



## **SUBUTHI FINANCE LIMITED**

### **NOTICE TO THE SHAREHOLDERS**

NOTICE is hereby given that the 18<sup>th</sup> Annual General Meeting of Company will be held at the registered office of the company at 'The Accord Metropolitan 35, G.N.Chetty Road, T. Nagar, Chennai – 600 017 at 4.00 P.M. on Wednesday 30<sup>th</sup> September, 2009

#### **ORDINARY BUSINESS:**

1. To receive, consider, approve and adopt the audited Profit and Loss Account for the year ended 31<sup>st</sup> March 2009 and the Balance Sheet as on that date along with the Auditor's and Directors' Report thereon.
2. To appoint Shri.K.V. Bala who retires at the end of this meeting and being eligible offers himself for re-appointment.
3. To appoint M/s.S.Vasudevan & Associates, Chartered Accountants who retire at the end of this Annual General Meeting and are being eligible for re-appointment as Auditors till the conclusion of the next Annual General Meeting and to fix their remuneration.

#### **SPECIAL BUSINESS**

4. To consider & if thought fit, to pass with or without modification(s) the following resolution as an ordinary resolution.

**“RESOLVED THAT** Shri. T.R. Jayaraman be and is hereby appointed as a Director of the Company, whose period of office will be subject to retirement by rotation”.

#### **NOTES:**

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTAILED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THAT THE PROXY NEED NOT BE A MEMBER, THE DULY COMPLETED PROXY FORMS SHOULD BE SUBMITTED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HRS BEFORE COMMENCEMENT OF THE MEETING.**
2. The Register of Members and Share Transfer Book will remain closed from 23<sup>rd</sup> September 2009 to 30<sup>th</sup> September 2009.
3. Members seeking any information are requested to write to the company at least 10 days in advance so as to enable the company to keep the information ready.
4. Members are requested to bring their copies of the Annual Report to the Annual General Meeting.

Place: Chennai  
Date: 30<sup>th</sup> June 2009

BY ORDER OF THE BOARD  
For **SUBUTHI FINANCE LIMITED**

Sd/  
**A.RAJA SUKUMAR**  
Director

**EXPLANATORY STATEMENT PURSUANT SEC 173(2) OF THE COMPANIES ACT, 1956.**

**ITEM No. (4)**

Shri. T. R. Jayarman was appointed as additional Director u/s 260 of the Companies Act, 1956 on 24<sup>th</sup> January 2009. He holds office up to the conclusion of this meeting. The Company has received a notice from a member proposing Shri. T. R. Jayaraman as a Director along with necessary deposit of Rs. 500/- (Rupees Five Hundred Only) in accordance with sec. 257 of the Companies Act 1956.

The Directors recommend the resolution for approval of shareholders.  
Except Shri. T.R.Jayaraman no other Director is interested in this Resolution.

Place: Chennai  
Date: 30<sup>th</sup> June 2009

BY ORDER OF THE BOARD  
For **SUBUTHI FINANCE LIMITED**

Sd/

**A.RAJA SUKUMAR**  
Director

**RESUME OF Shri. T.R. JAYARAMAN**

Shri. T. R. Jayaraman, 73 years, Non-Executive and Independent Director, holds a Bachelors Degree in Arts, Bachelors Degree in Law, Government Diploma for Companies Secretaries from Institute of Company Secretaries of India and is a Fellow Member of the Institute of Company Secretaries of India. Shri. T.R. Jayaraman was associated with Tuticorin Alkalies and Chemicals Limited from the year 1979 till his retirement in the year 1995 as General Manager and Company Secretary. During his tenure of 16 years, he was involved in all areas of the company, viz., implementation of the project dealing with financial institution / banks for term loans and working capital requirements and all general administration, legal and secretarial matters. In the year 1995, he joined M/s. New Link Overseas Finance, a NBFC company involved in hire purchase and leasing operations as Company Secretary. His responsibilities include dealing with rating institutions viz., ICRA and CARE, arranging term loans from banks, complying with legal requirements, company law matters and RBI related matters, Shri. T.R. Jayaraman joined the Board on 24<sup>th</sup> January 2009.

## **REPORT OF THE DIRECTORS AND MANAGEMENT DISCUSSION & ANALYSIS**

To

### **The Shareholders**

Your Directors have great pleasure in presenting the 18<sup>th</sup> Annual Report of the Company along with the Audited Accounts of the Company for the year ended 31<sup>st</sup> March 2009.

### **FINANCIAL PERFORMANCE**

Rs.in Lakhs

<b>PARTICULARS</b>	<b>2008-09</b>	<b>2007-08</b>
Total Income	50.66	56.64
Profit before Depreciation, Bad debt and Tax	25.59	24.61
Depreciation	11.06	11.06
Tax provision	3.71	7.83
Profit after Tax	10.82	5.71
Amount available for appropriation	10.82	5.71
Transfer of Statutory Reserve	2.16	1.14
Transfer to Profit and Loss Account	8.66	4.57

### **PERFORMANCE.**

The total income of your company for the financial year 2008-09 stood at Rs.50.66 lacs and could achieve Profit after tax of Rs.10.82 lacs and registered a growth of 92% increase in net profit as compared to the previous year. Your company has transferred Rs.2.16 lacs to statutory reserve and Rs.8.66 lacs was transferred to Profit and loss account.

### **FUTURE OUTLOOK**

Your Company is confident of improving its performance for the year 2009-10 and further and thus it would in turn increase the return of the shareholders in due course of time.

### **OPPORTUNITIES AND THREATS**

Global recession in the corporate sector and its chain effects of downward trend in the financial market through out the year 2008-09 causes concern and throws challenges. However your company is on the hope that the scenario would change soon to provide wide opportunity for improved performance.

### **THE RBI NORMS AND ACCOUNTING STANDARDS**

To comply with RBI directions, the company closed its accounts for the full year ending March 2009, and your Company continues to comply with the directives issued as well as the norms prescribed by Reserve Bank of India for NBFCs.

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

The Company is a Non-Banking Finance Company and is not engaged in manufacturing activity of any kind. The disclosure of information relating to conservation of energy and technology absorption are therefore not applicable to the company. There were no foreign exchange earnings or outgo for the Company during the year.

## **DIRECTORS RESPONSIBILITY STATEMENT**

Pursuant to section 217 (2A) of the Companies (Amendment) Act 2000, the Directors confirm that;

1. In the preparation of Annual Accounts for the year ended 31<sup>st</sup> March 2009, all the applicable accounting standards have been followed along with proper explanation relating to material departures.
2. The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at 31<sup>st</sup> March 2009 and of the Profit or Loss of the company for the year under review.
3. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
4. The Directors have prepared the Annual Accounts for the current financial year on a 'going concern' basis.

## **DIRECTORS**

Shri. K.V.Bala retires at the end of this meeting and being eligible, offers himself for re-appointment.

Shri. R. Satyendran resigned as director effective 23<sup>rd</sup> December 2008 the Board places on record his services to the Company during his tenure as Director of the Company.

Shri.T.R.Jayaraman who was appointed as Additional Director during the financial year 2008-09, retires at the end of this meeting. A proposal has been received from a member signifying his candidature for the office of the Directors. Necessary Resolutions are placed before the Shareholders for their approval.

## **CORPORATE GOVERNANCE**

Your Company provides considerable importance to good Corporate Governance and complying with the Code of Corporate Governance introduced by SEBI . A detailed report on Corporate Governance together with a certificate from the Statutory Auditors in compliance of Clause 49 of the Listing Agreement and the Compliance Certificate from the Practising Company Secretary in respect of compliance of all the provisions of the Companies Act 1956, have been annexed, as part of the Annual Report. Management Discussion and Analysis Report highlighting the performance of the company is attached forming part of the Directors' Report.

## **PERSONNEL**

The company does not have any employee drawing salary in excess of the amount stipulated under Section 217 (2A) of the Companies Act, 1956.

