

SUNDARAM BPO INDIA LIMITED

3rd Annual Report 2014–15

Board of Directors

T. T. Srinivasaraghavan
A. N. Raju
P. Viswanathan
S Sridhar
Rajesh Venkat

Audit Committee

A. N. Raju
P. Viswanathan
S Sridhar

Secretary

S Shobana

Bankers

State Bank of Travancore
HDFC Bank Ltd

Auditors

M/s. Brahmaya & Co., Chennai, Chartered Accountants
48, Masilamani Road, Balaji Nagar, Royapettah, Chennai 6000 014

Registered Office

21, Patullos Road,
Chennai 600 002

CIN : U74900TN2012PLC087102

Corporate Office

20, Patullos Road,
Chennai 600 002

Tel : +91 44 2859 9900

Email : info@sundarambpo.com

SUNDARAM BPO INDIA LIMITED

A subsidiary of



SUNDARAM FINANCE LIMITED

Contents

Directors' Report	3
Auditors' Report	13
Balance Sheet	17
Statement of Profit and Loss	18
Notes to the Accounts	19
Cash Flow Statement	36

Directors' Report

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

The summarised financial results of the Company are given hereunder:

Particulars	(₹ in Lakhs)	
	Year Ended March 31, 2015	Year Ended March 31, 2014
Total Income	2,019.39	2,105.85
Total Expenditure	1,976.14	2,091.05
Profit/(Loss) before Taxation	43.24	14.80
Provision for Taxation	(28.91)	2.19
Profit/(Loss) after Tax	72.16	12.61

REVIEW OF OPERATIONS

Your Company posted revenues of ₹2019.39 lakhs during the financial year 2014–15 and a profit before tax of ₹43.24 lakhs, as against revenues of ₹2105.85 lakhs and profit before tax of ₹14.80 lakhs respectively for the previous year.

During the year under review, your Company was able to generate additional business from existing clients and achieve better pricing. The engagement with the largest client, accounting for around 24% of monthly revenue, was called off by mutual agreement at the end of December 2014; this impacted profitability during the last quarter of the year.

OUTLOOK

In 2015–16, your Company has planned to expand its presence in the areas of finance & accounting outsourcing and customer service voice operations.

DIVIDEND

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

DIRECTORS

During the year, there was no change in the Board of Directors of the Company.

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

Sri AN Raju, 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, 5 meetings of the Board of Directors were held.

DIRECTORS' RESPONSIBILITY STATEMENT

In terms of Section 134(5) of the Companies Act, 2013, your directors confirm:

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of profit and loss of the Company for that period.
- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the directors had prepared the annual accounts on a going concern basis; and
- (e) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The Company has made Mutual Fund investments, the balance amounted to ₹225.36 lakhs as at the end of the financial year under review. The company has not given any loans or provided any guarantees.

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 Sec 134 (3) (h) of the Companies Act 2013, 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 2015, is enclosed –Annexure B.

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

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 period ended 31st March 2015.

PERSONNEL

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

DEPOSITS

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

AUDITORS

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

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

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

ACKNOWLEDGEMENT

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

T. T. Srinivasaraghavan

A. N. Raju

P Viswanathan

S Sridhar

Rajesh Venkat

Directors

Chennai 600002

Date: 6th May, 2015

Form No. AOC-2

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

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

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

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

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

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

T.T. Srinivasaraghavan

A.N. Raju

P. Viswanathan

S. Sridhar

Rajesh Venkat

Directors

Chennai 600002

Date: 6th May, 2015

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

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

I. REGISTRATION AND OTHER DETAILS

(i)	CIN	U74900TN2012PLC087102
(ii)	Registration Date	07-08-2012
(iii)	Name of the Company	Sundaram BPO India Limited
(iv)	Category / Sub-Category of the Company	Limited by Shares, Indian Non-Government Company
(v)	Address of the Registered Office and contact details	No. 21, Patullos Road, Chennai 600002 Sri P Viswanathan 044 2859 9900 info@sundarambpo.com
(vi)	Whether Listed Company Yes / No	No
(vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	Not Applicable

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name and Description of main products / services	NIC Code of the Product / Service	% to total turnover of the company
1	Carrying in India or elsewhere, the business of BPO (Business Process Outsourcing) and call centres, contact centres, undertake other activities relating to information technology enabled services in areas of accounting, insurance, banking, human resources, health care, legal, telecom etc and to provide all kinds of support services including without any limitations, administrative, managerial, maintenance, document processing, data entry, reconciliation, training & orientation and other support services.	63 - Data processing	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	NAME AND ADDRESS OF THE COMPANY	CIN / GLN	HOLDING/ SUBSIDIARY / ASSOCIATE	% of shares held	Applicable Section
1	Sundaram Finance Limited, 21, Patullos Road Chennai - 600002	L65191TN1954PLC002429	Holding	84.25	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)	–	–	–	–	–	–	–	–	–
(c)	Bodies Corp.	–	89,51,259	89,51,259	100.00	–	89,51,259	89,51,259	100.00	–
(d)	Banks / FI	–	–	–	–	–	–	–	–	–
(e)	Any Other	–	–	–	–	–	–	–	–	–
	Sub-Total (A)(1)	–	89,51,259	89,51,259	100.00	–	89,51,259	89,51,259	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)	–	89,51,259	89,51,259	100.00	–	89,51,259	89,51,259	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	–	–	–	–	–	–	–	–	–
(h)	Foreign Venture Capital Investors	–	–	–	–	–	–	–	–	–
(i)	Others (Specify)	–	–	–	–	–	–	–	–	–
	Sub- Total (B)(1)	–	–	–	–	–	–	–	–	–
2.	Non- Institutions									
(a)	Bodies Corporate									
(i)	Indian	–	–	–	–	–	–	–	–	–
(ii)	Overseas	–	–	–	–	–	–	–	–	–
(b)	Individuals	–	–	–	–	–	–	–	–	–

