

Sundaram BNP Paribas Home Finance Limited

13th Annual Report
2011-12



Board of Directors

S. Viji	Chairman
T.T. Srinivasaraghavan	
A.N. Raju	
John Christopher Woodhouse	
Anthony Colwyn-Thomas	
N. Ganga Ram	
M.S. Parthasarathy	
Srinivas Acharya	Managing Director

Audit Committee

M.S. Parthasarathy	Chairman
N. Ganga Ram	
T.T. Srinivasaraghavan	
John Christopher Woodhouse	

Executive Committee

T.T. Srinivasaraghavan	Chairman
John Christopher Woodhouse	
Srinivas Acharya	

Asset Liability and Risk Management Committee

Srinivas Acharya	Chairman
John Christopher Woodhouse	
M. Ramaswamy	
G. Sundararajan	
S. Rajagopalan	
V. Swaminathan	

Company Secretary

V. Swaminathan

Registered Office

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

Corporate Office

First Floor, 'Sundaram Towers'
No.46, Whites Road, Chennai – 600 014
Phone: 044 2851 5267, 044 2851 5269
Fax: 044 2858 2235

Senior Executives

G. Sundararajan	Chief Financial Officer
S. Rajagopalan	Vice-President & Head - Operations
V. Janaki	General Manager & Head - Information Systems
V. Swaminathan	Company Secretary & Head - HR
S. Raghavan	Deputy General Manager & Head - CPC
R. Srinivasan	Area Head – Tamil Nadu (North)
G. Anandhan	Area Head – Tamil Nadu (South)
B. Dattu Reddy	Area Head – Andhra Pradesh
K. Vasu	Area Head – Karnataka

Statutory Auditors

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

Internal Auditors

Internal Audit Department
Sundaram Finance Limited
21, Patullos Road, Chennai – 600 002

Information Security Assurance Services

M/s. Tejas Brainware Systems (P) Ltd.,
New No.28, Old No.19, Second Main Road
C.I.T. Colony, Mylapore, Chennai 600 004

Bankers

State Bank of India
State Bank of Bikaner & Jaipur
State Bank of Mysore
Canara Bank
Oriental Bank of Commerce
Bank of Maharashtra
IndusInd Bank Limited
HDFC Bank Limited
Axis Bank
IDBI Bank Limited
City Union Bank

Debenture Trustee / Trustee for Public Deposits

IDBI Trusteeship Services Limited
Asian Building, Ground Floor
17, Kamani Marg, Ballard Estate
Mumbai – 400 001

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HIGHLIGHTS

	2011-12	2010-11	2009-10	2008-09	2007-08
OPERATIONAL HIGHLIGHTS:					(₹ in crore)
Approvals	2248	1447	904	595	693
Disbursements	1948	1207	739	526	565
Loans outstanding	3728	2641	1851	1473	1621
Loans under Management (including assets sold/securitised)	4226	2928	2083	1778	1901
FINANCIAL HIGHLIGHTS:					
Paid-up capital	80.15	80.15	80.15	80.15	80.15
Reserves and surplus	245.79	175.34	141.64	123.30	105.86
Networth	325.94	255.49	221.79	203.45	186.01
Total borrowings	3730.87	2556.62	1977.40	1732.27	1366.19
Fixed Deposits	531.96	526.73	485.93	358.80	165.49
Net interest income	132.44	77.54	41.50	45.59	38.05
Other Income (Net)	51.20	29.77	26.29	17.11	13.89
Operating Income	183.64	107.31	67.79	62.70	51.94
Operating Cost	37.59	25.62	21.86	20.59	17.78
Operating Profit	146.05	81.69	45.93	42.11	34.16
Profit before tax	130.50	68.38	41.49	39.26	31.44
Profit after tax	93.73	47.68	27.72	26.81	22.10
Return on average networth (%)	32.24%	19.98%	13.04%	13.77%	14.74%
Book value (₹)	40.67	31.88	27.67	25.38	23.21
Earnings per share (₹)	11.69	5.95	3.46	3.35	2.97
Capital Adequacy Ratio (%)	14.61%	15.24%	18.66%	14.36%	18.64%
Cost-to-income ratio (%)	20.47%	23.87%	32.25%	32.84%	34.23%
Gross non-performing loans (₹ in crore)	11.66	7.68	6.71	4.83	5.24
Gross non-performing loans (%)	0.31%	0.29%	0.34%	0.30%	0.37%

