

Sundaram BNP Paribas Fund Services Limited

Eighth Annual Report
2015-16



SUNDARAM BNP PARIBAS
— *FUND SERVICES* —

Board of Directors

T.T. Srinivasaraghavan	Chairman
A.N. Raju	
S. Venkatesan	
R. Venkatraman	
Soundara Kumar	
Philippe Ricard	
Christophe Beelaerts	

Audit Committee

R.Venkatraman	Chairman
Soundara Kumar	
Christophe Beelaerts	

Nomination and Remuneration Committee

Soundara Kumar	Chairman
R. Venkatraman	
A.N. Raju	

Compliance and Risk Management Committee

P. Viswanathan
Greg Nichols
Prashant Soni
S. Parthasarathy

Chief Executive Officer

Prashant Soni

Chief Financial Officer

S. Parthasarathy

Company Secretary

S. Srinivas Prashanth

Registered Office

No.21, Patullos Road, Chennai – 600 002
Phone No: 044 2852 1181, Fax: 044 2858 6641
CIN: U67120TN2008PLC068388

Corporate Office

RR Towers 2, Third Floor,
Thiru vi. ka. Industrial Estate, Guindy, Chennai – 600 032
Phone No: 044 2250 4700, Fax: 044 2250 1379, 044 2250 1384
email: info@sundarambnpparibasfs.in
website: www.sundarambnpparibasfs.in

Auditors

M/s. Brahmaya & Co., Chartered Accountants
48, Masilamani Road, Balaji Nagar, Royapettah, Chennai 600 014

Bankers

BNP Paribas
HDFC Bank Limited
State Bank of Travancore

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BOARD'S REPORT

To the Members

Your Directors have pleasure in presenting the Eighth Annual Report along with the audited financial statements for the year ended March 31, 2016.

Review of Operations

During the period under review, your Company had earned an income of ₹2791.05 lakhs, which was higher by 26.8% against ₹2201.60 lakhs in the previous year. Total expenditure amounted to ₹3530.69 lakhs against ₹3253.93 lakhs in the previous year. The Company recorded a net loss of ₹793.39 lakhs against ₹946.10 lakhs in the previous year and hence no dividend is recommended.

The increase in income was mainly due to incremental revenue from existing clients, on account of positive movement of their Assets Under Management compared to last year and revenue from new clients. There is an increased focus on productivity and cost efficiency of operations.

Share Capital

During the year under review, the paid-up share capital of the Company was reduced from ₹94,50,00,000 to ₹24,00,30,000. Subsequently, your Company issued and allotted equity shares amounting to ₹11,00,00,000 to Sundaram Finance Ltd and BNP Paribas Securities Services on rights basis to meet capital expenditure and working capital requirements. The paid-up equity share capital of the Company, at present, stands at ₹35,00,30,000.

Board of Directors

The Board of Directors of the company is vested with general power of superintendence, direction and management of the affairs of the

Company. The Board of Directors monitor and review the functioning of the Company. During the year under review, seven Board Meetings were held.

Mr. P. S. Raghavan stepped down as the Chairman and Director of the Company during May 2015. Mr. P. S. Raghavan was associated with the Company since its inception. Mr. K. Swaminathan, Mr. Lawrence Au and Mr. Stephane Gaboriaud also resigned as Directors in May 2015. Your Directors place on record the contribution and valuable services provided by them to the Company.

Mr. T. T. Srinivasaraghavan and Mr. Christophe Beelaerts were appointed as Directors of the Company in May 2015. Further, Mr. T. T. Srinivasaraghavan was appointed as Chairman of the Board of Directors. Your Directors welcome them to the Board.

Mr. A.N. Raju, Director, retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. The Board recommends his re-appointment for your approval.

Declaration by Independent Directors

The Company has received necessary declaration from each Independent Director as required under Section 149(7) of the Companies Act, 2013 that the Independent Directors of the Company meet with the criteria of their Independence laid down in Section 149 (6).

Meeting of Independent Directors

The Independent Directors of the Company met once during the year and conducted the reviews and assessments in accordance with requirements under section 149(8) read with Schedule IV of the Companies Act, 2013.

Annual Evaluation by the Board

The Board has made a formal evaluation of its own performance and that of its committees and individual directors as required under the Companies Act, 2013. The criteria considered for carrying out the evaluation form part of Annexure I (i).

Board Committees

1. Audit Committee

The Audit Committee reviews the financial accounting policies, adequacy of internal control systems and system audit and interacts with the statutory auditors and internal auditors. Besides, the Committee reviews the audit plans, unaudited financials every quarter, annual financials, related party transactions, observations of the internal auditors on internal control and follow up reports of the management.

Mr. Christophe Beelaerts joined the Committee as a member in place of Mr. Philippe Ricard in May 2015. The members of the Audit Committee are Mr. R. Venkatraman, Mrs. Soundara Kumar and Mr. Christophe Beelaerts. During the year, seven meetings of the Committee were held.

The Company Secretary is the Secretary to the Committee.

2. Nomination and Remuneration Committee

This Committee lays down the criteria for evaluation of the Board and non-independent directors for the purpose of review of their performance at a separate meeting of the Independent Directors. Further, the Committee also lays down the policy relating to the remuneration of the directors, key managerial personnel and other employees which, inter alia, includes the principles for identification of persons who are qualified to become directors.

The criteria laid down for evaluation of the directors and the remuneration policy, as approved by the Board, are attached as part of this report vide Annexures I (i) and (ii) respectively.

Mr. R. Venkatraman, Mrs. Soundara Kumar and Mr. A.N. Raju are the members of the Nomination and Remuneration Committee. During the year, the Committee met three times.

The Company Secretary is the Secretary to the Committee.

Key Managerial Personnel

During the year under review, (i) Mr. Shridhar Iyer resigned as the Chief Executive Officer and Mr. R. Ajith Kumar resigned as Company Secretary. (ii) Mr. Prashant Soni was appointed as the Chief Executive Officer and Mr. S. Srinivas Prashanth was appointed as the Company Secretary under Sec 203 of the Companies Act 2013 read with Rule 8 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Risk Management

Your Company has framed the Compliance, Risk & Audit framework that supports implementation of risk management requirements and enhances the practice of managing risks across various functions in the Company. The Company has an internal Compliance and Risk Management Committee which reviews and monitors the risks facing the Company, at periodic intervals.

Risk Control and Mitigation mechanisms are constantly reviewed for their effectiveness and suitable changes are introduced to dynamically adapt them to the changing business environment. Operational risks that may arise on account of processes, people and systems are continuously reviewed and monitored by a dedicated team.

During the year, the Compliance and Risk Management Committee was reconstituted. The present members of the Committee are:

- a) Mr. P. Viswanathan
- b) Mr. Greg Nichols
- c) Mr. Prashant Soni
- d) Mr. S. Parthasarathy

The Company Secretary is the Secretary to the Committee.

Details of significant and material orders passed by the Regulators

During the year 2015-16, no significant and material orders were passed by the Regulators or Courts or Tribunals impacting the going concern status and company's operations in future.

Internal Control System

The Company has adequate internal control systems commensurate with nature and size of the business activity with regard to efficiency of its financial reporting. The internal financial control systems have been designed to ensure that all assets are safeguarded and protected against any loss from unauthorized use or disposition and that the transactions are authorized, recorded and reported correctly. The Company has guidelines and procedures in place and carries out extensive and regular internal control programs and policy reviews to ensure that the internal control systems are adequate enough to protect the Company against any loss and safeguard the Company's assets.

The internal financial control system is supplemented by audits conducted by the Internal Auditors. The Audit Committee of the Board of Directors reviews the reports of the Auditors at its periodical meetings.

