013 considering the estimated useful life time of the assets.

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

- 1.5 Valuation of Investments:

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

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

- 1.6 Foreign Currency Transactions:

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

- 1.7 Employee Benefits:

- A) Short Term Employee Benefits:

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



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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.

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

##### ii) Superannuation

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

#### Defined Benefit Plan

##### i) Gratuity

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

##### ii) Leave Encashment

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

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

##### iii) Medical reimbursement

Liability on account of Medical reimbursement of employees is provided on actuarial basis.

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

### 1.8 Taxation:

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

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

### 1.9 Intangible Assets:

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

### 1.10 Impairment of Assets:

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

### 1.11 Provisions:

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



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

**Note 2**

**SHARE CAPITAL**

(In ₹)

Particulars	31.03.2016	31.03.2015
Authorised 1,70,00,000 Equity Shares of ₹ 10/- each	17,00,00,000	17,00,00,000
Issued, Subscribed and fully paid up capital 1,64,00,000 Equity Shares of ₹ 10/- each	16,40,00,000	16,40,00,000

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

Name of the share holder	Status	No. of Shares #	% held as at 31.03.2016	No. of Shares #	% held as at 31.03.2015
Sundaram Finance Ltd	<b>Holding Company</b>	1,64,00,000	100	1,64,00,000	100

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

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

Particulars	31.03.2016	31.03.2015
Opening number of shares outstanding	1,64,00,000	1,64,00,000
Add: Shares issued	-	-
Less: Shares bought back	-	-
Closing number of shares outstanding	1,64,00,000	1,64,00,000

**Note 3**

**RESERVES AND SURPLUS**

(In ₹)

Particulars	31.03.2016	31.03.2015
Opening balance	(7,66,99,403)	(5,34,28,214)
Add: Transfer from Surplus in the Profit and Loss statement	(81,74,875)	(2,32,71,189)
	<b><u>(8,48,74,278)</u></b>	<b><u>(7,66,99,403)</u></b>



**NOTES TO THE ACCOUNTS (Contd.)****Note 4****LONG TERM BORROWINGS**

(In ₹)

Particulars	31.03.2016	31.03.2015
Long term maturities of finance lease obligations	42,52,355	32,60,440

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

(In ₹)

Period	31.03.2016		31.03.2015	
	Future Lease payments	Principal Outstanding	Future Lease payments	Principal Outstanding
Not later than 1 year	19,70,760	14,58,553	15,85,345	11,95,034
2 to 5 years	42,52,355	36,57,982	32,60,440	28,70,129
Above 5 years	Nil	Nil	Nil	Nil

**Note 5****LONG TERM PROVISIONS**

(In ₹)

Particulars	31.03.2016	31.03.2015
Provision for employee benefits	33,54,770	33,17,652
	<u>33,54,770</u>	<u>33,17,652</u>

**Note 6****TRADE PAYABLES**

(In ₹)

Particulars	31.03.2016	31.03.2015
Total outstanding dues to creditors other than micro enterprises and small enterprises:		
For expenses	41,98,646	1,04,19,823
For others	2,99,430	4,86,354
	<u>44,98,076</u>	<u>1,09,06,177</u>



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

**Note 7**

**OTHER CURRENT LIABILITIES**

(In ₹)

Particulars	31.03.2016	31.03.2015
Income received in advance	48,54,084	15,41,118
Current Maturities of Finance Lease Obligations	19,70,760	15,85,345
Statutory dues payable	39,27,578	22,31,914
Advance received from customers	9,48,046	13,07,480
Others	28,46,470	10,30,957
	<b><u>1,45,46,938</u></b>	<b><u>76,96,814</u></b>

**Note 8**

**SHORT TERM PROVISIONS**

(In ₹)

Particulars	31.03.2016	31.03.2015
Provision for employee benefits	18,71,414	14,16,087
	<b><u>18,71,414</u></b>	<b><u>14,16,087</u></b>



NOTES TO THE ACCOUNTS (Contd.)

NOTE 9  
FIXED ASSETS

(In ₹)

Description	Gross Block at cost			Depreciation				Net Block		
	Cost As at 31.03.2015	Additions	Deductions	Cost As at 31.03.2016	Upto 31.03.2015	Additions	Deductions	Upto 31.03.2016	As at 31.03.2016	As at 31.03.2015
<b>Tangible Assets</b>										
Computer System	12,36,257 (30,10,451)	20,893 (4,010)	(17,78,204)	12,57,150 (12,36,257)	9,17,867 (24,52,878)	1,26,859 (2,04,701)	(17,39,712)	10,44,726 (9,17,867)	2,12,424 (3,18,390)	3,18,390 (5,57,573)
Office Equipment	7,15,153 (6,74,149)	28,919 (41,004)		7,44,072 (7,15,153)	4,72,913 (3,73,713)	71,712 (99,200)		5,44,625 (4,72,913)	1,99,447 (2,42,240)	2,42,240 (3,00,436)
Furniture and Fixtures	8,02,737 (8,02,737)	-	-	8,02,737 (8,02,737)	5,02,836 (3,90,759)	81,477 (1,12,077)	-	5,84,313 (5,02,836)	2,18,424 (2,99,901)	2,99,901 (4,11,978)
Plant and Machinery	1,96,239 (1,96,239)	-	-	1,96,239 (1,96,239)	1,19,279 (1,06,915)	10,652 (12,364)	-	1,29,931 (1,19,279)	66,308 (76,960)	76,960 (89,324)
<b>Total</b>	<b>29,50,386 (46,83,576)</b>	<b>49,812 (45,014)</b>	<b>- (17,78,204)</b>	<b>30,00,198 (29,50,386)</b>	<b>20,12,895 (33,24,265)</b>	<b>2,90,700 (4,28,342)</b>	<b>- (17,39,712)</b>	<b>23,03,595 (20,12,895)</b>	<b>6,96,603 (9,37,491)</b>	<b>9,37,491 (13,59,311)</b>
<b>Tangible Assets (Under Lease)</b>										
Computers	64,52,001 (44,41,551)	25,74,604 (20,10,450)	20,92,831	69,33,774 (64,52,001)	29,46,699 (18,46,788)	12,39,702 (10,99,911)	20,92,830	20,93,571 (29,46,699)	48,40,203 (35,05,302)	35,05,302 (25,94,763)
Office Equipments	-	-	-	-	-	-	-	-	-	-
Vehicle	7,89,851 (7,89,851)	-	-	7,89,851 (7,89,851)	3,14,207 (1,31,905)	1,99,315 (1,82,302)	-	5,13,522 (3,14,207)	2,76,329 (4,75,644)	4,75,644 (6,57,946)
<b>Total</b>	<b>72,41,852 (52,31,402)</b>	<b>25,74,604 (20,10,450)</b>	<b>20,92,831 -</b>	<b>77,23,625 (72,41,852)</b>	<b>32,60,906 (19,78,693)</b>	<b>14,39,017 (12,82,213)</b>	<b>20,92,830 -</b>	<b>26,07,093 (32,60,906)</b>	<b>51,16,532 (39,80,946)</b>	<b>39,80,946 (32,52,709)</b>
<b>Intangible Assets</b>										
Computer Software	12,81,835 (12,81,835)	-	-	12,81,835 (12,81,835)	12,81,835 (12,81,835)	-	-	12,81,835 (12,81,835)	-	-
<b>Total</b>	<b>12,81,835 (12,81,835)</b>	<b>- -</b>	<b>- -</b>	<b>12,81,835 (12,81,835)</b>	<b>12,81,835 (12,81,835)</b>	<b>- -</b>	<b>- -</b>	<b>12,81,835 (12,81,835)</b>	<b>- -</b>	<b>- -</b>
<b>Grand Total</b>	<b>1,14,74,073</b>	<b>26,24,416</b>	<b>20,92,831</b>	<b>1,20,05,658</b>	<b>65,55,636</b>	<b>17,29,717</b>	<b>20,92,830</b>	<b>61,92,523</b>	<b>58,13,135</b>	<b>49,18,437</b>
<b>Previous year</b>										
Tangible Assets	99,14,978	20,55,464	17,78,204	1,01,92,238	53,02,958	17,10,555	17,39,712	52,73,801	49,18,437	46,12,020
Intangible Assets	12,81,835	-	-	12,81,835	12,81,835	-	-	12,81,835	-	-
<b>Total</b>	<b>1,11,96,813</b>	<b>20,55,464</b>	<b>17,78,204</b>	<b>1,14,74,073</b>	<b>65,84,793</b>	<b>17,10,555</b>	<b>17,39,712</b>	<b>65,55,636</b>	<b>49,18,437</b>	<b>46,12,020</b>

Figures in brackets relate to previous year.





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

**Note 10**

**DEFERRED TAX ASSET (NET)**

(In ₹)

Particulars	31.03.2016	31.03.2015
Employee Benefits	14,56,886	12,77,597
Depreciation	91,762	70,146
	<u>15,48,648</u>	<u>13,47,743</u>

**Note 11**

**LONG-TERM LOANS AND ADVANCES**

(In ₹)

Particulars	31.03.2016	31.03.2015
Advance Tax and Tax Deducted At Source (Net of provision for Taxation)#	2,88,26,328	3,37,87,478
Advance Fringe Benefit Tax (Net of provision) *	13,842	13,842
MAT Credit Entitlement	1,55,86,685	1,55,86,685
Staff Advance	5,85,053	-
	<u>4,50,11,908</u>	<u>4,93,88,005</u>

# Advance Tax and TDS receivable is net off of provision for Taxation of ₹1,66,59,457/- (31.03.2015 - ₹1,66,59,457/-)

\* Advance Fringe Benefit tax is net off of provision for tax of ₹7,25,158/- (31.03.2015 - ₹7,25,158/-)

**Note 12**

**OTHER NON - CURRENT ASSETS**

(In ₹)

Particulars	31.03.2016	31.03.2015
Unamortised future finance charges	5,94,373	4,74,528
	<u>5,94,373</u>	<u>4,74,528</u>

**Note 13**

**CURRENT INVESTMENTS**

(In ₹)

Particulars	31.03.2016	31.03.2015
Investments in Mutual Fund	2,08,56,599	1,59,53,026
	<u>2,08,56,599</u>	<u>1,59,53,026</u>

Particulars	As at 31.03.2016		As at 31.03.2015	
	Holding (Number)	Cost (Amount in ₹)	Holding (Number)	Cost (Amount in ₹)
Sundaram Money Fund - Growth	4,51,718	142,06,198	3,17,263	93,02,625
Sundaram Ultra Short-term Fund - Growth	3,79,433	66,50,400	3,79,433	66,50,400
Aggregate amount of Unquoted Investments		2,08,56,598		1,59,53,025



**NOTES TO THE ACCOUNTS (Contd.)****Note 14****TRADE RECEIVABLES**

(In ₹)

Particulars	31.03.2016	31.03.2015
<b>Unsecured, considered good</b>		
Outstanding for a period exceeding six months from due date	-	21,87,627
Others	2,20,64,547	2,67,79,839
<b>Unsecured, considered Doubtful</b>		
Outstanding for a period exceeding six months from due date	1,73,975	15,94,285
Others	3,75,919	
Less: Provision for doubtful debts	5,49,895	15,94,285
	<u>2,20,64,546</u>	<u>2,89,67,466</u>

**Note 15****CASH AND CASH EQUIVALENTS**

(In ₹)

Particulars	31.03.2016	31.03.2015
Cash on Hand	4,000	4,000
Balances with Banks		
In Current Account	56,93,878	59,83,729
	<u>56,97,878</u>	<u>59,87,729</u>

**Note 16****SHORT TERM LOANS AND ADVANCES**

(In ₹)

Particulars	31.03.2016	31.03.2015
<b>Unsecured, considered good</b>		
Rental Deposit	3,73,855	4,08,704
Advance to Staff	1,50,043	47,533
Input credit - Unutilised	14,58,636	22,19,114
Advance to Suppliers		67,648
Prepaid Expenses	13,84,991	14,97,865
Others	21,82,456	22,29,658
	<u>55,49,981</u>	<u>64,70,522</u>

**Note 17****OTHER CURRENT ASSETS**

(In ₹)

Particulars	31.03.2016	31.03.2015
Unamortised future finance charges	5,12,207	3,90,311
	<u>5,12,207</u>	<u>3,90,311</u>

SUNDARAM INFOTECH SOLUTIONS LIMITED



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

**Note 18**

**REVENUE FROM OPERATIONS**

(In ₹)

Particulars	2015 - 16	2014 - 15
<b>Sale of</b>		
Hardware Products and others		21,58,293
Software Licenses	4,82,59,888	5,35,21,853
<b>Software Services rendered</b>	1,104,79,168	10,90,07,934
	<b>15,87,39,056</b>	<b>16,46,88,080</b>

(In ₹)