	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	
(i)	Individual shareholders holding nominal share capital up to ₹1 lakh	–	–	–	–	–	–	–	–	–
(ii)	Individual shareholders holding nominal share capital in excess of ₹1 lakh	–	–	–	–	–	–	–	–	–
(c)	Others (specify)	–	–	–	–	–	–	–	–	–
	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)	–	89,51,259	89,51,259	100.00	–	89,51,259	89,51,259	100.00	–

(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 *	7541009	84.25	–	7541009	84.25	–	–
2	Sundaram Finance Distribution Limited	1410250	15.75	–	1410250	15.75	–	–
	Total	8951259	100.00	–	8951259	100.00	–	–

* includes six equity 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
At the beginning of the year	89,51,259	100	–	–
Increase / Decrease in Promoters Share holding during the year	–	–	–	–
At the end of the Year	–	–	89,51,259	100

* includes six equity shares held by the nominees of Sundaram Finance Limited

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

Name of the Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	Not Applicable			
Increase / Decrease in Share holding 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.	Name of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Sri T T Srinivasaraghavan, Director*				
	At the beginning of the year	1	–	–	–
	Increase / Decrease in Share holding during the year	–	–	–	–
	At the end of the Year	–	–	1	–
2	Sri A N Raju, 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 P Viswanathan, Director*				
	At the beginning of the year	1	–	–	–
	Increase / Decrease in Share holding during the year	–	–	–	–
	At the end of the Year	–	–	1	–
4	Sri Rajesh Venkat, Director*				
	At the beginning of the year	1	–	–	–
	Increase / Decrease in Share holding during the year	–	–	–	–
	At the end of the Year	–	–	1	–
5	Sri S Sridhar, Director				
	At the beginning of the year	–	–	–	–
	Increase / Decrease in Share holding during the year	–	–	–	–
	At the end of the Year	–	–	–	–
6	Ms S Shobana, Company Secretary				
	At the beginning of the year	–	–	–	–
	Increase / Decrease in Share holding during the year	–	–	–	–
	At the end of the Year	–	–	–	–

* Held as nominess of Sundaram Finance Limited jointly with others

V. INDEBTEDNESS

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness	
Indebtedness at the beginning of the financial year					
(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					Nil
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) Income-tax Act, 1961		
	c) Profits in lieu of salary under section 17 (3) Income-tax Act, 1961		
2	Stock Option		
3	Sweat Equity		
4	Commission		
	– as % of profit		
	– others, specify		
5	Others, please specify		
	Total (A)		
	Ceiling as per the Act		

B. Remuneration to other directors:

Name of the Directors	Particulars of Remuneration			Total Amount
	Fee for attending board / committee meetings	Commission	Others, please specify	
Independent Directors	Not Applicable			
Total (1)				
Other Non-Executive Directors				
Sri T T Srinivasaraghavan	Nil			
Sri A N Raju				
Sri P Viswanathan				
Sri Rajesh Venkat				
Sri S Sridhar				
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	Company Secretary*	CFO	Total Amount
1	Gross Salary	Nil	Not Applicable	Nil
	a) Salary as per provisions contained in Section 17 (1) of the Income-tax Act, 1961			
	b) Value of perquisites u/s 17 (2) Income-tax Act, 1961			
	c) Profits in lieu of salary under section 17 (3) Income-tax Act, 1961			
2	Stock Option			
3	Sweat Equity			
4	Commission			
	- as % of profit			
	- others, specify			
5	Others, please specify			
	Total (A)			

* The Company Secretary Ms S Shobana has been nominated by Sundaram Finance Limited the holding Company and no remuneration is borne by this Company.

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

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

INDEPENDENT AUDITOR'S REPORT

To the Members of Sundaram BPO India Limited

1. Report on the Financial Statements

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

2. Management's Responsibility for the Financial Statements

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

3. Auditor's Responsibility

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

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

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

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

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

4. Opinion

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

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2015;
- b) in the case of the Statement of Profit and Loss, of the 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, 2015 ("the Order") issued by the Central Government of India in terms of sub-section 11 of section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraph 3 of the Order.
- ii) As required by Section 143 (3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

e) On the basis of the written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. the company has disclosed the effect of the pending litigations in its financial statements as mentioned in Note 20.7 of the Notes to the Accounts;
- ii. the company did not have any long term contracts including derivative contracts.
- iii. there was no amount to be transferred to the Investor Education and Protection Fund by the Company during the year.

