

# Sundaram BNP Paribas Fund Services Limited

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First Annual Report

2009



***SUNDARAM BNP PARIBAS***  
***— FUND SERVICES —***



**Board of Directors**

P S Raghavan  
S Venkatesan  
Harsha Viji  
K Swaminathan  
Frederic Perard  
Julien Cuminet  
Geoffroy De Lassus

Chairman

**Audit Committee**

S Venkatesan  
P S Raghavan  
Julien Cuminet  
Geoffroy De Lassus

Chairman

**Compliance and Risk Management Committee**

Shridhar Iyer  
Didier Dauphin  
V K Raman  
Greg Nichols

**Chief Executive Officer**

Shridhar Iyer

**Chief Financial Officer**

Didier Dauphin

**Company Secretary**

V. Sriraman

**Auditors**

M/s. Brahmayya & Co.,  
Chartered Accountants

**Registered Office**

No. 21, Patullos Road, Chennai – 600 002  
Phone: 044 2852 1181, Fax: 044 2858 6641

**Corporate Office**

RR Towers 2, Third Floor,  
Thiru Vi Ka Industrial Estate, Guindy, Chennai 600 032  
Phone: 044 2250 4700 Fax: 044 2250 1379, 044 2250 1384

**Website**

[www.sundarambnpparibasfs.in](http://www.sundarambnpparibasfs.in)

**Bankers**

BNP Paribas  
HDFC Bank Limited  
State Bank of Travancore

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## Directors' Report

Your Directors have pleasure in presenting the First Annual Report and Audited Accounts of the Company for the 15 month period ended 30th September 2009.

### INCORPORATION

Your Company was incorporated under the name of Sundaram Securities Services limited by Sundaram Business Services Limited (SBSL) on 27th June 2008 with a paid-up capital of Rs.15.00 lakhs to undertake the business of providing registrar and share transfer agency services (including for mutual funds) and other ancillary securities services in India.

### JOINT VENTURE AGREEMENT

Your Company was formed pursuant to a Joint Venture Agreement entered into among SBSL, Sundaram Finance Limited (SFL) and BNP Paribas Securities Services (BP2S), a wholly-owned subsidiary of BNP Paribas, France. BP2S had obtained the Foreign Investment Promotion Board approval for foreign equity participation in the Company.

### STATUTORY APPROVAL

Your Company has received the Certificate of Registration from the Securities and Exchange Board of India (SEBI) as a Category I Registrar to an Issue and Share Transfer Agent on 24th July 2009. The registration no. is INR000004066.

### CAPITAL

In terms of the Share Subscription Agreement, the Company's paid-up equity share capital was enhanced in stages to Rs. 30 crore, by issue and allotment of equity shares to both SFL and BP2S on preferential / rights basis. To accommodate the said issue, your Company has increased the authorised capital to Rs. 40 crore. Your Company became a subsidiary of SFL on 18th June 2009.

### CHANGE OF NAME

In terms of the aforesaid agreement, and with the approval of the Central Government, the name of the Company has been changed from Sundaram Securities Services Limited to Sundaram BNP Paribas Fund Services Limited with effect from 5th August 2009.

### REVIEW OF OPERATIONS

Your Company was formed to undertake activities of registrars and share transfer agent in India, including for mutual funds. Your Company has created necessary infrastructure and the human resource base to carry out the said activities. Your Company has set-up an electronic connectivity with Central Depository Services (India) Limited and is in the process of setting-up electronic connectivity with National Securities Depository Limited. Your Company has established contacts with various mutual funds to get their R & STA activities outsourced to the Company.

Your Company earned an income of Rs. 18.40 lakhs during the period under review. Total expenditure amounted to Rs. 487.44 lakhs, resulting in a loss of Rs. 469.04 lakhs. The loss after considering taxation, amounted to Rs. 467.32 lakhs.

### DIRECTORS

Mr. P.S. Raghavan, Mr. Paramesh Krishnaier and Mr. P. Viswanathan were appointed as First Directors of the Company. In terms of the Shareholders Agreement, the Board appointed Mr. S. Venkatesan, Mr. Harsha Viji and A N Raju, all nominated by SBSL/SFL, & Mr. Frederic Perard, Mr. Julien Cuminet and Geoffroy De Lassus, all nominated by BP2S, as additional Directors. In August 2009, on resignation of Mr. A.N. Raju, the Board appointed Mr. Swaminathan as additional director. Two of the First Directors of the Company, namely, Mr. Paramesh Krishnaier and Mr. P Viswanathan resigned on 18th June 2009. Your Directors wish to place on record their contribution to the Company. All the seven Directors shall retire at the ensuing Annual General Meeting and are eligible for appointment. Notice under Section 257 of the Companies Act, 1956, proposing the appointment of the said Directors has been received from a member.

