

Sundaram BNP Paribas Fund Services Limited

Second Annual Report

2010



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

Bankers

BNP Paribas
HDFC Bank Limited
State Bank of Travancore

Contents

Directors' Report	3
Auditors' Report	5
Balance Sheet	8
Profit and Loss Account	9
Schedules	10
Cash Flow Statement	18
Balance Sheet Abstract and Company's General Business Profile	19

Directors' Report

Your Directors have pleasure in presenting the Second Annual Report and Audited Accounts of the Company for the six month period ended 31st March 2010.

WORKING RESULTS

Your Company had earned an income of Rs. 112.89 lakhs during the period under review against Rs. 18.40 lakhs in the previous 15 month period. Total expenditure amounted to Rs. 331.99 lakhs (Rs.487.45 lakhs in the previous year). After a provision of Rs. 3.27 lakhs towards deferred taxation, the loss amounted to Rs. 222.37 lakhs.

REVIEW OF OPERATIONS

Your Company has progressed to the final stage of commencing live operations. It has secured a mandate from Sundaram BNP Paribas Asset Management Company (AMC) for migration of a few of its schemes. Your Company is in the process of migrating data from the AMC's current service provider. Your Company continued to carry on the business of Fund Accounting commenced in the previous year. In order to be focused on quality right from inception, the Company has mandated AMFI/NISM certification for all employees engaged in the transfer agency business. All existing employees have pursued and cleared the examination.

The mutual fund industry continues to face challenges in the form of regulatory changes, dematerialisation of mutual fund units and other related aspects. It is expected that this situation may last for some more time. Your Company has established contacts with various mutual funds to get their R & STA activities outsourced to the Company. Your Company is hopeful to receiving the R & STA activities of some of the existing asset management Companies in India, hitherto serviced by the other service providers.

DIRECTORS

Mr. P. S. Raghavan, and Mr. Frederic Perard, Directors of the Company will retire by rotation at the ensuing Annual General Meeting of the Company and being eligible, offer themselves for re-appointment. The Board recommends their re-appointment.

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 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. 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 wish to place on record their appreciation of the employees for their commitment to the Company and hard work put in by them.

For and on behalf of the Board of Directors

Chennai 600 002
Date: 4th May 2010

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 31st March 2010, the Profit and Loss Account and the Cash Flow Statement of the company for the six month period ended on that date, 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 31st March 2010 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March 2010 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 31st March 2010;
 - 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

Registration Number: 000511S

Place : Chennai
Date : 4th May, 2010

PBABU
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. In our opinion and according to the information and explanations given to us, the company has neither granted nor taken any loans, secured or unsecured, to / from companies, firms or other parties covered in the register maintained under Section 301 of the Act. Therefore, clauses (iii)b, (iii)c, (iii)d, (iii)f and (iii)g of paragraph 4 of the Order are not applicable to the company for the period.
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. The company has an internal audit system, which in our opinion, is commensurate with the size and the nature of its business.
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 31st March, 2010 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 borrowing from financial institutions, banks or on issue of debentures.
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 not availed any term loan during the period.
15. According to the information and explanations given to us, the company has not raised funds on short term or long term basis during the period.
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 not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.
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 are not applicable to the company for the period.

For BRAHMAYYA & CO.,
Chartered Accountants

Registration Number: 000511S

Place : Chennai

P.BABU

Date : 4th May, 2010

Partner

Membership No.203358

Balance Sheet as at 31st March, 2010

	Schedule	31 Mar 2010		30 Sep 2009	
in Rupees					
I SOURCES OF FUNDS					
1. Shareholders' Funds					
(a) Capital	1	30,00,00,000		30,00,00,000	
(b) Reserves and Surplus		—	30,00,00,000	—	30,00,00,000
2. Loan Funds					
(a) Secured Loans		—		—	
(b) Unsecured Loans		—		—	
3. Deferred Tax Liability (Net)					
Deferred Tax Liability	2 (a)	1,81,903			
Less: Deferred Tax Asset		32,285	1,49,618		—
Total			30,01,49,618		30,00,00,000
II APPLICATION OF FUNDS					
1. Fixed Assets					
Gross Block	3	37,37,840		32,78,076	
Less: Depreciation		11,68,645		5,13,655	
Net Book Value		25,69,195		27,64,421	
Add: Capital Work-In-Progress		20,23,33,264		18,16,11,677	
Net Block			20,49,02,459		18,43,76,098
2. Investments					
	4		1,84,52,856		5,01,08,373
3. Deferred Tax Asset					
	2 (b)		—		1,77,136
4. Current Assets, Loans and Advances					
(a) Current Assets	5	56,23,021		1,44,14,825	
(b) Loans and Advances	6	1,80,92,804		1,45,31,110	
	(A)	2,37,15,825		2,89,45,935	
Less: Current Liabilities and Provisions					
(a) Current Liabilities	7	1,58,90,189		1,03,39,822	
(b) Provisions		—		—	
	(B)	1,58,90,189		1,03,39,822	
Net Current Assets	(A-B)		78,25,636		1,86,06,113
5. Profit and Loss account					
Debit balance in Profit and Loss Account			6,89,68,667		4,67,32,280
Total			30,01,49,618		30,00,00,000
Notes to the Accounts	11				

