

Sundaram BNP Paribas Fund Services Limited

Seventh Annual Report

2014-15



SUNDARAM BNP PARIBAS
— *FUND SERVICES* —

Board of Directors

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

Chairman

Audit Committee

R.Venkatraman
Soundara Kumar
Philippe Ricard

Chairman

Compliance and Risk Management Committee

P Viswanathan
Greg Nicholas
Prashant Soni
S. Parthasarathy

Nomination and Remuneration Committee

Soundara Kumar
R.Venkatraman
A.N. Raju

Chairman

Chief Executive Officer

Prashant Soni

Chief Financial Officer

S. Parthasarathy

Company Secretary

R Ajith Kumar

Auditors

M/S.Brahmayya & Co.,
Chartered Accountants

Registered Office

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

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

Website

www.sundarambnpparibasfs.in

Bankers

BNP Paribas
HDFC Bank Limited
State Bank of Travancore

Contents

Directors' Report	03
Auditors' Report	21
Balance Sheet	24
Profit and Loss Account	25
Notes To The Accounts	26
Cash Flow Statement	40

Directors' Report

To the Members

Your Directors have pleasure in presenting their Seventh Annual Report on the business and operations of the Company and the accounts for the Financial Year ended March 31, 2015.

FINANCIAL SUMMARY

During the period under review, your Company had earned an income of ₹2201.60 lakhs which was higher by 18.78 % against ₹1853.58 lakhs in the previous year. Total expenditure amounted to ₹3253.93 lakhs against ₹3107.05 lakhs in the previous year. The Company recorded a net loss of ₹946.10 lakhs against ₹1188.97 in the previous year and hence dividend was not recommended.

REVIEW OF OPERATIONS

During the year under review the AUM of your company's clients increased by 23.74% to ₹22931.00 crores as on 31st March 2015 compared to ₹18531.17 crores as at the end of the previous year.

Your Company made investment in software to facilitate provision of back office services to various clients in the Private Equity (PE) segment. Your Company has created strong control framework in PE based on global best practices.

During the year your Company has been awarded the International Organisation for Standardizations (ISO) 9001 certification. With this your Company has received three important certifications like ISO 9001, ISO 27001 and International Standards for Assurance Engagements (ISAE) 3402 that show your Company's commitment to quality and continuous improvements.

DEPOSITS

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

STATUTORY AUDITORS

M/s Brahmayya & Co, Chartered Accountants, Chennai, Statutory Auditors of your Company, hold office until the conclusion of the ensuing Annual General Meeting and are recommended for re-appointment.

CAPITAL

During the year under review, your Company had issued and allotted equity shares of ₹12,00,00,000 to Sundaram Finance Ltd and BNP Paribas Securities Services on rights basis to meet capital expenditure and working capital requirements. The present paid-up equity share capital of the Company is ₹94,50,00,000. Your Company has proposed to reduce the Paid Up Share Capital from ₹94,50,00,000 to ₹24,00,30,000.

EXTRACT OF THE ANNUAL RETURN

The extract of the annual return in Form No. MGT – 9 is annexed with this report – Annexure 1

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

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

Your Company did not have any foreign currency earnings. The Company incurred expenditure equivalent to ₹14.52 lakhs in foreign exchange.

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.

CHANGES IN DIRECTORS AND KEY MANAGERIAL

PERSONNEL

A) Directors

Mr. S.Venkatesan and Mr.Philippe Ricard, Directors of the Company 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.

B) Independent Director

During the year under review, Mrs.Soundara Kumar and Mr.R.Venkatraman have been appointed as Independent Directors of the Company to hold office for a term of five consecutive years for a term up to 30th March 2020. The Company has received necessary declaration from each Independent Director of the Company 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).

C) Formal Annual Evaluation

Your Company has appointed the Independent Directors on 30th March 2015. Hence the formal annual evaluation will be done from the next year onwards.

D) Key Management Personnel

During the year under review,

(i) Mr.Shridhar Iyer resigned from the post of Manager under Companies Act 1956 and was appointed as Chief Executive Officer under Sec 203 of the Companies Act 2013 read with Rule 8 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014), (ii) Mr.Christophe Beelaerts resigned from the post of Chief Financial Officer and Mr.S.Parthasarathy has been appointed as Chief Financial Officer under Sec 203 of the Companies Act 2013 read with Rule 8 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014)

NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS

Name of the Director	No of Meeting Held	No. of Meeting attended
Mr. P.S.Raghavan	7	6
Mr. S.Venkatesan	7	7
Mr. A.N.Raju	7	6
Mr. K. Swaminathan	7	5
Mr. Philippe Ricard	7	1
Mr. Lawrence Au	7	1
Mr. Stephane Gaboriaud	7	5
Mrs. Soundara Kumar*	7	0
Mr. R.Venkatraman*	7	0

* Mrs. Soundara Kumar and Mr. R. Venkatraman have been appointed as Independent Directors on 30th March 2015.

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, quarterly, halfyearly unaudited financial, annual financial, related party transactions, observations of the internal auditors /concurrent auditors on internal control and follow up reports of the management.

The Composition of the Audit Committee is as follows:

Name of the Member	No of Meetings Attended	Meeting Dates
Mr. S.Venkatesan@	4	8th May 2014, 10th July 2014, 14th October 2014, 13th January 2015
Mr. P.S.Raghavan@	4	
Mr. Stephane Gaboriaud@	4	
Mr. Philippe Ricard	0	
Mr. R.Venkatraman	0	Mrs. Soundara Kumar and Mr. R. Venkatraman have been appointed as audit committee members on 30th March 2015.
Mrs. Soundara Kumar	0	

@ Mr. S. Venkatesan, Mr.P.S.Raghavan and Mr.Stephane Gaboriaud have resigned from the Audit Committee on 30th March 2015.

The Company Secretary is the Secretary to the Committee.

NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee formulates the criteria for determining qualifications, positive attributes and independence of a Director and its policy on remuneration of Directors, Key Managerial Personnel and other employees ensures that-

- 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;
- relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- 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 Composition of the Nomination and Remuneration Committee is as follows:

- a) Mrs.Soundara Kumar – Member
- b) Mr.R.Venkatraman –Member
- c) Mr.A.N.Raju – Member

The Company Secretary is the Secretary to the Committee.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

During the year under review your Company has not granted any loans, given any guarantee or provided any security ; the details of mutual fund investments made are available in the annual accounts.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

During the year under review your Company had transactions with related parties and the same are disclosed in Form No. AOC -2 vide Annexure 2.