## **AUDITORS**

M/s.S.Vasudevan & Associates, Chartered Accountants, Chennai retires at the ensuing Annual General Meeting and are being eligible for re-appointment. Necessary resolutions are placed before the Shareholders for their approval.

## **ACKNOWLEDGEMENT**

Your Directors wish to place on record their sincere appreciation and gratitude to the bankers of the company and various Government agencies for their support, assistance and co-operation and look forward for their continued support.

For and on behalf of Board of  
SUBUTHI FINANCE LIMITED

Place: Chennai  
Date: 30<sup>th</sup> June, 2009

A. Raja sukumar, Bala K.V  
Directors

# **REPORT ON CORPORATE GOVERNANCE:**

## **INTRODUCTION**

The company is complying with the mandatory requirements of the Code of Corporate Governance (Code) introduced by the Securities and Exchange Board of India (SEBI) and incorporated in Clause 49 of the Listing Agreement in all material aspects.

## **COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE**

The company is committed to the highest standards of corporate governance in all its activities and business practices. The Company looks at Corporate Governance as a measure to ensure sustained better financial performance and to serve the shareholders by providing better service. The company considers Corporate Governance in its widest sense. The Corporate Governance measures the delivery of Company's objects with a view to translate the ability, opportunity into reality and results. The Board ensures better implementation of the key elements in Corporate Governance like transparency, disclosure, internal controls etc. It takes feedback into account in its reviews of the principles of commitment and growth to ensure better improvement and growth.

The following is the report on the practices of the company on major aspects of corporate governance:

### **A) COMPOSITION OF THE BOARD**

The company has complied with the corporate governance norms in terms of constitution of the board. The Board comprises of 3 Directors and their details are given in Table 1.

### **B) NUMBER OF BOARD MEETINGS**

Subuthi Finance Limited held 5 Board Meetings during the year ended 31<sup>st</sup> March 2009. These were on 16<sup>th</sup> April 2008, 31<sup>st</sup> July 2008, 30<sup>th</sup> September 2008, and 22<sup>nd</sup> October 2008 and 24<sup>th</sup> January 2009.

## C) DIRECTORS' ATTENDANCE RECORD AND DIRECTORSHIP HELD

**Table I: Details about Subuthi Finance Limited's Board of Directors**

<u>Name</u>	<u>Designa tion</u>	<u>Board Meetings held during the year</u>	<u>Board Meetings attended during the year</u>	<u>Whether attended last AGM</u>	<u>Other Directorship</u>
Shri.Bala K.V	Director	5	5	Yes	<ul style="list-style-type: none"> <li>➤ M/s.Ind Eco Ventures Ltd</li> <li>➤ M/s.Indowind Energy Ltd</li> <li>➤ M/s.Indonet Global Ltd.</li> <li>➤ M/s.Loyal Credit &amp; Investments Ltd</li> </ul>
# Shri.R.Satyendran *	Director	5	1	Yes	Nil
Shri.A.Raja Sukumar	Director	5	4	Yes	Nil
Shri.K.Rajadurai **	Director	5	5	Yes	Nil
# ShriT.R.,Jayaraman ***	Director	5	1	No	<ul style="list-style-type: none"> <li>➤ M/s.Indowind Energy Ltd</li> </ul>

\* Ceased to be Director effective 23<sup>rd</sup> December 2008

\*\* Ceased to be Director effective 24<sup>th</sup> January 2009

\*\*\* Appointed as additional Director effective 24<sup>th</sup> January 2009.

Independent Director means a Director who, apart from receiving a Director's remuneration does not have any other material pecuniary relationship or transactions with the company, its promoters, its management, or its subsidiaries, which in the judgment of the Board may affect the independence of judgment of the Director.

None of the Directors is a member of more than 10 Board-level committees, or a Chairman of more than five such committees, as required under Clause 49 of the listing agreement.

## **D. INFORMATION SUPPLIED TO THE BOARD:**

Among others, this includes:

- a) Annual operating plans and budgets and any updates.
- b) Quarterly financial results of the company
- c) Minutes of meeting of Audit Committee and other committees of the Board
- d) Materially important show cause, demand, prosecution and penalty notices
- e) Fatal or serious accidents of dangerous occurrences
- f) Any materially relevant default in financial obligations to and by the company.
- g) Any issue which involves possible public claims of substantial nature
- h) Transactions that involve substantial payment towards goodwill, brand equity or intellectual property
- i) Sale of material nature, of investments, assets, which is not in the normal course of business
- j) Any issue which involves possible public claims of substantial nature
- k) Non-compliance of any regulatory or statutory provision or listing requirements as well as shareholder services such as non-payment of dividend and delays in share transfer.

The Board of M/s. Subuthi Finance Limited is routinely presented with information under the above heads whenever applicable and materially significant. These are submitted either as part of the agenda papers well in advance of the Board meetings or are tabled in the course of the Board meetings.

## **E) COMMITTEES OF THE BOARD**

### **i) Audit Committee**

A qualified and independent Audit Committee of the Board of the company is functioning. It monitors and supervises the Management's financial reporting process with a view to ensure accurate and proper disclosure, transparency and quality of financial reporting. The committee reviews the financial and risk management policies and also the adequacy of internal control systems and holds discussions with Statutory Auditors and Internal Auditors. This is enhancing the credibility of the financial disclosures of the company and also provides transparency.

The company continued to derive immense benefit from the deliberation of the Audit Committee comprising of three Directors, Shri.A.Raja Sukumar, Shri. T.R. Jayaraman and Shri.K.V.Bala who are eminent professionals having knowledge in project finance, accounts and company law. The minutes of each Audit Committee meeting are placed before, and discussed in the full by the Board.

The Audit Committee met 4 times during the year ended 31<sup>st</sup> March 2009.



Table 2: Attendance record of Audit Committee Members

Name of Director	No. of Meetings	Meetings attended
Shri.A.Raja Sukumar	4	4
Shri.R.Satyendran*	4	1
Shri.K.V.Bala	4	4
Shri. T. R. Jayaraman**	4	1

\* Ceased to be a Director effective 23<sup>rd</sup> December 2008.

\*\* Appointed as Director effective 24<sup>th</sup> January 2009.

In addition to the areas, Subuthi's Audit Committee looks into controls and security of the company's critical internal control and assurance audit reports of all major divisions and profit centers and deviations from the code of business principles, if any.

## **ii) Shareholders / Investors Grievances Committee**

The Shareholders / Investors Grievances Committee specifically looks into redressing of shareholders' and investors' complaints such as transfer of shares, non-receipt of shares, non-receipt of declared dividends and to ensure expeditious share transfer process. This Committee comprises of Shri.A.Raja Sukumar and Shri.T.R. Jayaraman Since there was no shareholder or investor grievance, there was no meeting held during the year.

## **F) MANAGEMENT**

Disclosures by management to the Board

All details relating to financial and commercial transactions where Directors may have a pecuniary interest are provided to the Board, and interested Directors neither participate in the discussion, nor do they vote on such matters.

## **G) SHAREHOLDERS**

### **a) Disclosure regarding appointment or re-appointment of Directors**

According to the Articles of Association of Subuthi, not less than 1/3<sup>rd</sup> of the Directors who are liable to retire by rotation, shall retire from office. All the Directors are eligible and are offering themselves for re-appointment as and when required.

Shri. Bala K.V. is retiring at the conclusion of the forthcoming AGM and being eligible offer themselves for reappointment.

Shri. T. R. Jayarman was appointed as additional Director u/s 260 of the Companies Act, 1956 on 24<sup>th</sup> January 2009. He holds office up to the conclusion of this meeting. The Company has received a notice from a member proposing Shri. T. R. Jayaraman as a Director in accordance with sec. 257 of the Companies Act 1956.

## **b) Communication to shareholders**

Subuthi Finance Limited has its own web-site and all vital information relating to the company and its performance including quarterly results, official releases and presentation to analysts are posted on the web-site.