As per our report of even date attached

For **Brahmayya & Co.**,

Chartered Accountants

Frederic Perard
Director

P S Raghavan
Chairman

P. Babu

Partner

Chennai

4th May, 2010

Shridhar Iyer
CEO

Didier Dauphin
CFO

V Sriraman
Secretary

SUNDARAM BNP PARIBAS FUND SERVICES LIMITED

Profit and Loss Account for the period from 1st October, 2009 to 31st March, 2010

	Schedule	01 Oct 09 – 31 Mar 10	27 Jun 08 – 30 Sep 09
in Rupees			
INCOME			
Income from Operations - Mutual Fund Accounting Services		1,05,90,277	17,31,536
Other Income	8	6,98,780	1,08,373
Total	(A)	<u>1,12,89,057</u>	<u>18,39,909</u>
EXPENDITURE			
Establishment Expenses	9	1,08,61,300	62,04,278
Administrative and Other Expenses	10	2,16,82,400	3,25,86,089
Financial Expenses - Interest		–	92,66,437
Preliminary Expenses Written Off		–	1,74,139
Depreciation		6,54,990	5,13,655
Total	(B)	<u>3,31,98,690</u>	<u>4,87,44,598</u>
Loss before Tax	(A-B)	<u>2,19,09,633</u>	<u>4,69,04,689</u>
Taxation			
– Deferred Tax		3,26,754	(177,136)
– Fringe Benefit tax		–	4,727
Loss carried to Balance Sheet		<u>2,22,36,387</u>	<u>4,67,32,280</u>
Add: Balance brought forward from previous year		4,67,32,280	–
Loss Balance carried to Balance Sheet		<u>6,89,68,667</u>	<u>4,67,32,280</u>
Earnings per Equity Share (Refer Note 4.4 Schedule 11)			
Number of Shares (Face Value Rs.10/- per Share)		3,00,00,000	3,00,00,000
Weighted Average Number of Shares		3,00,00,000	39,04,596
Basic and Diluted earnings per share (in Rupees)		(0.74)	(11.97)
Notes to the Accounts	11		

As per our report of even date attached

 For **Brahmayya & Co.,**

Chartered Accountants

P. Babu

Partner

Chennai

4th May, 2010

Shridhar Iyer

CEO

Frederic Perard

Director

Didier Dauphin

CFO

P S Raghavan

Chairman

V Sriraman

Secretary

Schedules

	31 Mar 2010	in Rupees 30 Sep 2009
1. Capital		
Authorised		
4,00,00,000 Equity Shares of Rs.10/- each	40,00,00,000	40,00,00,000
Issued, Subscribed and Paid up		
3,00,00,000 Equity Shares of Rs.10/- each	30,00,00,000	30,00,00,000
(Of the above 1,51,50,000 equity shares are held by Sundaram Finance Limited - the holding company)		
	<u>30,00,00,000</u>	<u>30,00,00,000</u>
2. Deferred Tax		
a) Deferred Tax Liability (Net)		
Deferred Tax Liability - Depreciation	1,81,903	—
Less: Deferred Tax Asset - Preliminary Expenses	32,285	—
	<u>1,49,618</u>	<u>—</u>
b) Deferred Tax Asset		
Depreciation	—	1,39,470
Preliminary Expenses	—	37,666
	<u>—</u>	<u>1,77,136</u>