REMUNERATION TO EMPLOYEES

Your Company has no employee who is in receipt of remuneration in excess of the limit prescribed in Rule 13(5)(2)(i)&(ii) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

SECRETARIAL AUDIT REPORT

A Secretarial Audit Report given by M/s.Damodaran & Associates, a company secretary in practice is annexed with the report - Annexure 3.

RISK MANAGEMENT POLICY

Your Company has framed the Compliance, Risk & Audit framework support the compliance obligations of the company in terms of regulators, clients and investors and implementation of risk management requirements and enhance the practice of managing risks across various cross functions in the company. The Compliance and Risk Management Committee review and monitor the risks at periodic levels. It is aimed to assist in developing an organization wide approach and embed a culture of identifying and managing risk at all levels. This aim is to

- Develop a risk management framework, that provides the foundation and the organizational arrangements for designing the risk management.
- Implement the risk management framework.
- Monitoring and enhancing the framework.
- Provide mechanisms to continuously improve the risk management activities
- Developing risk registers and risk profiles.
- Provide means to escalate the risks across functionalities.

Any operational risks which may arise on account of processes, people and systems are continuously reviewed and monitored by a dedicated team of people.

The Composition of the Compliance and Risk Management Committee is as follows:

- a) Mr. P. Viswanathan – Member
- b) Mr. Greg Nichols –Member
- c) Mr. Shridhar Iyer – Member
- d) Mr. Christophe Beelaerts - Member

The Company Secretary is the Secretary to the Committee.

SEXUAL HARASSMENT OF EMPLOYEES 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. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

There has been no sexual harassment complaint received during the year 2014-15.

DIRECTORS' RESPONSIBILITY STATEMENT

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

- (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.

ACKNOWLEDGEMENTS

Your Directors thank Sundaram Finance Limited, BNP Paribas, BNP Paribas Securities Services, Regulators and Banks 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: 7th May 2015

P S Raghavan

Chairman

ANNEXURE 1

Form No. AOC -2

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

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 are available under note 20.6 of the annual accounts

For and on behalf of the Board of Directors

Place: Chennai

P.S.Raghavan

Date: 7th May 2015

Chairman

ANNEXURE 2

FORM NO.MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March 2015

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

I. REGISTRATION AND OTHER DETAILS

I.	REGISTRATION AND OTHER DETAILS	
(i)	CIN	U67120TN2008PLC068388
(ii)	Registration Date	27/6/2008
(iii)	Name of the Company	Sundaram BNP Paribas Fund Services Limited
(iv)	Category / Sub-Category of the Company	
(v)	Address of the Registered Office and contact details	No.21, Patullos Road, Chennai - 600 002 Email id: info@sundarambnpparibasfs.in Phone No.044-22504515
(vi)	Whether Listed Company Yes / No	No
(vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	NA

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name and Description of main products / services	NIC Code of the Product / Service	% to total turnover of the company
1	To carry on, provide and act as Registrars and Transfer Agents for shares, scrips, stocks, bonds, debentures, debenture stock, mutual fund units or other marketable securities of a like nature.	8030	82
2	To carry on fund accounting, provide investor services and to act as financial advisors, management consultants, personal and corporate investment advisors and finance portfolio managers, direct, indirect and allied tax consultants to companies, firms or persons either by themselves or in partnership with others and to perform all duties, services and offices which secretaries, treasurers and/or agents of any company perform and more specifically to perform other allied company secretarial work, to act as managers and / or Trustees and to provide issue house services in connection with the creating, issue of shares, debentures, bonds or conversion of debentures, debenture stocks, bonds, obligations, shares, stocks and securities and to facilitate, encourage and guarantee the issue and subscription of capital, shares, stocks, units, debentures, debenture stocks, obligations and other securities by virtue of acting as underwriters or brokers.	8049	18

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	NAME AND ADDRESS OF THE COMPANY	CIN / GLN	HOLDING/ SUBSIDIARY / ASSOCIATE	% of shares held	Applicable Section
1	Sundaram Finance Limited	U67191TN1954PLC002429	Holding Company	51	2(46)
2	BNP Paribas Securities Services	NA	Joint Venture	49	

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(i) Category-wise Share Holding

	Category of Shareholders	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A	Promoters									
(1)	Indian									
(a)	Individual/HUF*									
(b)	Central Govt									
(c)	State Govt(s)									
(c)	Bodies Corp.	0	420,75,000	420,75,000	51	481,95,000	481,95,000	51	14.54	
(d)	Banks / FI									
(e)	Any Other									
	Sub-Total (A)(1)	0	420,75,000	420,75,000	51	481,95,000	481,95,000	51	14.54	
(2)	Foreign									
(a)	NRIs - Individuals									
(b)	Other - Individuals									
(c)	Bodies Corp.	0	404,25,000	404,25,000	49	463,05,000	463,05,000	49	14.54	
(d)	Banks / FI									
(e)	Any Other									
	Sub-Total (A) (2)	0	404,25,000	404,25,000	49	463,05,000	463,05,000	49	14.54	
	Total shareholding of Promoter (A) = (A) (1) + (A) (2)		825,00,000	825,00,000	100	945,00,000	945,00,000	100		
B.	Public Shareholding									
(1)	Institutions									
(a)	Mutual Funds									
(b)	Banks / FI									
(c)	Central Govt									
(d)	State Govt(s)									
(e)	Venture Capital Funds									
(f)	Insurance Companies									
(g)	FII's									
(h)	Foreign Venture Capital Funds									
(i)	Others (specify)									
	Sub- Total (B) (1)	0	0	0	0.00	0	0	0	0.00	0.00
2.	Non- Institutions									
(a)	Bodies Corporate									
(i)	Indian									
(ii)	Overseas									

	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	
(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)	0	0	0	0.00	0	0	0	0.00	0.00
	Total Public Shareholding (B)= (B)(1)+(B)(2)	0	0	0	0.00	0	0	0	0.00	0.00
(C)	Shares held by Custodian for GDRs and ADRs	0	0	0	0.00	0	0	0	0.00	0.00
	GRAND TOTAL (A)+(B)+(C)	-	825,00,000	825,00,000	100.00		945,00,000	945,00,000	100.00	