## **c) Remuneration Committee**

The Remuneration Committee consists of Shri. K.V. Bala and Shri. T. R. Jayaraman, Subuthi's remuneration policy is based on three principles: Pay for responsibility, pay for performance and potential, and pay for growth. The company's Remuneration Committee is vested with all the necessary powers and authority to deal with all elements of remuneration package of all directors. This includes details of fixed components and performance-linked incentives.

As for the Non-Managing Directors, their appointment is for the benefit of their professional expertise in their individual capacity as independent business executives. Accordingly, the service contract, notice period and severance fees, if any of the company are not applicable to such Non-Managing Directors.

The Board felt that increase in remuneration to Managerial personnel could be considered after substantial improvement in the performance of the Company. Therefore no Remuneration Committee was held during the Financial Year 2008-09.

## **d) Investor Grievances**

As mentioned earlier in this chapter, the company has constituted Shareholder / Investors' Grievances Committee for redressing shareholders' and investors' complaints. The status on complaints is reported to the Board of Directors as an agenda item.

## **e) Share transfer**

The Company's shares are traded in the Stock Exchanges compulsorily in demat mode. Shares in physical mode which are lodged for transfer at either with the company or with the Share Transfer Agent are processed and share certificates are returned within the time prescribed by the authorities. A summary of transfer / transmission etc. of the company so approved by the Chairman is placed at every board meeting.

The company obtains from a Company Secretary in practice on half-yearly basis, a certificate of compliance with the share transfer formalities as required under clause 47(c) of the Listing Agreement with Stock Exchanges and files a copy of the certificate with the Stock exchanges.

## **H) REGISTRAR AND TRANSFER AGENT**

M/s.Cameo Corporate Services Limited Registrar, who is registered with SEBI as a category II Registrar, have been appointed as the registrar and share transfer agent of the company for both physical and electronic segment and have attended to share transfer formalities regularly.

## **I) GENERAL BODY MEETINGS**

Details of last three annual general meetings are given in Table 3

Year	Location	Date	Time
2007-08	“Kothari Buildings” IV Floor 114, M.G.Road Nungambakkam Chennai – 600 034	30.9.08	9.30 A.M
2006-07	“Kothari Buildings” IV Floor 114, M.G.Road Nungambakkam Chennai – 600 034	29.9.07	9.30 A.M
2005-06	Kakani Towers, IInd Floor, 15, Khader Nawaz Khan Road Chennai – 600 006	30.09.06	9.30 A.M

### **Disclosures:**

- a) Disclosure on materially significant related party transactions i.e., transactions of the Company of material nature, with its promoters, the Directors or the management, their subsidiaries or relatives, etc. that may have potential conflict with the interests of the Company at large.

There are no materially significant related party transactions made by the company with its Promoters, Directors or Management, their subsidiaries or relatives etc. that may have potential conflict with the interests of the Company at large.

- b) Details of non-compliance by the company, penalties, strictures imposed on the company by Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.

The company has complied with all requirements of the Listing Agreements entered into with the Stock Exchanges as well as the regulations and guidelines of SEBI. Consequently there were no strictures or penalties imposed by either SEBI or the stock exchanges or any statutory authority for non-compliance of any matter related to the capital markets during the last three years.

- c) Compliance by the Company.

The company has complied with the requirements of the Stock Exchanges, SEBI and other Statutory Authorities on all matters related to capital markets as and when applicable. The Stock Exchanges or SEBI or any other Statutory Authority has not imposed any penalty or stricture on the Company.

## J) GENERAL SHAREHOLDERS INFORMATION

### AGM

Date	30 <sup>th</sup> September 2009
Time	4.00 P.M.
Venue	The Accord Metropolitan, 35, G.N.Chetty Road, T. Nagar, Chennai – 600 017
Date of Book Closure	23 <sup>rd</sup> September 2009 to 30 <sup>th</sup> September 2009
Listing on Stock Exchanges	The Bombay Stock Exchange Limited & The Madras Stock Exchange Limited Coimbatore Stock Exchange
ISIN Number for NSDL & CDSL	INE075B01012
Registrar and Share Transfer Agent	M/s.Cameo Corporate Services Limited Subramanian Building No.1 Club House Road Chennai – 600 002 Ph: 044-28460390 Fax: 044-28460129 E-mail:cameosys@satyam.net.in

### K) FINANCIAL CALENDAR:

Adoption of the Quarterly Results for the quarter ending:

30 <sup>th</sup> June 2008	31 <sup>st</sup> July 2008
30 <sup>th</sup> September 2008	22 <sup>nd</sup> October 2008
31 <sup>st</sup> December 2008	24 <sup>th</sup> January 2009
31 <sup>st</sup> March 2009	30 <sup>th</sup> June 2009

### L) DISTRIBUTION OF SHARE HOLDING AS ON 31.3.2009

Shareholding	Shares		Shares Amount	
	Number	% of total	(in Rs.)	% of total
10 -- 5000	1146	88.2896	1931980	3.8639
5001 – 10000	68	5.2388	580600	1.1612
10001 – 20000	47	3.6209	659410	1.3188
20001 – 30000	9	0.6933	208790	0.4175
30001 – 40000	3	0.2311	109400	0.2188
40001 – 50000	3	0.2311	126640	0.2532
50001 – 100000	1	0.0770	79910	0.1598
100001 and above	21	1.6178	46303270	92.6065
<b>Total</b>	<b>1298</b>	<b>100.0000</b>	<b>50000000</b>	<b>100.0000</b>

## M) DISTRIBUTION OF SHAREHOLDING PATTERN

Statement Showing Shareholding Pattern								
Name of the Company :		SUBUTHI FINANCE LIMITED						
Scrip Code :		531841	Quarter Ended :			31 <sup>st</sup> March 2009		
Category code	Category of Shareholder	Number of Share holders	Total number of shares	Number of shares held in dematerialized form	Total shareholding as a percentage of total number of shares		Shares pledged or otherwise encumbered	
					As a percentage of (A+B) <sup>1</sup>	As a percentage of (A+B+C)	Number of Shares	As a Percentage (IX) = (VIII)/(IV)* 100
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	
(A)	Shareholding of Promoter and Promoter Group <sup>2</sup>							
1	Indian							
(a)	Individuals / Hindu Undivided Family	13	2244231	1121131	44.88	44.88	0	0.00
(b)	Central Government / State Government(s)	0	0	0	0.00	0.00	0	0.00
(c)	Bodies Corporate	2	1166200	1166200	23.32	23.32	0	0.00
(d)	Financial Institutions / Banks	0	0	0	0.00	0.00	0	0.00
(e)	Any Others(Specify)							
	<b>Sub Total (A)(1)</b>	<b>15</b>	<b>3410431</b>	<b>2287331</b>	<b>68.21</b>	<b>68.21</b>	<b>0</b>	<b>0.00</b>
2	Foreign							
a	Individuals (Non - Residents Individuals / Foreign Individuals)	0	0	0	0.00	0.00	0	0.00
b	Bodies Corporate	0	0	0	0.00	0.00	0	0.00
c	Institutions	0	0	0	0.00	0.00	0	0.00
d	Any Others(Specify)							
	<b>Sub Total(A)(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>
	<b>Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)</b>	<b>15</b>	<b>3410431</b>	<b>2287331</b>	<b>68.21</b>	<b>68.21</b>	<b>0</b>	<b>0.00</b>