### DIRECTORS' RESPONSIBILITY STATEMENT

In terms of Section 217(2AA) of the Companies Act, 1956, your directors confirm:

- i) that in the preparation of the annual accounts, the applicable accounting standards had been followed;
- ii) that they had selected such accounting policies and applied

them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for that period;

- iii) that they had 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; and
- iv) that they had prepared the annual accounts on a going concern basis.

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

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

#### **PERSONNEL**

Your Company has no employee who is in receipt of remuneration in excess of the limit prescribed in Section 217(2A) of the Companies Act, 1956.

#### **DEPOSITS**

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

#### **AUDITORS**

M/s Brahmayya & Co, Chartered Accountants, Chennai, Statutory Auditors of your Company, hold office until the conclusion of the ensuing Annual General Meeting and are recommended for re-appointment. The Company has received a certificate from them to the effect that their appointment, if made, would be within the limits prescribed under Section 224 (1B) of the Companies Act, 1956.

#### **ACKNOWLEDGEMENT**

Your Directors thank Sundaram Finance Limited, BNP Paribas, Sundaram Business Services Limited and BNP Paribas Securities Services for their support. Your Directors also wish to thank the employees of the Company for their unstinted support and co-operation.

For and on behalf of the Board of Directors

Chennai 600 002

Date :16th December 2009

**P S Raghavan**  
*Chairman*

## AUDITORS' REPORT

### To The Members of Sundaram BNP Paribas Fund Services Limited

1. We have audited the attached Balance Sheet of Sundaram BNP Paribas Fund Services Limited as at 30th September, 2009, the Profit and Loss Account and the Cash Flow Statement of the company for the period 27th June, 2008 (date of incorporation) to 30th September, 2009, annexed thereto, which we have signed under reference to this report. 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.
2. We conducted our audit in accordance with the 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 misstatement. 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 the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 (together the 'Order') issued by the Central Government in terms of sub-section (4A) of section 227 of the Companies Act, 1956, (the Act) and based on the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that:
  - i) we have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - ii) in our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books.
    - iii) the Balance Sheet, Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account.
    - iv) in our opinion, the Balance Sheet, Profit and Loss Account and the Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956, to the extent applicable.
    - v) on the basis of written representations received from the directors, as on 30th September, 2009 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 30th September 2009 from being appointed as a Director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956; and
    - vi) in our opinion and to the best of our information and according to the explanations given to us, the said accounts together with the notes thereon 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 30th September, 2009;
      - b) in the case of the Profit and Loss Account, of the loss for the period ended on that date; and
      - c) in the case of the Cash Flow Statement, of the cash flows for the period ended on that date.

For BRAHMAYYA & CO.,  
Chartered Accountants

Place : Chennai  
Date : 16th December, 2009

P.BABU  
Partner  
Membership No.203358

## Annexure to the Auditors' Report Referred to in Paragraph 3 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 period, in accordance with a detailed plan of verification which in our opinion is reasonable having regard to the size of the company and the nature of fixed assets. The discrepancies noticed on such verification were not material and have been properly dealt with in the books of account.  
c) In our opinion and according to the information and explanations given to us, a substantial part of fixed assets have not been disposed off by the company during the period.
2. a) i) The company has availed and repaid unsecured loan from one company covered in the register maintained under section 301 of the Act. The maximum amount involved during the period was Rs. 1750.00 lakhs.  
ii) The rate of interest and other terms and conditions of the loan are, prima facie, not prejudicial to the interest of the company.  
iii) The repayment of principal was regular.  
iv) There was no amount overdue on the loans.  
Apart from the above, the company has not availed loans from companies, firms or other parties covered in the register maintained under section 301 of the Act.  
b) The company has not granted unsecured loan to parties covered in the register maintained under section 301 of the Act.
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. During the course of our audit, no major weaknesses have been noticed in the internal controls and therefore the reporting of the same does not arise.
4. a) To the best of our knowledge and belief and according to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements referred to in Section 301 of the Act that need to be entered in the register maintained under Section 301 of the Act have been so entered.  
b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements entered in the registered maintained under Section 301 of the Act and exceeding the value of rupees five lakhs in respect of any party during the period, prima facie, have been made at prices which are reasonable having regard to the nature of the services and prevailing market prices at the relevant time.
5. The company has not accepted any deposits from the Public during the period.
6. Being the first accounting period, the company does not require to have an internal audit system.
7. The Central Government has not prescribed the maintenance of cost records under Section 209(1)(d) of the Act.
8. According to the records of the company and the information and explanations given to us, undisputed statutory dues, including Provident Fund, Income tax and Service tax and other material statutory dues have been regularly deposited during the period 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 30th September, 2009 for a period of more than six months from the date they become payable.
9. 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.