(ii) Shareholding of promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of shares	% of total shares of the company	% of shares pledged / encumbered to total shares	No. of shares	% of total shares of the company	% of shares pledged / encumbered to total shares	
1	Sundaram Finance Limited and its nominee share holders	42075000	51	Nil	48195000	51		Nil
2	BNP Paribas Securities Services Limited	40425000	49	Nil	46305000	49		Nil

(iii) Change in Promoters' Shareholding: **NO CHANGE**

Sl. No.		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 Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.)				
	At the end of the Year				

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

NOT APPLICABLE

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 Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.)				
	At the end of the Year(or on the date of separation, if separated during the year)				

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	For each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Mr.PS.Raghavan	0	0	0	0
	At the beginning of the year	0	0	0	0
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.)	0	0	0	0
	At the end of the Year	0	0	0	0
2	Mr.S.Venkatesan	0	0	0	0
	At the beginning of the year	0	0	0	0
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.)	0	0	0	0
	At the end of the Year	0	0	0	0
3	Mr.A.N.Raju *	1	0	1	0
	At the beginning of the year	1	0	1	0
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.)	0	0	0	0
	At the end of the Year	1	0	1	0
4	Mr.K.Swaminathan	0	0	0	0
	At the beginning of the year	0	0	0	0
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.)	0	0	0	0
	At the end of the Year	0	0	0	0

Sl. No.	For each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
5	Mr.Philippe Ricard	0	0	0	0
	At the beginning of the year	0	0	0	0
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.)	0	0	0	0
	At the end of the Year	0	0	0	0
6	Mr.Lawrence Au	0	0	0	0
	At the beginning of the year	0	0	0	0
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.)	0	0	0	0
	At the end of the Year	0	0	0	0
7	Mr.Stephane Gaboriaud	0	0	0	0
	At the beginning of the year	0	0	0	0
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.)	0	0	0	0
	At the end of the Year	0	0	0	0
8	Mrs.Soundara Kumar	0	0	0	0
	At the beginning of the year	0	0	0	0
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.)				
	At the end of the Year				

Sl. No.	For each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
9	Mr.R.Venkatraman	0	0	0	0
	At the beginning of the year	0	0	0	0
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.)	0	0	0	0
	At the end of the Year	0	0	0	0
10	Mr.Shridhar Iyer	0	0	0	0
	At the beginning of the year	0	0	0	0
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.)	0	0	0	0
	At the end of the Year	0	0	0	0
11	Mr.S.Parthasarathy	0	0	0	0
	At the beginning of the year	0	0	0	0
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.)	0	0	0	0
	At the end of the Year	0	0	0	0
12	Mr.R.Ajith Kumar	0	0	0	0
	At the beginning of the year	0	0	0	0
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.)	0	0	0	0
	At the end of the Year	0	0	0	0

* Nominee of Sundaram Finance Limited and he jointly holding the share with Mr. Rajesh Venkat

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	35000010			35000010
(ii) Interest due but not paid	364144			364144
(iii) Interest accrued but not due				
Total (i + ii + iii)				35364154
Change in Indebtedness during the financial year				
Addition				
Reduction				35364154
Net Change				0
Indebtedness at the end of the financial year				0
(i) Principal Amount				
(ii) Interest due but not paid				
(iii) Interest accrued but not due				
Total (i + ii + iii)				0

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and / or Manager: Nil

Sl. No.	Particulars of Remuneration	Name of the 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) Income-tax Act, 1961		
	c) Profits in lieu of salary under section 17 (3) Income-tax Act, 1961		
2	Stock Option		
3	Sweat Equity		
4	Commission		
	- as % of profit		
	- others, specify		
5	Others, please specify		
	Total (A)		
	Ceiling as per the Act		

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL (CONTD.)
B. Remuneration to other directors: Nil

Sl. No.	Particulars of Remuneration	Name of Directors	Total Amount
	Independent Directors		
	Fee for attending board / committee meetings		
	Commission		
	Others, please specify		
	Total (1)		
	Other Non-Executive Directors		
	Fee for attending board / committee meetings		
	Commission		
	Others, please specify		
	Total (2)		
	Total (B) = (1 + 2)		
	Total Managerial Remuneration		
	Overall Ceiling as per the Act		

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

Amount in ₹

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			Total Amount
		Chief Executive Officer *	Company Secretary	Chief Financial Officer **	
1	Gross Salary				
(a)	Salary as per provisions contained in Section 17 (1) of the Income-tax Act, 1961	3876885	1022873	1222172	6121930
(b)	Value of perquisites u/s 17 (2) Income-tax Act, 1961	13204	0	0	13204
(c)	Profits in lieu of salary under section 17 (3) Income-tax Act, 1961	0	0	0	0
2	Stock Option	0	0	0	0
3	Sweat Equity	0	0	0	0
4	Commission	0	0	0	0
	- as % of profit	0	0	0	0
	- others, specify	0	0	0	0
5	Others, please specify	0	0	0	0
	Total	3890089	1022873	1222172	6135134

* Salary with effect from 12th August 2014 to 31st March 2015

**Salary with effect from 14th October 2014 to 31st March 2015

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES : Nil

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			NIL		
Punishment					
Compounding					
B. DIRECTORS					
Penalty			NIL		
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty			NIL		
Punishment					
Compounding					

ANNEXURE 3

Form No. MR-3

Secretarial Audit Report For The Financial Year Ended 31.03.2015

[Pursuant to section 204(1) of the Companies Act, 2013 and

Rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,

The Members,

Sundaram BNP Paribas Fund Services Limited.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by 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 the 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 31.03.2015 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 Sundaram BNP Paribas Fund Services Limited for the financial year ended on 31.03.2015 according to the provisions of:

- 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, Overseas Direct Investment and External Commercial Borrowings;
- v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’):-
 - (a) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

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 proper balance of Executive Directors, 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 its 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) allotted equity shares on right basis.
- ii) commenced the process of reduction of share capital.
- iii) altered Memorandum of Association of the Company under section 13 of the Companies Act, 2013 with respect to increasing of authorised share capital of the Company.

Place: Chennai.

Date: 30.04.2015

For **M. Damodaran & Associates**

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, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

2. Management's Responsibility for the Financial Statements

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

3. Auditor's Responsibility

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

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

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

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

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

4. Opinion

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

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2015;
- b) in the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and

- c) in the case of the Cash Flow Statement, of the cashflows for the year ended on that date.

