

SUNDARAM INSURANCE BROKING SERVICES LIMITED

***7th ANNUAL REPORT
2016-2017***

BOARD OF DIRECTORS

Srinivas Acharya

S. Ravindran

S. Sivakumar

BANKERS

State Bank of India

AUDITORS

M/s. Brahmayya & Co., Chennai

Chartered Accountants

REGISTERED OFFICE

21, Patullos Road

Chennai 600 002

Tel: 044-28521181

CIN : U67100TN2010PLC078063

SUNDARAM INSURANCE BROKING SERVICES LIMITED

A wholly-owned subsidiary of



SUNDARAM FINANCE LIMITED

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Boards' Report

Your Directors have pleasure in presenting the Seventh Annual Report and Audited Accounts of the Company for the year ended 31st March, 2017. The summarised financial results of the Company are given hereunder:

(in ₹)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Total Revenue	4,49,082	7,63,744
Total Expenses	41,213	42,066
Profit / (Loss) before Tax	4,07,869	7,21,678
Tax expense	1,25,000	2,24,000
Profit / (Loss) after Tax	2,82,869	4,97,678

REVIEW OF OPERATIONS

Your Company has not yet commenced its core operations.

DIRECTORS

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

NUMBER OF MEETINGS OF THE BOARD

During the year under review, 8 meetings of the Board of Directors were held.

DIRECTORS' RESPONSIBILITY STATEMENT

Your directors confirm that:

1. In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
2. The Company has selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the company for that period;

3. Proper and sufficient care has been exercised for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
4. The annual accounts have been prepared on a going concern basis; and
5. Proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

AMALGAMATION OF THE COMPANY

The Board of Directors of your Company at their meeting held on 17th February 2017, have decided to amalgamate your Company with the holding company Sundaram Finance Limited w.e.f. April 1, 2016 being the Appointed Date fixed for the purpose under a Composite Scheme of Arrangement and Amalgamation ('Scheme') under Sections 230 to 232 of the Companies Act, 2013, subject to necessary approvals.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Your Company has Mutual Fund investments to the tune of ₹10.29 lakhs as on 31st March 2017. There were no loans made or guarantees given by the Company.

RELATED PARTY TRANSACTIONS

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

EXTRACT OF ANNUAL RETURN

As required under Section 92(3) of the Companies Act, 2013 and Rule 12 (1) of the Companies (Management and Administration) Rules, 2014, an extract of the Annual Return in Form MGT 9 as on 31st March 2017, is enclosed –Annexure B.

INFORMATION AS PER SECTION 134(3)(m) OF THE COMPANIES ACT, 2013 READ WITH RULE 8 OF THE COMPANIES (ACCOUNTS), RULES, 2014

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

DEPOSITS

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

AUDITORS

M/s Brahmaya & Co, Chartered Accountants, Chennai, retire and are eligible for reappointment. A certificate from the Auditors that

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

ACKNOWLEDGEMENT

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

Srinivas Acharya

S. Ravindran

S. Sivakumar

Directors

Chennai 600 002

Date: 26th April 2017

Annexure - A

Form No. AOC-2

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

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

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

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

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

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

Chennai 600 002

Date: 26th April 2017

Srinivas Acharya

S. Ravindran

S. Sivakumar

Directors

FORM NO.MGT-9**EXTRACT OF ANNUAL RETURN**

as on the financial year ended on 31st March 2017

[Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12 (1)
of the Companies (Management and Administration) Rules, 2014]**I. REGISTRATION AND OTHER DETAILS**

(i)	CIN	U67100TN2010PLC078063
(ii)	Registration Date	15th November 2010
(iii)	Name of the Company	Sundaram Insurance Broking Services Limited
(iv)	Category / Sub-Category of the Company	Public Company / Company limited by shares
(v)	Address of the Registered Office and contact details	21, Patullos Road, Chennai 600 002 Tel - 044-28521181
(vi)	Whether Listed Company Yes / No	No
(vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	Not Applicable

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Name and Description of main products / services	NIC Code of the Product / Service	% to total turnover of the company*
Carrying on the business of Insurance brokers of all kinds of Insurable perils including of Life, Medical and other general insurance and such other business as may be allowed from time to time for the Insurance Brokers under the rules of Insurance Regulatory Development Authority.	66 - Other financial activities	Interest Receipt 98.73%

* Yet to Start Business - Interest Receipt is shown as other income under Revenues in the Profit and Loss Statement of the Company as on 31st March 2017.