Revenue from operations includes -	2015 - 16	2014 - 15
Net (loss)/gain on foreign currency transaction and translation	1,08,683	(17,56,259)
Earnings in Foreign Currency(on actual basis)		
Sale of Software License and Services rendered	7,58,57,767	8,31,70,125

**Note 19**

**OTHER INCOME**

(In ₹)

Particulars	2015 - 16	2014 - 15
Interest Income	11,949	-
Interest on Income Tax Refund	11,19,240	-
Profit on sale of investment	13,03,573	25,64,115
Notice pay received	6,26,470	1,61,695
Miscellaneous Income	1,38,335	1,10,913
<b>Total</b>	<b>31,99,567</b>	<b>28,36,723</b>

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



**NOTES TO THE ACCOUNTS (Contd.)****Note 20****COST OF PURCHASES**

(In ₹)

Particulars	2015 - 16	2014 - 15
<b>Software Licenses</b>		
Opening Stock	-	-
Add: Purchase	3,82,25,963	4,21,40,691
Less: Closing Stock	-	-
<b>Total Software License purchases (A)</b>	<b>3,82,25,963</b>	<b>4,21,40,691</b>
<b>Hardware Products</b>		
Opening Stock	-	-
Add: Purchase	-	6,52,245
Less: Closing Stock	-	-
<b>Total Hardware Product purchases (B)</b>	<b>-</b>	<b>6,52,245</b>
Cost of services	1,63,46,665	2,27,58,109
<b>Total Cost of services (C)</b>	<b>1,63,46,665</b>	<b>2,27,58,109</b>
<b>Total Cost of Purchases (A + B + C)</b>	<b>5,45,72,628</b>	<b>6,55,51,045</b>

**Note 21****EMPLOYEE BENEFIT EXPENSES**

(In ₹)

Particulars	2015 - 16	2014 - 15
Salaries, allowances and bonus	8,26,37,669	8,26,76,702
Companies contribution to Provident Fund, Employees' State Insurance scheme, Gratuity Fund	51,71,192	51,37,661
Staff welfare expenses	6,51,579	7,30,874
	<b>8,84,60,440</b>	<b>8,85,45,237</b>



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

**Note 22**

**ADMINISTRATIVE AND OTHER EXPENSES**

(In ₹)

Particulars	2015 - 16	2014 - 15
Rent	63,60,428	72,64,005
Lease Rent	6,12,612	5,23,614
Communication expenses	9,17,622	7,57,704
Electricity expenses	9,01,106	12,51,893
Travelling and conveyance	58,78,560	1,07,77,936
Insurance	5,45,617	3,15,361
Repairs and Maintenance	42,03,520	51,26,287
Professional fees	15,85,286	15,88,454
Rates and Taxes	4,54,343	5,91,133
Provision for doubtful debts (Net)	(10,44,391)	15,94,285
Bad Debts	19,33,927	15,13,625
Miscellaneous expenses	32,02,988	41,21,299
	<b><u>2,55,51,618</u></b>	<b><u>3,54,25,596</u></b>

**NOTE 23  
GENERAL**

**23.1 Employee Benefits:**

i) **Defined Contribution Plan:**

(In ₹)

Company Contribution to	2015 - 16	2014 - 15	2013 - 14	2012 - 13	2011 - 12
a) Provident Fund	7,16,875	9,11,761	13,35,551	14,15,791	13,16,772
b) Pension Fund	10,15,821	8,95,309	7,96,236	10,55,719	12,40,371
c) Employees' State Insurance	-	-	50,427	1,01,920	2,83,831
d) Superannuation Fund	1,90,091	2,08,914	2,52,231	45,365	2,12,176



## NOTES TO THE ACCOUNTS (Contd.)

ii) Defined Benefit Plan:

### Gratuity

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

Particulars	2015 - 16	2014 - 15
Present value of obligations as at beginning of the year	17,85,713	16,76,766
Interest cost	1,42,857	1,34,141
Current service cost	4,63,149	3,46,351
Benefits paid	(7,34,746)	(3,71,319)
Actuarial (gain)/loss on obligations	5,65,848	(226)
<b>Present value of obligations as at the end of the year</b>	<b>22,22,821</b>	<b>17,85,713</b>

B. Reconciliation of opening and closing balances of fair value of Plan Assets Fund maintained by LIC (In ₹)

Particulars	2015 - 16	2014 - 15
Fair value of plan assets as at beginning of the year	32,08,476	23,14,132
Expected return on plan assets	2,69,486	2,43,184
Contributions	3,97,681	10,22,479
Benefits paid	(7,34,746)	(3,71,319)
Actuarial gain on plan assets	-	-
<b>Fair value of plan assets as at the end of the year</b>	<b>31,40,897</b>	<b>32,08,476</b>

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

Particulars	2015 - 16	2014 - 15
Present value of obligations as at the end of the year	22,22,821	17,85,713
Fair value of plan assets as at the end of the year	31,40,897	32,08,476
<b>Net asset/(liability) recognised in the balance sheet</b>	<b>9,18,076</b>	<b>14,22,763</b>

D. Expenses recognised in the profit and loss statement (In ₹)

Particulars	2015 - 16	2014 - 15
Current Service cost	4,63,149	3,46,351
Interest Cost	1,42,857	1,34,141
Expected return of plan assets	(2,69,486)	(2,43,184)
Net Actuarial (Gain)/loss recognized in the year	5,65,848	(226)
<b>Expenses to be recognized in the profit and loss</b>	<b>9,02,368</b>	<b>2,37,082</b>

SUNDARAM INFOTECH SOLUTIONS LIMITED



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

**E. Details showing fair value of plan assets**

(In ₹)

Particulars	2015 - 16	2014 - 15
Fair value of plan assets as at beginning of the year	8,94,344	-
Actual return on plan assets	2,69,485	2,43,184
Contributions	3,97,681	10,22,479
Benefits paid	(7,34,746)	(3,71,319)
<b>Fair value of plan assets as at the end of the year</b>	<b>8,26,764</b>	<b>8,94,344</b>

**F Actuarial gain/(Loss) recognised**

(In ₹)

Particulars	2015 - 16	2014 - 15
Actuarial gain/(loss) on obligation	(5,65,848)	226
Actuarial gain/(loss) on plan assets	-	-
<b>Total gain/(loss) for the year</b>	<b>(5,65,848)</b>	<b>226</b>
<b>Actuarial gain/(loss) recognised in the year</b>	<b>(5,65,848)</b>	<b>226</b>

**G. Actuarial assumptions**

Particulars	2015 - 16	2014 - 15
Discount Rate	8.0%	8.0%
Salary Increment	7.0%	6.0%
Return on plan assets	8.8%	8.8%
Attrition rate	1-3%	1-3%

**Mortality rates**

Based on LIC (1994-1996)

The estimates of future salary increases considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors like supply and demand in the employment market.

**Amount for the current and previous four years as follows:**

(In ₹)

Particulars	2015 - 16	2014 - 15	2013 - 14	2012 - 13	2011 - 12
Defined Benefit Obligation	22,22,821	17,85,713	16,76,766	28,52,748	31,67,022
Plan Assets	31,40,897	32,08,476	23,14,132	35,88,372	29,37,639
Surplus/(Deficit)	9,18,076	14,22,763	6,37,366	7,35,624	(2,29,383)
Experience adjustments on plan liabilities	-	-	11,57,018	-	4,60,455
Experience adjustments on plan assets	(5,65,848)	226	-	9,47,246	-

The actuarial value of leave entitlement as on 31.03.2016 is ₹33,43,005/- (31.03.2015 - ₹32,94,785/-) and is provided for in the books of accounts.



## NOTES TO THE ACCOUNTS (Contd.)

### 23.2 Miscellaneous expenses include Remuneration to Auditors towards:

(In ₹)

Particulars	2015 - 16	2014 - 15
Statutory Audit	3,00,000	1,00,000
Tax Audit	75,000	50,000
Certification	1,10,000	1,00,000

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

#### Holding Company:

Sundaram Finance Limited

#### Fellow Subsidiaries:

Sundaram Finance Distribution Ltd.

Sundaram BNP Paribas Home Finance Ltd.

Sundaram Asset Management Company Ltd.

Sundaram Trustee Company Ltd.

LGF Services Ltd.

Infreight Logistics Solutions Ltd.

Sundaram Business Services Ltd.

Sundaram BNP Paribas Fund Services Ltd.

Sundaram Insurance Broking Services Ltd.

Sundaram Asset Management Singapore Pte Ltd.

Sundaram BPO India Ltd.

Royal Sundaram General Insurance Co Ltd. (With effect from 29th July 2015)

#### Key Management Personnel:

Deepa Ramesh - Chief Executive Officer

Ramaswamy M - Chief Financial Officer

Rajagopal K - Secretary





## SUNDARAM INFOTECH SOLUTIONS LIMITED

23.4 The nature and volume of transactions of the company for the year ended 31.03.2016, with the related parties are as follows.

(in ₹)

Nature of Transactions	Holding Company		Fellow Subsidiaries		Total	
	31-03-2016	31-03-2015	31-03-2016	31-03-2015	31-03-2016	31-03-2015
<b>INCOME</b>						
<b>Revenue from Operations</b>						
Sundaram Finance Limited	40,27,647	80,78,113	-	-	40,27,647	80,78,113
Sundaram BNP Paribas Fund Services Limited	-	-	38,11,919	34,83,479	38,11,919	34,83,479
Sundaram BNP Paribas Home Finance Limited	-	-	44,33,999	35,96,440	44,33,999	35,96,440
Sundaram Business Services Limited	-	-	-	-	-	-
Sundaram BPO India Limited	-	-	-	1,28,880	-	1,28,880
<b>Total</b>	<b>40,27,647</b>	<b>80,78,113</b>	<b>82,45,918</b>	<b>72,08,799</b>	<b>1,22,73,565</b>	<b>1,52,86,912</b>
<b>EXPENSES</b>						
<b>Lease Rent, Office Rent</b>						
Sundaram Finance Limited	61,70,227	66,18,954	-	-	61,70,227	66,18,954
<b>Internal Audit fee, other expenses</b>						
Sundaram Finance Limited	51,00,000	59,56,015	-	-	51,00,000	59,56,015
<b>Implementation charges - S3G</b>						
Sundaram Finance Limited	1,48,01,956	2,07,15,546	-	-	1,48,01,956	2,07,15,546
<b>Payroll Processing</b>						
Sundaram BPO India Limited	-	-	1,80,000	1,91,000	1,80,000	1,91,000
<b>Insurance</b>						
Royal Sundaram General Insurance Co Ltd	-	-	37,648	-	37,648	-
<b>Total</b>	<b>2,60,72,183</b>	<b>3,32,90,515</b>	<b>2,17,648</b>	<b>1,91,000</b>	<b>2,62,89,831</b>	<b>3,34,81,515</b>
<b>ASSETS</b>						
<b>Income Receivables as on 31.03.2016</b>						
Sundaram Finance Limited	11,516	6,18,545	-	-	11,516	6,18,545
Sundaram BNP Paribas Fund Services Limited	-	-	7,39,608	3,51,176	7,39,608	3,51,176
Sundaram BNP Paribas Home Finance Limited	-	-	7,55,357	-	7,55,357	-
Sundaram BPO India Limited	-	-	-	1,44,810	-	1,44,810
<b>Advance</b>						
Royal Sundaram General Insurance Co Ltd	-	-	39,058	-	39,058	-
<b>Total</b>	<b>11,516</b>	<b>6,18,545</b>	<b>15,34,023</b>	<b>4,95,986</b>	<b>15,45,539</b>	<b>11,14,531</b>
<b>LIABILITIES</b>						
<b>Internal Audit Fees, Payroll Processing charges Outstanding as on 31.03.2016</b>						
Sundaram Finance Limited	18,42,502	83,78,261	-	-	18,42,502	83,78,261
Sundaram BPO India Limited	-	-	34,200	16,779	34,200	16,779
<b>Total</b>	<b>18,42,502</b>	<b>83,78,261</b>	<b>34,200</b>	<b>16,779</b>	<b>18,76,702</b>	<b>83,95,040</b>

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



## NOTES TO THE ACCOUNTS (Contd.)

- 23.5 The Chief Financial Officer Mr. M Ramaswamy and The Company Secretary Mr. K Rajagopal have been nominated by M/s. Sundaram Finance Limited the Holding company and no remuneration is borne by this company.
- 23.6 The Accounts of the Company have been prepared on a "going concern" basis notwithstanding the company having accumulated losses and having incurred loss for the year, the company is contemplating measures such as productivity improvement, pricing, cost control measures and client on board which are likely to have a favorable impact on the financial position of the company.
- 23.7 The list of pending litigations as on 31st March, 2016 have been compiled by the company and reviewed by the Statutory Auditors. The effect of the current position of the litigations has been evaluated and appropriately considered and disclosed in the financial statements.
- 23.8 There is no amount due to Small Scale Industries in terms of "The Micro, Small and Medium Enterprises Development Act, 2006.