5. Emphasis of Matter

We draw attention to the financial statements being prepared on a “going concern” basis despite accumulated losses being more than 50% of the net worth of the company and in view of the measures contemplated by the company, as mentioned in Note no. 20.1 to the financial statements.

Our opinion is not qualified in respect of this matter.

6. Report on Other Legal and Regulatory Requirements

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

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

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

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

- i. the company did not have any pending litigation.
- ii. the company did not have any long term contracts including derivative contracts;
- iii. there was no amount to be transferred to the Investor Education and Protection Fund by the Company during the year.

For **BRAHMAYYA & Co.**
Chartered Accountants
Firm Regn. No.000511S
P. BABU
Partner
Membership No. 203358

Place: Chennai
Date: 7 May, 2015

Annexure to the Auditors' Report Referred to in Paragraph 6 of our Report of Even Date

1. a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
- b) Fixed assets have been physically verified by the Management during the year, in accordance with an annual plan of verification, which in our opinion is reasonable having regard to the size of the company and the nature of the fixed assets. The discrepancies noticed on such verification were not material and have been properly dealt with in the books of account.
2. In our opinion and according to the information and explanations given to us, the Company has not granted any loans secured or unsecured to companies, firms or other parties covered in the register maintained under Section 189 of the Act. Therefore, clauses (iii)(a) and (b) of paragraph 3 of the Order are not applicable to the Company for the year.
3. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of fixed assets and for services rendered. During the course of our audit, no major weaknesses were noticed in the internal controls and therefore the reporting of the same does not arise.
4. The company has not accepted deposits from public.
5. The Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act.
6. i) According to the records of the Company and the information and explanations given to us, undisputed statutory dues, including Provident Fund, Employees State Insurance, Income tax, and Service tax and other material statutory dues have been regularly deposited during the year with the appropriate authorities. According to the information and explanations given to us, there are no arrears of statutory dues which are outstanding as at 31st March 2015 for a period of more than six months from the date they became payable.
- ii) According to the records of the Company and the information and explanations given to us, there are no dues of Income tax, and Service tax which have not been deposited on account of any dispute.
- iii) Based on our examination of the records and the information and explanations given to us, there was no amount to be transferred to Investor Education and Protection Fund by the Company during the year in accordance with the relevant provision of the Companies Act, 2013 and the rules made thereunder.
7. The Company has accumulated losses at the end of the financial year and has incurred cash losses during the current and immediately preceding financial year.
8. Based on our audit procedures and the information and explanations given by the Management, we are of the opinion that the Company has not defaulted in the repayment of dues to the bank. The company does not have any borrowings from financial institutions or by issue of debentures.
9. In our opinion and according to the information and explanations given to us, the Company has not given any guarantees for loans taken by others from banks or financial institutions.
10. Based on our examination of the records and the information and explanations given to us, the term loans were applied for the purposes for which the loans were obtained.
11. To the best of our knowledge and belief and according to the information and explanations given to us, during the year no fraud by the Company and no fraud on the Company were noticed or reported during the course of our audit.
12. In our opinion and according to the information and explanations given to us, the nature of the Company's business/ activities during the year has been such that clause ii of paragraph 3 of the Companies (Auditor's Report) Order, 2015 is not applicable to the Company for the year.

For **BRAHMAYYA & Co.**
Chartered Accountants
Firm Regn. No.000511S
P. BABU
Partner
Membership No. 203358

Place: Chennai
Date: 7 May, 2015

Balance Sheet as at 31st March, 2015

(in ₹)

Particulars	Note No.	31st March, 2015	31st March, 2014
I EQUITY AND LIABILITIES			
1. Shareholders' Funds			
a) Share Capital	2	94,50,00,000	82,50,00,000
b) Reserves and Surplus	3	(73,56,63,372)	(64,10,35,031)
c) Money received against share warrants		—	—
		20,93,36,628	18,39,64,969
2. Share application money pending allotment			
		—	—
3. Non-Current Liabilities			
a) Long-term borrowings	4	—	1,50,00,010
b) Deferred tax liabilities	5	44,71,286	1,51,03,215
c) Other long-term liabilities		—	—
d) Long-term provisions		—	—
		44,71,286	3,01,03,225
4. Current Liabilities			
a) Short-term borrowings		—	—
b) Trade payables	6	2,77,86,317	2,79,12,372
c) Other Current liabilities	7	—	2,03,64,144
d) Short-term provisions	8	92,47,834	82,77,955
		3,70,34,151	5,65,54,471
Total		25,08,42,065	27,06,22,665
II ASSETS			
1. Non-current assets			
a) Fixed Assets	9		
i) Tangible assets		1,88,29,671	2,35,53,887
ii) Intangible assets		1,77,88,155	5,45,13,647
iii) Capital work-in-progress		—	—
iv) Intangible assets under development		—	—
b) Non-current investments		—	—
c) Deferred tax assets		—	—
d) Long-term loans and advances	10	3,14,27,608	3,78,41,920
e) Other non-current assets		—	—
		6,80,45,434	11,59,09,454
2. Current Assets			
a) Current investments	11	11,63,76,765	9,99,99,578
b) Trade receivables	12	4,98,52,629	2,89,17,305
c) Cash and Bank Balances	13	78,03,740	1,62,04,688
d) Short-term loans and advances	14	87,63,497	95,91,640
e) Other current assets		—	—
		18,27,96,631	15,47,13,211
Total		25,08,42,065	27,06,22,665

Significant Accounting policies and Notes to the Accounts - 1 to 20

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

P. S. Raghavan
 Chairman

Philippe Ricard
 Director

P. Babu
 Partner
 Membership No. 203358
 Chennai
 7th May, 2015

Shridhar Iyer
 CEO

S Parthasarathy
 CFO

R. Ajith Kumar
 Company Secretary

SUNDARAM BNP PARIBAS FUND SERVICES LIMITED

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

(in ₹)