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
1	Sundaram Finance Limited	L65191TN1954PLC002429	Holding Company	100.00	2(46)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(i) Category-wise Share Holding

	Category of Shareholders	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters										
(1) Indian										
(a)	Individual/HUF	-	-	-	-	-	-	-	-	-
(b)	Central Govt	-	-	-	-	-	-	-	-	-
(c)	State Govt(s)	-	-	-	-	-	-	-	-	-
(d)	Bodies Corp. - Sundaram Finance Limited*	-	500000	500000	100.00	-	500000	500000	100.00	-
(e)	Banks / FI	-	-	-	-	-	-	-	-	-
(f)	Any Other	-	-	-	-	-	-	-	-	-
	Sub-Total (A)(1)	-	500000	500000	100.00	-	500000	500000	100.00	-
(2) Foreign										
(a)	NRIs - Individuals	-	-	-	-	-	-	-	-	-
(b)	Other - Individuals	-	-	-	-	-	-	-	-	-
(c)	Bodies Corp.	-	-	-	-	-	-	-	-	-
(d)	Banks / FI	-	-	-	-	-	-	-	-	-
(e)	Any Other	-	-	-	-	-	-	-	-	-
	Sub-Total (A)(2)	-	-	-	-	-	-	-	-	-
	Total shareholding of Promoter (A)= (A)(1)+(A)(2)	-	500000	500000	100.00	-	500000	500000	100.00	-
B. Public Shareholding										
(1) Institutions										
(a)	Mutual Funds	-	-	-	-	-	-	-	-	-
(b)	Banks / FI	-	-	-	-	-	-	-	-	-
(c)	Central Govt	-	-	-	-	-	-	-	-	-
(d)	State Govt(s)	-	-	-	-	-	-	-	-	-
(e)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
(f)	Insurance Companies	-	-	-	-	-	-	-	-	-
(g)	FII's & FPI's	-	-	-	-	-	-	-	-	-
(h)	Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
(i)	Any Other	-	-	-	-	-	-	-	-	-
	Sub- Total (B)(1)	-	-	-	-	-	-	-	-	-

	Category of Shareholders	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
2.	Non- Institutions									
(a)	Bodies Corporate									
	(i) Indian	-	-	-	-	-	-	-	-	-
	(ii) Overseas	-	-	-	-	-	-	-	-	-
(b)	Individuals									
	i Individual shareholders holding nominal shares capital up to ₹1 lakh	-	-	-	-	-	-	-	-	-
	ii Individual shareholders holding nominal shares capital in excess of ₹1 lakh	-	-	-	-	-	-	-	-	-
(c)	Others (specify)									
	Trusts	-	-	-	-	-	-	-	-	-
	Clearing Members	-	-	-	-	-	-	-	-	-
	Sub- Total (B)(2)	-	-	-	-	-	-	-	-	-
	Total Public Shareholding (B)= (B)(1)+(B)(2)	-	-	-	-	-	-	-	-	-
(C)	Shares held by Custodian for GDRs and ADRs	-	-	-	-	-	-	-	-	-
	GRAND TOTAL (A)+(B)+(C)	-	500000	500000	100.00	-	500000	500000	100.00	-

* Includes 6 shares held by the nominees of Sundaram Finance Limited

(ii) Shareholding of promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of shares	% of total shares of the company	% of shares pledged / encumbered to total shares	No. of shares	% of total shares of the company	% of shares pledged / encumbered to total shares	
1	Sundaram Finance Limited*	5,00,000	100%	-	5,00,000	100%	-	-
	Total	5,00,000	100%	-	5,00,000	100%	-	-

*Includes 6 shares held by the nominees of Sundaram Finance Limited

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

Name of the Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
Sundaram Finance Limited				
At the beginning of the year	5,00,000	100%	-	-
Increase / Decrease in Promoters Shareholding during the year	-	-	5,00,000	100%
At the end of the Year	-	-	5,00,000	100%