DIRECTORS' REPORT

To the Members

The Directors have pleasure in presenting the Thirteenth Annual Report of the Company together with the audited accounts for the year ended 31st March 2012 (FY12). The summarised financial results are given hereunder:

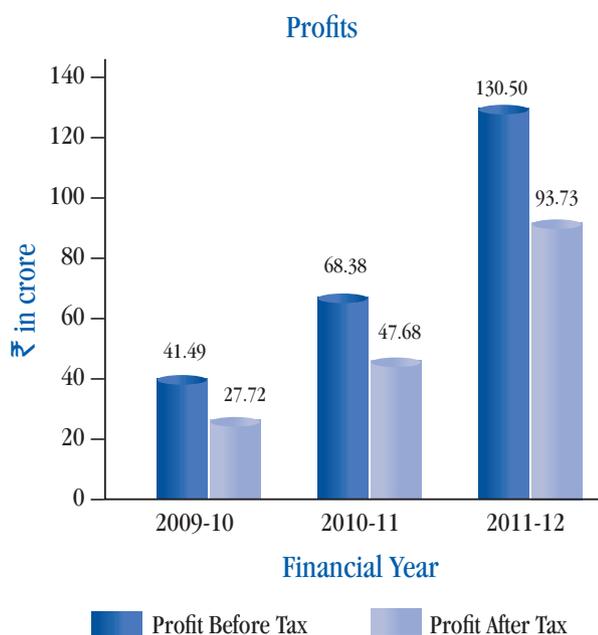
FINANCIAL RESULTS :

(₹ in lakhs)

	For the Year ended	
	March 31, 2012	March 31, 2011
Profit before Tax	13050.01	6837.76
Less: Provision for Tax	3676.90	2069.67
Profit after Tax	9373.11	4768.09
Add: Balance brought forward from the previous year	1092.69	941.93
Amount available for appropriation	10465.80	5710.02
Appropriations proposed:		
1. Transfer to Special Reserve under Section 36(1)(viii) of the Income-tax Act, 1961	2000.00	970.00
2. Transfer to General Reserve	5000.00	2250.00
3. Dividend		
- Final	2003.81	1202.29
4. Dividend Tax	325.07	195.04
5. Surplus carried to the Balance Sheet	1136.92	1092.69
Total	10465.80	5710.02

DIVIDEND

The Directors are pleased to recommend a dividend of 25% (₹ 2.50 per share) for the financial year 2011-12 (FY12) on the total paid-up capital of ₹ 80.15 crore. The dividend, together with dividend tax of ₹ 3.25 crore, will absorb a sum of ₹ 23.29 crore.



MATERIAL CHANGES AFTER BALANCE SHEET DATE (31ST MARCH 2012)

There have been no material changes and commitments between the end of FY12 and the date of this report, affecting the financial position of the Company.

CORPORATE GOVERNANCE

While the Company's equity shares are not listed on any stock exchange, its privately placed debt securities are listed on the National Stock Exchange of India Ltd. (NSE). Although the provisions relating to

corporate governance are not mandatory for companies issuing debt securities alone, the Company has voluntarily adopted them as brought out in the attached Report. The Board of Directors regularly reviews the management's reports on statutory and regulatory compliance.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

ECONOMIC OVERVIEW

Buffeted by several factors—domestic and external—the Indian economy decelerated during FY12. Exports during the first ten months of FY12 totalled US\$242.8 billion (23.5% higher than in the corresponding period of FY11), but imports during the same period surged to US\$391.5 billion (29.4% higher than in the corresponding period of FY11), resulting in a significant trade deficit. External reserves stood at US\$292.6 billion at end-January 2012. While the services sector grew by 9.4 % during FY12, expanding its share of GDP to 59 per cent, industry grew by about 3.9 per cent. Inflation continued to be a major concern as reflected in the general price level and monetary policy was largely aimed at countering inflationary pressures. WPI inflation moderated to 6.89% by end-March 2012.

INDUSTRY OVERVIEW

Indian mortgage industry is characterized by

- the profile of its customers' and mortgage needs
- the behaviour to interest rate movements and movement in property prices.
- asset quality and
- Government and regulatory intervention.

Increasing income levels with improved affordability, urbanization including emergence of Tier-II and Tier-III cities, availability of finance and tax incentives have contributed to the rise in housing mortgage in the past.

Mortgage finance grew by 18% in FY11 while bank credit grew by 21%. The housing loan portfolios of scheduled commercial banks (SCBs) grew by 15% (8% in FY10), while those of housing finance companies (HFCs) expanded faster, by 24% (21% in FY10).