For **BRAHMAYYA & CO.**
Chartered Accountants
Registration Number 000511S
L.RAVI SANKAR
Partner
Membership No.25929

Place: Chennai
Date: 6th May, 2015

ANNEXURE TO THE AUDITOR'S REPORT REFERRED TO IN PARAGRAPH 5 OF OUR REPORT OF EVEN DATE

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

10. Based on our examination of the records and the information and explanations given to us, the company has not availed any term loans during the year under review.

11. To the best of our knowledge and belief and according to the information and explanations given to us, during the year no fraud by the Company and no fraud on the Company were noticed or reported during the course of our audit.

12. In our opinion and according to the information and explanations given to us, the nature of the Company's business/

activities during the year has been such that clause ii of paragraph 3 of the Companies (Auditor's Report) Order, 2015 is not applicable to the Company for the year.

For **BRAHMAYYA & CO.**
Chartered Accountants
Registration Number 000511S

L.RAVI SANKAR

Partner

Membership No.25929

Place: Chennai

Date: 6th May, 2015

Balance Sheet

as at 31st March, 2015

(In ₹)

Particulars	Note	31 March 2015		31 March 2014	
I. EQUITY AND LIABILITIES					
1) Shareholders' Funds					
a) Share Capital	2	8,95,12,590		8,95,12,590	
b) Reserves and Surplus	3	98,64,301	9,93,76,891	27,12,561	9,22,25,151
2) Non-current Liabilities					
a) Deferred Tax Liabilities (Net)	4A	–		9,54,039	
b) Long-term provisions	5	–	–	9,31,911	18,85,950
3) Current Liabilities					
a) Trade payables	6	52,02,552		32,23,634	
b) Other Current liabilities	7	45,48,827		46,27,529	
c) Short-term provisions	8	32,38,484	1,29,89,863	74,73,029	1,53,24,192
Total			11,23,66,754		10,94,35,293
II ASSETS					
1) Non-current assets					
a) Fixed Assets	9				
i) Tangible assets		1,04,31,249		1,23,50,096	
b) Deferred tax assets (net)	4B	19,65,996		–	
c) Long-term loans and advances	10	4,54,05,184	5,78,02,429	3,94,07,231	5,17,57,327
2) Current Assets					
a) Current investments	11	2,25,36,547		1,07,66,936	
b) Trade receivables	12	2,39,96,261		3,32,00,283	
c) Cash and cash equivalents	13	28,40,327		97,36,546	
d) Short-term loans and advances	14	51,91,190	5,45,64,325	39,74,201	5,76,77,966
Total			11,23,66,754		10,94,35,293

Significant Accounting policies and Notes to the Accounts 1 to 20

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

Shobana S
Secretary

T.T. Srinivasaraghavan
A.N. Raju
P. Viswanathan
S. Sridhar
Rajesh Venkat
Directors

Statement of Profit and Loss for the year ended 31st March, 2015

(In ₹)

Particulars	Note	2014–2015	2013–2014
Income:			
Revenue from operations	15	20,04,74,610	20,80,90,089
Other income	16	14,64,166	24,95,211
Total		20,19,38,776	21,05,85,300
Expenses:			
Employee benefit expenses	17	14,48,21,123	14,75,53,974
Outsourcing costs		20,52,360	35,67,756
Administrative and other expenses	18	4,48,17,517	4,99,80,807
Finance costs	19	1,21,268	3,15,150
Depreciation	9	58,02,219	76,87,521
Total		19,76,14,487	20,91,05,208
Profit before Tax		43,24,289	14,80,092
Tax Expense:			
Current Tax		–	–
Deferred Tax		(28,91,427)	2,18,804
Profit after Tax		72,15,716	12,61,288
Earnings per equity share			
Equity shares of par value of ₹10 each			
Basic – ₹		0.81	0.14
Diluted – ₹		0.81	0.14
Number of shares used in computing earnings per share			
Basic		89,51,259	89,51,259
Diluted		89,51,259	89,51,259
Significant Accounting policies and Notes to the Accounts 1 to 20			

As per our report of even date attached
For **Brahmayya & Co.**,
Chartered Accountants
FRN 000511S
L Ravi Sankar
Partner
Membership No. : 25929
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Directors

SUNDARAM BPO INDIA LIMITED

NOTES TO THE ACCOUNTS

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES

I. SIGNIFICANT ACCOUNTING POLICIES

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

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

- 1.2 Income Recognition:

Income is recognized on accrual basis

- 1.3 Fixed Assets and Depreciation / Amortisation:

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

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

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

Computers Equipment

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

Office Equipment 8 Years

Electrical installations 15 Years

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

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

- 1.4 Valuation of Investments:

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

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

- 1.5 Foreign Currency Transactions:

Transactions in foreign currencies are accounted at the prevailing rates of exchange on the date of the transaction.

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

NOTES TO THE ACCOUNTS (Contd.)

1.6 Employee Benefits:

A) Short Term Employee Benefits:

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

B) Post Employment Benefits:

Defined Contribution Plan

i) Provident Fund

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

ii) Superannuation

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

The above contributions are charged to Profit and Loss Statement.

Defined Benefit Plan

iii) Gratuity

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

iv) Leave Encashment

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

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

1.7 Taxation:

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

Deferred Tax liabilities arising from timing differences have been fully provided for. Deferred tax assets are recognized on the consideration of prudence.