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

Particulars	2015 - 16	2014 - 15
A. Profit for the year after taxation (In ₹)	(81,74,875)	(232,71,189)
B. Total weighted average number of equity shares of ₹ 10/- each outstanding at the end of the year (in numbers)	1,64,00,000	1,64,00,000
C. Basic and diluted earnings per share (A/B)	(0.50)	(1.42)

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

Particulars	2015 - 16	2014 - 15
Professional and consultancy fee	10,78,317	11,22,623
Subscription to Association	53,387	1,04,799
Other matters – Purchase of Software, Marketing, travelling etc.	4,75,77,277	5,51,55,013

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

As per our report of even date attached  
For **Brahmayya & Co.**,  
Chartered Accountants  
Registration Number: 000511S  
**I. Ravi Sankar**  
Partner  
Membership No. 25929  
Chennai  
Dated: 5th May, 2016

**Deepa Ramesh**  
Chief Executive Officer

**M Ramaswamy**  
Chief Financial Officer

**K Rajagopal**  
Secretary

**Srinivas Acharya**

**T K Sundararajan**

Directors

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**For SUNDARAM INFOTECH SOLUTIONS LIMITED**

  
**Secretary**

SUNDARAM INFOTECH SOLUTIONS LIMITED

## Independent Auditor's Report

To the Members of Sundaram Infotech Solutions Limited

### 1. Report on the Financial Statements

We have audited the accompanying financial statements of Sundaram Infotech Solutions 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 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:

SUNDARAM INFOTECH SOLUTIONS LIMITED

- 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.
- 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.

**5. Emphasis of Matter**

We draw attention to the financial statements being prepared on a "going concern" basis despite the company having accumulated losses and having incurred a loss for the year and in view of the measures contemplated by the company, as mentioned in Note 23.7 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.
  - i. the company has disclosed the effect of the pending litigations in its financial statements as mentioned in Note 23.8 of the Notes to the Accounts;
  - ii. the company did not have any long term contracts including derivative contracts.
  - iii. there was no amount to be transferred to the Investor Education and Protection Fund by the Company during the year.
- 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.

**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 Auditor's 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. a) The Inventory has been physically verified during the year by the management. In our opinion, the frequency of physical verification is reasonable compared to Inventory level.  
b) The procedures of physical verification of inventories for the year under review followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.  
c) The company is maintaining records of inventory. No material discrepancies have been noticed on physical verification of stock as compared to the book records.
3. 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.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to 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.
5. The company has not accepted deposits from public.
6. The Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act.
7. 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, Value Added tax, Central Sales 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, there are no dues of Income tax, Value Added tax, Central Sales tax and Service tax which have not been deposited on account of any dispute.  
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.
8. 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.



9. Based on our audit procedures and the information and explanations given by the Management, the company does not have any borrowings from bank, financial institutions or by issue of debentures.
10. 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.
11. Based on our examination of the records and the information and explanations given to us, the company has not availed any term loans during the year under review.
12. 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.

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	As at 31st March 2015		As at 31st March 2014	
<b>I. EQUITY AND LIABILITIES</b>					
<b>1 Shareholders' funds</b>					
a) Share Capital	2	16,40,00,000		16,40,00,000	
b) Reserves and Surplus	3	(7,66,99,403)		(5,34,28,214)	
c) Money received against share warrants		-	8,73,00,597	-	11,05,71,786
<b>2 Share application money pending allotment</b>		-		-	
<b>3 Non-current liabilities</b>					
Long-term borrowings	4	32,60,440		26,20,255	
Deferred tax liabilities (Net)		-		-	
Other Long term liabilities		-		-	
Long-term provisions	5	33,17,652	65,78,092	24,59,432	50,79,687
<b>4 Current liabilities</b>					
Short-term borrowings		-		-	
Trade payables	6	1,15,47,205		1,45,02,250	
Other current liabilities	7	66,65,857		68,10,475	
Short-term provisions	8	18,06,016	200,19,078	37,73,751	2,50,86,476
<b>TOTAL</b>		<b>11,38,97,767</b>		<b>14,07,37,949</b>	
<b>II. ASSETS</b>					
<b>1 Non-current assets</b>					
a) Fixed assets	9	49,18,437		46,12,020	
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)	10	13,47,743		9,11,307	
d) Long-term loans and advances	11	4,93,88,005		4,42,04,038	
e) Other non-current assets	12	4,74,528	5,61,28,713	3,98,807	5,01,26,172
<b>2 Current assets</b>					
a) Current investments	13	1,59,53,026		4,25,88,918	
b) Inventories		-		-	
c) Trade receivables	14	2,89,67,466		3,71,44,741	
d) Cash and cash equivalents	15	59,87,729		59,67,404	
e) Short-term loans and advances	16	64,70,522		45,91,755	
f) Other current assets	17	3,90,311	5,77,69,054	3,18,959	9,06,11,777
<b>TOTAL</b>		<b>11,38,97,767</b>		<b>14,07,37,949</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  
Registration Number: 000511S  
**L Ravi Sankar**  
Partner  
Membership No. 25929  
Chennai  
Dated: 6th May, 2015

**Deepa Ramesh**  
Chief Executive Officer

**M Ramaswamy**  
Chief Financial Officer

**K Rajagopal**  
Secretary

**Srinivas Acharya**

**K Swaminathan**

**T K Sundararajan**

**S Preetha**  
Directors

SUNDARAM INFOTECH SOLUTIONS LIMITED

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

(In ₹)

Particulars	Note	2014-15	2013-14
<b>REVENUE:</b>			
Revenue From Operations	18	16,46,88,080	18,80,56,440
Other Income	19	28,36,723	66,32,778
<b>Total Revenue</b>		<b>16,75,24,803</b>	<b>19,46,89,218</b>
<b>EXPENSES:</b>			
Cost of purchases	20	6,55,51,045	5,64,24,179
Employee benefits expenses	21	8,85,45,237	9,49,55,770
Administrative and other expenses	22	3,39,11,971	3,27,32,680
Bad Debts		15,13,625	41,681
Depreciation and amortization expenses	9	17,10,550	14,31,102
<b>Total Expenses</b>		<b>19,12,32,428</b>	<b>18,55,85,412</b>
<b>Profit before tax</b>		<b>(2,37,07,625)</b>	<b>91,03,806</b>
Tax expense:			
Minimum Alternate Tax		—	11,62,565
Deferred tax		(4,36,436)	39,978
		(4,36,436)	12,02,543
Less: MAT Credit Entitlement		— (4,36,436)	11,28,704
<b>Profit after tax for the year from continuing operations</b>		<b>(2,32,71,189)</b>	<b>90,29,967</b>
Earnings per equity share:			
Face Value per Equity Share (in Rupees)		10	10
Number of Equity Shares		16400000	16400000
Weighted Average Number of Equity Shares		16400000	16400000
Basic and Diluted Earnings per share (in Rupees)		-1.42	0.55
Significant Accounting Policies and Notes to the Accounts	1 to 23		

As per our report of even date attached  
For **Brahmayya & Co.**,  
Chartered Accountants  
Registration Number: 000511S  
**L Ravi Sankar**  
Partner  
Membership No. 25929  
Chennai  
Dated: 6th May, 2015

**Deepa Ramesh**  
Chief Executive Officer

**M Ramaswamy**  
Chief Financial Officer

**K Rajagopal**  
Secretary

**Srinivas Acharya**

**K Swaminathan**

**T K Sundararajan**

**S Preetha**  
Directors

Annual Report

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For SUNDARAM INFOTECH SOLUTIONS LIMITED

  
Secretary



# Notes to the Accounts

## 1. SIGNIFICANT ACCOUNTING POLICIES

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

- 1.2 Income Recognition:

Income from sales and services is accounted on accrual basis.

- 1.3 Inventory

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

- 1.4 Fixed Assets and Depreciation / 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 - End user Devices	7 years
Office Equipment	8 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.

- 1.5 Valuation of Investments:

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

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

- 1.6 Foreign Currency Transactions:

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

- 1.7 Employee Benefits:

A) Short Term Employee Benefits:

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



NOTES TO THE ACCOUNTS (Contd.)

B) Post employment benefits:

Defined Contribution Plan

i) Provident Fund

The Company contributes to a Government administered Provident Fund.

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

ii) Superannuation

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

Defined Benefit Plan

i) Gratuity

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

ii) Leave Encashment

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

iii) Medical expenses

Liability on account of Medical reimbursement of employees is provided on actuarial basis.

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

1.8 Taxation:

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

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

1.9 Intangible Assets:

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

1.10 Impairment of Assets:

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

1.11 Provisions:

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



## NOTES TO THE ACCOUNTS (Contd.)

### Note 2

#### SHARE CAPITAL

(In ₹)

Particulars	31.03.2015	31.03.2014
Authorised 1,70,00,000 Equity Shares of ₹ 10/- each	17,00,00,000	17,00,00,000
Issued, Subscribed and fully paid up capital 1,64,00,000 Equity Shares of ₹ 10/- each	16,40,00,000	16,40,00,000

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

Name of the share holder	Status	No. of Shares #	% held as at 31.03.2015	No. of Shares #	% held as at 31.03.2014
Sundaram Finance Ltd	Holding Company	1,64,00,000	100	1,64,00,000	100

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

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

Particulars	31.03.2015	31.03.2014
Opening number of shares outstanding	1,64,00,000	1,64,00,000
Add: Shares issued	-	-
Less: Shares bought back	-	-
Closing number of shares outstanding	1,64,00,000	1,64,00,000

### Note 3

#### RESERVES AND SURPLUS

(In ₹)

Particulars	31.03.2015	31.03.2014
Opening balance	(534,28,214)	(624,58,181)
Add: Transfer from Surplus in the Profit and Loss statement	(232,71,189)	90,29,967
	<u>(766,99,403)</u>	<u>(534,28,214)</u>



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

**Note 4**

**LONG TERM BORROWINGS**

(In ₹)

Particulars	31.03.2015	31.03.2014
Long term maturities of finance lease obligations	32,60,440	26,20,255

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

(In ₹)

Period	31.03.2015		31.03.2014	
	Future Lease payments	Principal Outstanding	Future Lease payments	Principal Outstanding
2 to 5 years	32,60,440	28,70,129	26,20,255	23,01,296
Above 5 years	Nil	Nil	Nil	Nil

**Note 5**

**LONG TERM PROVISIONS**

(In ₹)

Particulars	31.03.2015	31.03.2014
Provision for employee benefits	33,17,652	24,59,432
	<u>33,17,652</u>	<u>24,59,432</u>

**Note 6**

**TRADE PAYABLES**

(In ₹)

Particulars	31.03.2015	31.03.2014
For expenses	110,60,851	136,95,334
For others	4,86,354	8,06,916
	<u>115,47,205</u>	<u>145,02,250</u>



**NOTES TO THE ACCOUNTS (Contd.)****Note 7****OTHER CURRENT LIABILITIES**

(In ₹)

Particulars	31.03.2015	31.03.2014
Income received in advance	15,41,118	14,98,800
Current Maturities of Finance Lease Obligations	15,85,345	13,54,515
TDS payable	12,45,521	18,40,529
GST payable	9,71,704	14,85,700
Sales Tax payable	14,689	-
Advance received from customers	13,07,480	3,72,029
Others	-	2,58,902
	<u>66,65,857</u>	<u>68,10,475</u>

**Note 8****SHORT TERM PROVISIONS**

(In ₹)

Particulars	31.03.2015	31.03.2014
Provision for employee benefits	18,06,016	37,73,751
	<u>18,06,016</u>	<u>37,73,751</u>



NOTES TO THE ACCOUNTS (Contd.)