Deposits

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

Extract of the annual return

The extract of the annual return pursuant to Section 134(3)(a) and Section 92(3) of the Act read with Rule 12 (1) of the Companies (Management and Administration) Rules, 2014 in Form No. MGT – 9 is attached to this report as Annexure II

Personnel

Your Company had 238 employees on its rolls as on March 31, 2016. Your Company had carried out various employee engagement activities during the year.

Remuneration to Employees

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.

Disclosure under The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

Your 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. An Internal Complaints Committee (ICC) has been set up to redress complaints, if any, regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy. One complaint was received and redressed during the year.

Disclosure under section 134(3)(ca)

During the year, it was identified that two former employees had misused funds related to investments in mutual fund schemes to the extent of ₹22.27 Lakhs. The Company has taken remedial steps to prevent recurrence and also ensured that the concerned investors did not suffer any loss.

Conservation of energy, technology absorption and foreign exchange earnings and outgo

- a) Your Company has no activity relating to conservation of energy or technology absorption
- b) Foreign exchange earnings and Outgo:

During 2015-16, your Company did not have any foreign currency earnings. The Company incurred expenditure equivalent to ₹31.28 lakhs (FY 2014-15: ₹14.52 lakhs) in foreign exchange.

Particulars of loans, guarantees or investments under section 186

During the year under review, your Company has not given any loan or guarantee or provided any security or made any investments under section 186 of the Companies Act, 2013.

Particulars of contracts or arrangements with related parties

During the year, all transactions entered into by the Company with the related parties were in the ordinary course of business and on an arm's length basis. Form AOC-2, as required under Section 134 (3) (h) of the Act, read with Rule 8 (2) of the Companies (Accounts) Rules 2014, is attached as part of this report vide Annexure III.

Corporate Social Responsibility (CSR)

The provisions of Sec.135 of the Companies Act 2013 relating to Corporate Social Responsibility are not applicable to your Company.

Secretarial Audit Report

Secretarial Audit Report as provided by M/s. M. Damodaran & Associates in terms of Section 204 of the Companies Act, 2013 and the rules issued thereunder is annexed to this Report vide Annexure IV.

Directors' Responsibility Statement

In terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013, your directors confirm that:

- a) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b) the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the

state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;

- c) the directors have 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.

Statutory Auditors

M/s Brahmaya & 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.

Acknowledgement

Your Directors thank Sundaram Finance Limited, BNP Paribas Securities Services, Regulators and Banks for their support.

Your Directors also place on record their appreciation of the dedication and commitment displayed by the employees of your Company.

For and on behalf of the Board of Directors

Place: Chennai

Date: May 07, 2016

T T Srinivasaraghavan

Chairman

Annexure I (i)

Criteria for evaluation

Criteria for evaluation of the Board and non-independent Directors at a separate meeting of the Independent Directors

1. Composition of the Board and availability of multi-disciplinary skills
Whether the Board comprises of Directors with sufficient qualifications and experience in diverse fields to make the Company a versatile institution
2. Commitment to good corporate governance principles
 - a) Whether the Company practises high ethical and moral standards
 - b) Whether the Company is fair and transparent in all its dealings with the stake holders
3. Adherence to Regulatory Compliance
Whether the Company adheres to the required regulations
4. Financial performance
Whether the Company has been recording satisfactory financial performance year on year
5. Effectiveness of Risk Management System
Whether the Company has an effective risk management system in place covering:
 - a) Strategic risk
 - b) Operational risk
 - c) Technology related risk
6. Strategy
Whether the Board looks at strategic issues and takes long term views

Criteria for evaluation of Chairman at a separate meeting of the Independent Directors

1. Leadership qualities
2. Standard of Integrity
3. Understanding of macro-economic trends and micro industry trends
4. Future vision
5. Ensuring different stakeholders have full opportunity to air and discuss their views

Criteria for evaluation of Independent Directors by the entire Board

1. Qualification and experience
2. Standard of Integrity
3. Attendance in Board Meetings either in person or otherwise
4. Understanding of Company's business
5. Value addition in Board Meetings
6. Whether interest of all the shareholders are looked after equally

Criteria for evaluation of Audit Committee by the Board

1. Qualification and experience of members
2. Depth of review of financial performance
3. Oversight of Audit & Inspection
4. Review of Regulatory Compliance

For and on behalf of the Board of Directors

Place: Chennai
Date: May 07, 2016

T T Srinivasaraghavan
Chairman

Annexure - I (ii)

Remuneration Policy

Sundaram BNP Paribas Fund Services Limited (hereinafter referred to as 'the Company') has formulated performance based remuneration structures for its employees at all levels, so as to provide ample opportunity for inclusive growth, supported with adequate learning. Accordingly, the remuneration structure is based on the qualification and skill levels at the time of joining the organisation and reviewed on a yearly basis by way of an assessment of their actual performance, through a robust "Performance Management System".

The components forming part of the compensation structure for each grade are designed to reward performance as well as to mitigate some of the location based hardships faced by the employees.

Section 178(2), (3) and (4) of the Companies Act, 2013 read with the applicable rules thereto provide that the Nomination and Remuneration Committee (NRC) shall identify persons who are qualified to become Directors and shall also recommend to the Board a policy, relating to the remuneration for Directors, Key Managerial Personnel, Senior Management and other employees.

Accordingly, the NRC recommends the following Remuneration Policy of the Company so as to ensure that:

- a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the company successfully.
- b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- c) remuneration to working directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the company and its goals.

The following policy shall be hereinafter referred to as "Remuneration Policy of Sundaram BNP Paribas Fund Services Limited".

I Definitions

- a) "Remuneration" means any monetary benefit or its equivalent

extended to any person for services rendered by him/her and includes perquisites as defined under the Income-tax Act, 1961.

- b) "Key Managerial Personnel" means,
 - i) Managing Director, Chief Executive Officer or Manager;
 - ii) Whole-time Director;
 - iii) Chief Financial Officer;
 - iv) Company Secretary.
- c) "Senior Management", defined by the Board of Directors and as may be modified from time to time, means all direct reportees to Chief Executive Officer.
- d) "Employee" will mean an employee who has been appointed on the rolls of Sundaram BNP Paribas Fund Services Limited (hereinafter referred to as 'the Company') and has been issued an appointment order by the Company.

II Board Diversity

It will be the endeavour of the Company to attract people to be on the Board of our Company as Directors from variety of backgrounds which are appropriate to the business interests of the Company. To this end, our Directors over the past years have come from backgrounds as varied as securities services, banking and other financial services including NBFC and accounting profession.

III Remuneration Pattern

The NRC lays down the following remuneration pattern for Non-executive Directors and Independent Directors, Executive Directors, Key Managerial Personnel, Senior Management and other employees under the Remuneration Policy:

1. The remuneration payable to Non-Executive Directors and Independent Directors shall consist of:
 - a) Sitting fees for attending the meetings of the Board and sub-committees of the Board, within the limit prescribed under the Companies Act, 2013;

- b) Commission for each financial year, within the limits specified under the Companies Act, 2013 as may be decided by the Board of Directors;
 - c) Reimbursement of expenses for attending meetings of the Board and sub-committees of the Board.
2. The remuneration payable to Whole-time Directors, who are appointed based on Shareholders' approval, shall consist of:
- a) Salary, allowances, commission and perquisites;
 - b) Commission for each financial year, as may be decided by the Board of Directors, based on the recommendations of the NRC;
 - c) Minimum Remuneration in any financial year, when the Company has no profits or its profits are inadequate, by way of salary, allowances, commission and perquisites not exceeding the limits specified in Part II of Section II of Schedule V to the Companies Act, 2013 or such other limits as may be prescribed by the Government from time to time as minimum remuneration.