<b>(B)</b>	<b>Public shareholding</b>							
<b>1</b>	<b>Institutions</b>							
(a)	Mutual Funds / UTI	0	0	0	0.00	0.00	NA	NA
(b)	Financial Institutions / Banks	1	96100	95000	1.92	1.92	NA	NA
(c)	Central Government / State Government(s)	0	0	0	0.00	0.00	NA	NA
(d)	Venture Capital Funds	0	0	0	0.00	0.00	NA	NA
(e)	Insurance Companies	0	0	0	0.00	0.00	NA	NA
(f)	Foreign Institutional Investors	0	0	0	0.00	0.00	NA	NA
(g)	Foreign Venture Capital Investors	0	0	0	0.00	0.00	NA	NA
(h)	Any Other (specify)							
	<b>Sub-Total (B)(1)</b>	<b>1</b>	<b>96100</b>	<b>95000</b>	<b>1.92</b>	<b>1.92</b>	<b>NA</b>	<b>NA</b>
<b>2</b>	<b>Non-institutions</b>							
(a)	Bodies Corporate	33	544783	544783	10.90	10.90	NA	NA
(b)	Individuals							
I	Individuals -i. Individual shareholders holding nominal share capital up to Rs 1 lakh	1227	328123	125423	6.56	6.56	NA	NA
II	ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	8	616127	429427	12.32	12.32	NA	NA
(c)	Any Other (specify)						NA	NA
(c-i)	Clearing Members	2	1550	1550	0.03	0.03	NA	NA
(c-ii)	Hindu Undivided Families	7	1886	1886	0.04	0.04	NA	NA
(c-iii)	Non Resident Indians	1	1000	1000	0.02	0.02	NA	NA
	<b>Sub-Total (B)(2)</b>	<b>1278</b>	<b>1493469</b>	<b>1104069</b>	<b>29.87</b>	<b>29.87</b>	<b>NA</b>	<b>NA</b>
<b>(B)</b>	<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	<b>1279</b>	<b>1589569</b>	<b>1199069</b>	<b>31.79</b>	<b>31.79</b>	<b>NA</b>	<b>NA</b>
	<b>TOTAL (A)+(B)</b>	<b>1294</b>	<b>5000000</b>	<b>3486400</b>	<b>100.00</b>	<b>100.00</b>	<b>0</b>	<b>0.00</b>
<b>(C)</b>	Shares held by Custodians and against which Depository Receipts have been issued	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>	<b>NA</b>	<b>NA</b>
	<b>GRAND TOTAL (A)+(B)+(C)</b>	<b>1294</b>	<b>5000000</b>	<b>3486400</b>	<b>100.00</b>	<b>100.00</b>	<b>0</b>	<b>0.00</b>

## N) NON-MANDATORY REQUIREMENTS

- a. Chairperson of the Board: Whether the Chairperson of the Board is entitled to maintain a Chairperson's Office at the Company's expense and also allowed reimbursement of expenses incurred in the performance of his duties: No
- b. The Company's audited and un-audited results are widely published in English and Tamil Newspapers.
- c. Postal Ballot:  
There were no resolutions passed through Postal Ballot.

## O) ADDRESS FOR CORRESPONDENCE:

1) Subuthi Finance Limited "Kothari Building", 4 <sup>th</sup> Floor, 114, Mahatma Gandhi Road, Nungambakkam, Chennai – 600 034. Tel: 044-28330867 / 28331310 Fax: 044-28330208. E-Mail – <a href="mailto:sflmds@md2.vsnl.net">sflmds@md2.vsnl.net</a>	2) Cameo Corporate Services Ltd Subramanian Building, V Floor, No.1, Club House Road, Chennai – 600 002. Phone : 044-28460390 – 394 & 28460718 Fax : 044 – 28460129 E-mail: <a href="mailto:cameosys@satyam.net.in">cameosys@satyam.net.in</a>
---	---

## AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

We have examined the compliance of conditions of Corporate Governance by M/s. Subuthi Finance Limited, for the year ended 31st March 2009, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges. The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedures and implementations thereof adopted by the Company for ensuring compliance with the conditions of the Corporate Governance as stipulated in the said Clause. It is neither an audit nor an expression of opinion on the financial statements of the Company. In our opinion and to the best of our information and according to the explanations given to us, and based on the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above-mentioned Listing Agreement. As required by the Guidance Note issued by the Institute of Chartered Accountants of India we have to state that no investor grievances were pending for a period exceeding one month against the Company as per the records maintained by the Shareholders/Investor's Grievance committee. We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

Place: Chennai  
Date: 30<sup>th</sup> June, 2009

For **S. VASUDEVAN AND ASSOCIATES**  
Chartered Accountants

**S. VASUDEVAN**  
Partner

**R. Kannan**  
Practicing Company Secretary

New No.9, II Floor, 2nd Main Road,  
Karpagam Gardens, Adyar,  
Chennai - 600 020.  
E-mail : [gkrkg@sify.com](mailto:gkrkg@sify.com)  
Ph : 044 - 43511150

---

Ref:

Date:

**Nominal Capital: 600, 000, 00**  
**Reg No: 18- 022317**

**COMPLIANCE CERTIFICATE**

To

The Members of the Company,  
M/s. Subuthi Finance Limited  
Chennai

Sir,

**Sub: Inspection of records.**

I have examined the registers, records, books and papers of M/s Subuthi Finance Limited as required to be maintained under the Companies Act, 1956 (the act) and the rules made there under and also the provisions contained in the Memorandum and articles of association of the Company for the financial year ended on Mar 31, 2009. In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the Company, its Officers and Agents, I certify that in respect of the aforesaid financial year:

1. The company has kept and maintained all registers as stated in **Annexure 'A'** to this certificate, as per the provisions of the Act and the rules made there under and all entries therein have been duly recorded.
2. The company has duly filed the forms and returns as stated in **Annexure 'B'** to this certificate with the registrar of companies, Regional Director, Central Government, Company Law Board or other authorities prescribed under the Act and the rules made there under.
3. The company being a public limited company has the minimum prescribed paid up Capital.
4. The Board of directors duly met 5 (Five) times respectively on 16.04.2008, 31.07.2008, 30.09.2008, 22.10.2008 and 24.01.2009 in respect of which meetings, proper notices were given and proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.
5. The Company was required to close its Register of Members and Share Transfer Book as per the provisions of the Companies Act 1956 and has closed 23<sup>rd</sup> September 2008 to 30<sup>th</sup> September 2008 . The advertisement could not be verified..



---

Ref:

Date:

6. The Annual General Meeting for the financial year ended Mar 31, 2008 was held on 30<sup>th</sup> September 2008 after giving due notice to the members of the company and the resolutions passed thereat were duly recorded in minutes book maintained for the purpose.
7. No Extra-Ordinary General Meeting was held during the Financial Year
8. The Company has not advanced any loans to its directors or persons or firms or companies referred to under section 295 of the Act.
9. The company has not entered into a contract falling within the purview of section 297 of the Act during the year.
10. The Company has made entries in the register maintained under section 301 of the Act and the Board has approved the transactions.
11. As there were no instances falling within the purview of Section 314 of the Act, the company has not obtained any approvals from the Board of directors, members or Central Government, as the case may be.
12. The Company has not issued any duplicate certificates during the financial year.
13.
  - i) The Company has not allotted any Equity Shares / transfer / transmission of securities during the financial year.
  - ii) The company has not deposited any amount in a separate Bank Account as no dividend was declared during the financial year.
  - iii) The company has not posted warrants to any member of the company as no dividend was declared during the financial year.
  - iv) Duly complied with requirements of section 217 of the Act.
14. The Board of Directors of the company is duly constituted. There was no appointment of alternate Directors during the financial year. The company has effected changes in the directors and there was a resignation of a director. The company has also appointed a director during the year.
15. The company has not appointed any Managing Director/ whole time directors/ managers during the financial year.
16. The company has not appointed any sole selling agents during the financial year.