NOTE 9

FIXED ASSETS

(In ₹)

Description	Gross Block at cost				Depreciation				Net Block	
	Cost As at 31.03.2014	Additions	Deductions	Cost As at 31.03.2015	Upto 31.03.2014	Additions	Deductions	Upto 31.03.2015	As at 31.03.2015	As at 31.03.2014
<b>Tangible Assets</b>										
Computer System	30,10,451 (77,83,183)	4,010 (5,51,275)	17,78,204 (53,24,007)	12,36,257 (30,10,451)	24,52,878 (73,41,617)	2,04,701 (2,25,578)	17,39,712 (51,14,317)	9,17,867 (24,52,878)	3,18,390 (5,57,573)	5,57,573 (4,41,566)
Office Equipment	6,74,149 (6,52,860)	41,004 (24,463)	- (3,174)	7,15,153 (6,74,149)	3,73,713 (3,13,731)	99,200 (63,155)	- (3,173)	4,72,913 (3,73,713)	2,42,240 (3,00,436)	3,00,436 (3,39,129)
Furniture and Fixtures	8,02,737 (8,02,737)	- -	- -	8,02,737 (8,02,737)	3,90,759 (2,99,717)	1,12,077 (91,042)	- -	5,02,836 (3,90,759)	2,99,901 (4,11,978)	4,11,978 (5,03,020)
Plant and Machinery	1,96,239 (1,96,239)	- -	- -	1,96,239 (1,96,239)	1,06,915 (92,482)	12,364 (14,433)	- -	1,19,279 (1,06,915)	76,960 (89,324)	89,324 (1,03,757)
<b>Total</b>	<b>46,83,576 (94,35,019)</b>	<b>45,014 (5,75,738)</b>	<b>17,78,204 (53,27,181)</b>	<b>29,50,386 (46,83,576)</b>	<b>33,24,265 (80,47,547)</b>	<b>4,28,342 (3,94,208)</b>	<b>17,39,712 (51,17,490)</b>	<b>20,12,895 (33,24,265)</b>	<b>9,37,491 (13,59,311)</b>	<b>13,59,311 (13,87,472)</b>
<b>Tangible Assets (Under Lease)</b>										
Computers	44,41,551 (55,62,448)	20,10,450 (19,34,220)	- (30,55,117)	64,52,001 (44,41,551)	18,46,788 (24,39,304)	10,99,911 (9,04,989)	- (14,97,505)	29,46,699 (18,46,788)	35,05,302 (25,94,763)	25,94,763 (31,23,144)
Office Equipments	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -
Vehicle	7,89,851 -	- (7,89,851)	- -	7,89,851 (7,89,851)	1,31,905 -	1,82,302 (1,31,905)	- -	3,14,207 (1,31,905)	4,75,644 (6,57,946)	6,57,946 -
<b>Total</b>	<b>52,31,402 (55,62,448)</b>	<b>20,10,450 (27,24,071)</b>	<b>- (30,55,117)</b>	<b>72,41,852 (52,31,402)</b>	<b>19,78,693 (24,39,304)</b>	<b>12,82,213 (10,36,894)</b>	<b>- (14,97,505)</b>	<b>32,60,906 (19,78,693)</b>	<b>39,80,946 (32,52,709)</b>	<b>32,52,709 (31,23,144)</b>
<b>Intangible Assets</b>										
Computer Software	12,81,835 (12,81,835)	- -	- -	12,81,835 (12,81,835)	12,81,835 (12,81,835)	- -	- -	12,81,835 (12,81,835)	- -	- -
<b>Total</b>	<b>12,81,835 (12,81,835)</b>	<b>- -</b>	<b>- -</b>	<b>12,81,835 (12,81,835)</b>	<b>12,81,835 (12,81,835)</b>	<b>- -</b>	<b>- -</b>	<b>12,81,835 (12,81,835)</b>	<b>- -</b>	<b>- -</b>
<b>Grand Total</b>	<b>1,11,96,813</b>	<b>20,55,464</b>	<b>17,78,204</b>	<b>1,14,74,073</b>	<b>65,84,793</b>	<b>17,10,555</b>	<b>17,39,712</b>	<b>65,55,636</b>	<b>49,18,437</b>	<b>46,12,020</b>
<b>Previous year</b>										
Tangible Assets	1,49,97,467	32,99,809	83,82,298	99,14,978	1,04,86,851	1,431,102	66,14,995	53,02,958	46,12,020	45,10,616
Intangible Assets	12,81,835	-	-	12,81,835	12,81,835	-	-	12,81,835	-	-
<b>Total</b>	<b>1,62,79,302</b>	<b>32,99,809</b>	<b>83,82,298</b>	<b>1,11,96,813</b>	<b>1,17,68,686</b>	<b>1,4,31,102</b>	<b>66,14,995</b>	<b>65,84,793</b>	<b>46,12,020</b>	<b>45,10,616</b>



**NOTES TO THE ACCOUNTS (Contd.)****Note 10****DEFERRED TAX ASSET (NET)**

(In ₹)

Particulars	31.03.2015	31.03.2014
Employee Benefits	12,77,597	8,74,056
Depreciation	70,146	37,251
	<u>13,47,743</u>	<u>9,11,307</u>

**Note 11****LONG-TERM LOANS AND ADVANCES**

(In ₹)

Particulars	31.03.2015	31.03.2014
Advance Tax and Tax Deducted At Source (Net of provision for Taxation)#	3,37,87,478	2,86,03,511
Advance Fringe Benefit Tax (Net of provision) *	13,842	13,842
MAT Credit Entitlement	1,55,86,685	1,55,86,685
	<u>4,93,88,005</u>	<u>4,42,04,038</u>

# Advance Tax and TDS receivable is net off of provision for Taxation of ₹1,66,59,457/- (31.03.2014 - ₹1,66,59,457/-)

\* Advance Fringe Benefit tax is net off of provision for tax of ₹7,25,158/- (31.03.2014 - ₹7,25,158/-)

**Note 12****OTHER NON - CURRENT ASSETS**

(In ₹)

Particulars	31.03.2015	31.03.2014
Unamortised future finance charges	4,74,528	3,98,807
	<u>4,74,528</u>	<u>3,98,807</u>

**Note 13****CURRENT INVESTMENTS**

(In ₹)

Particulars	31.03.2015	31.03.2014
Investments in Mutual Fund	159,53,026	425,88,918
	<u>159,53,026</u>	<u>425,88,918</u>

Particulars	As at 31.03.2015		As at 31.03.2014	
	Holding (Number)	Cost (Amount in ₹)	Holding (Number)	Cost (Amount in ₹)
Sundaram Money Fund - Growth	3,17,263	93,02,625	1,63,832	44,16,641
Sundaram Ultra Short-term Fund - Growth	3,79,433	66,50,400	8,94,169	1,56,72,277
Sundaram Fixed INC Interval FD Qtrly series	-	-	13,65,349	2,25,00,000
Aggregate amount of Unquoted Investments		<u>1,59,53,025</u>		<u>4,25,88,918</u>



**SUNDARAM INFOTECH SOLUTIONS LIMITED**

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

**Note 14**

**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	21,87,627	52,96,401
Others	2,67,79,839	3,18,48,340
<b>Unsecured, considered Doubtful</b>		
Outstanding for a period exceeding six months from due date	15,94,285	-
Less: Provision for doubtful debts	15,94,285	-
	<u>2,89,67,466</u>	<u>3,71,44,741</u>

**Note 15**

**CASH AND CASH EQUIVALENTS**

(In ₹)

Particulars	31.03.2015	31.03.2014
Cash on Hand	4,000	4,000
Balances with Banks		
In Current Account	59,83,729	59,63,404
	<u>59,87,729</u>	<u>59,67,404</u>

**Note 16**

**SHORT TERM LOANS AND ADVANCES**

(In ₹)

Particulars	31.03.2015	31.03.2014
<b>Unsecured, considered good</b>		
Rental Deposit	4,08,704	4,07,796
Advance to Staff	4,44,144	4,73,684
Input credit - Unutilised	22,19,114	8,25,250
Advance to Suppliers	67,648	76,073
Prepaid Expenses	14,97,865	17,23,274
Others	18,33,047	10,85,678
	<u>64,70,522</u>	<u>45,91,755</u>

**Note 17**

**OTHER CURRENT ASSETS**

(In ₹)

Particulars	31.03.2015	31.03.2014
Unamortised future finance charges	3,90,311	3,18,959
	<u>3,90,311</u>	<u>3,18,959</u>





## NOTES TO THE ACCOUNTS (Contd.)

### Note 18

#### REVENUE FROM OPERATIONS

(In ₹)

Particulars	2014 - 15	2013 - 14
<b>Sale of</b>		
Hardware Products and others	21,58,293	1,05,77,148
Software Licenses	5,35,21,853	5,28,64,506
<b>Software Services rendered</b>	10,90,07,934	12,46,14,786
	<b>16,46,88,080</b>	<b>18,80,56,440</b>

Revenue from operations includes -	2014 - 15	2013 - 14
Net (loss)/gain on foreign currency transaction and translation	(17,56,259)	(1,09,006)
Earnings in Foreign Currency (on actual basis)		
Sale of Software License and Services rendered	8,31,70,125	6,98,58,300

### Note 19

#### OTHER INCOME

(In ₹)

Particulars	2014-15	2013-14
Interest on Income Tax Refund	-	19,54,638
Interest on Bank Deposit	-	2,23,926
Dividend Income	-	30,02,705
Profit on sale of investment	25,64,115	16,604
Notice pay received	1,61,695	2,69,365
Miscellaneous Income	1,10,913	11,65,540
<b>Total</b>	<b>28,36,723</b>	<b>66,32,778</b>

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



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

**Note 20**

**COST OF PURCHASES**

(In ₹)

Particulars	2014-15	2013-14
<b>Software Licenses</b>		
Opening Stock	-	-
Add: Purchase	4,21,40,691	4,35,09,139
Less: Closing Stock	-	-
<b>Total Software License purchases (A)</b>	<u>4,21,40,691</u>	<u>4,35,09,139</u>
<b>Hardware Products</b>		
Opening Stock	-	-
Add: Purchase	6,52,245	38,72,118
Less: Closing Stock	-	-
<b>Total Hardware Product purchases (B)</b>	<u>6,52,245</u>	<u>38,72,118</u>
Cost of services	2,27,58,109	90,42,922
<b>Total Cost of services (C)</b>	<u>2,27,58,109</u>	<u>90,42,922</u>
<b>Total Cost of Purchases (A + B + C)</b>	<u>6,55,51,045</u>	<u>5,64,24,179</u>

**Note 21**

**EMPLOYEE BENEFIT EXPENSES**

(In ₹)

Particulars	2014 - 15	2013 - 14
Salaries, allowances and bonus	8,53,41,713	8,94,51,150
Companies contribution to Provident Fund, Employees' State Insurance scheme, Gratuity Fund	<u>24,72,650</u>	<u>46,70,645</u>
Staff welfare expenses	7,30,874	8,33,975
	<b>8,85,45,237</b>	<b>9,49,55,770</b>



## NOTES TO THE ACCOUNTS (Contd.)

### Note 22

#### ADMINISTRATIVE AND OTHER EXPENSES

(In ₹)

Particulars	2013-14	2012-13
Rent	72,64,005	72,95,484
Lease Rent	5,23,614	3,84,041
Communication expenses	7,57,704	8,90,637
Electricity expenses	12,51,893	12,18,225
Travelling and conveyance	1,07,77,936	1,24,54,339
Insurance	3,15,361	4,74,448
Repairs and Maintenance	51,26,287	34,71,489
Professional fees	15,88,454	15,87,365
Rates and Taxes	5,91,133	1,81,869
Provision for doubtful debts	15,94,285	-
Miscellaneous expenses	41,21,299	47,74,783
	<b>3,39,11,971</b>	<b>3,27,32,680</b>

### NOTE 23

#### GENERAL

##### 23.1 Employee Benefits:

###### i) Defined Contribution Plan:

(In ₹)

Company Contribution to	2014 - 15	2013 - 14	2012 - 13	2011 - 12	2010 - 11
a) Provident Fund	9,11,761	13,35,551	14,15,791	13,16,772	14,17,475
b) Pension Fund	8,95,309	7,96,236	10,55,719	12,40,371	13,75,175
c) Employees' State Insurance	-	50,427	1,01,920	2,83,831	2,87,682
d) Superannuation Fund	2,08,914	2,52,231	45,365	2,12,176	2,05,244



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

ii) Defined Benefit Plan:

**Gratuity**

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

Particulars	2014 - 15	2013 - 14
Present value of obligations as at beginning of the year	16,76,766	28,52,748
Interest cost	1,34,141	2,28,220
Current service cost	3,46,351	8,02,166
Benefits paid	(3,71,319)	(33,63,386)
Actuarial (gain)/loss on obligations	(226)	11,57,018
<b>Present value of obligations as at the end of the year</b>	<b>17,85,713</b>	<b>16,76,766</b>

B. Reconciliation of opening and closing balances of fair value of Plan Assets Fund maintained by LIC (In ₹)

Particulars	2014 - 15	2013 - 14
Fair value of plan assets as at beginning of the year	23,14,132	35,88,372
Expected return on plan assets	2,43,184	1,76,037
Contributions	10,22,479	19,13,109
Benefits paid	(3,71,319)	(33,63,386)
Actuarial gain on plan assets	-	-
<b>Fair value of plan assets as at the end of the year</b>	<b>32,08,476</b>	<b>23,14,132</b>

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

Particulars	2014 - 15	2013 - 14
Present value of obligations as at the end of the year	17,85,713	16,76,766
Fair value of plan assets as at the end of the year	32,08,476	23,14,132
<b>Net asset/(liability) recognised in the balance sheet</b>	<b>14,22,763</b>	<b>6,37,366</b>

D. Expenses recognised in the profit and loss statement (In ₹)

Particulars	2014 - 15	2013 - 14
Current Service cost	3,46,351	8,02,166
Interest Cost	1,34,141	2,28,220
Expected return of plan assets	(2,43,184)	(1,76,037)
Net Actuarial(Gain)/loss recognized in the year	(226)	11,57,018
<b>Expenses to be recognized in the profit and loss</b>	<b>2,37,082</b>	<b>20,11,367</b>



## NOTES TO THE ACCOUNTS (Contd.)

### E. Details showing fair value of plan assets

(In ₹)

Particulars	2014 - 15	2013 - 14
Fair value of plan assets as at beginning of the year	23,14,132	35,88,372
Actual return on plan assets	2,43,184	1,76,037
Contributions	10,22,479	19,13,109
Benefits paid	(3,71,319)	(33,63,386)
<b>Fair value of plan assets as at the end of the year</b>	<b>32,08,476</b>	<b>23,14,132</b>

### F. Actuarial gain/(Loss) recognised

(In ₹)

Particulars	2014 - 15	2013 - 14
Actuarial gain/(loss) on obligation	226	(11,57,018)
Actuarial gain/(loss) on plan assets	-	-
<b>Total gain/(loss) for the year</b>	<b>226</b>	<b>(11,57,018)</b>
<b>Actuarial gain/(loss) recognised in the year</b>	<b>226</b>	<b>(11,57,018)</b>

### G. Actuarial assumptions

Particulars	2014 - 15	2013 - 14
Discount Rate	8.0%	8.0%
Salary Increment	6.0%	5.0%
Return on plan assets	8.8%	9.1%
Attrition rate	1-3%	1-3%

#### Mortality rates

Based on LIC (1994-1996)

The estimates of future salary increases considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors like supply and demand in the employment market.