Particulars	Note No.	01 Apr 14 - 31 Mar 15	01 Apr 13 - 31 Mar 14
INCOME			
Revenue from Operations	15	23,57,48,108	20,08,82,785
Less: Service Tax		2,59,33,132	2,20,97,822
Net Income from Operations		20,98,14,976	17,87,84,963
Other Income	16	1,03,45,408	65,73,267
Total Revenue		22,01,60,384	18,53,58,230
EXPENSES:			
Employee Benefits	17	10,86,79,521	9,82,91,221
Administrative and Other Expenses	18	15,92,48,316	15,13,13,439
Financial Expenses	19	20,48,796	53,35,057
Depreciation	9	5,54,17,015	5,57,65,362
Total expenses		32,53,93,648	31,07,05,079
Loss before Tax		10,52,33,264	12,53,46,849
Taxation			
Current Tax		—	—
Deferred Tax		(1,06,23,167)	(64,49,477)
Loss after Tax from continuing operations		9,46,10,097	11,88,97,372
Earnings per Equity Share:			
Weighted Average Number of Shares considered		8,73,32,877	8,73,32,877
(Face Value ₹10/- per share)			
Basic and Diluted earnings per share (in ₹)		(1.08)	(1.36)

Significant Accounting policies and Notes to the Accounts - 1 to 20

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

P. S. Raghavan
 Chairman

Philippe Ricard
 Director

P. Babu
 Partner
 Membership No. 203358
 Chennai
 7th May, 2015

Shridhar Iyer
 CEO

S Parthasarathy
 CFO

R. Ajith Kumar
 Company Secretary

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 2015	31st March 2014
Authorised 10,00,00,000 Equity Shares of ₹10/- each (Previous year - 9,00,00,000 Equity Shares of ₹10/- each)	<u>100,00,00,000</u>	<u>90,00,00,000</u>
Issued, Subscribed and Paid up : 9,45,00,000 Equity Shares of ₹10/- each (Previous year - 8,25,00,000 Equity Shares of ₹10/- each)	94,50,00,000	82,50,00,000
	<u>94,50,00,000</u>	<u>82,50,00,000</u>
	Equity Shares	
	31st March 2015 Nos.	31st March 2014 Nos.
Shares outstanding at the beginning of the year	8,25,00,000	6,25,00,000
Add: Shares issued during the year	1,20,00,000	2,00,00,000
Less: Shares bought back during the year	-	-
Shares outstanding at the end of the year	<u>9,45,00,000</u>	<u>8,25,00,000</u>

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, 2015	No. of Shares	% held as at 31st March, 2014
Sundaram Finance Limited*	Holding Company	4,81,95,000	51%	4,20,75,000	51%
BNP Paribas Securities Services, France		4,63,05,000	49%	4,04,25,000	49%

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

3. Reserves and Surplus

(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)

(in ₹)

	Opening balance as on 01st April, 2013	Addition during the year	Deduction/ appropriation during the year	Closing balance as on 31st March, 2014
Debit balance in profit and loss statement	(52,21,37,659)	(11,88,97,372)	-	(64,10,35,031)

NON-CURRENT LIABILITIES**4. Long-term borrowings**

(in ₹)

	31st March 2015	31st March 2014
Secured :		
Rupee Term Loan from Scheduled Bank (Exclusive charge on the movable Fixed Assets and Second charge on Current Assets)	—	1,50,00,010
	<u>—</u>	<u>1,50,00,010</u>

5. Deferred tax liabilities (Net)

(in ₹)

	31st March 2015	31st March 2014
Deferred tax liabilities on Depreciation	44,71,286	1,51,03,215
	<u>44,71,286</u>	<u>1,51,03,215</u>

CURRENT LIABILITIES

(in ₹)

	31st March 2015	31st March 2014
6. Trade payables:		
For expenses	2,49,13,308	2,54,93,098
Others*	28,73,009	24,19,274
	<u>2,77,86,317</u>	<u>2,79,12,372</u>
7. Other Current liabilities		
Interest accrued but not due	-	3,64,144
Term loans from Banks – Secured	-	2,00,00,000
	<u>-</u>	<u>2,03,64,144</u>
8. Short-term provisions		
Provision for Employee Benefits	92,47,834	82,77,955
	<u>92,47,834</u>	<u>82,77,955</u>

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

9. Fixed Assets (in ₹)

Description	Gross Block at Cost			Depreciation					Net Block				
	As at 01.04.2014	Additions	Deductions	As at 31.03.2015	As at 01.04.2014	Additions	Impairment	Transition reserve	Deductions	Impairment Reversal	As at 31.03.2015	As at 31.03.2014	
Tangible Assets:													
Computers and data processing units	9,42,32,295	31,40,055	-	9,73,72,350	7,58,99,331	51,46,746	-	-	-	-	8,10,46,077	1,63,26,273	1,83,32,964
End user devices	1,07,76,453	3,72,987	-	1,11,49,440	86,75,934	7,02,137	-	-	-	-	93,78,071	17,71,369	21,00,519
Servers and Networks	8,34,55,842	27,67,068	-	8,62,22,910	6,72,23,397	44,44,609	-	-	-	-	7,16,68,006	1,45,54,904	1,62,32,445
Office Equipment	66,49,289	5,99,818	5,139	72,43,968	25,03,222	31,91,373	-	27,006	5,132	-	57,16,469	15,27,499	41,46,067
Furniture and Fittings	20,67,105	73,051	-	21,40,156	9,92,249	3,03,607	-	-	-	-	12,95,856	8,44,300	10,74,856
Vehicles	-	1,66,694	-	1,66,694	-	35,095	-	-	-	-	35,095	1,31,599	-
(A)	10,29,48,689	39,79,618	5,139	10,69,23,168	7,93,94,802	86,76,821	-	27,006	5,132	-	8,80,93,497	1,88,29,671	2,35,53,887
Intangible Assets:													
Software	23,45,07,371	1,00,14,703	-	24,45,22,074	17,99,93,724	4,67,40,194	-	-	-	-	22,67,33,918	1,77,88,155	5,45,13,647
(B)	23,45,07,371	1,00,14,703	-	24,45,22,074	17,99,93,724	4,67,40,194	-	-	-	-	22,67,33,918	1,77,88,155	5,45,13,647
Grand Total (A) + (B)	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	-	31,48,27,415	3,66,17,826	7,80,67,534
Previous year-13-14	30,89,84,335	2,88,81,212	4,09,487	33,74,56,060	20,38,70,400	5,57,65,362	-	-	2,47,236	-	25,93,88,526	7,80,67,534	10,51,13,935

In accordance with Accounting Standard - AS 26 – Intangible Assets, software purchased during the period amounting to ₹1,00,14,703/- (2013-14 ₹2,35,08,560/-) is amortised over their expected/remaining useful life of three to five years.