Ref:

Date:

17. The company was not required to obtain any approvals of the Central Government, Registrar of Companies and/or such authorities prescribed under the various provisions of the Act.
18. The directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.
19. The company has not issued Equity Shares / Debentures during the financial year.
20. The company has not bought back any shares during the financial year ending Mar 31, 2009
21. There was no redemption of preference shares or debentures during the financial year.
22. There were no transactions necessitating the company to keep in abeyance the rights to Dividend, rights shares and bonus shares pending registration of transfer of shares.
23. The company has not invited/accepted any deposits including any unsecured loans falling within the purview of Section 58A during the financial year.
24. The Company has not borrowed any amount and the provisions of Section 293(1)(d) of the Act .
25. The company has not made loans or advances, or given guarantees or provided securities to other bodies corporate and consequently no entries has been made in the register kept for the purpose. The Company has made investments.
26. The company has not altered the provisions of the Memorandum with respect to situation of the company's registered office.
27. The company has not altered the provisions of the Memorandum with respect to the objects of the company during the year under scrutiny.
28. The company has not altered the provisions of the Memorandum with respect to name of the company during the year under scrutiny.

## **R. Kannan**

Practicing Company Secretary

New No.9, II Floor, 2nd Main Road,  
Karpagam Gardens, Adyar,  
Chennai - 600 020.  
E-mail : [gkrkg@sify.com](mailto:gkrkg@sify.com)  
Ph : 044 - 43511150

---

Ref:

Date:

29. The company has not altered the provisions of the Memorandum with respect to share capital of the company during the year under scrutiny.
30. The company has not altered its articles of association during the financial year in respect of the authorised capital.
31. There were no prosecution initiated against or show cause notices received by the company, during the financial year, for offences under the Act.
32. The company has not received any money as security from its employees during the financial year.
33. The company has not constituted any trust for the purpose of the Provident Fund pursuant to section 418 of the Act.

Place: Chennai

Date: 30.6.2009

Signature:

Name: R.KANNAN

C. P. No 3363

Ref:

Date:

**ANNEXURE - A**

Registers as maintained by the Company:

1. Register of Members u/s.150
2. Register of Directors section 303 of the Companies Act, 1956.
3. Register of Directors' Shareholding u/s.307 of the Companies Act, 1956.
4. Register of contracts with Directors, Companies and Firms in which Directors are interested under section 301 of the Companies Act, 1956.
5. Register of Share Transfer
6. Register of Investments u/s. 372

**ANNEXURE - B**

Forms and Returns as filed by the Company with the Registrar of Companies during the financial year ending Mar 31, 2009.

FORM NO.	FILED U/S	SUBJECT MATTER	DATE OF CHALLAN/ FILING	SRN
Schedule V	159	Annual Return	22-12-2008	P28562718,
Schedule VI	220	Balance Sheet / 31.03.2008	22-12-2008	P28563625
Form 32	303(2)	Change in Director	10-02-2009	A55837058
Din 3		Intimation of DIN by the Company to the Registrar	05-12-2008	A51651081
Form 23B	224(1A)	Appointment of auditor	18-02-2009	S00191296

## **AUDITORS' REPORT**

**To**

**The Members of**  
**SUBUTHI FINANCE LIMITED**

We have audited the attached Balance Sheet of **SUBUTHI FINANCE LIMITED**, as at 31<sup>st</sup> March, 2009 and the Profit and Loss Account of the Company for the same period ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

1. As required by the Companies (Auditors' report) Order 2003, issued by the Central Government of India in terms of Section 227 (IV) (a) of the Companies Act, 1956, we annex hereto a statement of the matters specified in paragraphs 4 and 5 of the said order.
2. Further to our comments in the statement referred to in paragraph 1 above, 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 it appears from our examination of such books.
  - c. The Company's Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account.
  - d. In our opinion the Profit & Loss Account and the Balance Sheet comply with the applicable Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956.

- e. On the basis of the written representations received from the Directors as on 31<sup>st</sup> March, 2009 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31<sup>st</sup> March, 2009 from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
- f. In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with the notes thereon under Schedule give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principle generally accepted in India
  - i. In the case of the Balance Sheet, the state of affairs of the company as at 31<sup>st</sup> March, 2009 and
  - ii. In the case of the Profit and Loss Account, profit for the period ended on that date.

For S. VASUDEVAN & ASSOCIATES  
Chartered Accountants

Chennai  
30.06.2009

S. Vasudevan  
Partner

### **Annexure**

RE: SUBUTHI FINANCE LIMITED  
Referred to Paragraph 2 of our report of even date

1. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Fixed Assets.  
  
(b) All the Assets have been physically verified by the management during the year and the Company has regular programme of verification which, in our opinion, is reasonable having regard to the nature of the Company and its size. No material discrepancies were noticed.  
  
(c) The year, the Company has not disposed off substantial portion of the fixed assets during the year, affecting the concern.
2. As the Company is a Non Banking Finance Company, the requirement for verification of inventory is not applicable.

3. The company has not taken any unsecured loan from a company covered under register maintained under section 301 of the Act.
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 nature of its business with regard to purchase of inventory, fixed assets and with regard to the sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal controls.
5. (a) According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the Register maintained under section 301 of the Companies Act, 1956 have been so entered.  
  
(b) In our opinion and according to the information and explanation given to us and according to the contracts and arrangements entered in the register maintained under section 301 of the Companies Act, 1956, the value of transactions exceeding Rs.5,00,000/- with those parties, are reasonable having regard to the prevailing market price.
6. In our opinion and according to the information and explanations given to us, the Company has not accepted deposits from the public to which the provisions of section 58A and 58AA of the Companies Act, 1956 and the Rules framed there under are applicable and therefore paragraph 4(vi) of the Order is not applicable.
7. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
8. As the Company is Non Banking Finance Company, it is not required to maintain Cost Audit Records under the Act.
9. In our opinion and according to the information and explanations given to us, the company does not have any undisputed statutory dues, as at 31st March, 2009 for a period of more than six months from the date they became payable to investor education protection fund, employees' state insurance, sales tax, wealth tax, customs duty, excise duty, cess and other statutory dues, if any, with the appropriate authorities except Income Tax where the Income Tax Assessing Authorities have passed orders disallowing depreciation claimed by the Company and have demanded Rs. 1,02,43,906/- by way of Income Tax for the block assessment period 1993 - 94 to 1996 - 97 on 29<sup>th</sup> October, 1997, and have also raised a Tax demand of Rs. 1,64,50,378/- by disallowing certain lease expenses and levy of penalty for the assessment years 1996-97, 1997-98 and 1998-99. Also for the A Y 2004-05, the department had raised a demand of Rs. 2,15,48,229/-.
10. The Company has neither accumulated losses nor incurred cash loss during the financial year covered under our audit and preceding financial year.
11. In our opinion and according to the information and explanations given to us, the Company has no overdue of Installments payable to any financial Institutions.

12. In our opinion the company has maintained adequate records for loans granted on the basis of security by way of pledge of shares.
13. In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund, society. Therefore, the provisions of clause 4 (xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
14. In our opinion, where the company has given any guarantees for loans taken by others from banks or financial institutions the terms and conditions are not prejudicial to the interest of the Company.
16. The Company has not taken term loans during the period covered under our audit and there is no term loan outstanding as on the date of audit.
17. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the company, we report that no short-term funds were invested in long-term investment.
18. According to the information and explanations given to us, there is no allotment of share capital during the period under our audit.
19. According to the information and explanations given to us during the period covered under our audit, the company has not issued any debentures during the year and hence, the provisions of clause no 4 (xix) of the Companies (Auditor's Report) Order, 2003 is not applicable to the company.
20. According to the information and explanations given to us, the company has not raised any money by way of public issue during the year and therefore paragraph 4 (xx) of the Order is not applicable to the company.
21. According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

For S. VASUDEVAN & ASSOCIATES  
Chartered Accountants

Chennai  
30.06.2009

S. Vasudevan  
Partner



## Annexure

RE: SUBUTHI FINANCE LIMITED

### Auditors' Report as per Reserve Bank of India Notification No. DFC.114/DG(SPT)-98

1. The Company had applied for and obtained registration as provided in Section 45IA of the Reserve Bank of India Act, 1934 (2 of 1934).
2. According to Information and Explanation provided to us, the Board of Directors of the Company has passed the necessary resolution for the non-acceptance of any public deposits during the year.
3. According to Information and Explanation provided to us, the Company has not accepted deposits from the public during the year.
4. According to Information and Explanation provided to us, the Company has complied with the prudential norms relating the income recognition, accounting standards, asset classification and provisioning for bad and doubtful debts as applicable to it.