1.8 Intangible Assets:

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

1.9 Impairment of Assets:

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

1.10 Provisions:

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

NOTES TO THE ACCOUNTS (Contd.)
NOTE 2 (a)
SHARE CAPITAL

(In ₹)

Particulars	31.03.2015	31.03.2014
Authorised		
1,52,50,000 Equity Shares of ₹10 each (Previous period:1,52,50,000 Equity Shares of ₹10 each)	15,25,00,000	15,25,00,000
	<u>15,25,00,000</u>	<u>15,25,00,000</u>
Issued, Subscribed and fully paid up:		
89,51,259 Equity Shares of ₹10 each (Previous period :89,51,259 Equity Shares of ₹10 each)	8,95,12,590	8,95,12,590
	<u>8,95,12,590</u>	<u>8,95,12,590</u>

The company has single class of shares – equity shares of face value of ₹10 each. All equity shares rank pari passu with regard to dividends and share in the company's residual assets. Every shareholder is entitled to one vote per share.

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

Name	Status	Class of Share	No. of Shares#	% held as at 31.03.2015	No. of Shares #	% held as at 31.03.2014
Sundaram Finance Limited	Holding Company	Equity shares	75,41,009	84%	75,41,009	84%
Sundaram Finance Distribution Limited	Fellow Subsidiary	Equity shares	14,10,250	16%	14,10,250	16%
Total			89,51,259		89,51,259	

Including Equity shares held by nominees

The reconciliation of the number of shares outstanding as at 31 March 2015 is set out below:

Particulars	31.03.2015	31.03.2014
Shares outstanding at the beginning of the period	89,51,259	30,00,000
Add: Shares issued during the period	–	59,51,259
Shares outstanding at the end of the period	<u>89,51,259</u>	<u>89,51,259</u>

NOTES TO THE ACCOUNTS (Contd.)**NOTE 3****RESERVES AND SURPLUS**

(In ₹)

Particulars	31.03.2015	31.03.2014
A. Capital reserve	51,93,009	51,93,009
B. General reserve	27,00,000	27,00,000
C. Profit and Loss statement		
Opening Balance in Profit and Loss statement	(51,80,448)	(64,41,736)
Add : Profit for the current period	72,15,716	12,61,288
Less : Transition Reserve on Depreciation under Companies Act 2013	63,976	–
Closing balance in Profit and Loss statement	19,71,292	(51,80,448)
Total	98,64,301	27,12,561

NOTE 4–A**DEFERRED TAX LIABILITIES (NET)**

(In ₹)

Particulars	31.03.2015	31.03.2014
Deferred Tax Liability		
Depreciation	–	14,95,729
Deferred Tax Asset		
Provision for Employee Benefits	–	5,41,690
Provision for Bad and doubtful debts	–	–
Sub Total		5,41,690
Total	–	9,54,039

NOTE 4–B**DEFERRED TAX ASSET (NET)**

(In ₹)

Particulars	31.03.2015	31.03.2014
Deferred Tax Asset		
Provision for Bad and doubtful debts	21,08,024	–
Sub Total	21,08,024	–
Deferred Tax Liability		
Depreciation	1,42,028	–
Total	19,65,996	–

NOTES TO THE ACCOUNTS (Contd.)
NOTE 5
LONG – TERM PROVISIONS

(In ₹)

Particulars	31.03.2015	31.03.2014
Provision for Employee Benefits	–	9,31,911
Total	–	9,31,911

NOTE 6
TRADE PAYABLES

(In ₹)

Particulars	31.03.2015	31.03.2014
For Expenses	52,02,552	32,23,634
Total	52,02,552	32,23,634

NOTE 7
OTHER CURRENT LIABILITIES

(In ₹)

Particulars	31.03.2015	31.03.2014
Statutory Dues	2,78,005	3,81,986
Others	42,70,822	42,45,543
Total	45,48,827	46,27,529

NOTE 8
SHORT – TERM PROVISIONS

(In ₹)

Particulars	31.03.2015	31.03.2014
Provision for Employee Benefits	32,38,484	74,73,029
Total	32,38,484	74,73,029

NOTES TO THE ACCOUNTS (Contd.)

NOTE 9

FIXED ASSETS

(In ₹)

Description	Original Cost			Depreciation				Net Book Value		
	As at April 1st, 2014	Additions	Deletions	As at March 31st, 2015	As at April 1st, 2014	Additions / Write Off	Deletions	Transition Reserve	As at March 31st, 2015	As at April 1st, 2014
Tangible Assets										
Servers	40,81,125	–	–	40,81,125	25,66,309	4,77,407	–	–	10,37,409	15,14,816
Desktops & Printers	52,95,717	29,97,859	–	82,93,576	39,67,415	18,72,014	–	92,585	23,61,562	13,28,302
IT Network	12,89,322	6,78,671	–	19,67,993	4,43,596	5,02,495	–	–	10,21,902	8,45,726
Office Equipment	42,22,015	1,51,724	65,970	43,07,769	16,53,462	12,05,575	33,575	–	14,82,307	25,68,553
Electrical Equipment	11,20,843	2,29,309	–	13,50,152	6,32,522	76,827	–	–	6,40,803	4,88,321
Furnitures and Fixtures	36,18,794	57,379	–	36,76,173	26,39,079	9,63,158	–	–	73,936	9,79,715
Leased Assets										
Computer	27,51,415	–	–	27,51,415	27,51,415	–	–	–	–	–
SUB TOTAL (A)	2,23,79,231	41,14,942	65,970	2,64,28,203	1,46,53,798	50,97,476	33,575	92,585	66,17,919	77,25,433
Intangible assets										
Computer software	1,26,17,583	14,09,674	–	1,40,27,257	79,92,920	22,21,007	–	–	38,13,330	46,24,663
SUB TOTAL (B)	1,26,17,583	14,09,674	–	1,40,27,257	79,92,920	22,21,007	–	–	38,13,330	46,24,663
Total [A+B] (Current Year)	3,49,96,814	55,24,616	65,970	4,04,55,460	2,26,46,718	73,18,483	33,575	92,585	1,04,31,249	1,23,50,096
(Previous Year)	454,13,573	67,96,270	1,72,13,029	3,49,96,814	3,01,17,593	76,87,521	1,51,58,396	–	1,23,50,096	1,52,95,981