The overall remuneration payable to Directors, including Executive Directors, shall be within the limits prescribed under Section 197 of the Companies Act, 2013 read with Schedule V.

3. The remuneration payable to Key Managerial Personnel, Senior Management and other employees of the company shall consist

of Salary, allowances, perquisites and variable components reflecting the short and long term performance objectives appropriate to the working of the Company, which are aligned to industry standards.

IV Implementation of the Remuneration Policy

The remuneration payable to Non-executive Directors and Independent Directors shall be determined by the Board of Directors, after taking into account their performance and contribution.

The Remuneration Policy of the Company, to the extent applicable to Key Managerial Personnel other than Executive Directors, Senior Management and other employees shall be monitored by the Managing Director/Whole Time Director/CEO, who shall take appropriate steps to ensure that the remuneration is commensurate with their experience, qualification, responsibilities, contributions, performance and industry standards.

The NRC shall take suitable steps to issue guidelines, procedures and such other steps as may be considered appropriate from time to time, for effective implementation of the Remuneration Policy.

For and on behalf of the Board of Directors

Place: Chennai

T T Srinivasaraghavan

Date: May 07, 2016

Chairman

Annexure II

Form No. MGT-9

Extract of Annual Return as on the financial year ended on 31st March 2016

[Puruant 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)	C I N	U67120TN2008PLC068388
ii)	Registration Date	27/06/2008
iii)	Name of the Company	Sundaram BNP Paribas Fund Services Limited
iv)	Category / Sub-Category of the Company	Public Company / Company having Share Capital
v)	Address of the Registered office and contact details	21 Patullos Road, Chennai 600 002 Tel: 044-2852 1181
vi)	Whether listed Company	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 & Description of main products / services	NIC Code of the product / service	% to total turnover of the company
1	Registrars and Transfer Agents services	As per National Industrial Classification - 2008: Section K - Financial and Insurance Activities Division 66 - Other financial activities	83.37%
2	Fund Accounting Services	As per National Industrial Classification - 2008: Section M - Professional, Scientific and Technical Activities Division 69 - Legal and accounting activities	16.27%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. 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 600 002	L65191TN1954PLC002429	Holding	51%	Sec. 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.	PROMOTER									
1)	Indian									
a)	Individual / HUF	-	-	-	-	-	-	-	-	-
b)	Central Govt	-	-	-	-	-	-	-	-	-
c)	State Govt(s)	-	-	-	-	-	-	-	-	-
d)	Bodies Corp.	-	4,81,95,000	4,81,95,000	51%	-	1,78,51,530	1,78,51,530	51%	-
e)	Banks / FI	-	-	-	-	-	-	-	-	-
f)	Any Other	-	-	-	-	-	-	-	-	-
	Sub Total A(1)	-	4,81,95,000	4,81,95,000	51%	-	1,78,51,530	1,78,51,530	51%	-
2)	Foreign									
a)	NRIs - Individuals	-	-	-	-	-	-	-	-	-
b)	Other Individuals	-	-	-	-	-	-	-	-	-
c)	Bodies Corp.	-	4,63,05,000	4,63,05,000	49%	-	1,71,51,470	1,71,51,470	49%	-
d)	Banks / FI	-	-	-	-	-	-	-	-	-
e)	Any Other	-	-	-	-	-	-	-	-	-
	Sub Total A(2)	-	4,63,05,000	4,63,05,000	49%	-	1,71,51,470	1,71,51,470	49%	-
	Total Shareholding of promoter (A) = (A)(1)+(A)(2)	-	9,45,00,000	9,45,00,000	100%	-	3,50,03,000	3,50,03,000	100%	-
B.	Public Shareholding									
1)	Institutions	-	-	-	-	-	-	-	-	-
a)	Mutual Funds	-	-	-	-	-	-	-	-	-
b)	Banks / FI	-	-	-	-	-	-	-	-	-
c)	Central Govt	-	-	-	-	-	-	-	-	-
d)	State Govt(s)	-	-	-	-	-	-	-	-	-

	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	
e)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
f)	Insurance Companies	-	-	-	-	-	-	-	-	-
g)	FIIIs	-	-	-	-	-	-	-	-	-
h)	Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i)	Others (Specify)	-	-	-	-	-	-	-	-	-
	Sub Total B(1)	-	-	-	-	-	-	-	-	-
2)	Non-Institutions									
a)	Bodies Corp.									
i)	Indian	-	-	-	-	-	-	-	-	-
ii)	Overseas	-	-	-	-	-	-	-	-	-
b)	Individuals									
i)	Individual shareholders holding nominal share capital upto ₹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 & ADRs	-	-	-	-	-	-	-	-	-
	Grand Total (A + B + C)	-	9,45,00,000	9,45,00,000	100%	-	3,50,03,000	3,50,03,000	100%	-
% Change During the year - There is no change in % to total shares. Hence given “-”										

(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 share holding 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	4,81,95,000	51%	-	1,78,51,530	51%	-	-
2	BNP Paribas Securities Services	4,63,05,000	49%	-	1,71,51,470	49%	-	-

(iii) Change in Promoter's Shareholding (Please specify, if there is no change)

Sl. No	Shareholder's Name and other particulars	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	Sundaram Finance Limited				
	At the beginning of the year	4,81,95,000	51%	4,81,95,000	51%
	Reduction of Share Capital 1st September 2015	- 3,59,53,470	-	1,22,41,530	51%
	Allotment of shares on rights basis 27th October 2015	56,10,000	-	1,78,51,530	51%
	At the End of the year	-	-	1,78,51,530	51%
2	BNP Paribas Securities Services				
	At the beginning of the year	4,63,05,000	49%	4,63,05,000	49%
	Reduction of Share Capital 1st September 2015	-3,45,43,530	-	1,17,61,470	49%
	Allotment of shares on rights basis 27th October 2015	53,90,000	-	1,71,51,470	49%
	At the End of the year	-	-	1,71,51,470	49%

Note: There is no change in the shareholding percentage of the respective Promoters.

(iv) Shareholding pattern of top ten shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs)

Sl. No	For Each of the Top 10 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	-	-	-	-
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.):	-	-	-	-
	At the End of the year	-	-	-	-

(v) Shareholding of Directors and Key Managerial Personnel

Sl. No	Name of the Directors / 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	Mr. A.N. Raju At the beginning of the year - held jointly with others as a nominee of Sundaram Finance Limited	1	Negligible	1	Negligible
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g Allotment / Transfer / Bonus / Sweat Equity, etc.)	Nil			
	At the End of the year - held jointly with others as a nominee of Sundaram Finance Limited	-	-	1	Negligible

Note: None of the other Directors or KMP held shares of the Company in any capacity.