For S. VASUDEVAN & ASSOCIATES  
Chartered Accountants

Chennai  
30.06.2009

S. Vasudevan  
Partner

SUBUTHI FINANCE LIMITED			
BALANCE SHEET AS AT 31ST MARCH 2009			
PARTICULARS	Schedule	2008-2009	2007-2008
		Rs.	Rs.
<b><u>Liabilities</u></b>			
<b>Shareholders' Funds</b>			
Shareholders' Funds	1	48,145,750	48,145,750
Reserves & Surplus	2	122,760,033	121,677,777
<b><u>Loan Funds</u></b>			
Secured Loans	3	19,375,259	-
Unsecured Loans	4	-	-
		<b>190,281,042</b>	<b>169,823,527</b>
<b><u>Assets</u></b>			
<b>Fixed assets</b>			
Gross Block	5	43,604,513	43,604,513
Less: Accumulated Depreciation		30,540,178	29,434,464
Net Block		13,064,335	14,170,049
<b>Investments</b>	6	114,924,485	33,521,085
<b>Curent Assets, Loans &amp; Advances</b>			
<b>A) Current Assets</b>			
Stock	7	3	72,203,400
Cash & Bank balances		922,352	926,221
Sundry Debtors		33,482,048	29,692,616
<b>B) Loans &amp; Advances</b>	8	21,970,574	22,164,506
<b>Total ( A+B )</b>		56,374,977	124,986,743
<b>Less: Current Liabilities</b>	9	3,331,092	12,882,687
<b>Net Current Assets</b>		53,043,885	112,104,056
Miscellaneous Expenditure	10	9,248,337	10,028,337
		<b>190,281,042</b>	<b>169,823,527</b>
For and on behalf of		For and on behalf of the Board	
<b>S. VASUDEVAN &amp; ASSOCIATES</b>		<b>SUBUTHI FINANCE LIMITED</b>	
Chartered Accountants			
<b>S. VASUDEVAN</b>		<b>A.RAJASUKUMAR</b>	<b>BALA K V</b>
Partner		Director	Director
Place : Chennai			
Date : 30.06.2009			

<b>SUBUTHI FINANCE LIMITED</b>			
<b>Profit &amp; Loss Account for the year ended 31st March 2009</b>			
PARTICULARS	Schedule	2008-2009	2007-2008
		Rs.	Rs.
<b><u>Income</u></b>			
Income from Operations	11	4,103,491.00	4,233,232.00
Other Income	12	962,594.00	1,430,875.00
		5,066,085.00	5,664,107.00
<b><u>Expenditure</u></b>			
Financial Expenses	13	339,309.00	1,183,253.00
Establishment, Administrative & Other expenses	14	2,168,006.20	2,020,248.31
		2,507,315.20	3,203,501.31
Profit before Depreciation & Tax		2,558,769.80	2,460,605.69
Depreciation		1,105,714.00	1,105,714.00
Profit before Tax		1,453,055.80	1,354,891.69
Provision for Tax		370,800.00	783,147.97
Amount available for appropriation		1,082,255.80	571,743.72
Amount transferred to Statutory Reserve		216,451.16	114,348.74
Amount transferred to P & L Account		865,804.64	457,394.98
For and on behalf of <b>S. VASUDEVAN &amp; ASSOCIATES</b> Chartered Accountants		For and on behalf of the Board <b>SUBUTHI FINANCE LIMITED</b>	
<b>S. VASUDEVAN</b> Partner		<b>A. RAJASUKUMAR</b> Director	<b>BALA K V</b> Director
Place : Chennai Date : 30.06.2009			

SUBUTHI FINANCE LIMITED			
SCHEDULES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED 31.03.2009			
	31.03.2009	31.03.2008	
	Rs.	Rs.	
<b><u>1. CAPITAL</u></b>			
<b>AUTHORISED</b> 60,00,0000 Equity Shares Of Rs.10/- Each	<b>60,000,000</b>	60,000,000	
<b>ISSUED, SUBSCRIBED:</b> 50,00,000 Equity Shares Of Rs.10/- Each	50,000,000	50,000,000	
LESS: CALL IN ARREARS	1,854,250 <b>48,145,750</b>	1,854,250 48,145,750	
<b><u>2. RESERVES &amp; SURPLUS</u></b>			
-			
General Reserve			
As Per Last Balance Sheet	8,656,000	8,656,000	
Statutory Reserve	5,975,578	5,759,127	
Profit & Loss Account	72,677,205	71,811,400	
Share Premium A/c	35,451,250 <b>122,760,033</b>	35,451,250 121,677,777	
<b><u>3. SECURED LOANS</u></b>			
L I C of India	19,375,259 <b>19,375,259</b>	- -	
<b><u>4. UNSECURED LOANS</u></b>	- -	- -	
For and on behalf of <b>S. VASUDEVAN &amp; ASSOCIATES</b> <i>Chartered Accountants</i>	For and on behalf of the Board of <b>Subuthi Finance Limited</b>		
<b>S. VASUDEVAN</b> Partner	<b>A.RAJASUKUMAR</b> Director	<b>BALA K V</b> Director	
Place : Chennai			
Date : 30.06.2009			

SUBUTHI FINANCE LIMITED								
SCHEDULES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED 31.03.2009								
5. FIXED ASSETS								
PARTICULARS	GROSS BLOCK				DEPRECIATION		NET BLOCK	
	As at	Additions	Deductions	As at	Upto	Upto	As at	As at
	1.4.2008	During the year		31.03.2009	31.3.2008	31.03.2009	31.03.2008	31.03.2009
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
LEASED ASSETS								
Plant & Machinery	2,000,000	-	-	2,000,000	-	-	2,000,000	2,000,000
A	2,000,000	-	-	2,000,000	-	-	2,000,000	2,000,000
OWN ASSETS								
Plant & Machinery	22,000,000	-	-	22,000,000	12,100,000	13,200,000	9,900,000	8,800,000
Office Equipments	1,156,052	-	-	1,156,052	1,130,973	1,136,687	25,079	19,365
Portals	16,000,000	-	-	16,000,000	14,689,583	14,689,583	1,310,417	1,310,417
Vehicles	2,448,461	-	-	2,448,461	1,513,908	1,513,908	934,553	934,553
B	41,604,513	-	-	41,604,513	29,434,464	30,540,178	12,170,049	11,064,335
( A + B )	43,604,513	-	-	43,604,513	29,434,464	30,540,178	14,170,049	13,064,335
For and on behalf of					For and on behalf of the Board of			
S. VASUDEVAN & ASSOCIATES					Subuthi Finance Limited			
Chartered Accountants								
S. VASUDEVAN			A.RAJASUKUMAR			BALA K V		
Partner			Director			Director		
Place : Chennai								
Date : 30.06.2009								