3. Fixed Assets

Description	Gross Block at Cost				Depreciation				Net Block	
	As at 01.10.2009	Additions	Deductions	As at 31.03.2010	As at 01.10.2009	Additions	Deductions	As at 31.03.2010	As at 31.03.2010	As at 30.09.2009
Computers	10,93,226	1,67,252	—	12,60,478	2,93,265	1,81,828	—	4,75,093	7,85,385	7,99,961
Office Equipment	6,86,043	34,087	—	7,20,130	32,757	79,505	—	1,12,262	6,07,868	6,53,286
Furniture and Fittings	1,73,909	1,97,381	—	3,71,290	17,042	1,67,776	—	1,84,818	1,86,472	1,56,867
Intangible Assets:										
Software	13,24,898	61,044	—	13,85,942	1,70,591	2,25,881	—	3,96,472	9,89,470	11,54,307
(A)	32,78,076	4,59,764	—	37,37,840	5,13,655	6,54,990	—	11,68,645	25,69,195	27,64,421
Capital Work In Progress										
Computers and Other hardware	6,73,40,571	39,10,406	—	7,12,50,977	—	—	—	—	7,12,50,977	6,73,40,571
Intangible Assets:										
Software	11,42,71,106	1,68,11,181	—	13,10,82,287	—	—	—	—	13,10,82,287	11,42,71,106
(B)	18,16,11,677	2,07,21,587	—	20,23,33,264	—	—	—	—	20,23,33,264	18,16,11,677
Grand Total (A) + (B)	18,48,89,753	2,11,81,351	—	20,60,71,104	5,13,655	6,54,990	—	11,68,645	20,49,02,459	18,43,76,098
Previous year	—	18,48,89,753	—	18,48,89,753	—	5,13,655	—	5,13,655	18,43,76,098	—

Schedules

	31 Mar 2010	in Rupees 30 Sep 2009
4. Investments		
Current Investments		
In Trust Securities (Unquoted)		
ICICI Prudential Institutional Liquid Plan - Institutional Growth (opening balance of 5,220.67 units redeemed during the year)	–	1,08,373
15,22,676.13 of Rs.10/- each Sundaram BNP Paribas UST Fund - Super Institutional Growth (41,25,855.08 Units purchased and 26,03,178.95 Units redeemed during the period. Net Asset Value as on 31.03.10 - Rs.1,89,07,679/-)	1,84,52,856	5,00,00,000
	<u>1,84,52,856</u>	<u>5,01,08,373</u>
5. Current Assets		
Sundry Debtors - considered good		
i) Debts outstanding for a period exceeding six months	–	–
ii) Other Debts	19,87,371	17,18,896
Cash and Bank Balances		
With scheduled banks in current accounts	36,25,154	1,26,85,929
Cash on Hand	10,496	10,000
Total	<u>56,23,021</u>	<u>1,44,14,825</u>
6. Loans and Advances		
Unsecured unless otherwise stated:		
Considered good:		
Advances and deposits recoverable in cash or in kind or for value to be received	1,73,93,434	1,44,99,762
Advance for purchase of assets	–	22,403
Tax deducted at Source	6,90,425	–
Advance Fringe Benefit Tax (Net of Provision)	8,945	8,945
	<u>1,80,92,804</u>	<u>1,45,31,110</u>
7. Current Liabilities		
Sundry Creditors		
– For Expenses	1,26,42,595	94,59,149
– Others	32,47,594	8,80,673
	<u>1,58,90,189</u>	<u>1,03,39,822</u>

Schedules

	01 Oct 09 – 31 Mar 10	27 Jun 08 – 30 Sep 09
		in Rupees
8. Other Income		
Profit on sale of Current Investments	4,62,889	1,08,373
Other Income	2,35,891	–
	<u>6,98,780</u>	<u>1,08,373</u>
9. Establishment Expenses		
Salaries, Allowances and Bonus	98,69,935	52,75,913
Company's Contribution to Provident Fund, Gratuity and Superannuation	4,56,399	4,87,265
Staff Welfare Expenses	5,34,966	4,41,100
	<u>1,08,61,300</u>	<u>62,04,278</u>
10. Administrative and other expenses		
Rent	77,71,669	1,60,22,597
Rates and Taxes	40,269	24,60,552
Communication Expenses	7,27,932	9,28,137
Electricity Expenses	28,00,114	47,84,430
Travelling and Conveyance	3,44,420	2,70,114
Printing and Stationary	3,23,514	49,058
Outsourcing Cost	4,88,745	4,26,000
Insurance	2,86,914	3,62,429
Repairs and Maintenance	60,53,487	71,47,608
Professional Fees	25,95,000	6,180
Miscellaneous Expenses	2,50,336	1,28,984
	<u>2,16,82,400</u>	<u>3,25,86,089</u>

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 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 a life insurance company limited. The above contributions are charged to the Profit and Loss Account.

Defined Benefit Plan

- i) Gratuity

The company makes annual contribution to a Gratuity Fund administered by trustees and managed by a life insurance company limited. The Company accounts its liability based on an actuarial valuation, as at the balance sheet date, determined every year by using the Projected Unit Credit method.