V. INDEBTEDNESS**Indebtedness of the Company including interest outstanding / accrued but not due for payment**

	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				
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 MD/WTD/Manager			Total Amount
		-----	-----	-----	
1	Gross Salary				
	a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	-	-	-	-
	b) Value of Perquisites u/s 17(2) of the Income Tax Act, 1961	-	-	-	-
	c) Profits in lieu of salary under Section 17(3) of the Income tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission				
	- as % of Profits	-	-	-	-
	- Others, specify	-	-	-	-
5	Others, please specify	-	-	-	-
	Total (A)	-	-	-	-
	Ceiling as per the Act				Not Applicable

B. Remuneration to Other Directors

Sl. No	Particulars of Remuneration	Name of the Directors		Total Amount
		Mr. R. Venkatraman	Mrs. Soundara Kumar	
1	Independent Directors			
	- Fee for attending Board/Committee meetings	3,20,000	2,30,000	5,50,000
	- Commission	-	-	-
	- Others, Please Specify	-	-	-
	Total (1)	3,20,000	2,30,000	5,50,000
2	Other Non-Executive Directors			
	- Fee for attending Board/Committee meetings	-	-	-
	- Commission	-	-	-
	- Others, please specify	-	-	-
	Total (2)	-	-	-
	Total (B) = (1 +2)	3,20,000	2,30,000	5,50,000
3	Total Managerial Remuneration (A + B)	-	-	5,50,000
	Overall Ceiling as per the Act			Not Applicable

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

Sl. No	Particulars of Remuneration	Key Managerial Personnel			
		CEO ¹	Company Secretary ²	CFO	Total
1	Gross Salary				
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	42,41,370	7,02,066	22,50,608	71,94,044
	(b) Value of Perquisites u/s 17(2) of the Income Tax Act, 1961	21,548	-	-	21,548
	(c) Profits in lieu of salary under Section 17(3) of the Income tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission				
	- as % of Profits	-	-	-	-
	- Others, specify	-	-	-	-
5	Others, please specify	-	-	-	-
	Total	42,62,919	7,02,066	22,50,608	72,15,593

1. Salary for the period 08th May 2015 to 31st March 2016

2. Salary for the period 21st October 2015 to 31st March 2016

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES

	Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A.	COMPANY					
	Penalty					
	Punishment			Nil		
	Compounding					
B.	DIRECTORS					
	Penalty					
	Punishment			Nil		
	Compounding					
C.	OTHER OFFICERS IN DEFAULT					
	Penalty					
	Punishment			Nil		
	Compounding					

For and on behalf of the Board of Directors

Place: Chennai

Date: May 07, 2016

T T Srinivasaraghavan

Chairman

Annual Report
2015-2016

Annexure III

Form No. AOC -2

(Pursuant to clause(h) of sub section (3) of Section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014.

1. Details of contracts or arrangements or transactions not at arm's length basis
Nil
2. Details of material contracts or arrangement or transactions at arm's length basis.

The details of transactions entered into by the Company during the year with related parties at arm's length basis are provided under note 19.4 of the annual accounts.

For and on behalf of the Board of Directors

Place: Chennai
Date: May 07, 2016

T T Srinivasaraghavan
Chairman

Annexure IV

Form No. MR-3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31.03.2016

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To
The Members,
SUNDARAM BNP PARIBAS FUND SERVICES LIMITED
CIN-U67120TN2008PLC068388
21, Patullos Road,
Chennai - 600002

- i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment;
- v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding dealing with client;

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. SUNDARAM BNP PARIBAS FUND SERVICES LIMITED (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

Based on my verification of M/s. SUNDARAM BNP PARIBAS FUND SERVICES LIMITED'S books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31.03.2016 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by M/s. SUNDARAM BNP PARIBAS FUND SERVICES LIMITED for the financial year ended on 31.03.2016 according to the provisions of:

I have also examined compliance with the applicable clauses of the following:

Secretarial Standards (SS-1) – Board Meeting and Secretarial Standards (SS-2) – General Meeting issued by The Institute of Company Secretaries of India.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc., mentioned above and there are no other specific observations requiring any qualification on non-compliances.

I further report that the Board of Directors of the Company is duly constituted with Non-Executive Directors and Independent Directors.

The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, the agenda were sent at least seven days in advance and detailed notes on agenda in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period the company has:

- i. obtained certified copy of the Order dated 14.08.2015 under Sections 100 to 104 of the Companies Act, 1956 and such other provisions as may be applicable under the Companies Act, 2013 from The Hon'ble High Court of Madras for reduction of share capital of the Company from ₹94,50,00,000 to ₹24,00,30,000; and
- ii. allotted 1,10,00,000 equity shares ₹10/- each on rights basis vide resolution dated 27.10.2015.

Place: Chennai.

For **M. Damodaran & Associates**

Date: 07.05.2016

M. Damodaran
(FCS No. 5837)
(C. P No. 5081)

INDEPENDENT AUDITOR'S REPORT

To the Members of Sundaram BNP Paribas Fund Services Limited

1. Report on the Financial Statements

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

2. Management's Responsibility for the Financial Statements

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

3. Auditor's Responsibility

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

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

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

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

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

4. Opinion

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

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2016;
- b) in the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

5. Report on Other Legal and Regulatory Requirements

- (i) As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section 11 of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in paragraph 3 and 4 of the Order.
- (ii) As required by Section 143 (3) of the Act, we report that:
- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the Operating Effectiveness of such controls, refer to our separate report in "Annexure B"
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. the Company has disclosed the effect of the pending legal proceedings against it in its financial statements as mentioned in Note 19.6 of the Notes to the Accounts;
 - ii. the Company did not have any long term contracts including derivative contracts;
 - iii. there was no amount to be transferred to the Investor Education and Protection Fund by the Company.

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

P. BABU
Partner

Place: Chennai
Date: 07-05-2016

Membership No. 203358

Sundaram BNP Paribas Fund Services Limited “Annexure A” to the Auditors’ 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.
- c) The Company does not own any immovable property.
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, Limited Liability partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, clauses (iii) (a), (b) and (c) of paragraph 3 of the Order are not applicable to the Company for the year.
3. In our opinion and according to the information and explanations given to us, the company has not granted any loans, made any investments or provided any guarantee or security as envisaged under Section 185 and Section 186 of the Companies Act, 2013 respectively.
4. The Company has not accepted any deposits from the public.
5. The Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act.
6. i) In our opinion and according to the information and explanations given to us, undisputed statutory dues, including Provident Fund, Employees State Insurance, Income tax, sales tax, Service tax, value added tax, cess and other material statutory dues have been regularly deposited during the year with the appropriate authorities. According to the information and explanations given to us, there are no arrears of statutory dues which are outstanding as at 31st March 2016 for a period of more than six months from the date they became payable.
- ii) In our opinion and according to the information and explanations given to us, there are no dues of Income Tax, Service tax and Sales tax which have not been deposited on account of any dispute.
7. The Company does not have any borrowings from banks, financial institutions, government or by issue of debentures.
8. The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) or by way of term loans.
9. 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 was noticed or reported and an incident of fraud on the Company by two former employees of the company for a sum of ₹22,26,878/- through unauthorised transfer was detected by the company as elaborated in Note 19.5 of the Notes to the Accounts.
10. The Company has paid/provided for managerial remuneration within the limits of Section 197 read with Schedule V to the Act.
11. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with related parties are in compliance with Section 177 and Section 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards
12. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
13. In our opinion and according to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them.
14. 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), clause (xii) and clause (xvi) of paragraph 3 of the Companies (Auditor’s Report) Order, 2016 is not applicable to the Company for the year.

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

P. BABU
Partner

Place: Chennai
Date: 07-05-2016

Membership No. 203358

Sundaram BNP Paribas Fund Services Limited

“Annexure B” to the Auditors’ Report referred to in Paragraph 5 of our report of even date

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

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

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (‘ICAI’).