NOTES TO THE ACCOUNTS (Contd.)
NOTE 10
LONG TERM LOAN AND ADVANCES

(In ₹)

Particulars	31.03.2015	31.03.2014
Unsecured, Considered Good		
Capital Advance	11,45,600	15,01,572
Advances to Staff	8,51,330	21,14,533
Rental and Other Deposits	32,30,000	46,65,855
Other Loans and Advances		
Advance Income Tax and Tax Deducted at Source (net of provision)	4,01,78,254	3,11,25,271
Total	4,54,05,184	3,94,07,231

Advance Income Tax and Tax Deducted at Source is net of Provision for Tax ₹27,06,774/- (31.03.14 – ₹27,06,774)

NOTE 11
CURRENT INVESTMENTS

(In ₹)

Particulars	31.03.2015	31.03.2014
Investments in Mutual fund at cost		
5,64,359 units in Sundaram Money Fund Face value ₹10 per unit (Market Value Rs1,66,36,864)	16,536,547	58,18,191
5,45,951 units in Reliance Quarterly Plan A Face Value ₹10 per unit (Market Value ₹62,92,357)	60,00,000	49,48,745
Total	2,25,36,547	1,07,66,936

NOTE 12
TRADE RECEIVABLES

(In ₹)

Particulars	31.03.2015	31.03.2014
Unsecured, Considered good		
Outstanding for a period exceeding six months from due date	12,44,433	6,33,812
Others	2,27,51,828	3,25,66,471
	2,39,96,261	3,32,00,283
Unsecured, Considered doubtful		
Outstanding for a period exceeding six months from due date	6,053,285	27,79,973
Others	469,035	-
Less: Provision for doubtful debts	65,22,320	27,79,973
Total	2,39,96,261	3,32,00,283

NOTES TO THE ACCOUNTS (Contd.)**NOTE 13****CASH & CASH EQUIVALENTS**

(In ₹)

Particulars	31.03.2015	31.03.2014
Cash on hand	5,193	14,727
Balances with banks:		
– In Current Accounts	28,35,134	97,21,819
Total	28,40,327	97,36,546

NOTE 14**SHORT TERM LOANS AND ADVANCES**

(In ₹)

Particulars	31.03.2015	31.03.2014
Unsecured, Considered good		
Loans and advances to employees and others	3,58,099	6,30,473
Prepaid expenses	11,74,260	11,45,286
Other Advance	1,23,226	12,583
Cenvat Input Credit	5,95,004	4,42,336
Rental and other deposits	29,40,601	17,43,523
	51,91,190	39,74,201
Unsecured, Considered doubtful		
Advance and Deposits	1,86,486	1,86,486
Loan to Ex Employee	4,27,479	–
	6,13,965	1,86,486
Less:–Provision for Doubtful Loans and Advance	(613,965)	(1,86,486)
Total	51,91,190	39,74,201

NOTES TO THE ACCOUNTS (Contd.)
NOTE 15
REVENUE FROM OPERATIONS

(In ₹)

Particulars	2014–2015	2013–2014
Business Process Outsourcing and Related Activities	20,04,74,610	20,80,90,089
Total	20,04,74,610	20,80,90,089

NOTE 16
OTHER INCOME

(In ₹)

Particulars	2014–2015	2013–2014
Interest on deposits with banks and others	2,00,369	12,68,876
Profit on Sale of Investments	8,46,758	10,76,514
Provisions no longer required written back	3,95,965	–
Other Income	21,074	1,49,821
Total	14,64,166	24,95,211

NOTE 17
EMPLOYEE BENEFIT EXPENSES

(In ₹)

Particulars	2014–2015	2013–2014
Salaries, Allowances, Commission, Bonus	13,19,42,715	13,47,34,229
Company's contribution to Provident Fund, Gratuity, ESI and Superannuation.	89,29,256	88,90,221
Staff Welfare Expenses	39,49,152	39,29,524
Total	14,48,21,123	14,75,53,974

NOTES TO THE ACCOUNTS (Contd.)**NOTE 18****ADMINISTRATIVE AND OTHER EXPENSES**

(In ₹)