10. The company does not have any borrowings from financial institutions, or on issue of debentures. The company has not defaulted in repayment of dues to bank.
11. According to the information and explanations given to us, the company has not granted loans or advances on the basis of security by way of pledge of shares, debentures and other securities.
12. Based on our examination of the records and the information and explanations given to us, the company has not dealt/traded in shares and debentures during the period. As informed and explained to us, proper records have been maintained of the transactions and contracts relating to investment in securities and timely entries have been made therein. The securities have been held by the company in its own name.
13. 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.
14. The company has availed a short term loan during the period and applied the same for the purpose for which the loan was obtained.
15. According to the information and explanations given to us, the company has raised funds on short term basis during the period and the same have not been used for long term investment.
16. According to the information and explanations given to us, the company has not issued debentures during the period.
17. The company has not raised monies by public issue during the period.
18. The company has made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act. According to the information and explanations given to us, the price at which shares have been issued is not prejudicial to the interest of the company.
19. To the best of our knowledge and belief and according to the information and explanations given to us, during the period no fraud by the company and no fraud on the company was noticed or reported during the course of our audit.
20. In our opinion and according to the information and explanations given to us, the nature of the company's business/activities during the period has been such that clauses ii, x and xiii of paragraph 4 of the Companies (Auditors' Report) Order, 2003 is not applicable to the company for the period.

For BRAHMAYYA & CO.,  
Chartered Accountants

Place : Chennai  
Date : 16th December, 2009

PBABU  
Partner  
Membership No.203358

## Balance Sheet as at 30th September, 2009

	Schedule		30.09.2009 Rupees
<b>I SOURCES OF FUNDS</b>			
<b>1. Shareholders' Funds</b>			
(a) Capital	1		30,00,00,000
(b) Reserves and Surplus			<u>-</u> 30,00,00,000
<b>2. Loan Funds</b>			
(a) Secured Loans			-
(b) Unsecured Loans			<u>-</u> -
<b>Total</b>			<b><u>30,00,00,000</u></b>
<b>II APPLICATION OF FUNDS</b>			
<b>1. Fixed Assets</b>			
Gross Block	2		32,78,076
Less: Depreciation			<u>5,13,655</u>
Net Book Value			27,64,421
Add: Capital Work-In-Progress			<u>18,16,11,677</u>
Net Block			18,43,76,098
<b>2. Investments</b>			
	3		5,01,08,373
<b>3. Deferred Tax Asset</b>			
	4		1,77,136
<b>4. Current Assets, Loans and Advances</b>			
(a) Current Assets	5		1,44,14,825
(b) Loans and Advances	6		<u>1,45,31,110</u>
	(A)		2,89,45,935
Less: Current Liabilities and Provisions			
(a) Current Liabilities	7		<u>1,03,39,822</u>
(b) Provisions			-
	(B)		<u>1,03,39,822</u>
Net Current Assets	(A-B)		1,86,06,113
<b>5. Profit and Loss account</b>			
Debit Balance in Profit & Loss account			<u>4,67,32,280</u>
<b>Total</b>			<b><u>30,00,00,000</u></b>
Notes to the Accounts	11		