These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ Responsibility

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

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

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

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

P. BABU
Partner

Place: Chennai
Date: 07-05 2016

Membership No. 203358

Balance Sheet as at 31st March, 2016

(in ₹)

Particulars	Note No.	31st March, 2016		31st March, 2015	
I EQUITY AND LIABILITIES					
1. Shareholders' Funds					
(a) Share Capital	2	35,00,30,000		94,50,00,000	
(b) Reserves and Surplus	3	(11,00,33,084)		(73,56,63,372)	
(c) Money received against share warrants		-	23,99,96,916	-	20,93,36,628
2. Share application money pending allotment					
3. Non-Current Liabilities					
(a) Long-term borrowings		-		-	
(b) Deferred tax liabilities	4	98,46,945		44,71,286	
(c) Other long-term liabilities	5	65,00,000		-	
(d) Long-term provisions		-	1,63,46,945	-	44,71,286
4. Current Liabilities					
(a) Short-term borrowings		-		-	
(b) Trade payables	6				
(A) total outstanding dues of micro enterprises and small enterprises		-		-	
(B) total outstanding dues of creditors other than micro enterprises and small enterprises		6,51,84,421		2,77,86,317	
(c) Other Current liabilities		-		-	
(d) Short-term provisions	7	1,55,20,319	8,07,04,740	92,47,834	3,70,34,151
Total			33,70,48,601		25,08,42,065
II ASSETS					
1. Non-current assets					
(a) Fixed Assets	8				
(i) Tangible assets		3,19,38,797		1,88,29,671	
(ii) Intangible assets		4,88,34,571		1,77,88,155	
(iii) Capital work-in-progress		-		-	
(iv) Intangible assets under development		-		-	
(b) Non-current investments		-		-	
(c) Deferred tax assets		-		-	
(d) Long-term loans and advances	9	5,61,82,300		3,14,27,608	
(e) Other non-current assets		-	13,69,55,668	-	6,80,45,434
2. Current Assets					
(a) Current investments	10	13,19,35,341		11,63,76,765	
(b) Trade receivables	11	4,21,81,293		4,98,52,629	
(c) Cash and Bank Balances	12	85,24,692		78,03,740	
(d) Short-term loans and advances	13	1,74,51,607		87,63,497	
(e) Other current assets		-	20,00,92,933	-	18,27,96,631
Total			33,70,48,601		25,08,42,065

Significant Accounting policies and Notes to the Accounts - 1 to 19

As per our report of even date attached
For **Brahmayya & Co.,**
Chartered Accountants
FRN 000511S

T.T. Srinivasaraghavan
Chairman

Christophe Beelaerts
Director

P. Babu
Partner
Membership No. 203358
Chennai
7th May, 2016

Prashant Soni
CEO

S Parthasarathy
CFO

S.Srinivas Prashanth
Company Secretary

SUNDARAM BNP PARIBAS FUND SERVICES LIMITED

SUNDARAM BNP PARIBAS FUND SERVICES LIMITED
Profit and Loss Statement for the year ended 31st March, 2016

(in ₹)

Particulars	Note No.	01 Apr 15 - 31 Mar 16	01 Apr 14 - 31 Mar 15
INCOME:			
Revenue from Operations	14	30,46,09,832	23,57,48,108
Less: Service Tax		<u>3,72,94,318</u>	<u>2,59,33,132</u>
Net Income from Operations		26,73,15,514	20,98,14,976
Other Income	15	1,17,90,178	1,03,45,408
Total Revenue		<u>27,91,05,692</u>	<u>22,01,60,384</u>
EXPENSES:			
Employee Benefits	16	13,09,58,794	10,86,79,521
Administrative and Other Expenses	17	18,83,99,055	15,92,48,316
Financial Expenses	18	6,86,189	20,48,796
Depreciation	8	3,30,25,707	5,54,17,015
Total expenses		<u>35,30,69,745</u>	<u>32,53,93,648</u>
Loss before Tax		7,39,64,053	10,52,33,264
Taxation			
Current Tax		-	-
Deferred Tax		53,75,659	(1,06,23,167)
		53,75,659	(1,06,23,167)
Loss after Tax from continuing operations		<u>7,93,39,712</u>	<u>9,46,10,097</u>
Earnings per Equity Share :			
Weighted Average Number of Shares considered (Face Value ₹10/- per share)		5,81,91,637	5,81,91,637
Basic and Diluted earnings per share (in ₹)		(1.36)	(1.63)

Significant Accounting policies and Notes to the Accounts - 1 to 19

 As per our report of even date attached
 For **Brahmayya & Co.**,
 Chartered Accountants
 FRN 000511S
P. Babu
 Partner
 Membership No. 203358
 Chennai
 7th May, 2016

T.T. Srinivasaraghavan
 Chairman

Prashant Soni
 CEO

S Parthasarathy
 CFO

Christophe Beelaerts
 Director

S.Srinivas Prashanth
 Company Secretary

Cash Flow Statement for the year ended 31st March 2016

(in ₹)

	01 April 15 - 31 March 16		01 April 14 - 31 March 15	
A) CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit	(7,93,39,712)		(9,46,10,097)	
Add: Deferred Tax	53,75,659	(7,39,64,053)	(1,06,23,167)	(10,52,33,264)
Add: Financial Expenses		6,86,189		20,48,796
		(7,32,77,864)		(10,31,84,468)
Depreciation		3,30,25,707		5,54,17,015
Interest Income		(1,833)		(14,67,284)
Gain on Sale of Investments		(1,12,03,474)		(71,76,184)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		(5,14,57,464)		(5,64,10,921)
(Increase) Decrease in Non-Current Assets	(2,47,54,692)		64,14,312	
(Increase) Decrease in Short term Loans and Advances	(86,88,110)		8,28,143	
(Increase) Decrease in Current assets	76,71,336		(2,09,35,324)	
Increase (Decrease) in Current Liabilities	4,36,70,589	1,78,99,122	8,43,824	(1,28,49,044)
		(3,35,58,342)		(6,92,59,965)
Direct Tax Paid		-		-
Financial Expenses paid		6,86,189		24,12,940
NET CASH FROM OPERATING ACTIVITIES (A)		(3,42,44,531)		(7,16,72,905)
B) CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Fixed Assets (net)		(7,71,81,249)		(1,39,94,314)
Interest received		1,833		14,67,284
Purchase of Investments		(31,05,23,001)		(27,99,75,701)
Sale of Investments		30,61,67,899		27,07,74,698
NET CASH FROM INVESTING ACTIVITIES (B)		(8,15,34,518)		(2,17,28,033)
C) CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from Issuance of share capital		11,00,00,000		12,00,00,000
Increase (Decrease) in long term borrowings		-		(3,50,00,010)
Increase (Decrease) in Other longterm liabilities		65,00,000		-
NET CASH FROM FINANCING ACTIVITIES (C)		11,65,00,000		8,49,99,990
NET INCREASE IN CASH AND CASH EQUIVALENTS (A) + (B) + (C)		7,20,951		(84,00,948)
Cash and cash equivalents at the beginning of the year		78,03,740		1,62,04,688
Cash and cash equivalents at the end of the year		85,24,692		78,03,740
COMPONENTS OF CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR				
Current Accounts with Banks		85,11,548		77,85,304
Cash on Hand		13,144		18,436
		85,24,692		78,03,740

As per our report of even date attached
For **Brahmayya & Co.,**
Chartered Accountants
FRN 000511S

P. Babu
Partner
Membership No. 203358
Chennai
7th May, 2016

T.T. Srinivasaraghavan
Chairman

Prashant Soni
CEO

S Parthasarathy
CFO

Christophe Beelaerts
Director

S.Srinivas Prashanth
Company Secretary

SUNDARAM BNP PARIBAS FUND SERVICES LIMITED

NOTES TO THE ACCOUNTS

1 SIGNIFICANT ACCOUNTING POLICIES

- 1.1 The financial statements are prepared and presented under the historical cost convention on the accrual basis of accounting and comply with the relevant provisions of the Companies Act, 2013. The Company follows the Regulations prescribed by the Securities and Exchange Board of India (SEBI).