Particulars	2014–2015	2013–2014
Rent	1,52,91,874	1,74,57,833
Power and Fuel	59,98,451	71,44,337
Rates and Taxes	1,21,614	2,50,689
Communication expenses	56,15,727	45,49,420
Insurance	12,18,594	9,01,553
Travelling and Conveyance	33,53,408	49,12,279
Professional fees	6,33,744	9,78,087
Repairs and Maintenance – others	41,51,781	65,07,100
Printing and Stationery	6,34,338	9,01,828
Loss on sale of tangible assets	26,395	96,052
Fixed assets written off	15,16,264	19,57,596
Provision for doubtful advances	4,27,479	1,86,486
Provision for bad debts	37,42,347	27,79,973
Bad debts written off	–	78,975
Miscellaneous expenses	20,85,501	12,78,599
Total	4,48,17,517	4,99,80,807

NOTE 19**FINANCE COSTS**

(In ₹)

Particulars	2014–2015	2013–2014
Interest expenses	1,21,268	3,15,150
Total	1,21,268	3,15,150

NOTES TO THE ACCOUNTS (Contd.)

NOTE 20

GENERAL

20.1 Disclosure as per AS 15

Employee Benefits:

Defined Contribution Plan:

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

(In ₹)

Particulars	2014 – 2015	2013 – 2014
Contribution to Provident Fund	56,64,396	52,81,641
Contribution to Employees' State Insurance	32,60,559	34,83,593

Gratuity:

Defined Benefit Plan

I. Principal Actuarial Assumptions (Expressed as weighted averages)

Particulars	31.03.2015	31.03.2014
Discount Rate	8.00%	8.50%
Salary Escalation	8.00%	8.00%
Attrition	60.00%	60.00%
Expected rate of return on Plan Assets	8.78%	8.78%

II. Reconciliation of opening and closing balances of present value of the defined benefit obligation (PVO)

(In ₹)

Particulars	31.03.2015	31.03.2014
PVO as at the beginning of the period	40,58,927	51,06,099
Interest Cost	2,57,987	4,10,104
Current service cost	10,88,797	9,93,398
Past service cost – (non vested benefits)	–	–
Past service cost – (vested benefits)	–	–
Benefits paid	(21,43,980)	(5,62,699)
Actuarial loss/(gain) on obligation (balancing figure)	(1,74,485)	(18,87,975)
PVO as at the end of the period	30,87,246	40,58,927

NOTES TO THE ACCOUNTS (Contd.)**III. Reconciliation of opening and closing balances of changes in the fair value of Plan Asset**

(In ₹)

Particulars	31.03.2015	31.03.2014
Fair value of plan assets as at the beginning of the period	45,26,019	14,42,649
Expected return on plan assets	14,20,619	2,55,499
Contributions	6,28,026	35,17,389
Benefits paid	(21,43,980)	(5,62,699)
Actuarial gain/(loss) on plan assets [balancing figure]	(10,81,966)	(1,26,819)
Fair value of plan assets as at the end of the period	33,48,718	45,26,019

IV. Table showing actual return on plan assets

(In ₹)

Particulars	31.03.2015	31.03.2014
Expected return on plan assets	1,28,680	2,55,499
Actuarial gain (loss) on plan assets	(10,81,966)	(1,26,819)
Actual return on plan assets	(9,53,286)	1,28,680

V. Actuarial Gain/Loss recognized

(In ₹)

Particulars	31.03.2015	31.03.2014
Actuarial gain / (loss) for the period – Obligation	1,74,485	18,87,975
Actuarial gain / (loss) for the period– Plan Assets	10,81,966	(1,26,819)
Total (gain) / loss for the period	12,56,451	(17,61,155)
Actuarial (gain) / loss recognized in the period	12,56,451	(17,61,155)
Unrecognized actuarial (gain) / loss at the end of the year		–

VI. The amounts to be recognized in the balance sheet and related analysis

(In ₹)

Particulars	31.03.2015	31.03.2014
Present value of the obligation	30,87,246	40,58,927
Fair value of plan assets	33,48,718	45,26,019
Difference	(2,61,472)	(4,67,092)
Unrecognised transitional liability		–
Unrecognised past service cost – non vested benefits		–
Amount determined under para 55 of AS15R	(2,61,472)	(4,67,092)
Net Liability Recognized in the balance sheet		–
Present value of the future reduction in contribution under para 59(b) of AS15R	2,61,472	4,67,092
Net Asset Recognized under para 59 of AS15R	2,61,472	4,67,092

NOTES TO THE ACCOUNTS (Contd.)
VII. The amounts to be recognized in the Profit and Loss statement

(In ₹)

Particulars	31.03.2015	31.03.2014
Current service cost	10,88,797	9,93,398
Interest Cost	2,57,987	4,10,104
Expected return on plan assets	14,20,619	(2,55,499)
Net actuarial (gain)/loss recognised in the year	4,301	(17,61,155)
Transitional Liability recognised in the year		–
Past service cost – non–vested benefits		–
Past service cost – vested benefits		–
Effect of limit as per para 59(b) read with para 61(g) of AS15R		–
Expenses recognized in the profit and loss statement	4,301	(6,13,153)

VIII. Movements in the Liability recognized in the balance sheet

(In ₹)

Particulars	31.03.2015	31.03.2014
Opening net liability	(4,67,092)	36,63,450
Expense as above	4,301	(6,13,153)
Contribution paid	2,01,319	(35,17,389)
Closing net liability	(2,61,472)	(4,67,092)

IX. Amount for the Current period

(In ₹)

Particulars	31.03.2015	31.03.2014
Present Value of obligation	30,87,246	40,58,927
Plan Assets	33,48,718	45,26,019
Surplus (Deficit)	2,61,472	4,67,092
Experience adjustments on plan liabilities –(loss)/gain		6,25,498
Experience adjustments on plan assets –(loss)/gain	10,81,966	(1,26,819)

Other Long Term Benefits:

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

(In ₹)

Particulars	31.03.2015	31.03.2014
Leave encashment	1,845	13,43,818

NOTES TO THE ACCOUNTS (Contd.)