As per our report of even date attached

For **Brahmayya & Co.**,

Chartered Accountants

**P. Babu**

Partner

Chennai

16th December, 2009

**Shridhar Iyer**

CEO

**Frederic Perard**

Director

**Didier Dauphin**

CFO

**P S Raghavan**

Chairman

**V Sriraman**

Secretary

SUNDARAM BNP PARIBAS FUND SERVICES LIMITED

**Profit and Loss Account for the period from 27th June, 2008 (date of incorporation) to 30th September, 2009**

	Schedule	27 Jun 08 - 30 Sep 09
		Rupees
<b>INCOME</b>		
Income from Operations - Mutual Fund Accounting Services		17,31,536
Other Income	8	1,08,373
<b>Total</b>	<b>(A)</b>	<b><u>18,39,909</u></b>
<b>EXPENDITURE</b>		
Establishment Expenses	9	62,04,278
Administrative and Other Expenses	10	3,25,86,089
Financial Expenses - Interest		92,66,437
Preliminary Expenses Written Off		1,74,139
Depreciation		5,13,655
<b>Total</b>	<b>(B)</b>	<b><u>4,87,44,598</u></b>
<b>Loss before Tax</b>	<b>(A-B)</b>	<b><u>4,69,04,689</u></b>
Taxation		
- Deferred Tax		(1,77,136)
- Fringe Benefit tax		4,727
		<u>(1,72,409)</u>
<b>Loss carried to Balance Sheet</b>		<b><u>4,67,32,280</u></b>
Earnings per Equity Share (Refer Note 4.4 Schedule 11 )		
Number of Shares (Face Value Rs.10/- per Share )		3,00,00,000
Weighted Average Number of Shares (Face Value Rs.10/- per Share )		39,04,596
Basic and Diluted earnings per share (in Rupees )		(11.97)
Notes to the Accounts	11	

As per our report of even date attached

For **Brahmayya & Co.**,

Chartered Accountants

**P. Babu**

Partner

Chennai

16th December, 2009

**Shridhar Iyer**

CEO

**Frederic Perard**

Director

**Didier Dauphin**

CFO

**P S Raghavan**

Chairman

**V Sriraman**

Secretary

## Schedules

	30.09.2009 Rupees
<b>1. Capital</b>	
<b>Authorised</b>	
4,00,00,000 Equity Shares of Rs.10/- each	40,00,00,000
<b>Issued, Subscribed and Paid up</b>	
3,00,00,000 Equity Shares of Rs.10/- each (Of the above 1,51,50,000 equity shares are held by Sundaram Finance Limited the holding company)	30,00,00,000
	<u>30,00,00,000</u>

## 2. Fixed Assets

Description	Gross Block at Cost			Depreciation			Net Block
	Additions	Deductions	As at 30.09.2009	On Additions	On Deductions	As at 30.09.2009	As at 30.09.2009
Computers	10,93,226	-	10,93,226	2,93,265	-	2,93,265	7,99,961
Office Equipment	6,86,043	-	6,86,043	32,757	-	32,757	6,53,286
Furniture and Fittings	1,73,909	-	1,73,909	17,042	-	17,042	1,56,867
Intangible Assets:							
Software	13,24,898	-	13,24,898	1,70,591	-	1,70,591	11,54,307
<b>(A)</b>	<b>32,78,076</b>	<b>-</b>	<b>32,78,076</b>	<b>5,13,655</b>	<b>-</b>	<b>5,13,655</b>	<b>27,64,421</b>
Capital Work In Progress							
Computers and Other hardware	6,73,40,571	-	6,73,40,571	-	-	-	6,73,40,571
Intangible Assets:							
Software	11,42,71,106	-	11,42,71,106	-	-	-	11,42,71,106
<b>(B)</b>	<b>18,16,11,677</b>	<b>-</b>	<b>18,16,11,677</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>18,16,11,677</b>
<b>Grand Total (A) + (B)</b>	<b>18,48,89,753</b>	<b>-</b>	<b>18,48,89,753</b>	<b>513,655</b>	<b>-</b>	<b>513,655.00</b>	<b>18,43,76,098</b>