In accordance with the provisions of The Companies Act, 2013 the Company has during the year reviewed its policy of providing depreciation on tangible fixed assets and also has reassessed the remaining useful lives of those assets as on 1st April 2014. The assets however depreciated on the written-down value method over the useful life as assessed by the Management which is different from the useful life specified in Schedule II to the Companies Act, 2013 with respect to Computers-End user devices, Computers-Servers & Networks, Vehicles-Motor Car (Second hand).

Consequently depreciation for the year ended 31st March 2015 is lower by ₹23,79,716/-.

In respect of assets which have no remaining useful life, the carrying cost less residual value as on 31st March 14 amounting to ₹18,244/- (net of deferred tax) in has been absorbed against retained earnings and accounted as a Transition Reserve under Fixed Assets.

NON-CURRENT ASSETS
10. Long-term loans and advances

(in ₹)

	31st March 2015	31st March 2014
Unsecured, considered good:		
Deposits		
Rent Deposits	1,33,13,754	1,28,41,020
Others	6,33,950	6,33,950
Capital advances	88,34,651	23,12,356
Tax deducted at Source	85,04,841	2,20,44,046
Other Loans and Advances	1,40,412	10,548
	<u>3,14,27,608</u>	<u>3,78,41,920</u>

CURRENT ASSETS
11. Current Investments - Non-Trade

(in ₹)

	31st March 2015	31st March 2014
In Trust Securities (Unquoted, Valued at Cost)		
Investment in Mutual Funds		
Sundaram Ultra Short Term Fund - Regular Growth	-	3,00,00,935
Nil units of ₹10/- each (opening balance 17,62,938.85 units, 17,62,938.85 Units redeemed during the year)		
Sundaram Money Fund-Regular Growth	-	3,00,00,000
Nil units of ₹10/- each (opening balance 11,27,493.17 units, 14,01,530.10 Units purchased and 25,29,023.27 units redeemed during the year)		
BNP Paribas Money Plus Fund-Regular Growth	-	2,39,98,643
Nil units of ₹10/- each (opening balance 12,54,430.924 units and 12,54,430.924 Units redeemed during the year)		
BNP Paribas Overnight Fund-Regular Growth	-	1,60,00,000
Nil units of ₹10/- each (opening balance 8,19,760.323 units, 3,77,579.24 Units purchased and 11,97,339.56 Units redeemed during the year)		
Sundaram Ultra Short Term Fund - Direct Growth	4,07,75,817	-
21,84,134.61 units of ₹10/- each (opening balance Nil units, 28,46,315.63 Units purchased and 6,62,181.02 Units redeemed during the year)		
Sundaram Money Fund-Direct Growth	4,29,80,165	-
14,99,409.55 units of ₹10/- each (opening balance Nil units, 18,38,363.87 Units purchased and 3,38,954.33 units redeemed during the year)		
BNP Paribas Overnight Fund-Direct Growth	3,26,20,783	-
15432.30 units of ₹10/- each (opening balance Nil units, 24,424.79 Units purchased and 8,992.50 Units redeemed during the year)		
	<u>11,63,76,765</u>	<u>9,99,99,578</u>
	Cost	Net Asset Value
	31.03.2015	
Aggregate of quoted Investments	-	-
Aggregate of unquoted Investments	<u>11,63,76,765</u>	<u>11,96,69,418</u>
	<u>11,63,76,765</u>	<u>11,96,69,418</u>

(in ₹)

	31st March 2015	31st March 2014
12. Trade receivables		
Unsecured, considered good :		
i) Debts outstanding for a period exceeding six months from due date	15,97,781	–
ii) Other Debts	4,82,54,848	2,89,17,305
	<u>4,98,52,629</u>	<u>2,89,17,305</u>
13. Cash and Bank Balances		
With scheduled banks in current accounts	77,85,304	92,01,777
Bank Deposit (Upto 3 months maturity)	-	70,00,000
Cash on hand	18,436	2,491
Stamp paper on hand	-	420
	<u>78,03,740</u>	<u>1,62,04,688</u>
14. Short-term loans and Advances		
Unsecured, considered good:		
Deposits	12,46,959	7,66,266
Service Tax-Input Credit	5,46,854	-
Prepaid Expenses	65,60,548	84,25,735
Others	4,09,136	3,99,639
	<u>87,63,497</u>	<u>95,91,640</u>

(in ₹)

	2014-15	2013-14
15. Revenue from Operations		
Income from Registrar and Transfer Agents Services (net of service tax - ₹2,13,83,024)	17,30,01,811	14,90,48,626
Income from Fund Accounting Services (net of service tax - ₹45,50,108)	3,68,13,165	2,97,36,337
	<u>20,98,14,976</u>	<u>17,87,84,963</u>

(in ₹)

	2014-15	2013-14
16. Other Income		
Gain on sale of Current Investments	71,76,184	41,99,671
Interest Income	14,67,284	14,69,992
Other non-operating income	17,01,940	9,03,604
	<u>1,03,45,408</u>	<u>65,73,267</u>

(in ₹)

	2014-15	2013-14
17. Employee Benefits		
Salaries, Allowances and Bonus	9,93,45,392	8,81,47,222
Company's Contribution to Provident Fund, ESI, Gratuity and Superannuation	55,48,134	62,51,071
Staff Welfare Expenses	37,85,995	38,92,928
	<u>10,86,79,521</u>	<u>9,82,91,221</u>

(a) Defined Contribution Plan:

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

	2014-15	2013-14	2012-13	2011-12	2010-11
	₹	₹	₹	₹	₹
Contribution to Provident Fund	20,65,941	21,60,997	16,41,119	16,67,241	7,70,157
Contribution to Pension Fund	17,34,253	14,37,199	12,48,509	12,19,939	5,75,292
Contribution to Superannuation Fund	2,64,696	2,61,800	1,87,532	2,30,260	2,06,882
Contribution to Employees State Insurance	5,17,832	4,84,748	5,13,468	5,98,768	2,49,676

(in ₹)