- 1.6 Borrowing cost:

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

- 1.7 Taxation:

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

Deferred Tax liabilities arising from timing differences have been fully provided for.

Deferred tax assets are recognised on the consideration of prudence.

Schedules

11. NOTES TO THE ACCOUNTS (Contd.)

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 amount 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 the obligation.

2 BALANCE SHEET

2.1 Fixed assets:

a) Intangible Assets:

In accordance with Accounting Standard - AS 26 – Intangible Assets, software purchased during the period amounting to Rs. 61,044/- (Previous period Rs.13,24,898/-) is amortised based on a technical evaluation.

2.2 Current Assets:

Sundry Debtors comprise receivable from Sundaram BNP Paribas Asset Management Company Limited amounting to Rs.19,76,855/- (Previous period Rs.17,18,896/-)

2.3 Loans and Advances:

Advance Fringe Benefit Tax is net of Provision of Rs.4,727/- (Previous period Rs.4,272/-)

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:

	Oct 09 – Mar 10	Jun 08 – Sep 09
	Rs.	Rs.
Contribution to Provident Fund	2,26,214	58,743
Contribution to Pension Fund	1,24,535	1,33,331
Contribution to Superannuation Fund	65,867	1,31,733

Defined Benefit Plan:

During the period the company has funded an amount of Rs.1,62,693/- towards actuarial gratuity liability. The details of disclosures as required by AS -15 "Employee Benefits" are not available, as this being the initial period of contribution made.

Schedules

11. NOTES TO THE ACCOUNTS (Contd.)

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

	Oct 09 – Mar 10	Jun 08 – Sep 09
	Rs.	Rs.
Statutory Audit	75,000	50,000
Tax Audit	25,000	–
Certification	10,000	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 Paribas 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 31st March 2010

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

(in Rupees)					
Nature of Transactions	Joint Venture Promoters	Fellow Subsidiaries	Associate	Total	Previous Period (27 Jun 08 to 30 Sep 09)
Income					
Income From Operations					
Sundaram BNP Paribas Asset Management Company Limited		1,05,90,277		1,05,90,277	17,31,536
Expenses					
Outsourcing cost					
Sundaram Business Services Limited	5,83,164			5,83,164	4,26,000
Rental Charges					
Sundaram Finance Limited	13,20,000			13,20,000	13,20,000
Internal Audit Fees					
Sundaram Finance Limited	1,00,000			1,00,000	–
Interest					
Sundaram Business Services Limited	–			–	84,33,937
Assets					
Purchase of software					
Sundaram Infotech Solutions Limited		31,36,381		31,36,381	48,97,037
Investments in Trust Securities					
Sundaram BNP Paribas Mutual Fund			–	–	5,00,00,000
Disinvestments in Trust Securities					
Sundaram BNP Paribas Mutual Fund			3,15,47,144	3,15,47,144	–
Asset – Outstanding as on 31.03.2010					
Sundry Debtors					
Sundaram BNP Paribas Asset Management Company Limited		19,87,371		19,87,371	17,18,896
Trust Securities					
Sundaram BNP Paribas Mutual Fund			1,84,52,856	1,84,52,856	5,00,00,000
Liabilities					
Issue of Equity Shares					
Sundaram Finance Limited	–			–	15,15,00,000
BNP Paribas Securities Services	–			–	14,70,00,000
Sundaram Business Services Limited	–			–	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 as on 31.03.2010					
Other payables					
Sundaram Business Services Limited	2,62,588			2,62,588	–
Sundaram Finance Limited	1,07,385			1,07,385	1,05,827
Sundaram Infotech Solutions Limited		5,04,490		5,04,490	–

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

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)

Particulars	Oct 09 – Mar 10	Jun 08 – Sep 09
A. Loss for the period after tax (in Rs.)	2,22,36,387	4,67,32,280
B. Weighted Average Number of equity shares of Rs.10/-each paid up	3,00,00,000	39,04,596
C. Basic and diluted earnings per share (in Rs.)	(0.74)	(11.97)

4.5 Estimated amount of contracts remaining to be executed on capital account: - Rs.1,34,57,645 (Previous period Rs.2,53,98,000).

4.6 The financial statements pertain to the period of six months from 1st October, 2009 to 31st March 2010. Previous period figures pertain to the period from 27th June, 2008 (date of incorporation) to 30th September 2009. The figures of the previous period, are therefore, not comparable.

4.7 The figures pertaining to the previous period have been regrouped/ reclassified to conform to the presentation in the current period.