## Schedules

	30.09.2009 Rupees
<b>3. Investments</b>	
Current Investments	
In Trust Securities (Unquoted)	
5,220.67 units of Rs. 10/- each in ICICI Prudential Institutional Liquid Plan - Institutional Growth (14,45,198.09 Units purchased and 14,39,977.42 Units redeemed during the period)	1,08,373
41,25,855.08 of Rs.10/- each Sundaram BNP Paribas UST Fund - Super Institutional Growth (purchased during the Period)	5,00,00,000
	<b><u>5,01,08,373</u></b>
<b>4. Deferred Tax Asset</b>	
Depreciation	1,39,470
Preliminary Expense written off	37,666
	<b><u>1,77,136</u></b>
<b>5. Current Assets</b>	
<b>Sundry Debtors - considered good</b>	
i) Debts outstanding for a period exceeding six months	—
ii) Other Debts	17,18,896
<b>Cash and Bank Balances</b>	
With scheduled Banks in Current Account	1,26,85,929
Cash on hand	10,000
<b>Total</b>	<b><u>1,44,14,825</u></b>
<b>6. Loans and Advances</b>	
Unsecured unless otherwise stated:	
Considered good:	
Advances and deposits recoverable in cash or in kind or for value to be received	1,44,99,762
Advance for purchase of assets	22,403
Advance Fringe Benefit Tax (Net of Provision)	8,945
	<b><u>1,45,31,110</u></b>
<b>7. Current Liabilities</b>	
Sundry Creditors	
— For Expenses	94,59,149
— Others	8,80,673
	<b><u>1,03,39,822</u></b>

## Schedules

	27 Jun 08 - 30 Sep 09 Rupees
<b>8. Other Income</b>	
Profit on sale of Current Investments	1,08,373
	<b><u>1,08,373</u></b>
<b>9. Establishment Expenses</b>	
Salary, Allowances and Bonus	52,75,913
Company's Contribution to Provident Fund, Gratuity and Superannuation	4,87,265
Staff Welfare Expenses	4,41,100
	<b><u>62,04,278</u></b>
<b>10. Administrative and Other Expenses</b>	
Rent	1,60,22,597
Rates and Taxes	24,60,552
Communication Expenses	9,28,137
Electricity Expenses	47,84,430
Travelling and Conveyance	2,70,114
Printing and Stationary	49,058
Outsourcing Cost	4,26,000
Insurance	3,62,429
Repairs and Maintenance	71,47,608
Miscellaneous Expenses	1,35,164
	<b><u>3,25,86,089</u></b>

## Schedules

### 11. NOTES TO THE ACCOUNTS

#### 1 SIGNIFICANT ACCOUNTING POLICIES

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

The preparation of the financial statements in conformity with generally accepted accounting principles requires the use of estimates and assumptions that affect the reported amount of assets and liabilities as at the Balance Sheet date, reported amounts of revenue and expenses during the period 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.

- 1.2 Income Recognition:

Income from services rendered is recognised on accrual basis.

- 1.3 Fixed Assets and Depreciation:

Fixed assets are stated at historical cost less accumulated depreciation.

Depreciation on assets is provided on the Written Down Value method at rates prescribed in Schedule XIV to the Companies Act, 1956. Assets costing Rs. 5,000 or less acquired during the period are fully depreciated.

- 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 Employee Benefits:

#### A) Short Term Employee Benefits

Short term employee benefits for services rendered by employees are recognised 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 and Pension Fund under the Employees Provident Fund Act on behalf of its employees.

- ii) Superannuation

The Company makes fixed contributions as a percentage on salary to the superannuation fund, which is administered by trustees and managed by the Life Insurance Corporation of India (LIC).

The above contributions are charged to the Profit and Loss Account.

##### Defined Benefit Plan

- i) Gratuity

The Company accounts its liability based on an actuarial valuation, as at the balance sheet date, using the Projected Unit Credit method. The company intends to create a group gratuity scheme account with an Insurance company.

- 1.6 Borrowing cost:

The company has capitalised the borrowing cost incurred for acquisition of fixed assets either up to the date of capitalisation or up to the date of repayment of borrowings, whichever is earlier.

## Schedules

### 11. NOTES TO THE ACCOUNTS (Contd.)

#### 1.7 Taxation:

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

#### 1.8 Intangible Assets:

Computer software acquired/developed are recorded as intangible assets and their cost is amortised over their expected 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 recognised 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 recognised 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.

#### 1.11 Preliminary Expenses:

Preliminary Expenses incurred for the incorporation of the company has been written off during the year.

### 2 BALANCE SHEET

#### 2.1 Fixed assets:

##### a) Intangible Assets:

In accordance with Accounting Standard - AS 26 – Intangible Assets, software purchased amounting to Rs. 13,24,898/- is amortised based on technical evaluation.

##### b) Borrowing cost:

During the period, the company has capitalised interest expenses amounting to Rs.20,39,300/- towards acquisition of fixed assets.

#### 2.2 Current Assets:

Sundry Debtors comprise receivable from Sundaram BNP Paribas Asset Management Company Limited amounting to Rs.17,18,896/-.