<b>SUBUTHI FINANCE LIMITED</b> <b>SCHEDULE FORMING PART OF ACCOUNTS</b>			
<b>Schedule 6</b>	<b>No. of Shares</b>	<b>31.03.2009</b>	<b>31.03.2008</b>
		<b>Rs.</b>	<b>Rs.</b>
<b>1. In Shares @ Cost - Fully Paid</b>			
<b>Listed Shares</b>			
Amruta Inns Ltd.,	1,900	39,710	39,710
Andhra Bank	9,100	91,000	91,000
Avikem Resins Ltd	650	6,500	6,500
ICICI Bank Ltd.,	256	25,211	25,211
Damania Airways	10,000	100,000	100,000
Hindustan Industrial Chemicals Ltd.,	2,700	45,900	45,900
IDBI Ltd.,	4,960	403,000	403,000
ITC Ltd.,	1,050	99,264	99,264
NEPC India Ltd.,	1,200	36,000	36,000
Ravlon Pen Co. Ltd.,	5,000	87,500	87,500
Reliance Industries Ltd.,	200	82,000	82,000
Telephoto Enterprises Ltd.,	500	5,000	5,000
Indowind Energy Limited	6,421,765	57,276,500	-
<b>Unlisted Shares</b>			
Bekea Properties Pvt Limited	920,000	9,200,000	-
ABC Insurance Services Limited	12,000	120,000	-
Indonet Global Limited	2,228,880	11,144,400	-
Money Shoppe Network	240,000	2,400,000	-
SGM windfarms Private Limited	250,000	1,250,000	-
Televista Digitals Ltd	2,500	12,500	-
<b>2. In Bonds / Mutual Funds - At Cost</b>			
ICICI Units	2,000	20,000	20,000
<b>3. Others</b>			
LIC Policies - Paid up value		32,480,000	32,480,000
		<b>114,924,485</b>	<b>33,521,085</b>
For and on behalf of <b>S. VASUDEVAN &amp; ASSOCIATES</b> <i>Chartered Accountants</i> <b>S. VASUDEVAN</b> Partner Place : Chennai Date : 30.06.2009	For and on behalf of the Board of <b>Subuthi Finance Limited</b>  <b>A.RAJASUKUMAR</b> Director  <b>BALA K V</b> Director		

SUBUTHI FINANCE LIMITED			
SCHEDULES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED 31.03.2009			
	31.03.2009	31.03.2008	
	Rs.	Rs.	
<b><u>7. CURRENT ASSETS</u></b>			
<b><u>A) STOCK IN TRADE</u></b>			
Stock - on - Hire	2	2	
Bills Purchased	1	1	
Stock of Shares	03	72,203,397	72,203,400
<b><u>B) CASH AND BANK BALANCES</u></b>			
Cash at Bank	430,982	453,576	
Cash on Hand	521,370952,352	472,645	926,221
<b><u>C) SUNDRY DEBTORS</u></b>	33,482,048		29,692,616
<b><u>8. LOANS AND ADVANCES</u></b>			
Npa Accounts	3,482,211	3,540,711	
Income Tax	11,621,891	11,753,829	
Advances / Deposits Recoverable			
in Cash or Kind	6,866,47221,970,574	6,869,966	22,164,506
<b><u>9. CURRENT LIABILITIES</u></b>			
Creditors For Expenses	755,144	1,341,696	
Creditors For Others	1,179,839	1,404,839	
Creditors For Assets	1,396,1093,331,092	10,136,152	12,882,687
<b><u>10.MISCELLANEOUS EXPENDITURE</u></b>			
Public Issue Expenses	780,000	1,560,000	
Bad Debts	8,468,3379,248,337	8,468,337	10,028,337
For and on behalf of		For and on behalf of the Board of	
<b>S. VASUDEVAN &amp; ASSOCIATES</b>		<b>Subuthi Finance Limited</b>	
Chartered Accountants			
<b>S. VASUDEVAN</b>	<b>A. RAJASUKUMAR</b>	<b>BALA K V</b>	
Partner	Director	Director	
Place : Chennai			
Date : 30.06.2009			

SUBUTHI FINANCE LIMITED				
SCHEDULES FORMING PART OF ACCOUNTS				
<b><u>11. INCOME FROM FINANCING OPERATIONS</u></b>				
Financial Income	500,000.00		-	
Investment Income	3,603,491.00	<u>4,103,491</u>	4,233,232	<u>4,233,232</u>
<b><u>12. OTHER INCOME</u></b>				
			0	
Income From Sale of Power	<u>962,594.00</u>	<u>962,594</u>	1,430,875	<u>1,430,875</u>
<b><u>13. FINANCIAL EXPENSES</u></b>				
Interest - on Loans		<u>339,309</u>		<u>1,183,253</u>
<b><u>14. ESTABLISHMENT, ADMIN &amp; OTHER EXPENSES</u></b>				
Advertisement	23,800.00		27,915.00	
Bank Charges	8,519.20		5,483.10	
Miscellaneous	-		30,000.00	
Conveyance	-		6,429.00	
Repairs & Maintenance	-		7,700.00	
Salaries	949,285.00		562,283.00	
Staff Welfare	-		7,371.00	
Fees, Rates & Taxes	402,110.00		592,611.25	
Printing & Stationery	4,292.00		455.96	
Misc. Exp. Written Off	<u>780,000.00</u>	<u>2,168,006</u>	780,000.00	<u>2,020,248</u>
For and on behalf of		For and on behalf of the Board of		
<b>S. VASUDEVAN &amp; ASSOCIATES</b>		<b>Subuthi Finance Limited</b>		
<i>Chartered Accountants</i>				
<b>S. VASUDEVAN</b>		<b>A.RAJASUKUMAR</b>	<b>BALA K V</b>	
Partner		Director	Director	
Place : Chennai				
Date : 30.06.2009				



**15 I Significant Accounting Policies**

**1. Basis of Accounting**

The Financial Statements are prepared on Accrual Basis under the Historic Cost Convention.

**2. Recognition of Income and Expenditure**

Revenues / Incomes and Costs / Expenditure are generally accounted on Accrual Basis as they are earned or incurred.

Finance Charges in respect of Hire-Purchase transactions are apportioned over the period of the contract on the basis of internal rate of return method.

Lease income is accounted as per the terms of lease agreement entered into with the lessees from time to time in respect of leases entered prior to 31st March 2001. No lease agreements have been entered since 1st April 2001.

**3. Fixed Assets**

Fixed Assets are stated at cost, less accumulated depreciation.

**4. Amortisation Policy**

a) Leased Assets - Depreciation on all leased assets are provided over the primary lease period.

b) Assets held for own use - Depreciation on Assets held for own use is provided under Straight Line Method, at the rates prescribed by Schedule XIV of the Companies (Amendment), Act 1988.

**5. Investments**

Investments are stated at cost. Income from investments is included in the Profit and Loss Account. As the investments are long term in nature, fluctuation in its market value from time to time has not been considered.

**6. Borrowing Costs**

Interest and other costs incurred by the Company in connection with the borrowing of funds are recognized as an expense in the period in which they are actually incurred.

**7. Lease Rentals**

Lease Rentals are being accounted for on accrual basis.

**8. Retirement Benefits**

The Company has not provided for any retirement benefits to the employees. No Provision has been made for any liability for gratuity payable to the employees.

**15 II NOTES TO THE ACCOUNTS**

**A. Balance Sheet**

**Current Assets, Loans and Advances**

In the opinion of the Board, the current Assets, Loans and Advances have a value on the realisation in the ordinary course of business at least equal to the amount at which they are stated.

**B. Profit & Loss Account**

4. "Administrative and other expenses" includes remuneration to Auditors towards:

	2008-09	2007-08
	(Rs. in thousands)	
Statutory Audit	25.00	25.00
Tax Audit	10.00	10.00
Certification	2.00	2.00

**5 Contingent Liabilities:**

**Income Tax Demand Rs. 4,97,11,073/-**

For the Block Assessment period 1993-94 to 1996-97, the Assessing Officer has passed orders disallowing the Depreciation claimed by the Company and has demanded tax of Rs.1,02,43,906/-The Company has appealed before the Hon'ble high Court of Chennai.

For the assessment year 1996-97, 1997-98 and 1998-99, the Income tax authorities have raised demands totaling to Rs. 1,64,50,378/= disallowing certain lease expenses and levy of penalty for the years. However, for the A Y 1995-96, the company has a preferred a writ before the Hon'ble High Court of Madras against the dismissal of Petition U/s. 264 of the income Tax Act by the Income Tax Department. When the company succeeds, there would be a substantial relief in the above demand. The Company has also filed appeals before the Commissioner - Appeals against the penalty orders.