*Includes 6 shares held by the nominees of Sundaram Finance Limited

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

Name of the Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	Not Applicable			
Increase / Decrease in Shareholding during the year				
At the end of the Year (or on the date of separation, if separated during the year)				

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

Sl. No.	For each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Sri Srinivas Acharya Director				
	At the beginning of the year	-	-	-	-
	Increase / Decrease in Share holding during the year	-	-	-	-
	At the end of the Year	-	-	-	-
2	Sri S Sivakumar* Director				
	At the beginning of the year	1	-	-	-
	Increase / Decrease in Share holding during the year	-	-	-	-
	At the end of the Year	-	-	1	-
3	Sri S Ravindran* Director				
	At the beginning of the year	1	-	-	-
	Increase / Decrease in Share holding during the year	-	-	-	-
	At the end of the Year	-	-	1	-

* held as nominees of Sundaram Finance Limited jointly with others

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding / accrued but not due for payment

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year	Nil			
(i) Principal Amount				
(ii) Interest due but not paid				
(iii) Interest accrued but not due				
Total (i + ii + iii)				
Change in Indebtedness during the financial year				
Addition				
Reduction				
Net Change				
Indebtedness at the end of the financial year				
(i) Principal Amount				
(ii) Interest due but not paid				
(iii) Interest accrued but not due				
Total (i + ii + iii)				

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and / or Manager:

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

B. Remuneration to other directors:

Sl. No.	Name of the Directors	Particulars of Remuneration			Total Amount
		Fee for attending board / committee meetings	Commission	Others, please specify	
1	Independent Directors	Not Applicable			
	Total (1)				
2	Other Non-Executive Directors	Nil			
	Sri Srinivas Acharya				
	Sri S Sivakumar				
	Sri S Ravindran				
	Total (2)				
Total (B) = (1 + 2)		Nil			
Overall Ceiling as per the Act		Not Applicable			

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

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

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

‘There were no penalties / punishment / compounding of offences against the Company, Directors and other Officers in Default during the year ended 31st March 2017.

INDEPENDENT AUDITOR'S REPORT

To the Members of Sundaram Insurance Broking Services Limited

1. Report on the Financial Statements

We have audited the accompanying financial statements of Sundaram Insurance Broking Services Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2017, 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, 2017;
- 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
- (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" 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, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 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 did not have any pending litigation;
- 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.
- iv. the company did not have any cash transactions during the year.
- Place : Chennai
Date : 26-04-2017
- For **BRAHMAYYA & CO.**,
Chartered Accountants
Firm Regn. No.000511S
L. RAVI SANKAR
Partner
Membership No.25929

“Annexure A” to the Auditor’s Report referred to in paragraph 5 of our report of even date

1. In our opinion and according to the information and explanations given to us, the Company has not granted 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.
2. 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 Act, 2013 respectively.
3. The Company has not accepted any deposits from the public.
4. The Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act.
5.
 - i) In our opinion and according to the information and explanations given to us, undisputed Income 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 2017 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 dues of Income tax which have not been deposited on account of any dispute.
6. The Company does not have any borrowings from banks, financial institutions, Government or by issue of debentures.
7. The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) or by way of term loans.
8. 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.
9. The Company has not incurred any expenditure towards managerial remuneration.
10. 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
11. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
12. 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.
13. 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 (i), clause (ii), clause (xii) and clause (xvi) of paragraph 3 of the Companies (Auditor’s Report) Order, 2016 is not applicable to the Company for the year.

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

Place : Chennai
Date : 26-04-2017

“Annexure B” to the Auditor’s Report referred to in paragraph 5 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 Insurance Broking Services Limited (“the Company”) as of 31 March 2017 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 31 March 2017, 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
Membership No.25929

Place : Chennai

Date : 26-04-2017

Balance Sheet

as at 31st March, 2017

(In ₹)