#### Amount for the current and previous four years as follows:

(In ₹)

Particulars	31.03.2015	31.03.2014	31.03.2013	31.03.2012	31.03.2011
Defined Benefit Obligation	17,85,713	16,76,766	28,52,748	31,67,022	25,16,671
Plan Assets	32,08,476	23,14,132	35,88,372	29,37,639	27,42,325
Surplus/(Deficit)	14,22,763	6,37,366	7,35,624	(2,29,383)	2,25,654
Experience adjustments on plan liabilities	-	11,57,018	-	4,60,455	1,98,633
Experience adjustments on plan assets	226	-	9,47,246	-	-

The actuarial value of leave entitlement as on 31.03.2015 is ₹32,94,785/- (31.03.2014 - ₹24,32,603/-) and is provided for in the books of accounts.



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

**23.2 Miscellaneous expenses include Remuneration to Auditors towards: (In ₹)**

Particulars	2014 - 15	2013 - 14
Statutory Audit	1,00,000	1,00,000
Tax Audit	50,000	50,000
Certification	1,00,000	96,000

**23.3 Related Party disclosures:** In accordance with the AS 18 - 'Related Party Disclosures', the details of related parties and the transactions with related parties are given below.

**Holding Company:**

Sundaram Finance Limited

**Fellow Subsidiaries:**

Sundaram Finance Distribution Ltd.

Sundaram BNP Paribas Home Finance Ltd.

Sundaram Asset Management Company Ltd.

Sundaram Trustee Company Ltd.

LGF Services Ltd.

Infreight Logistics Solutions Ltd.

Sundaram Business Services Ltd.

Sundaram BNP Paribas Fund Services Ltd.

Sundaram Parekh Warehousing Services Ltd.\*

Sundaram Insurance Broking Services Ltd.

Sundaram Asset Management Singapore Pte Ltd.

Sundaram BPO India Ltd.

**Key Management Personnel:**

Deepa Ramesh - Chief Executive Officer

Ramaswamy M - Chief Financial Officer

Rajagopal K - 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 Honourable High Court of Judicature at Madras on 18th March 2015.



**23.4 The nature and volume of transactions of the company for the year ended 31.03.2015, with the related parties are as follows.**

(Amount in ₹)

Nature of Transactions	Holding Company		Fellow Subsidiaries		Related Party		Total	
	31-03-2015	31-03-2014	31-03-2015	31-03-2014	31-03-2015	31-03-2014	31-03-2015	31-03-2014
<b>INCOME</b>								
<b>Revenue from Operations</b>								
Sundaram Finance Limited	80,78,113	398,85,274					80,78,113	398,85,274
Sundaram BNP Paribas Fund Services Limited			34,83,479	66,10,471			34,83,479	66,10,471
Sundaram BNP Paribas Home Finance Limited			35,96,440	59,81,999			35,96,440	59,81,999
Sundaram Business Services Limited			-	13,76,027			-	13,76,027
Sundaram BPO India Limited			1,28,880	6,41,720			1,28,880	6,41,720
<b>Total</b>	<b>80,78,113</b>	<b>398,85,274</b>	<b>72,08,799</b>	<b>146,10,217</b>			<b>152,86,912</b>	<b>544,95,491</b>
<b>EXPENSES</b>								
<b>Lease Rent, Office Rent</b>								
Sundaram Finance Limited	66,18,954	64,37,818					66,18,954	64,37,818
<b>Internal Audit fee, other expenses</b>								
Sundaram Finance Limited	59,56,015	45,53,411					59,56,015	45,53,411
<b>Implementation charges - S3G</b>								
Sundaram Finance Limited	207,15,546	137,89,731					207,15,546	137,89,731
<b>Payroll Processing</b>								
Sundaram BPO India Limited			1,91,000	1,50,000			1,91,000	1,50,000
<b>Employee benefits expenses</b>								
Deepa Ramesh					25,91,998	-	-	-
<b>Total</b>	<b>332,90,515</b>	<b>247,80,960</b>	<b>1,91,000</b>	<b>1,50,000</b>	<b>25,91,998</b>	<b>-</b>	<b>334,81,515</b>	<b>249,30,960</b>
<b>ASSETS</b>								
<b>Income Receivables as on 31.03.2015</b>								
Sundaram Finance Limited	6,18,545	12,91,773	-	-			6,18,545	12,91,773
Sundaram BNP Paribas Fund Services Limited			3,51,176	2,77,500			3,51,176	2,77,500
Sundaram BNP Paribas Home Finance Limited			-	-			-	-
Sundaram BPO India Limited			1,44,810	-			1,44,810	-
<b>Total</b>	<b>6,18,545</b>	<b>12,91,773</b>	<b>4,95,986</b>	<b>2,77,500</b>	<b>-</b>	<b>-</b>	<b>11,14,531</b>	<b>15,69,273</b>
<b>LIABILITIES</b>								
<b>Internal Audit Fees, Payroll Processing charges Outstanding as on 31.03.2015</b>								
Sundaram Finance Limited	83,78,261	84,93,184	-	-			83,78,261	84,93,184
Sundaram BPO India Limited	-	-	16,779	-			16,779	-
<b>Total</b>	<b>83,78,261</b>	<b>84,93,184</b>	<b>16,779</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>83,95,040</b>	<b>84,93,184</b>

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

SUNDARAM INFOTECH SOLUTIONS LIMITED



## SUNDARAM INFOTECH SOLUTIONS LIMITED

### NOTES TO THE ACCOUNTS (Contd.)

- 23.5 The Chief Financial Officer Mr. M Ramaswamy and The Company Secretary Mr. K Rajagopal have been nominated by M/s. Sundaram Finance Limited the Holding company and no remuneration is borne by this company.
- 23.6 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 ₹2.55 lakhs.
- 23.7 The Accounts of the Company have been prepared on a "going concern" basis notwithstanding the company having accumulated losses and having incurred loss for the year, the company is contemplating measures such as productivity improvement, pricing, cost control measures and client on board which are likely to have a favorable impact on the financial position of the company.
- 23.8 The list of 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 has been evaluated and appropriately considered and disclosed in the financial statements.
- 23.9 There is no amount due to Small Scale Industries in terms of "The Micro, Small and Medium Enterprises Development Act, 2006".

#### 23.10 Earnings per share (Basic and Diluted):

(In ₹)

Particulars	2014 - 15	2013 - 14
A. Profit for the year after taxation (In ₹)	(2,32,71,189)	90,29,967
B. Total weighted average number of equity shares of ₹ 10/- each outstanding at the end of the year (in numbers)	1,64,00,000	1,64,00,000
C. Basic and diluted earnings per share (A/B)	-1.42	0.55

#### 23.11 Expenditure in Foreign currency (on accrual basis):

(In ₹)

Particulars	2014 - 15	2013 - 14
Professional and consultancy fee	11,22,623	8,29,220
Subscription to Association	1,04,799	4,68,682
Other matters – Purchase of Software, Marketing, travelling etc.	5,51,55,013	4,19,30,879

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

As per our report of even date attached  
For **Brahmayya & Co.**,  
Chartered Accountants  
Registration Number: 000511S  
**I. Ravi Sankar**  
Partner  
Membership No. 25929  
Chennai  
Dated: 6th May, 2015

**Deepa Ramesh**  
Chief Executive Officer

**M Ramaswamy**  
Chief Financial Officer

**K Rajagopal**  
Secretary

**Srinivas Acharya**

**K Swaminathan**

**T K Sundararajan**

**S Preetha**  
Directors

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For SUNDARAM INFOTECH SOLUTIONS LIMITED

  
**Secretary**

Annual Report  
2014-15



## Cash Flow Statement for the year ended 31.03.2015 (In ₹)

	2014-2015	2013-2014
<b>A) CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Net Profit	(232,71,189)	90,29,967
Provision for Taxation	(4,36,436)	73,839
	(237,07,625)	91,03,806
Add: Financial Expenses	-	-
Depreciation	17,10,550	14,31,102
Interest Received	-	21,78,564
Dividend Received	-	30,02,705
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>(219,97,075)</b>	<b>53,53,639</b>
(Increase) Decrease in other non-current assets	(75,721)	(1,91,390)
(Increase) Decrease in Inventories	-	-
(Increase) Decrease in Trade Receivables	81,77,275	(85,36,883)
(Increase) Decrease in short-term loans and advances	(18,78,767)	24,47,350
(Increase) Decrease in Long-term loans and advances	(51,83,967)	138,09,516
(Increase) Decrease in other current assets	(71,352)	10,945
Increase (Decrease) in Long-term borrowings	6,40,185	4,28,620
Increase (Decrease) in Long-term provisions	8,58,220	(91,227)
Increase (Decrease) in Trade payable	(29,55,041)	(46,65,886)
Increase (Decrease) in other current liabilities	(1,44,618)	(62,33,730)
Increase (Decrease) in Short-term provisions	(19,67,735)	(37,24,888)
Cash generated from Operations	(245,98,596)	(13,93,934)
Financial Expenses	-	-
Direct Taxes Paid	-	-
<b>NET CASH FROM OPERATING ACTIVITIES (A)</b>	<b>(245,98,596)</b>	<b>(13,93,934)</b>
<b>B) CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	20,55,464	32,99,809
Sale of Fixed Asset	38,492	17,67,303
Purchase of Investments	639,45,088	2101,06,820
Sale of Investments	905,80,981	1675,17,902
Interest Received	-	21,78,564
Dividend Received	-	30,02,705
<b>NET CASH FROM INVESTING ACTIVITIES (B)</b>	<b>246,18,921</b>	<b>(389,40,155)</b>
<b>C) CASH FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of Equity Shares	-	-
Increase (Decrease) in short term borrowings	-	-
<b>NET CASH FROM FINANCING ACTIVITIES (C)</b>	<b>-</b>	<b>-</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS (A)+(B)+(C)</b>	<b>20,325</b>	<b>(403,34,089)</b>
Cash and Cash Equivalents at the beginning of the year	59,67,404	463,01,493
<b>Cash and Cash Equivalents at the end of the year</b>	<b>59,87,729</b>	<b>59,67,404</b>
Components of cash and Cash Equivalents at the end of the year		
Current Account with Banks	66,45,906	62,15,921
Effect of Foreign Exchange rates on Cash and Cash Equivalents	(6,62,177)	(2,52,517)
Cash, Stamps and Stamp Papers on Hand	4,000	4,000
	<b>59,87,729</b>	<b>59,67,404</b>

As per our report of even date attached  
 For **Brahmayya & Co.,**  
 Chartered Accountants  
 Registration Number: 000511S  
**L Ravi Sankar**  
 Partner  
 Membership No. 25929  
 Chennai  
 Dated: 6th May, 2015

**Deepa Ramesh**  
 Chief Executive Officer

**Srinivas Acharya**

**M Ramaswamy**  
 Chief Financial Officer

**K Swaminathan**

**K Rajagopal**  
 Secretary

**T K Sundararajan**

**S Preetha**  
 Directors

SUNDARAM INFOTECH SOLUTIONS LIMITED

## Independent Auditors' Report

To the Members of Sundaram Infotech Solutions Limited

1) Report on the Financial Statements

We have audited the accompanying financial statements of Sundaram Infotech Solutions Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2014, and the Profit and Loss Statement 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 entity'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, Profit and Loss Statement, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.

d. In our opinion, the Balance Sheet, Profit and Loss Statement, 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 Regn. 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. The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets. Fixed assets have been physically verified by the management during the year, which in our opinion is reasonable having regard to the size of the Company and the nature of fixed assets. No discrepancies noticed on such verification. There was no disposal of fixed assets during the year.
2.
  - a) The Inventory has been physically verified during the year by the management. In our opinion, the frequency of physical verification is reasonable compared to inventory level.
  - b) The procedures of physical verification of inventories for the year under review followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
  - c) The company is maintaining records of inventory. No material discrepancies have been noticed on physical verification of stock as compared to the book records.
3. 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.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchases of fixed assets and sale of services. During the course of our audit, no major weaknesses have been noticed in the internal controls and therefore the reporting of the same does not arise.
5.
  - a) In our opinion, and according to the information and explanations given to us, the transactions that need to be entered into a register in pursuance of Section 301 of the Act have been so entered.
  - b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements entered in the register maintained under Section 301 of the Act and exceeding the value of rupees five lakhs in respect of any party during the year, prima facie, have been made at prices which are reasonable having regard to the nature of the services and prevailing market prices at the relevant time.
6. The company has not accepted deposits from public.
7. The company has an internal audit system, which in our opinion, is commensurate with the size and the nature of its business.
8. The Central Government has not prescribed the maintenance of cost records under Section 209(1) (d) of the Companies Act, 1956.
9.
  - a) According to the records of the company, income tax, sales tax and service tax was regularly deposited during the period with the appropriate authorities.
  - b) According to the information and explanations given to us, there are no undisputed amounts payable in respect of income tax, sales tax and service tax which are outstanding as at 31st March, 2014 for a period of more than six months from the date they become payable.