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 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 by adopting useful life prescribed in Schedule II to the Companies Act, 2013 after retaining 5% of Original Costs as resale value for Office Equipments, Furniture & Fixtures.

However, for the following assets different useful life has been adopted and depreciation has been calculated after retaining 5% of Original Costs as resale value.

Assets	Useful Life
Computers-End user devices	7 years
Computers-Servers and Networks	8 years
Vehicles-Motor Car (Second hand)	3 years

- 1.4 Valuation of Investments:

Non Current 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 contributes a fixed percentage on salary to the superannuation fund, which is administered by trustees and managed by Life Insurance Corporation of India Limited. These contributions are charged to the Profit and Loss Statement.

Defined Benefit Plan

i) Gratuity

The company contributes to a Gratuity Fund administered by trustees and managed by SBI Life Insurance Company Limited. The Company accounted its liability based on an actuarial valuation, as at the Balance Sheet date, determined every year by using the Projected Unit Credit method.

ii) Leave Encashment

The Company accounts its liability based on Actuarial Valuation, as at the Balance Sheet Date, determined every year, using projected unit credit method.

The expenses and actuarial gain / loss on account of the above benefit plans are recognised in the Profit and Loss statement on the basis of an actuarial valuation.

1.6 Taxation:

Current tax is based on the taxable income for the period.

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

1.7 Intangible Assets:

Intangible assets represent Computer Software whose cost is amortised over their expected / remaining useful life.

1.8 Impairment of Assets:

The carrying amount of assets is 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.

1.9 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 the obligation.

BALANCE SHEET

(in ₹)

2. Share Capital	31st March 2016	31st March 2015
Authorised 10,00,00,000 Equity Shares of ₹10/- each (Previous year - 10,00,00,000 Equity Shares of ₹10/- each)	100,00,00,000	100,00,00,000
Issued, Subscribed and Paid up: 3,50,03,000 Equity Shares of ₹10/- each (Previous year - 9,45,00,000 Equity Shares of ₹10/- each)	35,00,30,000	94,50,00,000
	35,00,30,000	94,50,00,000
	Equity Shares	
	31st March 2016 Nos.	31st March 2015 Nos.
Shares outstanding at the beginning of the year	9,45,00,000	8,25,00,000
Less: Shares Reduced during the year	7,04,97,000	-
Add: Shares issued during the year	1,10,00,000	1,20,00,000
Less: Shares bought back during the year	-	-
Shares outstanding at the end of the year	3,50,03,000	9,45,00,000

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

Name of the Shareholder	Status	No. of Shares	% held as at 31st March, 2016	No. of Shares	% held as at 31st March, 2015
Sundaram Finance Limited*	Holding Company	1,78,51,530	51%	4,81,95,000	51%
BNP Paribas Securities Services, France		1,71,51,470	49%	4,63,05,000	49%

* includes 5 equity shares held by nominees of Sundaram Finance Limited

3. Reserves and Surplus

(in ₹)

	Opening balance as on 01st April, 2015	Addition during the year	Deduction/ appropriation during the year	Transition reserve during the year	Closing balance as on 31st March, 2016
Debit balance in profit and loss statement	(73,56,63,372)	(7,93,39,712)	70,49,70,000	-	(11,00,33,084)

(in ₹)

	Opening balance as on 01st April, 2014	Addition during the year	Deduction/ appropriation during the year	Transition reserve during the year	Closing balance as on 31st March, 2015
Debit balance in profit and loss statement	(64,10,35,031)	(9,46,10,097)	-	(18,244)	(73,56,63,372)

NON-CURRENT LIABILITIES

4. Deferred tax liabilities

(in ₹)

	31st March 2016	31st March 2015
Deferred tax liabilities on Depreciation	98,46,945	44,71,286
	<u>98,46,945</u>	<u>44,71,286</u>

5. Other long-term liabilities

(in ₹)

	31st March 2016	31st March 2015
Trade Payables for Expenses	65,00,000	-
	<u>65,00,000</u>	<u>-</u>

CURRENT LIABILITIES

(in ₹)

	31st March 2016	31st March 2015
6. Trade payables:		
(A) total outstanding dues of micro enterprises and small enterprises	-	-
(B) total outstanding dues of creditors other than micro enterprises and small enterprises.		
For expenses	6,18,92,171	2,49,13,308
Others*	32,92,250	28,73,009
	<u>6,51,84,421</u>	<u>2,77,86,317</u>
7. Short-term provisions		
Provision for Employee Benefits	1,55,20,319	92,47,834
	<u>1,55,20,319</u>	<u>92,47,834</u>

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

8. Fixed Assets (in ₹)

Description	Gross Block at Cost			Depreciation						Net Block		
	As at 01.04.2015	Additions	Deductions	As at 31.03.2016	As at 01.04.2015	Additions	Impairment	Transition reserve	Deductions	Impairment Reversal	As at 31.03.2016	As at 31.03.2015
Tangible Assets:												
Computers and data processing units	9,73,72,350	2,13,18,442	-	11,86,90,792	8,10,46,077	75,85,762					8,86,31,839	1,63,26,273
- End user devices	1,11,49,440	9,58,750	-	1,21,08,190	93,78,071	6,54,728					1,00,32,799	17,71,369
- Servers and Networks	8,62,22,910	2,03,59,692	-	10,65,82,602	7,16,68,006	69,31,034					7,85,99,040	1,45,54,904
Office Equipment	72,43,968	2,97,181	23,700	75,17,449	57,16,469	7,73,743			21,435		64,68,777	15,27,499
Furniture and Fittings	21,40,156	2,79,403	-	24,19,559	12,95,856	2,92,531					15,88,387	8,44,300
Vehicles	1,66,694	-	1,66,694	-	35,095	41,559			76,654		-	1,31,599
(A)	10,69,23,168	2,18,95,026	1,90,394	12,86,27,800	8,80,93,498	86,93,595	-	-	98,089	-	9,66,89,002	1,88,29,671
Intangible Assets:												
Software	24,45,22,074	5,53,78,528	-	29,99,00,602	22,67,33,918	2,43,32,113					25,10,66,031	1,77,88,156
(B)	24,45,22,074	5,53,78,528	-	29,99,00,602	22,67,33,918	2,43,32,113					25,10,66,031	1,77,88,156
Grand Total (A) + (B)	35,14,45,242	7,72,73,554	1,90,394	42,85,28,402	31,48,27,416	3,30,25,707	-	-	98,089	-	8,07,73,367	3,66,17,826
Previous year-14-15	33,74,56,060	1,39,94,321	5,139	35,14,45,242	25,93,88,526	5,54,17,015	-	27,006	5,132	-	3,66,17,826	7,80,67,534

In accordance with Accounting Standard - AS 26 – Intangible Assets, software purchased during the period amounting to ₹5,53,78,528/- (2014-15 ₹1,00,14,703/-) is amortised over their expected/remaining useful life of three to five years.