#### 2.3 Loans and Advances:

Advance Fringe Benefit Tax is net of Provision of Rs.4,727/-.

### 3 PROFIT AND LOSS ACCOUNT

#### 3.1 Employee Benefits:

##### Defined Contribution Plan:

During the period, the company has recognised the following amounts in the Profit and loss account, which are included in Establishment Expenses in Schedule 9:

Contribution to Provident Fund	Rs.	58,743
Contribution to Pension Fund	Rs.	1,33,331
Contribution to Superannuation Fund	Rs.	1,31,733



## Schedules

### 11. NOTES TO THE ACCOUNTS (Contd.)

3.2 Miscellaneous expenses under “Administrative and Other Expenses” includes remuneration towards:

Statutory Audit	Rs.	50,000
Certification	Rs.	50,000

#### 4 GENERAL

##### 4.1 Segment Reporting

The company is primarily engaged in “Registrar and transfer agents services and related services” which constitutes a single segment.

##### 4.2 Related Party Disclosures:

Related Party Disclosures as stipulated by Accounting Standard AS – 18 – Related Party Disclosures are given below:

##### a) Related Parties:

Joint Venture Promoters:

Sundaram Finance Limited  
Sundaram Business Services Limited  
BNP Paribas Securities Services

Fellow Subsidiaries:

Sundaram BNP Paribas Asset Management Company Limited  
Sundaram BNP Paribas Home Finance Limited  
Sundaram BNP Trustee Company Limited  
Sundaram Finance Distribution Limited  
LGF Services Limited  
Sundaram Infotech Solutions Limited  
Infreight Logistics Solutions Limited  
Professional Management Consultants Limited

Associate:

Sundaram BNP Paribas Mutual Fund

Key Management Personnel:

Mr. Shridhar Iyer – Chief Executive Officer

## Schedules

### 11. NOTES TO THE ACCOUNTS (Contd.)

#### b) Related Party Transactions for the period ended 30th September 2009

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

(Rupees)

Nature of Transactions	Joint Venture Promoters	Fellow Subsidiaries	Associate
<b>Income</b>			
Income From Operations			
Sundaram BNP Paribas Asset Management Company Limited		17,31,536	
<b>Expenses</b>			
Outsourcing cost			
Sundaram Business Services Limited	4,26,000		
Rental Charges			
Sundaram Finance Limited	13,20,000		
Interest			
Sundaram Business Services Limited	84,33,937		
<b>Assets</b>			
Purchase of software			
Sundaram Infotech Solutions Limited		48,97,037	
Investments in Trust Securities			
Sundaram BNP Paribas Mutual Fund			5,00,00,000
Asset – Outstanding Balance as on 30.09.2009			
Sundry Debtors			
Sundaram BNP Paribas Asset Management Company Limited		17,18,896	
Trust Securities			
Sundaram BNP Paribas Mutual Fund			5,00,00,000
<b>Liabilities</b>			
Issuance of Equity Shares			
Sundaram Finance Limited	15,15,00,000		
BNP Paribas Securities Services	14,70,00,000		
Others	15,00,000		
Inter corporate Loan obtained from			
Sundaram Business Services Limited	21,35,00,000		
Repayment of Inter corporate Loan to			
Sundaram Business Services Limited	21,35,00,000		
Liabilities – Outstanding Balance as on 30.09.2009			
Other payable			
Sundaram Finance Limited	1,05,827		

## Schedules

### 11. NOTES TO THE ACCOUNTS (Contd.)

- 4.3 There is no amount due to Small Scale Industries in terms of 'The Micro, Small and Medium Enterprises Development Act, 2006'.
- 4.4 Earnings per Share (Basic and diluted)
- |  |             |
|--|-------------|
| A. Loss for the period after tax (in Rs.)                          | 4,67,32,280 |
| B. Weighted Average Number of equity shares of Rs.10/-each paid up | 39,04,596   |
| C. Basic and diluted earnings per share (in Rs.)                   | (11.97)     |
- 4.5 Estimated amount of contracts remaining to be executed on capital account: Rs.2,53,98,000 (net of advances of Rs.14,62,17,000).
- 4.6 The company was incorporated on 27th June 2008. The financial statements pertain to the period from the date of incorporation to 30th September 2009. Therefore, there are no comparative figures for the previous period.
- 4.7 Figures have been rounded off to the nearest rupee.