## SUNDARAM INFOTECH SOLUTIONS LIMITED

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10. According to the records of the company and the information and explanations given to us, there are no dues of income tax, sales tax and service tax which have not been deposited on account of any dispute.
11. The company has accumulated losses at the end of the financial year and has not incurred cash loss during the current year.
12. The company has an overdraft facility from a banker, apart from the above, the company does not have any borrowing from financial institutions or by issue of debentures.
13. According to the information and explanations given to us, the company has not:
  - a) granted loans or advances on the basis of security by way of pledge of shares, debentures and other securities.
  - b) given any guarantees for loan taken by others from banks or financial institutions.
  - c) availed any term loan during the year.
  - d) raised funds during the year.
  - e) issued any debentures during the year.
  - f) raised monies by public issue during the year.
14. The company is not a chit fund / nidhi / mutual benefit fund or society.
15. Based on our examination of the records and the information and explanations given to us, the company has not dealt / traded in shares and debentures during the year. As informed and explained to us, proper records have been maintained of the transactions and contracts relating to investments in securities and timely entries have been made therein. The securities have been held by the company in its own name.
16. 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.
17. In our opinion and according to the information and explanations given to us, the nature of the company's business/ activities during the year have been such that clauses xiii and xviii of paragraph 4 of the Companies (Auditors Report) Order, 2003 are not applicable to the company.

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

Place: Chennai  
Date : 14th May, 2014



## Balance Sheet

as at 31st March, 2014

(In ₹)

Particulars	Note	As at 31st March 2014		As at 31st March 2013	
<b>I. EQUITY AND LIABILITIES</b>					
<b>1) Shareholders' funds</b>					
a) Share Capital	2	16,40,00,000		16,40,00,000	
b) Reserves and Surplus	3	(5,34,28,214)		(6,24,58,181)	
c) Money received against share warrants		-	11,05,71,786	-	10,15,41,819
<b>2) Share application money pending allotment</b>		-		-	
<b>3) Non-current liabilities</b>					
Long-term borrowings	4	26,20,255		21,91,635	
Deferred tax liabilities (Net)		-		-	
Other Long term liabilities		-		-	
Long-term provisions	5	24,59,432	50,79,687	25,50,659	47,42,294
<b>4) Current liabilities</b>					
Short-term borrowings		-		-	
Trade payables	6	1,49,65,562		1,96,31,448	
Other current liabilities	7	68,10,475		1,30,44,205	
Short-term provisions	8	33,10,439	2,50,86,476	70,35,327	3,97,10,980
<b>TOTAL</b>		<b>14,07,37,949</b>		<b>14,59,95,093</b>	
<b>II. ASSETS</b>					
<b>1) Non-current assets</b>					
a) Fixed assets	9	46,12,020		45,10,616	
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)	10	9,11,307		9,51,285	
d) Long-term loans and advances	11	4,42,04,038		5,80,47,415	
e) Other non-current assets	12	4,02,587	5,01,29,952	2,11,197	6,37,20,513
<b>2) Current assets</b>					
a) Current investments	13	4,25,88,918		-	
b) Inventories		-		-	
c) Trade receivables	14	3,71,44,741		2,86,07,858	
d) Cash and cash equivalents	15	59,67,404		4,63,01,493	
e) Short-term loans and advances	16	45,87,975		70,35,325	
f) Other current assets	17	3,18,959	9,06,07,997	3,29,904	8,22,74,580
<b>TOTAL</b>		<b>14,07,37,949</b>		<b>14,59,95,093</b>	

Significant Accounting Policies and Notes to the Accounts 1 to 24

As per our report of even date attached

For **Brahmayya & Co.,**

Chartered Accountants

Registration Number: 000511S

**L Ravi Sankar**

Partner

Membership No. 25929

Chennai

Dated: 14th May, 2014

**T T Srinivasaraghavan**

**Srinivas Acharya**

**S Venkatesan**

**K Rajagopal**  
Secretary

**K Swaminathan**  
Directors

SUNDARAM INFOTECH SOLUTIONS LIMITED

**SUNDARAM INFOTECH SOLUTIONS LIMITED**

**Statement of Profit and Loss**  
for the Year Ended 31st March, 2014

(In ₹)

Particulars	Note	2013-14	2012-13
<b>REVENUE:</b>			
Revenue From Operations	18	18,80,56,440	32,62,33,089
Other income	19	66,32,778	17,09,351
<b>Total Revenue</b>		<b>19,46,89,218</b>	<b>32,79,42,440</b>
<b>EXPENSES:</b>			
Cost of purchases	20	5,64,24,179	10,32,67,128
Employee benefits expenses	21	9,49,55,770	12,10,09,825
Finance expenses	22	3,98,975	8,12,054
Administrative and other expenses	23	3,23,33,705	3,51,72,288
Bad Debts		41,681	6,72,489
Depreciation and amortization expenses		14,31,102	15,03,649
<b>Total Expenses</b>		<b>18,55,85,412</b>	<b>26,24,37,433</b>
<b>Profit before tax</b>		<b>91,03,806</b>	<b>6,55,05,007</b>
Tax expense:			
Minimum Alternate Tax		11,62,565	1,38,34,718
Deferred tax		39,978	(9,63,677)
		<u>12,02,543</u>	<u>1,28,71,041</u>
Less: MAT Credit Entitlement		11,28,704	73,839
<b>Profit after tax for the year from continuing operations</b>		<b>90,29,967</b>	<b>6,54,29,773</b>
Earnings per equity share:			
Face Value per Equity Share (in ₹)		10	10
Number of Equity Shares		1,64,00,000	1,64,00,000
Weighted Average Number of Equity Shares		1,64,00,000	1,64,00,000
Basic and Diluted Earnings per share (in ₹)		0.55	3.99
Significant Accounting Policies and Notes to the Accounts	1 to 24		

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

**K Rajagopal**  
Secretary

**T T Srinivasaraghavan**

**Srinivas Acharya**

**S Venkatesan**

**K Swaminathan**  
Directors

**Annual Report**  
2013-14

9  
**CERTIFIED TRUE COPY**  
For **SUNDARAM INFOTECH SOLUTIONS LIMITED**

  
**Secretary**

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# Notes to the Accounts

## Note 1

### SIGNIFICANT ACCOUNTING POLICIES

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

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

- 1.2 Income Recognition:

Income from sales and services is accounted on accrual basis.

- 1.3 Inventory

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

- 1.4 Fixed Assets and Depreciation:

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

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

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

- 1.5 Valuation of Investments:

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

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

- 1.6 Foreign Currency Transactions:

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

- 1.7 Employee Benefits:

- A) Short Term Employee Benefits:

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





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

**B) Post employment benefits:**

**Defined Contribution Plan**

**(i) Provident Fund**

The Company contributes to a Government administered Provident Fund.

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

**(ii) Superannuation**

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

**Defined Benefit Plan**

**i) Gratuity**

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

**ii) Leave Encashment**

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

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

**1.8 Taxation:**

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

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

**1.9 Intangible Assets:**

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

**1.10 Impairment of Assets:**

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

**1.11 Provisions:**

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



## NOTES TO THE ACCOUNTS (Contd.)

### Note 2

#### SHARE CAPITAL

(In ₹)

Particulars	31.03.2014	31.03.2013
Authorised 1,70,00,000 Equity Shares of ₹ 10/- each	17,00,00,000	17,00,00,000
Issued, Subscribed and fully paid up capital 1,64,00,000 Equity Shares of ₹ 10/- each	16,40,00,000	16,40,00,000

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

Name of the share holder	Status	No. of Shares #	% held as at 31.03.2014	No. of Shares #	% held as at 31.03.2013
Sundaram Finance Ltd	Holding Company	1,64,00,000	100	1,64,00,000	100

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

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

Particulars	31.03.2014	31.03.2013
Opening number of shares outstanding	1,64,00,000	1,64,00,000
Add: Shares issued	-	-
Less: Shares bought back	-	-
Closing number of shares outstanding	1,64,00,000	1,64,00,000

### Note 3

#### RESERVES AND SURPLUS

(In ₹)

Particulars	31.03.2014	31.03.2013
Opening balance	(6,24,58,181)	(12,78,87,954)
Add: Transfer from Surplus in the Profit and Loss statement	90,29,967	6,54,29,773
	<u>(5,34,28,214)</u>	<u>(6,24,58,181)</u>



**SUNDARAM INFOTECH SOLUTIONS LIMITED**

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

**Note 4**

**LONG TERM BORROWINGS**

(In ₹)

Particulars	31.03.2014	31.03.2013
Long term maturities of finance lease obligations	26,20,255	21,91,635

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

(In ₹)

Period	31.03.2014		31.03.2013	
	Future Lease payments	Principal Outstanding	Future Lease payments	Principal Outstanding
2 to 5 years	26,20,255	23,01,296	21,91,635	18,94,476
Above 5 years	Nil	Nil	Nil	Nil

**Note 5**

**LONG TERM PROVISIONS**

(In ₹)

Particulars	31.03.2014	31.03.2013
Provision for employee benefits	24,59,432	25,50,659
	<u>24,59,432</u>	<u>25,50,659</u>

**Note 6**

**TRADE PAYABLES**

(In ₹)

Particulars	31.03.2014	31.03.2013
For expenses	1,45,02,250	1,91,46,482
For others	4,63,312	4,84,966
	<u>1,49,65,562</u>	<u>1,96,31,448</u>



**NOTES TO THE ACCOUNTS (Contd.)****Note 7****OTHER CURRENT LIABILITIES**

(In ₹)

Particulars	31.03.2014	31.03.2013
Income received in advance	14,98,800	60,91,778
Current Maturities of Finance Lease Obligations	13,54,515	14,36,160
TDS payable	18,40,529	28,77,842
Service Tax payable	14,85,700	13,89,882
Sales Tax payable	—	10,232
Advance received from customers	3,72,029	12,37,021
Others	2,58,902	1,290
	<b>68,10,475</b>	<b>1,30,44,205</b>

**Note 8****SHORT TERM PROVISIONS**

(In ₹)

Particulars	31.03.2014	31.03.2013
Provision for employee benefits	33,10,439	70,35,327
	<b>33,10,439</b>	<b>70,35,327</b>



## NOTE 9

## FIXED ASSETS

(In ₹)