Defined Benefit Plan: Description of Benefits plan	Funded Gratuity	
	2014-15	2013-14
A) Reconciliation of opening and closing balances of the present value of the defined benefit obligation		
Opening Balance : Present value of obligation	37,72,987	17,62,069
Current service cost	8,25,905	9,32,852
Interest cost	2,78,524	1,52,884
Past service costs (Vested benefits)	—	—
Benefits paid	(5,82,878)	(1,82,406)
Actuarial (gain) / loss on obligations		
Past service of employees transferred	-	51,265
Actual (gain) / loss	7,61,023	10,56,323
Closing Balance: Present value of obligation	50,55,561	37,72,987
B) Reconciliation of opening and closing balances of the fair value of plan assets		
Opening Balance :Fair value of plan assets	27,83,594	26,79,548
Expected return on plan assets	2,22,688	2,09,161
Contributions made	24,19,175	51,265
Benefits paid	(5,82,878)	(1,82,406)
Actuarial gain / (loss) on plan assets	99,425	26,026
Closing Balance : Fair value of plan assets	49,42,004	27,83,594
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	50,55,561	37,72,987
Closing Balance: Fair value of plan assets	49,42,004	27,83,594
Unrecognised past service cost	—	—
Net Asset / (Liability) recognised in Balancesheet	(1,13,557)	(9,89,393)
D) Expenses recognised in the Profit and Loss statement		
Current service cost	8,25,905	9,32,852
Interest cost	2,78,524	1,52,884
Expected return on plan assets	(2,22,688)	(2,09,161)
Net actuarial (gain) / loss recognised	6,61,598	10,30,297
Total Expenses (included under Employee Benefits)	15,43,339	19,06,872
E) Actual return on plan assets		
Expected return on plan assets	2,22,688	2,09,161
Actuarial gain / (loss) on plan assets	99,425	26,026
Actual return on plan assets	3,22,113	2,35,187
F) Actuarial assumptions *		
Discount rate	8.00%	9.15%
Return on plan assets	8.00%	8.00%
Rate of increase in compensation levels	6.00%	6.00%
Attrition rate	10.00%	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	31.03.2015 ₹	31.03.2014 ₹	31.03.2013 ₹	31.03.2012 ₹	31.03.2011 ₹
Defined Benefit Obligation	50,55,561	37,72,987	17,62,069	10,18,815	10,88,956
Plan Asset	49,42,004	27,83,594	26,79,548	20,45,593	15,61,922
Surplus/Deficit	(1,13,557)	(9,89,393)	9,17,479	10,26,778	4,72,966
Expenses Adjustment on Plan Liabilities	6,61,598	10,30,297	—	—	1,80,582
Expenses Adjustment on Plan Asset	—	—	(42,339)	(10,59,319)	—

(in ₹)

	31.03.2015	31.03.2014
Compensated absences		
Present value of obligations towards compensated absence as per actuarial valuation	24,73,336	19,64,486

(in ₹)

18. Administrative and other expenses	2014-15	2013-14
Rent	1,92,74,959	1,97,08,475
Rates and Taxes	11,72,183	11,29,316
Communication Expenses	40,44,832	39,70,159
Electricity Expenses	1,07,94,497	1,05,14,781
Travelling and Conveyance	23,96,519	28,96,184
Outsourcing Cost	5,99,40,002	5,47,74,272
Insurance	5,02,662	7,46,441
Repairs and Maintenance		
- Computers	3,02,33,321	2,43,64,102
- Others	24,31,923	20,84,900
Advertisement and Promotion	21,46,385	57,75,951
Professional Fees	2,20,61,943	2,17,85,830
Miscellaneous Expenses	42,49,090	35,63,028
	<u>15,92,48,316</u>	<u>15,13,13,439</u>

19. Financial Expenses	2014-15	2013-14
Interest	20,48,796	53,35,057
	<u>20,48,796</u>	<u>53,35,057</u>

20. GENERAL

- 20.1 The Accounts of the Company has been prepared on a “going concern” basis notwithstanding the loss incurred during the year and the accumulated losses exceeding 50% of paid-up equity share capital as the management is contemplating measures such as productivity improvement, pricing, cost control measures, and new customer acquisition which are likely to have a favourable impact on the financial position of the company.
- 20.2 The Company has made a petition to Madras High court for Reduction of Share Capital on 16th April, 2015.
- 20.3 Miscellaneous expenses under “Administrative and other expenses” includes remuneration to auditors towards:

Particulars	2014-15	2013-14
	₹	₹
Statutory audit	6,00,000	5,00,000
Tax audit	1,50,000	1,00,000
Certification	1,35,000	1,27,500

- 20.4 The Company had availed Cash Credit / Working Capital Demand Loan facility from a scheduled Bank secured by first charge on the book debts / receivables and Second charge on Fixed Assets.

The Loan has been foreclosed during the year and the charge has been withdrawn.

20.5 Segment Reporting

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

20.6 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 Parekh Warehousing Services Limited (*)
Sundaram Insurance Broking Services Limited
Sundaram Asset Management Singapore Pte Ltd
Sundaram BPO India Ltd

Key Management Personnel:
Mr. Shridhar Iyer – Chief Executive Officer
Mr. Parthasarathy S – Chief Financial Officer
Mr. R.Ajith Kumar – Company Secretary

(*) Merged with Infreight Logistics Solutions Limited w.e.f 01.04.2014

Related Party Transactions for the Period Apr 14 - Mar 15

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	Key Management Personnel	Total
Income					
Income From Operations					
Sundaram Asset Management Company Limited			(17,95,73,173)		(17,95,73,173)
Other Income			(15,67,75,015)		(15,67,75,015)
Sundaram Asset Management Company Limited			(11,13,257)		(11,13,257)
			(6,46,327)		(6,46,327)
Expenses					
Rental Charges					
Sundaram Finance Limited	28,24,080				28,24,080
	(43,62,080)				(43,62,080)
Outsourcing cost					
Sundaram BPO India Ltd			3,60,000		3,60,000
			(3,60,000)		(3,60,000)
Outsourced Branch Expenses					
Sundaram Finance Limited	4,68,17,290				4,68,17,290
	(4,16,49,725)				(4,16,49,725)
Professional Fees & Other Outsourcing charges					
Sundaram Finance Limited	52,20,572				52,20,572
	(51,57,593)				(51,57,593)
Data Center Hosting charges					
Sundaram Finance Limited	3,85,753				3,85,753
	-				-
Technical support renewal & Consulting charges					
Sundaram Infotech Solutions Limited			21,67,344		21,67,344
			(22,38,928)		(22,38,928)
Others	21,330		6,000		27,330
	(98,300)		(1,34,704)		(2,33,004)
Remuneration paid				61,35,135	61,35,135
				-	-
Assets					
Purchase of Software & Licenses					
Sundaram Infotech Solutions Limited			13,16,135		13,16,135
			(35,71,088)		(35,71,088)