In March 2011, the housing loan market was dominated by the ten top players, their share being 76%.

Although the market remains concentrated primarily in the metros and Tier-I cities, the share of Tier-II cities has been increasing.

HFCs have maintained a much better asset quality compared with the housing finance portfolios of public sector banks (PSBs). As at end-FY11, the gross non-performing loans (NPLs) of HFCs accounted for 0.82% of their total loan portfolios, much lower than the 1.89% in the case of the top five PSBs.

OPERATING AND FINANCIAL PERFORMANCE

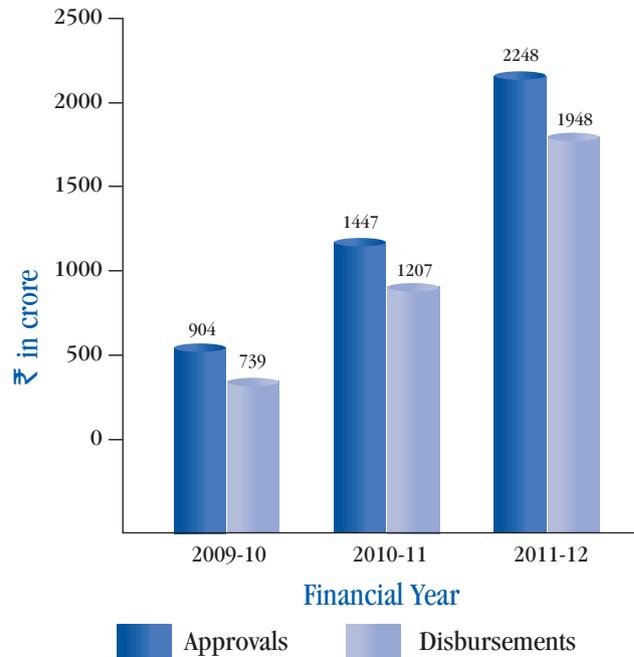
During the year under review, the Company's operating and financial performance was significantly better than in the previous year.

The Company approved loans totalling ₹ 2,248 crore in the year, which was 55% higher than ₹ 1,447 crore in FY11. The average size of home loans disbursed to individuals during the year was ₹ 13 lakh.

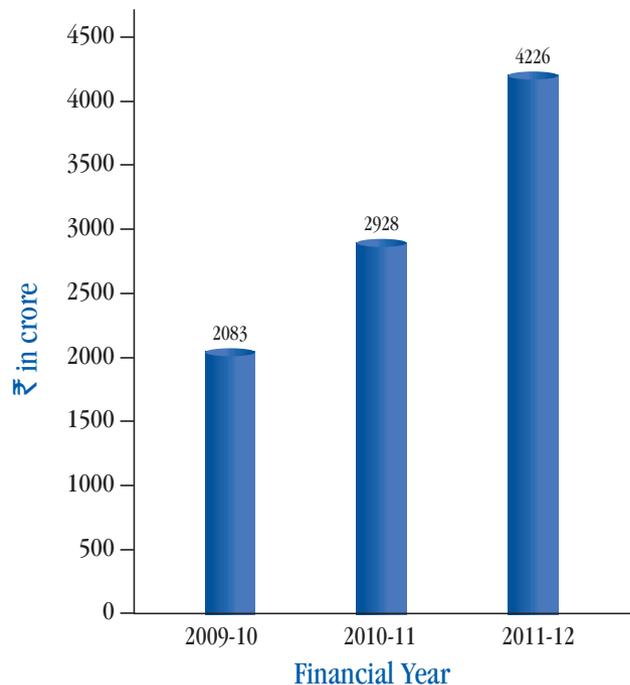
Gross income during the year amounted to ₹ 495.27 crore, recording a growth of 61% over ₹ 307.88 crore in the previous year. Profit before tax was ₹ 130.50 crore, up by 91% over the previous year's ₹ 68.38 crore. At ₹ 93.73 crore, the profit after tax was almost double the previous year's ₹ 47.68 crore.

Increased post-tax profits, after providing for dividends, boosted the Company's networth to ₹ 325.94 crore as on 31st March 2012 (₹ 255.50 crore a year earlier). As on that date, the capital adequacy ratio (CAR), calculated in terms of the regulatory guidelines, was 14.61%, higher than the 12% regulatory minimum.