Description	Gross Block at cost				Depreciation				Net Block	
	Cost As at 31.03.2013	Additions	Deductions	Cost As at 31.03.2014	Upto 31.03.2013	Additions	Deductions	Upto 31.03.2014	As at 31.03.2014	As at 31.03.2013
<b>Tangible Assets</b>										
Computer System	77,83,183 (76,74,731)	5,51,275 (1,43,269)	53,24,007 (34,817)	30,10,451 (77,83,183)	73,41,617 (71,00,034)	2,25,578 (2,68,726)	51,14,317 (27,143)	24,52,878 (73,41,617)	5,57,573 (4,41,566)	4,41,566 (5,74,697)
Office Equipment	6,52,860 (4,65,483)	24,463 (1,87,377)	3,174 -	6,74,149 (6,52,860)	3,13,731 (2,73,727)	63,155 (40,004)	3,173 -	3,73,713 (3,13,731)	3,00,436 (3,39,129)	3,39,129 (1,91,756)
Furniture and Fixtures	8,02,737 (2,94,236)	- (5,08,501)	- -	8,02,737 (8,02,737)	2,99,717 (2,54,110)	91,042 (45,607)	- -	3,90,759 (2,99,717)	4,11,978 (5,03,020)	5,03,020 (40,126)
Plant and Machinery	1,96,239 (1,96,239)	- -	- -	1,96,239 (1,96,239)	92,482 (75,718)	14,433 (16,764)	- -	1,06,915 (92,482)	89,324 (1,03,757)	1,03,757 (1,20,521)
<b>Total</b>	<b>94,35,019 (86,30,689)</b>	<b>5,75,738 (8,39,147)</b>	<b>53,27,181 (34,817)</b>	<b>46,83,576 (94,35,019)</b>	<b>80,47,547 (77,03,589)</b>	<b>3,94,208 (3,71,101)</b>	<b>51,17,490 (27,143)</b>	<b>33,24,265 (80,47,547)</b>	<b>13,59,311 (13,87,472)</b>	<b>13,87,472 (9,27,100)</b>
<b>Tangible Assets (Under Lease)</b>										
Computers	55,62,448 (90,40,027)	19,34,220 -	30,55,117 (34,77,579)	44,41,551 (55,62,448)	24,39,304 (47,57,998)	9,04,989 (11,25,702)	14,97,505 (34,44,396)	18,46,788 (24,39,304)	25,94,763 (31,23,144)	31,23,144 (42,82,029)
Office Equipments	- (3,01,600)	- -	- (3,01,600)	- -	- (2,94,754)	- (6,846)	- (3,01,600)	- -	- -	- (6,846)
Vehicle	- -	7,89,851 -	- -	7,89,851 -	- -	1,31,905 -	- -	1,31,905 -	6,57,946 -	- -
<b>Total</b>	<b>55,62,448 (93,41,627)</b>	<b>27,24,071 -</b>	<b>30,55,117 (37,79,179)</b>	<b>52,31,402 (55,62,448)</b>	<b>24,39,304 (50,52,752)</b>	<b>10,36,894 (11,32,548)</b>	<b>14,97,505 (37,45,996)</b>	<b>19,78,693 (24,39,304)</b>	<b>32,52,709 (31,23,144)</b>	<b>31,23,144 (42,88,875)</b>
<b>Intangible Assets</b>										
Computer Software	12,81,835 (12,81,835)	- -	- -	12,81,835 (12,81,835)	12,81,835 (12,81,835)	- -	- -	12,81,835 (12,81,835)	- -	- -
<b>Total</b>	<b>12,81,835 (12,81,835)</b>	<b>- -</b>	<b>- -</b>	<b>12,81,835 (12,81,835)</b>	<b>12,81,835 (12,81,835)</b>	<b>- -</b>	<b>- -</b>	<b>12,81,835 (12,81,835)</b>	<b>- -</b>	<b>- -</b>
<b>Grand Total</b>	<b>1,62,79,302</b>	<b>32,99,809</b>	<b>83,82,298</b>	<b>1,11,96,813</b>	<b>1,17,68,686</b>	<b>14,31,102</b>	<b>66,14,995</b>	<b>65,84,793</b>	<b>46,12,020</b>	<b>45,10,616</b>
<b>Previous year</b>										
Tangible Assets	1,79,72,316	8,39,147	38,13,996	1,49,97,467	1,27,56,341	15,03,649	37,73,139	1,04,86,851	45,10,616	52,15,975
Intangible Assets	12,81,835	-	-	12,81,835	12,81,835	-	-	12,81,835	-	-
<b>Total</b>	<b>1,92,54,151</b>	<b>8,39,147</b>	<b>38,13,996</b>	<b>1,62,79,302</b>	<b>1,40,38,176</b>	<b>15,03,649</b>	<b>37,73,139</b>	<b>1,17,68,686</b>	<b>45,10,616</b>	<b>52,15,975</b>

Figures in brackets relate to previous year.



**NOTES TO THE ACCOUNTS (Contd.)****Note 10****DEFERRED TAX ASSET (NET)**

(In ₹)

Particulars	31.03.2014	31.03.2013
Employee Benefits	8,74,056	9,42,853
Depreciation	37,251	8,432
	<u>9,11,307</u>	<u>9,51,285</u>

**Note 11****LONG-TERM LOANS AND ADVANCES**

(In ₹)

Particulars	31.03.2014	31.03.2013
Advance Tax and Tax Deducted At Source (Net of provision for Taxation)#	2,86,03,511	4,35,75,592
Advance Fringe Benefit Tax (Net of provision) *	13,842	13,842
MAT Credit Entitlement	1,55,86,685	1,44,57,981
	<u>4,42,04,038</u>	<u>5,80,47,415</u>

# Advance Tax and TDS receivable is net off of provision for Taxation of ₹ 1,66,59,457/- (31.03.2013 - ₹ 1,54,96,892/-)

\* Advance Fringe Benefit tax is net off of provision for tax of ₹ 7,25,158/- (31.03.2013 - ₹ 8,25,640/-)

**Note 12****OTHER NON - CURRENT ASSETS**

(In ₹)

Particulars	31.03.2014	31.03.2013
Unamortised future finance charges	3,98,807	2,07,417
Others	3,780	3,780
	<u>4,02,587</u>	<u>2,11,197</u>

**Note 13****CURRENT INVESTMENTS**

(In ₹)

Particulars	31.03.2014	31.03.2013
Investments in Mutual Fund	4,25,88,918	-
	<u>4,25,88,918</u>	<u>-</u>

Particulars	As at 31.03.2014		As at 31.03.2013	
	Holding (Number)	Cost (Amount in ₹)	Holding (Number)	Cost (Amount in ₹)
Sundaram Money Fund - Growth	1,63,832	44,16,641	-	-
Sundaram Ultra Short-term Fund - Growth	8,94,169	1,56,72,277	-	-
Sundaram Fixed INC Interval FD Qtrly series	13,65,349	2,25,00,000	-	-
Aggregate amount of Unquoted Investments	-	4,25,88,918	-	-



**SUNDARAM INFOTECH SOLUTIONS LIMITED**

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

**Note 14**

**TRADE RECEIVABLES**

(In ₹)

Particulars	31.03.2014	31.03.2013
Unsecured, considered good		
Outstanding for a period exceeding six months from due date	52,96,401	33,84,395
Others	3,18,48,340	2,52,23,463
	<u>3,71,44,741</u>	<u>2,86,07,858</u>

**Note 15**

**CASH AND CASH EQUIVALENTS**

(In ₹)

Particulars	31.03.2014	31.03.2013
Cash on Hand	4,000	4,000
Balances with Banks		
In Current Account	59,63,404	82,97,493
In Deposit Account (Maturing within 3 months)	-	3,80,00,000
	<u>59,67,404</u>	<u>4,63,01,493</u>

**Note 16**

**SHORT TERM LOANS AND ADVANCES**

(In ₹)

Particulars	31.03.2014	31.03.2013
Unsecured, considered good		
Rental Deposit	4,07,796	18,64,574
Advance to Staff	4,73,684	6,25,877
Service Tax Input	7,90,426	8,72,370
Advance to Suppliers	76,073	5,00,043
Prepaid Expenses	17,23,274	21,59,772
Others	11,16,722	10,12,689
	<u>45,87,975</u>	<u>70,35,325</u>

**Note 17**

**OTHER CURRENT ASSETS**

(In ₹)

Particulars	31.03.2014	31.03.2013
Unamortised future finance charges	3,18,959	2,97,159
Interest Receivable	-	32,745
	<u>3,18,959</u>	<u>3,29,904</u>



## NOTES TO THE ACCOUNTS (Contd.)

### Note 18

#### REVENUE FROM OPERATIONS

(In ₹)

Particulars	2013-14	2012-13
Sale of		
Hardware Products and others	1,05,77,148	2,95,50,190
Software Licenses	5,28,64,506	8,94,25,798
Software Services rendered	12,46,14,786	20,72,57,101
	<b>18,80,56,440</b>	<b>32,62,33,089</b>

Revenue from operations includes -	2013-14	2012-13
Net (loss)/gain on foreign currency transaction and translation	(1,09,006)	(78,402)
Earnings in Foreign Currency (on actual basis)		
Sale of Software License and Services rendered	6,98,58,300	7,87,99,096

### Note 19

#### OTHER INCOME

(In ₹)

Particulars	2013-14	2012-13
Interest on Income Tax Refund	19,54,638	2,56,716
Interest on Bank Deposit	2,23,926	36,384
Dividend Income	30,02,705	57,918
Profit on sale and lease back of assets	-	16,169
Profit on sale of tangible asset	-	7,815
Profit on sale of investment	16,604	-
Notice pay received	2,69,365	7,30,451
Miscellaneous Income	11,65,540	6,03,898
<b>Total</b>	<b>66,32,778</b>	<b>17,09,351</b>

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





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

**Note 20**

**COST OF PURCHASES**

(In ₹)

Particulars	2013-14	2012-13
<b>Software Licenses</b>		
Opening Stock	-	49,577
Add: Purchase	4,35,09,139	7,35,34,401
Less: Closing Stock	-	-
<b>Total Software License purchases (A)</b>	<u>4,35,09,139</u>	<u>7,35,83,978</u>
<b>Hardware Products</b>		
Opening Stock	-	-
Add: Purchase	38,72,118	1,80,71,943
Less: Closing Stock	-	-
<b>Total Hardware Product purchases (B)</b>	<u>38,72,118</u>	<u>1,80,71,943</u>
Cost of services	90,42,922	1,16,11,207
<b>Total Cost of services (C)</b>	<u>90,42,922</u>	<u>1,16,11,207</u>
<b>Total Cost of Purchases (A + B + C)</b>	<u>5,64,24,179</u>	<u>10,32,67,128</u>

**Note 21**

**EMPLOYEE BENEFIT EXPENSES**

(In ₹)

Particulars	2013-14	2012-13
Salaries, allowances and bonus	8,94,51,150	11,66,42,184
Companies contribution to Provident Fund, Employees' State Insurance scheme, Gratuity Fund	46,70,645	27,02,433
Staff welfare expenses	8,33,975	16,65,208
	<u>9,49,55,770</u>	<u>12,10,09,825</u>

**Note 22**

**FINANCIAL EXPENSES**

(In ₹)

Particulars	2013-14	2012-13
Interest expense	-	4,02,870
Other Borrowing costs	3,98,975	4,09,184
	<u>3,98,975</u>	<u>8,12,054</u>



## NOTES TO THE ACCOUNTS (Contd.)

### Note 23

#### ADMINISTRATIVE AND OTHER EXPENSES

(In ₹)

Particulars	2013-14	2012-13
Rent	72,95,484	81,45,081
Lease Rent	3,84,041	5,17,291
Communication expenses	8,90,637	7,50,953
Electricity expenses	12,18,225	19,74,942
Travelling and conveyance	1,24,54,339	1,17,70,638
Insurance	4,74,448	3,85,051
Repairs and Maintenance	34,71,489	52,06,647
Professional fees	15,87,365	16,63,588
Rates and Taxes	1,81,869	2,29,839
Miscellaneous expenses *	43,75,808	45,28,258
	<b>3,23,33,705</b>	<b>3,51,72,288</b>

\* Miscellaneous expenses include Remuneration to Auditors towards:

Particulars	2013-14	2012-13
Statutory Audit	1,00,000	60,000
Tax Audit	50,000	20,000
Certification	96,000	45,000

### NOTE 24

#### GENERAL

##### 24.1 Employee Benefits:

###### i) Defined Contribution Plan:

(In ₹)

Company Contribution to	2013 - 14	2012 - 13	2011 - 12	2010 - 11	2009 - 10
a) Provident Fund	13,35,551	14,15,791	13,16,772	14,17,475	10,91,033
b) Pension Fund	7,96,236	10,55,719	12,40,371	13,75,175	10,75,946
c) Employees' State Insurance	50,427	1,01,920	2,83,831	2,87,682	67,643
d) Superannuation Fund	2,52,231	45,365	2,12,176	2,05,244	1,69,371

SUNDARAM INFOTECH SOLUTIONS LIMITED



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

ii) Defined Benefit Plan:

**Gratuity**

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

Particulars	2013-14	2012-13
Present value of benefit obligations as at beginning of the year	28,52,748	31,67,022
Interest cost	2,28,220	2,53,362
Current service cost	8,02,166	7,56,256
Benefits paid	(33,63,386)	(3,76,646)
Actuarial (gain)/loss on obligations	11,57,018	(9,47,246)
<b>Present value of obligations as at the end of the year</b>	<b>16,76,766</b>	<b>28,52,748</b>