NON-CURRENT ASSETS

9. Long-term loans and advances

(in ₹)

	31st March 2016	31st March 2015
Unsecured, considered good:		
Deposits		
Rent Deposits	1,33,68,754	1,33,13,754
Others	9,71,240	6,33,950
Capital advances	1,36,99,320	88,34,651
Tax deducted at Source	2,79,82,583	85,04,841
Other Loans and Advances	1,60,403	1,40,412
	<u>5,61,82,300</u>	<u>3,14,27,608</u>

CURRENT ASSETS

10. Current Investments - Non-Trade

(in ₹)

	31st March 2016	31st March 2015
In Trust Securities (Unquoted, Valued at Cost)		
Investment in Mutual Funds		
Sundaram Ultra Short Term Fund - Direct Growth 15,02,233.825 units of ₹10/- each (opening balance 21,84,134.61 units, 33,93,450.19 Units purchased and 40,75,350.98 Units redeemed during the year)	3,06,57,370	4,07,75,817
Sundaram Money Fund-Direct Growth 15,93,089.85 units of ₹10/- each (opening balance 14,99,409.55 units, 31,76,934.04 Units purchased and 30,83,253.74 units redeemed during the year)	5,07,71,933	4,29,80,165
BNP Paribas Overnight Fund-Direct Growth 4,45,737.82 units of ₹10/- each (opening balance Nil units, 19,27,023.71 Units purchased and 14,81,285.90 Units redeemed during the year)	4,02,65,998	3,26,20,783
BNP Paribas Money Plus Fund-Direct Growth 17328.52 units of ₹1,000/- each (opening balance 15432.30 units, 43,728.45 Units purchased and 41,832.23 Units redeemed during the year)	1,02,40,040	-
	<u>13,19,35,341</u>	<u>11,63,76,765</u>
	Cost	Net Asset Value
	31.03.2016	
Aggregate of quoted Investments	-	-
Aggregate of unquoted Investments	13,19,35,341	13,31,74,664
	<u>13,19,35,341</u>	<u>13,31,74,664</u>

(in ₹)

	31st March 2016	31st March 2015
11. Trade receivables		
Unsecured, considered good :		
i) Debts outstanding for a period exceeding six months from due date	13,63,214	15,97,781
ii) Other Debts	4,08,18,079	4,82,54,848
	<u>4,21,81,293</u>	<u>4,98,52,629</u>
12. Cash and Bank Balances		
With scheduled banks in current accounts	85,11,548	77,85,304
Cash on hand	13,144	18,436
	<u>85,24,692</u>	<u>78,03,740</u>
13. Short-term loans and Advances		
Unsecured, considered good:		
Deposits	11,78,417	12,46,959
Service Tax-Input Credit	40,66,641	5,46,854
Prepaid Expenses	1,14,75,372	65,60,548
Others	7,31,177	4,09,136
	<u>1,74,51,607</u>	<u>87,63,497</u>

(in ₹)

	2015-16	2014-15
14. Revenue from Operations		
Income from Registrar and Transfer Agents Services (net of service tax - ₹3,11,21,322)	22,28,51,074	17,30,01,811
Income from Fund Accounting Services (net of service tax - ₹60,79,242)	4,35,01,423	3,68,13,165
Income from Private Equity Services (net of service tax - ₹93,754)	9,63,017	-
	<u>26,73,15,514</u>	<u>20,98,14,976</u>

(in ₹)

	2015-16	2014-15
15. Other Income		
Gain on sale of Current Investments	1,12,03,474	71,76,184
Interest Income	1,833	14,67,284
Other non-operating income	5,84,871	17,01,940
	<u>1,17,90,178</u>	<u>1,03,45,408</u>

(in ₹)

	2015-16	2014-15
16. Employee Benefits		
Salaries, Allowances and Bonus	11,71,18,188	9,93,45,392
Company's Contribution to Provident Fund, ESI, Gratuity and Superannuation	77,72,849	55,48,134
Staff Welfare Expenses	60,67,757	37,85,995
	<u>13,09,58,794</u>	<u>10,86,79,521</u>

(a) Defined Contribution Plan:

The company has recognised the following amounts in the Profit and loss statement, which are included in Employee benefits:

	2015-16	2014-15	2013-14	2012-13	2011-12
	₹	₹	₹	₹	₹
Contribution to Provident Fund	25,05,510	20,65,941	21,60,997	16,41,119	16,67,241
Contribution to Pension Fund	22,40,265	17,34,253	14,37,199	12,48,509	12,19,939
Contribution to Superannuation Fund	1,23,453	2,64,696	2,61,800	1,87,532	2,30,260
Contribution to Employees State Insurance	4,13,938	5,17,832	4,84,748	5,13,468	5,98,768

(in ₹)

Description of Benefits plan	2015-16	2014-15
	Funded Gratuity	
A) Reconciliation of opening and closing balances of the present value of the defined benefit obligation		
Opening Balance : Present value of obligation	50,55,561	37,72,987
Current service cost	13,48,505	8,25,905
Interest cost	3,68,912	2,78,524
Past service costs (Vested benefits)		
Benefits paid	(8,88,328)	(5,82,878)
Actuarial (gain) / loss on obligations		
Past service of employees transferred	-	-
Actual (gain) / loss	13,57,506	7,61,023
Closing Balance: Present value of obligation	72,42,156	50,55,561
B) Reconciliation of opening and closing balances of the fair value of plan assets		
Opening Balance :Fair value of plan assets	49,42,004	27,83,594
Expected return on plan assets	3,95,360	2,22,688
Contributions made	4,42,750	24,19,175
Benefits paid	(8,88,328)	(5,82,878)
Actuarial gain / (loss) on plan assets	(1,60,558)	99,425
Closing Balance : Fair value of plan assets	47,31,228	49,42,004
C) Reconciliation of present value of defined benefit obligation and fair value of plan assets to the assets and liabilities recognised in the Balance sheet		
Closing Balance: Present value of obligation	72,42,156	50,55,561
Closing Balance: Fair value of plan assets	47,31,228	49,42,004
Unrecognised past service cost	-	-
Net Asset / (Liability) recognised in Balancesheet	(25,10,928)	(1,13,557)
D) Expenses recognised in the Profit and Loss statement		
Current service cost	13,48,505	8,25,905
Interest cost	3,68,912	2,78,524
Expected return on plan assets	(3,95,360)	(2,22,688)
Net actuarial (gain) / loss recognised	15,18,064	6,61,598
Total Expenses (included under Employee Benefits)	28,40,121	15,43,339
E) Actual return on plan assets		
Expected return on plan assets	3,95,360	2,22,688
Actuarial gain / (loss) on plan assets	(1,60,558)	99,425
Actual return on plan assets	2,34,802	3,22,113
F) Actuarial assumptions *		
Discount rate	8.00%	8.00%
Return on plan assets	8.00%	8.00%
Rate of increase in compensation levels	7.70%	6.00%
Attrition rate	20.20%	10.00%

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

Particulars	31.03.2016	31.03.2015	31.03.2014	31.03.2013	31.03.2012
	₹	₹	₹	₹	₹
Defined Benefit Obligation	72,42,156	50,55,561	37,72,987	17,62,069	10,18,815
Plan Asset	47,31,228	49,42,004	27,83,594	26,79,548	20,45,593
Surplus/Deficit	(25,10,928)	(1,13,557)	(9,89,393)	9,17,479	10,26,778
Expenses Adjustment on Plan Liabilities	15,18,064	6,61,598	10,30,297	-	-
Expenses Adjustment on Plan Asset	-	-	-	(42,339)	(10,59,319)

(in ₹)

	31.03.2016	31.03.2015
Compensated absences		
Present value of obligations towards compensated absence as per actuarial valuation	35,33,391	24,73,336

(in ₹)

17. Administrative and other expenses	2015-16	2014-15
Rent	2,06,26,734	1,92,74,959
Rates and Taxes	1,29,303	11,72,183
Communication Expenses	43,60,005	40,44,832
Electricity Expenses	87,09,081	1,07,94,497
Travelling and Conveyance	40,05,782	23,96,519
Outsourcing Cost	6,35,40,534	5,99,40,002
Insurance	3,23,242	5,02,662
Repairs and Maintenance		
- Computers	4,66,47,122	3,02,33,321
- Others	25,02,544	24,31,923
Advertisement and Promotion	18,42,312	21,46,385
Professional Fees	2,77,63,722	2,20,61,943
Miscellaneous Expenses	79,48,674	42,49,090
	18,83,99,055	15,92,48,316

18. Financial Expenses	2015-16	2014-15
Interest	6,86,189	20,48,796
	6,86,189	20,48,796

19. GENERAL

19.1 The Company has obtained approval from Honourable High court at Madras vide order dated 14.08.2015 and Ministry of Corporate affairs dated 01.09.2015 for Reduction of Issued, Subscribed and Paid up Share Capital from ₹94,50,00,000/- to ₹24,00,30,000/- and accordingly the share capital has been reduced.