Nature of Transactions	Holding Company	Joint Venture Promoters	Fellow Subsidiaries	Key Management Personnel	Total
Purchase of Compter Hardware / Servers / Accessories / Office equipments/Vehicle					
Sundaram Infotech Solutions Limited			-		-
			(9,97,552)		(9,97,552)
Sundaram Finance Limited			1,66,694		1,66,694
			-		-
Asset – Outstanding Balance as on 31.03.2015					
Sundry Debtors					
Sundaram Asset Management Company Limited			1,67,29,924		1,67,29,924
			(1,53,57,254)		(1,53,57,254)
Liabilities					
Issuance of Equity Shares					
Sundaram Finance Limited	6,12,00,000				6,12,00,000
	(10,20,00,000)				(10,20,00,000)
BNP Paribas Securites Services		5,88,00,000			5,88,00,000
		(9,80,00,000)			(9,80,00,000)
Liabilities – Outstanding Balance as on 31.03.2015					
Equity Shares					
Sundaram Finance Limited	48,19,50,000				48,19,50,000
	(42,07,50,000)				(42,07,50,000)
BNP Paribas Securites Services		46,30,50,000			46,30,50,000
		(40,42,50,000)			(40,42,50,000)
Payable					
Sundaram BPO India Ltd			30,000		30,000
			(30,000)		(30,000)
Sundaram Finance Limited	53,99,916				53,99,916
	(1,03,75,309)				(1,03,75,309)
Sundaram Infotech Solutions Limited			3,12,545		3,12,545
			(2,77,500)		(2,77,500)
Remuneration				9,71,960	9,71,960
				(-)	(-)

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

Previous year 2013-14 figures are mentioned in Italics.

20.7 There is no amount due to Small Scale Industries in terms of 'The Micro, Small and Medium Enterprises Development Act, 2006.

20.8 Earnings per Share (Basic and Diluted)

Particulars	2014-15	2013-14
A. Loss for the period after tax (in ₹)	9,46,10,097	11,88,97,372
B. Weighted Average Number of equity shares of ₹10/-each paid up	8,73,32,877	8,73,32,877
C. Basic and diluted earnings per share (in ₹)	(1.08)	(1.36)

20.9 Estimated amount of contracts remaining to be executed on capital account: - ₹3,49,71,256/- (31/03/2014 ₹90,37,870/-).

20.10 Expenditure in Foreign Currency on Subscription charges and Software AMC charges ₹14,52,300/- (2013-14 - ₹18,15,342/-) on payment basis.

20.11 Previous years figures have been regrouped / reclassified wherever necessary to confirm to the current year's presentation.

As per our report of even date attached
 For **Brahmayya & Co.,**
 Chartered Accountants
 FRN 000511S
P. Babu
 Partner
 Membership No. 203358
 Chennai
 7th May, 2015

P. S. Raghavan
 Chairman

Philippe Ricard
 Director

Shridhar Iyer
 CEO

S Parthasarathy
 CFO

R. Ajith Kumar
 Company Secretary

Cash Flow Statement for the year ended 31st March 2015

(in ₹)

	01 April 14 - 31 March 15		01 April 13 - 31 March 14	
A) CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit	(9,46,10,097)		(11,88,97,372)	
Add: Deferred Tax	(1,06,23,167)	(10,52,33,264)	(64,49,477)	(12,53,46,849)
Add: Financial Expenses		20,48,796		53,35,057
		(10,31,84,468)		(12,00,11,792)
Depreciation		5,54,17,015		5,57,65,362
Interest Income		(14,67,284)		(14,69,992)
Gain on Sale of Investments		(71,76,184)		(41,99,671)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		(5,64,10,921)		(6,99,16,093)
(Increase) Decrease in Non-Current Assets	64,14,312		1,22,97,158	
(Increase) Decrease in Short term Loans and Advances	8,28,143		36,10,977	
(Increase) Decrease in Current assets	(2,09,35,324)		(88,36,648)	
Increase (Decrease) in Current Liabilities	8,43,824	(1,28,49,044)	(75,16,625)	(4,45,139)
		(6,92,59,965)		(7,03,61,232)
Direct Tax Paid		-		-
Financial Expenses paid		24,12,940		55,43,139
NET CASH FROM OPERATING ACTIVITIES (A)		(7,16,72,905)		(7,59,04,371)
B) CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Fixed Assets (net)		(1,39,94,314)		(2,87,18,961)
Interest received		14,67,284		14,69,992
Purchase of Investments		(27,99,75,701)		(22,72,39,000)
Sale of Investments		27,07,74,698		16,40,36,242
NET CASH FROM INVESTING ACTIVITIES (B)		(2,17,28,033)		(9,04,51,727)
C) CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from Issuance of share capital		12,00,00,000		20,00,00,000
Increase (Decrease) in long term borrowings		(3,50,00,010)		(1,99,99,990)
NET CASH FROM FINANCING ACTIVITIES (C)		8,49,99,990		18,00,00,010
NET INCREASE IN CASH AND CASH EQUIVALENTS (A) + (B) + (C)		(84,00,948)		1,36,43,912
Cash and cash equivalents at the beginning of the year		1,62,04,688		25,60,777
Cash and cash equivalents at the end of the year		78,03,740		1,62,04,688
COMPONENTS OF CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR				
Current Accounts with Banks		77,85,304		92,01,777
Bank Deposit (Upto 3 months maturity)		-		70,00,000
Cash on Hand		18,436		2,491
Stamp paper on hand		-		420
		78,03,740		1,62,04,688

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

P. Babu
Partner
Membership No. 203358
Chennai
7th May, 2015

P. S. Raghavan
Chairman

Shridhar Iyer
CEO

S Parthasarathy
CFO

Philippe Ricard
Director

R. Ajith Kumar
Company Secretary

SUNDARAM BNP PARIBAS FUND SERVICES LIMITED



SUNDARAM BNP PARIBAS
— FUND SERVICES —

Registered Office

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Chennai – 600 002
Phone: 044 2852 1181
Fax: 044 2858 6641

Corporate Office

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