B. Reconciliation of opening and closing balances of fair value of Plan Assets Fund maintained by LIC (In ₹)

Particulars	2013-14	2012-13
Fair value of plan assets as at beginning of the year	35,88,372	29,37,639
Expected return on plan assets	1,76,037	2,75,048
Contributions	19,13,109	7,52,331
Benefits paid	(33,63,386)	(3,76,646)
Actuarial gain on plan assets	-	-
<b>Fair value of plan assets as at the end of the year</b>	<b>23,14,132</b>	<b>35,88,372</b>

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

Particulars	2013-14	2012-13
Present value of obligations as at the end of the year	16,76,766	28,52,748
Fair value of plan assets as at the end of the year	23,14,132	35,88,372
<b>Net asset/(liability) recognised in the balance sheet</b>	<b>6,37,366</b>	<b>7,35,624</b>

D. Expenses recognised in the profit and loss statement (In ₹)

Particulars	2013-14	2012-13
Current Service cost	8,02,166	7,56,256
Interest Cost	2,28,220	2,53,362
Expected return of plan assets	(1,76,037)	(2,75,048)
Net Actuarial (Gain)/loss recognized in the year	11,57,018	(9,47,246)
<b>Expenses to be recognized in the profit and loss</b>	<b>20,11,367</b>	<b>(2,12,676)</b>



## NOTES TO THE ACCOUNTS (Contd.)

### E. Details showing fair value of plan assets

(In ₹)

Particulars	2013-14	2012-13
Fair value of plan assets as at beginning of the year	35,88,372	29,37,639
Actual return on plan assets	1,76,037	2,75,048
Contributions	19,13,108	7,52,331
Benefits paid	(33,63,386)	(3,76,646)
<b>Fair value of plan assets as at the end of the year</b>	<b>23,14,131</b>	<b>35,88,372</b>

### F. Actuarial gain/(Loss) recognised

(In ₹)

Particulars	2013-14	2012-13
Actuarial gain/(loss) on obligation	(11,57,018)	9,47,246
Actuarial gain/(loss) on plan assets	-	-
Total gain/(loss) for the year	(11,57,018)	9,47,246
<b>Actuarial gain/(loss) recognised in the year</b>	<b>(11,57,018)</b>	<b>9,47,246</b>

### G. Actuarial assumptions

(In ₹)

Particulars	2013-14	2012-13
Discount Rate	8.0%	8.0%
Salary Increment	5.0%	7.0%
Return on plan assets	9.1%	9.2%
Attrition rate	1-3%	1-3%

#### Mortality rates

Based on LIC (1994-1996)

The estimates of future salary increases considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors like supply and demand in the employment market.

#### Amount for the current and previous four years as follows:

(In ₹)

Particulars	2013 - 14	2012 - 13	2011 - 12	2010-11	2009-10
Defined Benefit Obligation	16,76,766	28,52,748	31,67,022	25,16,671	17,51,662
Plan Assets	23,14,132	35,88,372	29,37,639	27,42,325	24,36,863
Surplus/(Deficit)	6,37,366	7,35,624	(2,29,383)	2,25,654	6,85,201
Experience adjustments on plan liabilities	11,57,018	-	4,60,455	1,98,633	3,37,839
Experience adjustments on plan assets	-	9,47,246	-	-	-

The actuarial value of leave entitlement as on 31.03.2014 is ₹ 24,32,603/- (31.03.2013 - ₹ 23,96,941/-) and is provided for in the books of accounts



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

**Holding Company:**

Sundaram Finance Limited

**Fellow Subsidiaries:**

Sundaram Finance Distribution Ltd.

Sundaram BNP Paribas Home Finance Ltd.

Sundaram Asset Management Company Ltd.

Sundaram Trustee Company Ltd.

LGF Services Ltd.

Infreight Logistics Solutions Ltd.

Sundaram Business Services Ltd.

Sundaram BNP Paribas Fund Services Ltd.

Sundaram Parekh Warehousing Services Ltd.

Sundaram Insurance Broking Services Ltd.

Sundaram Asset Management Singapore Pte Ltd.

Sundaram BPO India Ltd.

Caltec Servicez Private Ltd. (till 15.05.2013)

Professional Management Consultants Ltd. (till 15.05.2013)

**Key Management Personnel:**

Mr. T Varadarajan, Manager



The nature and volume of transactions of the company for the year ended 31.03.2014, with the related parties are as follows.

(Amount in ₹)

Nature of Transactions	Holding Company		Fellow Subsidiaries		Total	
	2013 - 14	2012 - 13	2013 - 14	2012 - 13	2013 - 14	2012 - 13
<b>INCOME</b>						
<b>Revenue from Operations</b>						
Sundaram Finance Limited	3,98,85,274	15,45,12,245	-	-	3,98,85,274	15,45,12,245
Sundaram BNP Paribas Fund Services Limited	-	-	66,10,471	1,50,51,400	66,10,471	1,50,51,400
Sundaram BNP Paribas Home Finance Limited	-	-	59,81,999	1,69,35,758	59,81,999	1,69,35,758
Sundaram Business Services Limited	-	-	13,76,027	17,39,655	13,76,027	17,39,655
Sundaram BPO India Limited	-	-	6,41,720	3,75,000	6,41,720	3,75,000
Sundaram Asset Management Company Ltd.	-	-	-	98,000	-	98,000
Caltec Servicez Private Ltd.	-	-	-	19,500	-	19,500
<b>Total</b>	<b>3,98,85,274</b>	<b>15,45,12,245</b>	<b>1,46,10,217</b>	<b>3,42,19,313</b>	<b>5,44,95,491</b>	<b>18,87,31,558</b>
<b>EXPENSES</b>						
<b>Lease Rent, Office Rent &amp; Branch Rent</b>						
Sundaram Finance Limited	64,37,818	81,29,333	-	-	64,37,818	81,29,333
<b>Internal Audit fee, other expenses</b>						
Sundaram Finance Limited	45,53,411	16,82,317	-	-	45,53,411	16,82,317
<b>Implementation charges - S3G</b>						
Sundaram Finance Limited	1,37,89,731	88,35,000	-	-	1,37,89,731	88,35,000
<b>Payroll Processing</b>						
Sundaram Business Services Limited	-	-	-	55,900	-	55,900
Sundaram BPO India Limited	-	-	1,50,000	1,20,000	1,50,000	1,20,000
<b>Total</b>	<b>2,47,80,960</b>	<b>1,86,46,650</b>	<b>1,50,000</b>	<b>1,75,900</b>	<b>2,49,30,960</b>	<b>1,88,22,550</b>
<b>ASSETS</b>						
<b>Income Receivables as on 31.03.2014</b>						
Sundaram Finance Limited	12,91,773	30,18,659	-	-	12,91,773	30,18,659
Sundaram BNP Paribas Fund Services Limited	-	-	2,77,500	16,58,820	2,77,500	16,58,820
<b>Total</b>	<b>12,91,773</b>	<b>30,18,659</b>	<b>2,77,500</b>	<b>16,58,820</b>	<b>15,69,273</b>	<b>46,77,479</b>
<b>LIABILITIES</b>						
<b>Internal Audit Fees, Payroll Processing charges Outstanding as on 31.03.2014</b>						
Sundaram Finance Limited	84,93,184	75,000	-	-	84,93,184	75,000
Sundaram BPO India Limited	-	-	-	92,950	-	92,950
<b>Total</b>	<b>84,93,184</b>	<b>75,000</b>	<b>-</b>	<b>92,950</b>	<b>84,93,184</b>	<b>1,67,950</b>

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



## SUNDARAM INFOTECH SOLUTIONS LIMITED

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

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

Particulars	2013-14	2012-13
A. Profit for the year after taxation (In ₹)	90,29,967	6,54,29,773
B. Total weighted average number of equity shares of ₹ 10/- each outstanding at the end of the year (in numbers)	1,64,00,000	1,64,00,000
C. Basic and diluted earnings per share (A/B)	0.55	3.99

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

Particulars	2013-14	2012-13
Professional and consultancy fee	8,29,220	16,42,052
Subscription to Association	4,68,682	1,17,985
Other matters – Purchase of Software, Marketing, travelling etc.	4,19,30,879	3,72,99,225

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

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

**K Rajagopal**  
Secretary

**T T Srinivasaraghavan**

**Srinivas Acharya**

**S Venkatesan**

**K Swaminathan**  
Directors

**CERTIFIED TRUE COPY**  
For SUNDARAM INFOTECH SOLUTIONS LIMITED  
  
Secretary

## Cash Flow Statement for the year ended 31.03.2014 (In ₹)

	2013-2014	2012-2013
<b>A) CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Net Profit	90,29,967	6,54,29,773
Provision for Taxation	73,839	75,234
	91,03,806	6,55,05,007
Add: Financial Expenses	3,98,975	8,12,054
Depreciation	14,31,102	15,03,649
Interest Received	21,78,564	2,93,100
Dividend Received	30,02,705	57,918
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>57,52,614</b>	<b>6,74,69,692</b>
(Increase) Decrease in other non-current assets	(1,91,390)	2,24,833
(Increase) Decrease in Inventories	-	49,577
(Increase) Decrease in Trade Receivables	(85,36,883)	1,63,775
(Increase) Decrease in short-term loans and advances	24,47,350	6,03,573
(Increase) Decrease in Long-term loans and advances	1,38,09,516	(2,33,20,983)
(Increase) Decrease in other current assets	10,945	1,71,318
Increase (Decrease) in Long-term borrowings	4,28,620	(14,66,340)
Increase (Decrease) in Long-term provisions	(91,227)	13,23,681
Increase (Decrease) in Trade payable	(46,65,887)	(1,77,01,341)
Increase (Decrease) in other current liabilities	(62,33,730)	18,09,784
Increase (Decrease) in Short-term provisions	(37,24,888)	(2,77,674)
Cash generated from Operations	(9,94,960)	2,90,49,895
Financial Expenses	3,98,975	8,12,054
Direct Taxes Paid	-	-
<b>NET CASH FROM OPERATING ACTIVITIES (A)</b>	<b>(13,93,935)</b>	<b>2,82,37,841</b>
<b>B) CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	32,99,809	8,39,147
Sale of Fixed Asset	17,67,303	40,857
Purchase of Investments	21,01,06,820	2,30,00,000
Sale of Investments	16,75,17,902	2,30,00,000
Interest Received	21,78,564	2,93,100
Dividend Received	30,02,705	57,918
<b>NET CASH FROM INVESTING ACTIVITIES (B)</b>	<b>(3,89,40,155)</b>	<b>(4,47,272)</b>
<b>C) CASH FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of Equity Shares	-	-
Increase (Decrease) in short term borrowings	-	-
<b>NET CASH FROM FINANCING ACTIVITIES (C)</b>	<b>-</b>	<b>-</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS (A)+(B)+(C)</b>	<b>(4,03,34,090)</b>	<b>2,77,90,569</b>
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	4,63,01,493	1,85,10,924
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<b>59,67,404</b>	<b>4,63,01,493</b>
<b>COMPONENTS OF CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>		
Current Account with Banks	62,15,921	4,62,52,108
Effect of Foreign Exchange rates on Cash and Cash Equivalents	(2,52,517)	45,385
Cash, Stamps and Stamp Papers on Hand	4,000	4,000
	<b>59,67,404</b>	<b>4,63,01,493</b>

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

**T T Srinivasaraghavan**  
**Srinivas Acharya**  
**S Venkatesan**  
**K Swaminathan**  
 Directors

**K Rajagopal**  
 Secretary

SUNDARAM INFOTECH SOLUTIONS LIMITED



The financial details of companies for the previous 3 years as per the audited statement of Accounts  
**Name of the Company: Sundaram Finance Limited**

(Rs. in Crores)

Particulars	30.09.2016 (limited review)	As per last Audited Financial Year - 31.03.2016	1 year prior to the last Audited Financial Year - 31.03.2015	2 years prior to the last Audited Financial Year - 31.03.2014
Equity Paid up Capital	111.10	111.10	111.10	111.10
Reserves and surplus	3420.35	3201.52	2866.95	2293.81
Carry forward losses	-	-	-	-
Net Worth	3531.46	3312.62	2978.05	2404.92
Miscellaneous Expenditure	-	-	-	-
Secured Loans	3859.05	4382.12	5577.27	5961.78
Unsecured Loans	4994.32	2710.80	3135.09	2220.25
Fixed Assets	280.75	278.44	310.87	346.65
Income from Operations	1149.52	2312.44	2253.84	2215.48
Total Income	1187.10	2475.02	2368.25	2313.91
Total Expenditure	870.22	1791.79	1717.05	1667.28
Profit before Tax	316.88	683.23	651.20	646.63
Profit after Tax	217.86	477.28	454.14	442.51
Cash profit	356.47	767.43	742.49	738.91
EPS	19.61	42.96	40.88	39.83
Book value	317.85	298.16	268.04	216.46

**Note:** The financials should not be more than 6 months old. In such cases additional column may be added to provide the latest financials.

Date: 20.12.2016

Place: Chennai

For Sundaram Finance Limited

  
P. Viswanathan  
Secretary & Compliance Officer