20.2 Miscellaneous Expenditure under Administrative and other Expenses includes remuneration to auditors (Excluding Service Tax) towards –

(In ₹)

Particulars	31.03.2015	31.03.2014
Statutory Audit	3,00,000	1,15,000
Tax Audit	50,000	15,000
Certification	60,000	1,15,000

20.3. Details of transactions with Related Parties:

Parties	Relationship
Sundaram Finance Limited	Holding Company
Sundaram BNP Paribas Home Finance Limited	Fellow subsidiary
Sundaram Asset Management Company Limited	Fellow subsidiary
Sundaram Trustee Company Limited	Fellow subsidiary
Sundaram Finance Distribution Limited	Fellow subsidiary
Sundaram Infotech Solutions Limited	Fellow subsidiary
Sundaram Parekh Warehousing Services Limited*	Fellow subsidiary
Sundaram Insurance Broking Services Limited	Fellow subsidiary
LGF Services Limited	Fellow subsidiary
Infreight Logistics Solutions Limited *	Fellow subsidiary
Sundaram BNP Paribas Fund Services Limited	Fellow subsidiary
Sundaram Asset Management Singapore Pte. Ltd.	Fellow subsidiary
Sundaram Business Services Limited	Fellow subsidiary
Key Management Personnel	
Ms. S.Shobana	Secretary

* Sundaram Parekh Warehousing Services Limited has been merged with Infreight Logistics Solutions Limited with effect from 1st April 2014, pursuant to the order passed by the Honourable High Court of Judicature at Madras on 18th March 2015.

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

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

(In ₹)

Nature of Transactions	Holding Company	Subsidiary Company	Fellow Subsidiaries	Joint Venture/ Associates	Total 2014-15	Total 2013-14
Income						
Payroll Processing						
Sundaram BNP Paribas Home Finance Limited	—	—	7,38,684	—	738,684	6,26,100
Sundaram Infotech Solutions Limited	—	—	1,81,000	—	181,000	1,50,000
Sundaram Asset Management company Limited	—	—	2,99,040	—	299,040	2,88,000
Sundaram BNP Paribas Fund Services Limited	—	—	3,61,145	—	361,145	3,60,000
Accounting Services					—	
Sundaram Asset Management company Limited	—	—	14,44,692	—	1,444,692	13,56,400
Data Processing					—	
Sundaram Finance Limited	4,30,23,742	—	—	—	43,023,742	3,74,91,539
Deposit Processing					—	
Sundaram BNP Paribas Home Finance Limited	—	—	24,92,105	—	2,492,105	37,87,686
Reimbursement Income					—	
Sundaram Finance Limited	—	—	—	—	—	2,46,547
Sundaram BNP Paribas Home Finance Limited			8,749		8,749	
Telecalling					—	
Sundaram BNP Paribas Home Finance Limited			91,350		91,350	
Expenses						
Sundaram Finance Limited						
a) Rent	3,888	—	—	—	3,888	1,68,750
b) Internal Audit	4,00,000	—	—	—	400,000	350,000
Sundaram Finance Distribution Limited					—	
Interest on Loan	—	—	—	—	—	2,07,123

NOTES TO THE ACCOUNTS (Contd.)

(In ₹)

Nature of Transactions	Holding Company	Subsidiary Company	Fellow Subsidiaries	Joint Venture/ Associates	Total 2014-15	Total 2013-14
Receivables						
Sundaram Asset Management company Limited	–	–	1,84,271	–	184,271	1,53,372
Sundaram Infotech Solutions Limited	–	–	33,707	–	33,707	28,090
Sundaram BNP Paribas Fund Services Limited	–	–	33,708	–	33,708	33,708
Sundaram BNP Paribas Home Finance Limited	–	–	3,21,934	–	321,934	7,22,248
Sundaram Finance Limited	40,53,257	–	–	–	4,053,257	39,11,084
Sundaram Business Services Limited	–	–	9,37,118	–	937,118	8,94,817
Loans and Advances					–	
Sundaram Infotech Solutions Limited	–	–	–	–	–	6,41,720
Investments					–	
Sundaram Asset Management Co Ltd					–	
Investment made in Mutual Funds	–	–	11,59,16,944	–	115,916,944	12,90,30,411
Investment redeemed Mutual Funds	–	–	9,33,80,397	–	93,380,397	11,82,63,475
Closing Balance	–	–	2,25,36,547	–	22,536,547	1,07,66,936
Liabilities						
Liabilities – Outstanding Balance as on 31.03.2015						
Equity Shares						
Sundaram Finance Limited	7,54,10,090	–	–	–	75,410,090	7,54,10,090
Sundaram Finance Distribution Limited	14,102,500	–	–	–	14,102,500	1,41,02,500
Payables						
Sundaram Finance Limited	1,14,637	–	–	–	114,637	1,28,249
Sundaram Infotech Solutions Limited	–	–	131,922	–	131,922	–
Sundaram Business Services Limited	–	–	13,64,019	–	1,364,019	7,83,063

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

NOTES TO THE ACCOUNTS (Contd.)