4.8 Figures have been rounded off to the nearest rupee.

As per our report of even date attached

For **Brahmayya & Co.,**

Chartered Accountants

Frederic Perard
Director

P S Raghavan
Chairman

P. Babu

Partner

Chennai

4th May, 2010

Shridhar Iyer
CEO

Didier Dauphin
CFO

V Sriraman
Secretary

Cash Flow Statement

	01 Oct 09 - 31 Mar 10		27 Jun 08 - 30 Sep 09	
	in Rupees			
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit	(2,22,36,387)		(4,67,32,280)	
Add: Provision for Taxation	3,26,754	(2,19,09,633)	(1,72,409)	(4,69,04,689)
Add: Financial Expenses		-		92,66,437
Depreciation		6,54,990		5,13,655
Profit on Sale of Investments		(4,62,889)		(1,08,373)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		(2,17,17,532)		(3,72,32,970)
(Increase) Decrease in Loans and Advances	(35,61,694)		(1,45,22,165)	
(Increase) Decrease in Current assets	(2,68,475)		(17,18,896)	
Increase (Decrease) in Current Liabilities	55,50,367	17,20,198	1,03,39,822	(59,01,239)
		(1,99,97,334)		(4,31,34,209)
Direct Tax Paid		-		13,672
NET CASH FROM OPERATING ACTIVITIES (A)		(1,99,97,334)		(4,31,47,881)
B) CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Fixed Assets		(2,11,81,351)		(18,28,50,453)
Financial Expenses		-		(20,39,300)
Purchase of Investments		-		(8,00,00,000)
Sale of Investments		3,21,18,406		3,00,00,000
NET CASH FROM INVESTING ACTIVITIES (B)		1,09,37,055		(23,48,89,753)
C) CASH FLOW FROM FINANCING ACTIVITIES				
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)
NET CASH FROM FINANCING ACTIVITIES (C)		-		29,07,33,563
NET INCREASE IN CASH AND CASH EQUIVALENTS (A)+(B)+(C)		(90,60,279)		1,26,95,929
Cash and cash equivalents at the beginning of the year		1,26,95,929		-
Cash and cash equivalents at the end of the year		36,35,650		1,26,95,929
COMPONENTS OF CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR				
Current Accounts with Banks		36,25,154		1,26,85,929
Cash on Hand		10,496		10,000
		36,35,650		1,26,95,929

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

P. Babu
Partner
Chennai
4th May 2010

Shridhar Iyer
CEO

Frederic Perard
Director

Didier Dauphin
CFO

P S Raghavan
Chairman

V Sriraman
Secretary

SUNDARAM BNP PARIBAS FUND SERVICES LIMITED

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	<table border="1" style="display: inline-table; vertical-align: middle;"> <tr><td>3</td><td>1</td></tr> </table> <table border="1" style="display: inline-table; vertical-align: middle;"> <tr><td>0</td><td>3</td></tr> </table> <table border="1" style="display: inline-table; vertical-align: middle;"> <tr><td>2</td><td>0</td><td>1</td><td>0</td></tr> </table>	3	1	0	3	2	0	1	0		
3	1										
0	3										
2	0	1	0								
	Date Month Year										

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

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

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

Total Liabilities	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> 3 0 0 1 5 0	Total Assets	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> 3 0 0 1 5 0
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Sources of Funds

Paid up Capital	<input type="checkbox"/> <input type="checkbox"/> 3 0 0 0 0 0	Reserves & Surplus	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> N I L
Secured Loans	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> N I L	Unsecured Loans	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> N I L
Deferred Tax Liability	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> 1 5 0		

Applications of Funds

Net Fixed Assets	<input type="checkbox"/> <input type="checkbox"/> 2 0 4 9 0 2	Investments	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> 1 8 4 5 3
Net Current Assets	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> 7 8 2 6	Misc. Expenditure	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> N I L
Accumulated Loss	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> N I L	Debit Bal. In P&L	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> 6 8 9 6 9

IV Performance of Company (Amount in Rs. Thousands)

Turnover	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> 1 1 2 8 9	Total Expenditure	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> 3 3 1 9 9
+ - Profit / (Loss) Before Tax	<input type="checkbox"/> <input checked="" type="checkbox"/> 2 1 9 1 0	+ - Profit / (Loss) After Tax	<input type="checkbox"/> <input checked="" type="checkbox"/> 2 2 2 3 6
(Please tick appropriate box + for profit, - loss)			

Earnings Per Share Rs. Ps.

<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	-	0	.	7	4
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Dividend Rate %

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* —

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Fax: 044 2858 6641

Corporate Office

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Guindy, Chennai 600 032
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Fax: 044 2250 1379, 044 2250 1384