	Note	March 31, 2017	March 31, 2016
1. EQUITY AND LIABILITIES			
1) Shareholders' funds			
(a) Share Capital	2	50,00,000	50,00,000
(b) Reserves and Surplus	3	17,01,858	14,18,989
(c) Money received against share warrants		-	-
		67,01,858	64,18,989
(2) Non-current liabilities			
(a) Long Term Borrowings		-	-
(b) Deferred Tax Liabilities (Net)		-	-
(c) Other Long term liabilities		-	-
(d) Long-term provisions	4	2,22,161	3,51,209
		2,22,161	3,51,209
(3) Current liabilities			
(a) Short Term Borrowings		-	-
(b) Trade payables	5		
(i) total outstanding due to micro and small enterprises		-	-
(ii) total outstanding due of creditors other than micro and small enterprises		20,127	25,763
(c) Other current liabilities		-	-
(d) Short-term provisions		-	-
		20,127	25,763
TOTAL		69,44,146	67,95,961
II. ASSETS			
(1) Non-current assets			
(a) Fixed Assets			
(i) Tangible assets		-	-
(ii) Intangible assets		-	-
(iii) Capital work in progress		-	-
(iv) Intangible assets under development		-	-
(b) Non-current investments		-	-
Deferred tax assets (net)		-	-
Long-term loans and advances	6	1,82,810	3,53,556
Other non-current assets		-	-
		1,82,810	3,53,556
(2) Current assets			
(a) Current investments	7	10,29,459	5,29,459
(b) Inventories		-	-
(c) Trade receivables		-	-
(d) Cash and cash equivalents	8	55,54,125	56,14,165
(e) Short term loans and advances		-	-
(f) Other current assets	9	1,77,752	2,98,781
		67,61,336	64,42,405
TOTAL		69,44,146	67,95,961

Significant Accounting Policies and Notes to Accounts-1-12

As per our report of even date attached

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

L Ravi Sankar
Partner
Membership No.25929
Chennai

26th April 2017

SUNDARAM INSURANCE BROKING SERVICES LIMITED

Srinivas Acharya

S Ravindran

S Sivakumar

Directors

Statement of Profit and Loss

for the Year Ended 31st March, 2017

(In ₹)

Note	2016-17	2015-16
REVENUE		
Revenue from operations	-	-
Other income	4,49,082	7,63,744
Total Revenue	<u>4,49,082</u>	<u>7,63,744</u>
EXPENSES		
Finance Costs	-	-
Administrative and Other expenses	41,213	42,066
Total Expenses	<u>41,213</u>	<u>42,066</u>
Profit before Tax	<u>4,07,869</u>	<u>7,21,678</u>
Tax expense:		
Current tax	1,25,000	1,82,074
MAT Credit (Entitlement) / Availed	-	41,926
Net Current Tax	1,25,000	2,24,000
Deferred tax	-	-
	1,25,000	2,24,000
Profit after tax	<u>2,82,869</u>	<u>4,97,678</u>
Earnings per equity share:		
Weighted average number of shares	5,00,000	5,00,000
Basic	0.57	1.00
Diluted	0.57	1.00
Significant Accounting Policies and Notes to the Accounts 1 to 12		

As per our report of even date attached
 For **Brahmayya & Co.**,
 Chartered Accountants
 Registration Number .000511S
L Ravi Sankar
 Partner
 Membership No.25929
 Chennai
 26th April 2017

Srinivas Acharya

S Ravindran

S Sivakumar

 Directors

Cash Flow Statement

(In ₹)

		2016-2017	2015-2016
A)	CASH FLOW FROM OPERATING ACTIVITIES:		
	Net Profit	2,82,869	4,97,678
	Add: Provision for Taxation	1,25,000	2,24,000
		4,07,869	7,21,678
	Finance Costs	-	-
	Less:Interest Income	(4,43,356)	(3,01,526)
	Less:Dividend Income	-	-
	Less:Net gain on sale of investments	-	(4,62,218)
	OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	(35,487)	(42,066)
	(Increase)/Decrease in Long Term Loans and Advances	2,49,746	1,29,886
	Increase/(Decrease) in Bank Deposits	-	(55,00,000)
	Increase/(Decrease) in Other Current Assets	1,21,029	(2,98,781)
	Increase/(Decrease) in Long Term Provisions	(2,54,048)	(68,791)
	Increase/(Decrease) in Other Current Liabilities	(5,636)	482
	Cash generated from Operations	1,11,091	(57,37,204)
	Finance Costs Paid	-	-
	Direct Taxes Paid	(79,000)	(2,03,000)
	NET CASH FROM OPERATING ACTIVITIES (A)	(3,396)	(59,82,270)
B)	CASH FLOW FROM INVESTING ACTIVITIES		
	Purchase of Current Investments	(5,00,000)	-
	Sale of Current Investments	-	52,37,782
	Interest Received	4,43,356	3,01,526
	Dividend Received	-	-
	Net gain/loss on sale of investments	-	4,62,218
	NET CASH FROM INVESTING ACTIVITIES (B)	(56,644)	60,01,526
C)	CASH FLOW FROM FINANCING ACTIVITIES		
	Proceeds from issue of Equity shares	-	-
	NET CASH FROM FINANCING ACTIVITIES (C)	-	-
	NET INCREASE IN CASH AND CASH EQUIVALENTS (A)+(B)+(C)	(60,040)	19,256
	CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	1,14,165	94,909
	CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	54,125	1,14,165
	COMPONENTS OF CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		
	Current Account with Banks	54,125	1,14,165