19.2 Miscellaneous expenses under “Administrative and other expenses” includes remuneration to auditors towards:

Particulars	2015-16 ₹	2014-15 ₹
Statutory audit	7,00,000	6,00,000
Tax audit	1,50,000	1,50,000
Certification	1,37,500	1,35,000

19.3 Segment Reporting

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

19.4 **Related Party Disclosures:**

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

a) **Related Parties:**

Holding Company

Sundaram Finance Limited

Joint Venture Promoters:

BNP Paribas Securities Services

Fellow Subsidiaries:

Sundaram Business Services Limited

Sundaram Asset Management Company Limited

Sundaram BNP Paribas Home Finance Limited

Sundaram Trustee Company Limited

Sundaram Finance Distribution Limited

LGF Services Limited

Sundaram Infotech Solutions Limited

Infreight Logistics Solutions Limited

Sundaram Insurance Broking Services Limited

Sundaram Asset Management Singapore Pte Ltd

Sundaram BPO India Ltd

Royal Sundaram General Insurance Company Limited w.e.f 29.07.2015

Related Party Transactions for the Period Apr 15 - Mar 16

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

(₹)

Nature of Transactions	Holding Company	Joint Venture Promoters	Fellow Subsidiaries	Total
Income				
Income From Operations				
Sundaram Asset Management Company Limited			21,75,23,352 <i>(17,95,73,173)</i>	21,75,23,352 <i>(17,95,73,173)</i>
Other Income				
Sundaram Asset Management Company Limited			1,05,361 <i>(11,13,257)</i>	1,05,361 <i>(11,13,257)</i>
Expenses				
Rental Charges				
Sundaram Finance Limited	26,91,675 <i>(28,24,080)</i>			26,91,675 <i>(28,24,080)</i>
Outsourcing cost				
Sundaram BPO India Ltd			3,90,347 <i>(3,60,000)</i>	3,90,347 <i>(3,60,000)</i>
Outsourced Branch Expenses				
Sundaram Finance Limited	5,10,08,902 <i>(4,68,17,290)</i>			5,10,08,902 <i>(4,68,17,290)</i>
Professional Fees & Other Outsourcing charges				
Sundaram Finance Limited	34,01,509 <i>(52,20,572)</i>			34,01,509 <i>(52,20,572)</i>
Data Center Hosting charges				
Sundaram Finance Limited	64,08,000 <i>(3,85,753)</i>			64,08,000 <i>(3,85,753)</i>
Technical support renewal & Consulting charges				
Sundaram Infotech Solutions Limited			25,29,072 <i>(21,67,344)</i>	25,29,072 <i>(21,67,344)</i>
Insurance				
Royal Sundaram General Insurance Company Limited			78,588	78,588
Others	1,24,107 <i>(21,330)</i>		36,23,054 <i>(6,000)</i>	37,47,161 <i>(27,330)</i>

Nature of Transactions	Holding Company	Joint Venture Promoters	Fellow Subsidiaries	Total
Assets				
Purchase of Software & Licenses				
Sundaram Infotech Solutions Limited			12,90,595 <i>(13,16,135)</i>	12,90,595 <i>(13,16,135)</i>
Deposit				
Royal Sundaram General Insurance Company Limited			8,556 -	8,556 -
Prepaid Expenses				
Royal Sundaram General Insurance Company Limited			88,360 -	88,360 -
Purchase of Vehicle				
Sundaram Finance Limited			- <i>(1,66,694)</i>	- <i>(1,66,694)</i>
Asset – Outstanding Balance as on 31.03.2016				
Sundry Debtors				
Sundaram Asset Management Company Limited			2,83,99,670 <i>(1,67,29,924)</i>	2,83,99,670 <i>(1,67,29,924)</i>
Liabilities				
Issuance of Equity Shares				
Sundaram Finance Limited	5,61,00,000 <i>(6,12,00,000)</i>			5,61,00,000 <i>(6,12,00,000)</i>
BNP Paribas Securites Services		5,39,00,000 <i>(5,88,00,000)</i>		5,39,00,000 <i>(5,88,00,000)</i>
Liabilities – Outstanding Balance as on 31.03.2016				
Equity Shares				
Sundaram Finance Limited	17,85,15,300 <i>(48,19,50,000)</i>			17,85,15,300 <i>(48,19,50,000)</i>
BNP Paribas Securites Services		17,15,14,700 <i>(46,30,50,000)</i>		17,15,14,700 <i>(46,30,50,000)</i>
Payable				
Sundaram BPO India Ltd			35,600 <i>(30,000)</i>	35,600 <i>(30,000)</i>
Sundaram Finance Limited	66,61,600 <i>(53,99,916)</i>			66,61,600 <i>(53,99,916)</i>
Sundaram Infotech Solutions Limited			6,45,945 <i>(3,12,545)</i>	6,45,945 <i>(3,12,545)</i>

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

Previous year 2014-15 figures are mentioned in Italics.

- 19.5 During the year, the Company detected that two former employees had unauthorisedly transferred ₹22,26,878/- to third party accounts. Consequently, an amount of ₹23,69,190/- has been charged to the Profit and Loss account of the Company for the year, being the amount of compensation at reinstatement value. The Company is taking steps to recover the amount.
- 19.6 The pending litigations as on March 31, 2016 have been compiled by the Company and reviewed by the Statutory Auditors. The current position of the litigations has been evaluated and the effect thereof has been disclosed in the financial statements, where appropriate.
- 19.7 There is no amount due to Small Scale Industries in terms of 'The Micro, Small and Medium Enterprises Development Act, 2006.
- 19.8 Earnings per Share (Basic and Diluted)

Particulars	2015-16 ₹	2014-15 ₹
A. Loss for the period after tax (in ₹)	7,93,39,712	9,46,10,097
B. Weighted Average Number of equity shares of ₹10/-each paid up	5,81,91,637	5,81,91,637
C. Basic and diluted earnings per share (in ₹)	(1.36)	(1.63)

- 19.9 Estimated amount of contracts remaining to be executed on capital account ₹2,96,14,169/- (31/03/2015 ₹3,49,71,256/-).
- 19.10 Expenditure in Foreign Currency on Subscription charges and Software AMC charges ₹31,28,716/- (2014-15 - ₹14,52,300/-) on payment basis.
- 19.11 Previous years figures have been regrouped / reclassified wherever necessary to confirm to the current year's presentation.

Per our report of even date attached.

As per our report of even date attached
For **Brahmayya & Co.,**
Chartered Accountants
FRN 000511S
P. Babu
Partner
Membership No. 203358
Chennai
7th May, 2016

T.T. Srinivasaraghavan
Chairman

Christophe Beelaerts
Director

Prashant Soni
CEO

S Parthasarathy
CFO

S.Srinivas Prashanth
Company Secretary



SUNDARAM BNP PARIBAS
— FUND SERVICES —

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