For the A Y 2004-05, there is a demand of Rs. 2,15,48,229/- by making certain additions. The company's appeal is pending before the Appellate Tribunal.

## **Corporate Guarantee**

The Company has extended corporate guarantee in respect of the credit facilities of Rs 5,00,00,000/- provided to M/s Indowind Energy Limited by Bank of India, Andheri Corporate Banking Branch, Mumbai and Rs 60,00,000/- for the Term Loan Sanctioned to Indowind Energy Limited by Canara Bank, Grand Central Branch, Maduria

### **6. Related Party Disclosure under Accounting Standard -18:**

The details of related parties as identified by the management are as under:

#### **i) Key Management Personnel:**

Shri Raja Sukumar A	- Director
Shri Bala K V	- Director
Shri Jayaraman T R	- Director

#### **ii) Associates:**

Indowind Energy Limited  
Loyal Credit & Investments Limited  
Ind Eco Ventures Limited  
SGM Wind Farms Private Limited  
Bekea Properties Private Limited  
Bewind Power Private Limited

### **7. RELATED PARTY TRANSACTIONS:**

The Company has identified all related parties and details of transactions are given below. No provision for doubtful debts or advances is required to be made and no amounts have been written off or written back during the year in respect of debts due from or to related parties. There are no other related parties where control exists that need to be disclosed.

The following transactions were carried out with the Related Parties

Particular	Associates	Key management personnel
Power Income	Rs. 9,62,594	-----
Unsecured loan given	Rs. 45,53,277	-----

6 Information with regard to other matters specified in Part II of schedule VI of the companies Act, 1956, are either NIL, or not applicable to the company for the period under audit.

7 Expenditure in Foreign currency - Nil

8 Earnings in Foreign Currency - Nil

9 Previous year's figures have been regrouped wherever found necessary.

**As per our report of even date  
for and on behalf of  
S. Vasudevan & Associates  
Chartered Accountants**

**For and on behalf of  
Board of Directors**

S. Vasudevan  
**Partner**  
**Place : Chennai**  
**Date : 30.06.2009**

Bala K V  
**Director**

A. Raja Sukumar  
**Director**

CASH FLOW STATEMENT				
	2008-2009		2007-2008	
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>				
Profit after Tax	1,082,256		571,744	
Add: Financial Expenses	339,309	1,421,565	1,183,253	1,754,997
Depreciation		1,105,714		1,105,714
Other Income		(962,594)		(1,430,875)
		<b>1,564,685</b>		<b>1,429,836</b>
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>				
(Increase) Decrease in stock of Shares	72,203,397		0	
(Increase) Decrease in Sundry Debtors	(3,789,432)		3,262,925	
(Increase) Decrease in loans and advances	193,932		(1,371,355)	
Increase (Decrease) in current liabilities	(9,551,595)		10,437,648	
Cash generated from operations		<b>59,056,302</b>		<b>12,329,217</b>
Financial expenses	(339,309)		(1,183,253)	
		<b>(339,309)</b>		<b>(1,183,253)</b>
<b>NET CASH FROM OPERATING ACTIVITIES (A)</b>		<b>60,281,678</b>		<b>12,575,800</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>				
(Increase) Decrease in Investments	(81,403,400)		1,700,000	
Other Income	962,594		1,430,875	
		<b>(80,440,806)</b>		<b>3,130,875</b>
<b>NET CASH FROM INVESTING ACTIVITIES (B)</b>		<b>(80,440,806)</b>		<b>3,130,875</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES:</b>				
Decrease / (Increase) in Mis. expd	780,000		780,001	
Increase / (Decrease) in long term borrowings	19,375,259		(16,443,269)	
		<b>20,155,259</b>		<b>(15,663,268)</b>
<b>NET CASH FROM FINANCING ACTIVITIES (c)</b>		<b>20,155,259</b>		<b>(15,663,268)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS (A)+(B)+(C)</b>		<b>(3,869)</b>		<b>43,407</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>		<b>926,221</b>		<b>882,814</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>		<b>922,352</b>		<b>926,221</b>
<b>AUDITORS CERTIFICATE</b>				
We have verified the above cash flow statement of Subuthi Finance Limited derived from the audited annual accounts for the years ended March 31,2008 and March 31,2009 and found the same to be drawn in accordance therewith and also with the requirement of clause 32 of the listing agreements with the Madras Stock Exchange Limited.				
<b>For S.VASUDEVAN AND ASSOCIATES</b>				
Chartered Accountants				
Place : Chennai				
Date : 30.06.2009				
	<b>S.Vasudevan</b>			
	Partner			

## **Eighteenth Annual Report**

Balance Sheet abstract and company's general business profile

### **I REGISTRATION DETAILS**

Regn No. 

22317
-------

 State Code 

18
----

Balance sheet date 31 03 2009

### **II CAPITAL RAISED DURING THE YEAR (AMOUNT IN Rs. THOUSANDS)**

Public issue NIL	Rights issue NIL
Bonus issue NIL	Private Placement NIL

### **III POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (AMOUNT IN Rs. THOUSANDS)**

Total liabilities 190281	Total assets 190281
-----------------------------	------------------------

#### **SOURCES OF FUNDS**

Paid up capital 48146	Reserves & Surplus 122760
Secured loans 19375	Unsecured loan NIL

#### **APPLICATION OF FUNDS**

Net fixed assets 13064	Investments 114924
Net current assets 53043	Misc. Expenditure 9248
Accumulated losses NIL	

### **IV PERFORMANCE OF COMPANY (AMOUNT IN Rs. THOUSANDS)**

Turnover 5066	Total Expenditure 2507
Profit/ (Loss) before tax 1453	Profit (Loss) after tax 1082
Earning/share 0.22	

**SUBUTHI FINANCE LIMITED**

“Kothari Buildings”, 4<sup>th</sup> Floor, 114, Mahatma Gandhi Salai, Nungambakkam, Chennai- 600 034.

**ATTENDANCE SLIP**

Please fill Attendance Slip and hand it over at the Entrance of the Meeting Hall.

NAME AND ADDRESS OF THE SHAREHOLDER


Folio No.

Applicable to investors

DP.ID	
CLIENT ID*	

holding shares in electronic form

I hereby record my presence at the 18<sup>th</sup> Annual General Meeting at ‘The Accord Metropolitan 35, G.N.Chetty Road, T. Nagar, Chennai – 600 017.

SIGNATURE OF THE MEMBERS OR PROXY	SHARES HELD

**SUBUTHI FINANCE LIMITED**

“Kothari Buildings”, 4<sup>th</sup> Floor, 114, Mahatma Gandhi Salai, Nungambakkam, Chennai- 600 034.

**PROXY FORM**

I/We

\_\_\_\_\_ of \_\_\_\_\_ in district of \_\_\_\_\_ being a member(s) of the above named \_\_\_\_\_ Company hereby appoint Mr/Ms. \_\_\_\_\_ of \_\_\_\_\_ in the district \_\_\_\_\_ of \_\_\_\_\_ or failing \_\_\_\_\_ him Mr/Ms. \_\_\_\_\_ of \_\_\_\_\_ in district of \_\_\_\_\_ as my/our Proxy and to vote for me/us on my/our behalf at the 18<sup>th</sup> Annual General Meeting of the Company to be held on Wednesday the 30<sup>th</sup> September, 2009 at 4.00 P.M and at any adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2009.

Re.1/=  
Revenue  
Stamp

Folio No. \_\_\_\_\_

DPID: \_\_\_\_\_ CLIENT ID: \_\_\_\_\_

**Notes:**

1. The proxy to be valid should be deposited at the Registered Office of the Company not later than Forty- Eight hours before the time for holding the Meeting.
2. The Proxy should be executed on Re.1/- Revenue Stamp.