As per our report of even date attached

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

L Ravi Sankar
Partner
Membership No.25929
Chennai
26th April 2017

Srinivas Acharya

S Ravindran

S Sivakumar

Directors

Notes to the Accounts

1 SIGNIFICANT ACCOUNTING POLICIES :

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

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

- 1.2 Income and expenditure are accounted on accrual basis.

1.3 Valuation of Investments :

Long-term investments are stated at cost, 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.

1.4 Taxation :

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

1.5 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 of the amount of the obligation.

NOTES TO THE ACCOUNTS (Contd.)

Note 2

Share Capital

(In ₹)

	31.03.2017	31.03.2016
Authorised 10,00,000 Equity shares of face value of ₹ 10/- each	<u>1,00,00,000</u>	<u>1,00,00,000</u>
Issued, Subscribed and fully paid up 5,00,000 Equity shares of face value of ₹ 10/- each	<u>50,00,000</u>	<u>50,00,000</u>

Reconciliation of number of shares	Nos.	Nos.
Shares outstanding at the beginning of the year	5,00,000	5,00,000
Add: Shares issued during the year	—	—
Less: Shares bought back during the year	—	—
Shares outstanding at the end of the year	5,00,000	5,00,000

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

Name of the Shareholder	Status	No. of Shares	% held as at 31.03.2017	No. of Shares	% held as at 31.03.2016
Sundaram Finance Limited*	Holding Company	5,00,000	100	5,00,000	100

* include 6 equity shares held by nominees

Note 3

Reserves and Surplus

(In ₹)

Surplus in the Statement of Profit and Loss	31.03.2017		31.03.2016	
Opening Balance	14,18,989		9,21,311	
Add: Profit for the year from the Profit and Loss statement	2,82,869		4,97,678	
	<u>17,01,858</u>		<u>14,18,989</u>	
Less : Appropriations				
General Reserve	—		—	
Dividend				
Interim	—		—	
Final (Proposed)	—		—	
Dividend Tax	—		—	
	<u>17,01,858</u>		<u>14,18,989</u>	

NOTES TO THE ACCOUNTS (Contd.)

Note 4

Long-Term Provisions

(In ₹)

	31.03.2017	31.03.2016
Provision for Tax	2,22,161	3,51,209

Note 5

Trade Payables *

(In ₹)

	31.03.2017	31.03.2016
i) Total outstanding due to micro and small enterprises	–	–
ii) Total outstanding due of creditors other than micro enterprises and small enterprises		
- For Expenses	20,127	25,763
	<u>20,127</u>	<u>25,763</u>

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

Note 6

Long Term Loans and Advances

(In ₹)

	31.03.2017	31.03.2016
Unsecured considered good		
– Advance Income Tax and TDS	1,82,810	3,53,556
	<u>1,82,810</u>	<u>3,53,556</u>

Note 7

Current investments - Others

	Face Value (In ₹)	As at 31.03.2017		As at 31.03.2016	
		Holding (Number)	Cost (In ₹)	Holding (Number)	Cost (In ₹)
Unquoted, Valued at cost					
Investments in Mutual Funds:					
Sundaram Money Fund	10	34,211	10,29,459	18,951	5,29,459
Aggregate amount of Unquoted Investments			<u>10,29,459</u>		<u>5,29,459</u>

NOTES TO THE ACCOUNTS (Contd.)**Note 8****Cash and Cash Equivalents**

(In ₹)