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#### Signatures to Schedules 1 to 11

As per our report of even date attached

For **Brahmayya & Co.**,  
Chartered Accountants

**P. Babu**

Partner

Chennai

16th December, 2009

**Shridhar Iyer**

CEO

**Frederic Perard**

Director

**Didier Dauphin**

CFO

**P S Raghavan**

Chairman

**V Sriraman**

Secretary

## Cash Flow Statement

(Rupees)

	27 Jun 08 - 30 Sep 09	
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit	(4,67,32,280)	
Add: Provision for Taxation	(1,72,409)	(4,69,04,689)
Add: Financial Expenses		92,66,437
Depreciation		5,13,655
Profit on Sale of Investments		(1,08,373)
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>		<b>(3,72,32,970)</b>
(Increase) Decrease in Loans and Advances	(1,45,22,165)	
(Increase) Decrease in Current assets	(17,18,896)	
Increase (Decrease) in Current Liabilities	1,03,39,822	(59,01,239)
		(4,31,34,209)
Direct Tax Paid		13,672
<b>NET CASH FROM OPERATING ACTIVITIES (A)</b>		<b>(4,31,47,881)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets		(18,28,50,453)
Financial Expenses		(20,39,300)
Purchase of Investments		(8,00,00,000)
Sale of Investments		3,00,00,000
<b>NET CASH FROM INVESTING ACTIVITIES (B)</b>		<b>(23,48,89,753)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Issuance of share capital		30,00,00,000
Proceeds from short term borrowings		30,54,00,000
Repayment of short term borrowings		(30,54,00,000)
Financial Expenses		(92,66,437)
<b>NET CASH FROM FINANCING ACTIVITIES (C)</b>		<b>29,07,33,563</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS (A) + (B) + (C)</b>		<b>1,26,95,929</b>
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		—
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		1,26,95,929
<b>COMPONENTS OF CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>		
Current Accounts with Banks		1,26,85,929
Cash on Hand		10,000
		1,26,95,929

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

**P. Babu**  
Partner  
Chennai  
16th December, 2009

**Shridhar Iyer**  
CEO

**Frederic Perard**  
Director

**Didier Dauphin**  
CFO

**P S Raghavan**  
Chairman

**V Sriraman**  
Secretary

**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**

Information as required under Part IV of the Schedule VI of the Companies Act, 1956

**I Registration Details**

Registration No.	U 6 7 1 2 0 T N 2 0 0 8 P L C 0 6 8 3 8 8	State Code	1 8
Balance Sheet Date	3 0      0 9      2 0 0 9		
	Date      Month      Year		

**II Capital Raised during the Year (Amount in Rs. Thousands)**

Public Issue	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> N I L	Rights Issue	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>
Bonus Issue	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> N I L	Private Placement	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>

**III Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)**

Total Liabilities	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>	Total Assets	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>
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**Sources of Funds**

Paid up Capital	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>	Reserves & Surplus	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>
Secured Loans	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> N I L	Unsecured Loans	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>

**Applications of Funds**

Net Fixed Assets	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>	Investments	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>
Deferred Tax Asset (net)	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>	Net Current Assets	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>
Misc. Expenditure	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> N I L	Accumulated Loss	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>

**IV Performance of Company (Amount in Rs. Thousands)**

Turnover	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>	Total Expenditure	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>
+ - Profit / (Loss) Before Tax	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>	+ - Profit / (Loss) After Tax	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>
<input type="checkbox"/> <input checked="" type="checkbox"/>	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>	<input type="checkbox"/> <input checked="" type="checkbox"/>	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>

(Please tick appropriate box + for profit, - loss)

Earnings Per Share      Rs.      Ps.

<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>	- 1 1 . 9 7
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Dividend Rate %

<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>	0 0
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**V Generic Names of Three Principal Products / Services of Company (As per monetary terms)**

Item Code No. (ITC Code)      Not Applicable

Product / Service Description	R E G I S T R A R S	T O	A N	I S S U E
	A N D	S H A R E	T R A N S F E R	A G E N T



***SUNDARAM BNP PARIBAS***  
**— FUND SERVICES —**

**Registered Office**

No. 21, Patillos Road,  
Chennai – 600 002  
Phone: 044 2852 1181  
Fax: 044 2858 6641

**Corporate Office**

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Thiru Vi Ka Industrial Estate,  
Guindy, Chennai 600 032  
Phone: 044 2250 4700  
Fax: 044 2250 1379, 044 2250 1384