20.4 The Company Secretary Ms. Shobana S has been nominated by Sundaram Finance Limited, the Holding Company and no remuneration is borne by this company.

20.5 In accordance with the provisions of The Companies Act, 2013 the Company has during the year reviewed its policy of providing depreciation on tangible fixed assets and also has reassessed the remaining useful lives of those assets as on 1st April 2014. The assets have been depreciated on the written-down value method over the useful life as assessed by the company which is different from the useful life specified in Schedule II to the Companies Act, 2013.

Consequently depreciation for the year ended 31st March 2015 is lower by ₹22.49 lakhs.

In respect of Assets which have no remaining useful life, the carrying cost less residual value as on 31st March 2014 amounting to ₹0.93 lakhs has been absorbed against retained earnings and accounted as a Transition Reserve under Fixed Assets.

20.6 ESI Claims against the erstwhile Professional Management Consultants Limited (PMCL) not accepted by the company – ₹2, 06,900/- (previous year – ₹2, 06,900/-). Against this claim, PMCL filed an appeal before the Employees' Insurance (EI) Court and a stay was obtained, on a payment of 20% of the disputed amount. Accordingly, PMCL has deposited a sum of ₹41, 400/- with the EI Court. The said amount has been grouped under Loans and Advances in the Balance Sheet.

In an earlier year, the above appeal was dismissed by the EI Court and PMCL has since filed an appeal before Hon'ble High Court of Chennai and has obtained a stay against the order of the EI Court. The case is yet to be posted for hearing .

20.7 The pending litigation as on 31st March 2015 have been complied by the company and reviewed by the Statutory Auditors. The effect of the current position of the litigations have been evaluated and appropriately considered and disclosed in the financial statements.

20.8 There is no amount due to small scale industries in terms of "The Micro, Small and Medium Enterprises Development Act, 2006"

20.9 Estimated amount of contracts remaining to be executed on capital account – ₹2,86,400 (net of advances of ₹11,45,600) (31-03-2014 – ₹4,15,280 net of advances of ₹10,16,720)

20.10 Prior year figures have been regrouped / reclassified wherever necessary to conform to current year's classification.

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

Shobana S
Secretary

T.T. Srinivasaraghavan
A.N. Raju
P. Viswanathan
S. Sridhar
Rajesh Venkat
Directors

Cash Flow Statement for the year ended 31st March 2015

(In ₹)

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
A) CASH FLOW FROM OPERATING ACTIVITIES		
Profit before Taxation	43,24,289	14,80,092
Adjustments		
Depreciation	58,02,219	76,87,521
Deferred Tax	28,91,427	(2,18,804)
Others	28,607	-
Loss on sale of assets/Fixed assets written off	15,42,659	20,53,649
Bad debts written off	-	78,975
Advances Written off	-	30,000
(Profit) / Loss on sale of Investments	(8,46,758)	(10,76,514)
Interest Income	(2,00,369)	(12,68,876)
Dividend Income	-	(6,300)
Operating Profit before working capital changes	1,35,42,074	87,59,743
Changes in assets and liabilities		
(Increase) Decrease in Trade Receivables	92,04,022	1,03,09,702
(Increase)Decrease in Loans and advances and other assets	(91,80,938)	(35,51,613)
Increase (Decrease) in Liabilities and provisions	(42,20,276)	(11,49,851)
Cash generated from operations	93,44,882	1,43,67,981
Less: Direct Tax Paid	-	-
NET CASH FROM OPERATING ACTIVITIES (A)	93,44,882	1,43,67,981
B) CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of mutual funds units (net)	(1,09,22,853)	(96,40,422)
Purchase of Fixed Assets	(55,24,616)	(67,96,270)
Sale of assets	6,000	987
Interest Received	2,00,369	12,68,876
Dividend Income	-	6,300
NET CASH FROM INVESTING ACTIVITIES (B)	(1,62,41,100)	(1,51,60,529)
C) CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from unsecured loan from fellow subsidiary	-	(50,00,000)
NET CASH FROM FINANCING ACTIVITIES (C)	-	(50,00,000)
NET INCREASE IN CASH AND CASH EQUIVALENTS (A)+(B)+(C)	(68,96,218)	(57,92,548)
Cash and Cash Equivalents at the beginning of the year	97,36,546	1,55,29,094
Cash and Cash Equivalents at the end of the year	28,40,327	97,36,546
Components of Cash and Cash Equivalents at the end of the year		
Cash and bank balances	28,40,327	97,36,546

As per our report of even date attached

For **Brahmayya & Co.**,

Chartered Accountants

FRN 000511S

L Ravi Sankar

Partner

Membership No. : 25929

Place: Chennai

Date: 6th May, 2015

Shobana S

Secretary

T.T. Srinivasaraghavan

A.N. Raju

P. Viswanathan

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Rajesh Venkat

Directors

SUNDARAM BPO INDIA LIMITED