	31.03.2017	31.03.2016
Balances with Banks in Current Accounts	54,125	1,14,165
Bank Deposits (upto 12 months maturity)	55,00,000	55,00,000
	<u>55,54,125</u>	<u>56,14,165</u>

Note 9**Other Current Assets**

(In ₹)

	31.03.2017	31.03.2016
Interest Receivable	1,77,752	2,98,781

STATEMENT OF PROFIT AND LOSS**Note 10****Other Income**

(In ₹)

	2016-17	2015-16
Interest Receipts	4,43,357	3,01,526
Gain on sale of Current investments	-	4,62,218
Excess Provision Written back	5,725	-
	<u>4,49,082</u>	<u>7,63,744</u>

Note 11**Administrative and other expenses**

(In ₹)

	2016-17	2015-16
Audit Fees	20,215	25,763
Printing and Stationery	9,555	8,820
Miscellaneous expenses	11,443	7,483
	<u>41,213</u>	<u>42,066</u>

NOTES TO THE ACCOUNTS (Contd.)

12. GENERAL

12.1 Related Party disclosures: In accordance with the Accounting Standard 18 - 'Related Party Disclosures', the detail of related parties and the transactions with related parties are given below :

Related Parties:

Holding Company:

Sundaram Finance Limited

Fellow Subsidiaries:

Sundaram BNP Paribas Home Finance Limited

Sundaram Asset Management Company Limited

Sundaram Trustee Company Limited

Sundaram Finance Holdings Limited (Formerly Sundaram Finance Distribution Limited)

LGF Services Limited

Sundaram Infotech Solutions Limited

Sundaram Business Services Limited

Infreight Logistics Solutions Limited

Sundaram BNP Paribas Fund Services Limited

Sundaram Asset Management Singapore Pte Limited

Sundaram BPO India Limited

Royal Sundaram General Insurance Co. Limited

Related Party Transaction

The nature and volume of transactions of the company during the period, with the related parties are as follows: (in ₹)

Nature of Transaction	Holding Company	Fellow Subsidiaries	2016-17	2015-16
Liabilities				
Sundaram Finance Limited				
– Equity Share Capital	50,00,000		50,00,000	50,00,000

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

12.2 The Board of Directors have approved a Composite Scheme of Arrangement and Amalgamation for Amalgamation of the Company with Sundaram Finance Limited effective from 01st April 2016 subject to approval of various statutory and regulatory authorities and shareholders/creditors as directed by the regulatory authorities.

Sundaram Finance Limited has filed applications with the National Stock Exchange of India Limited and Competition Commission of India for the approval of the transactions Contemplated in the composite Scheme of Arrangement and Amalgamation.

Pending approvals from statutory and regulatory authorities, the financial statements have not been adjusted to give effect to the composite Scheme of Arrangement and Amalgamation. Once the requisite approvals are obtained, the composite Scheme of Arrangement and Amalgamation would be given effect in the financials of the company in accordance with the said scheme.

12.3 The company did not have any cash transactions during the year and therefore the reporting requirements of Specified Bank Notes (SBN) as required vide Ministry of Company Affairs Notification dated 30th March 2017 is not applicable.

NOTES TO THE ACCOUNTS (Contd.)

12.2 Earnings per share:

	2016-2017	2015-2016
A. Profit for the year (₹)	2,82,869	4,97,678
B. Weighted average number of equity shares of ₹ 10/- (in numbers)	5,00,000	5,00,000
C. Basic and Diluted Earnings per share (₹) (A/B)	0.57	1.00

12.5 There are no amounts due to Small Scale Industries in terms of "The Micro, Small and Medium Enterprises Development Act, 2006.

12.6 The company does not have any employees on its rolls.

12.7 Miscellaneous expenses include remuneration to auditors towards:

(In ₹)

	2016-2017	2015-2016
Audit Fee		
Statutory Audit	10,000	10,000
Certification	7,500	7,500

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

Signatures to Schedules 1 to 12

As per our report of even date attached
For **Brahmayya & Co.,**
Chartered Accountants
Registration Number : 000511S
L Ravi Sankar
Partner
Membership No. 25929
Chennai
26th April 2017

Srinivas Acharya

S Ravindran

S Sivakumar

Directors