Approvals & Disbursements



Loans under Management



A distinctive feature of the Company's loan book has been the exceptional degree of its soundness. Despite a substantial expansion of the loan portfolio, gross non-performing loans (NPLs) (loans in continuing default for over 90 days) were contained at ₹ 11.66 crore as on 31st March 2012, constituting 0.31% of total loans, only marginally up from 0.29% a year earlier. Net NPLs (i.e. gross NPLs less provisions) declined from ₹ 2.28 crore to ₹ 2.16 crore over the year (0.06% as against 0.09%, a year earlier), and remained at less than one-tenth of 1% of the loan portfolio.

Considerable prudence underlies the Company's loan provisioning policy, which also ensures regulatory compliance. Available provisions of ₹ 9.50 crore against NPLs were equivalent to 81.5% of the gross NPLs as of 31st March 2012, and 59% higher than those strictly required under regulatory guidelines. In addition, provisions totalling ₹ 5.61 crore were available against other loans as required by NHB.

KEY REGULATORY CHANGES

The main changes in the regulatory guidelines applicable to the Company's operations are noted below:

PREPAYMENT PENALTY

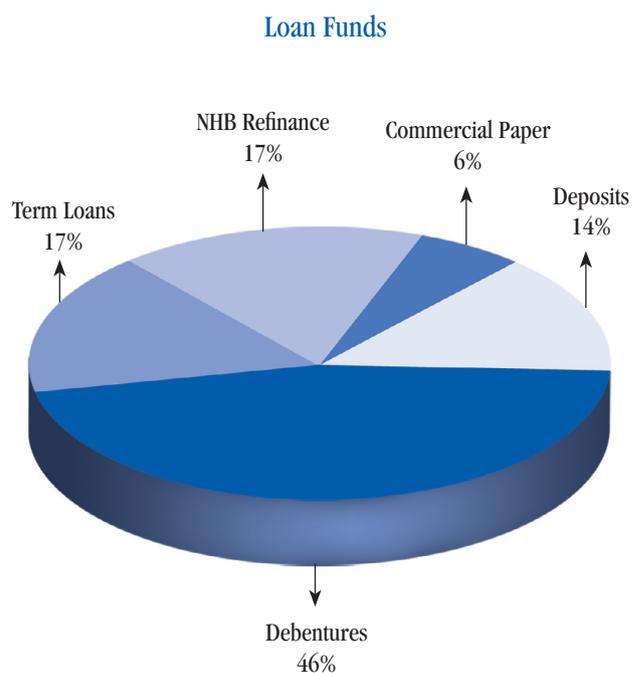
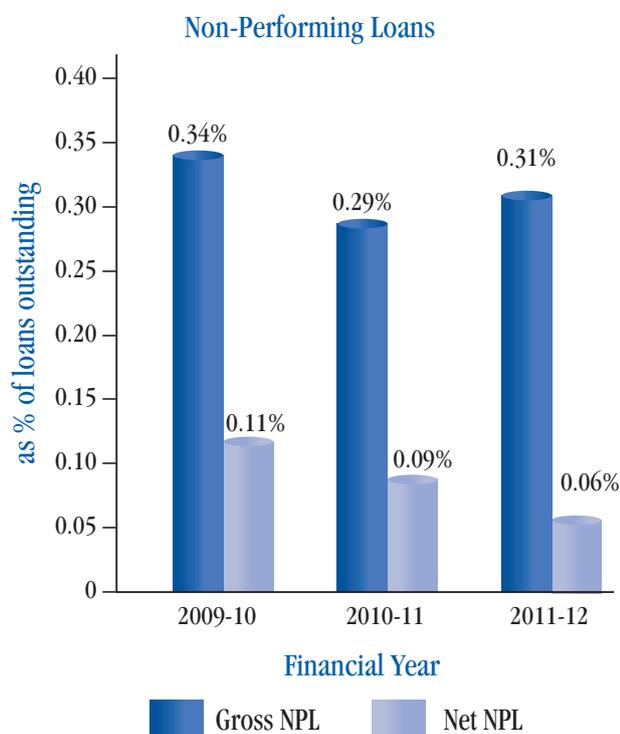
Effective October 19, 2011, HFCs are not allowed to levy a charge or penalty on prepayment of housing loans which carry floating rates, or which, carrying fixed rates, are prepaid out of the borrowers' own resources. The Company is in full compliance with it.

PROVISIONING AGAINST LOANS

The provisioning norms have been further tightened by National Housing Bank and your Company is in full compliance with it.

RESOURCE MOBILISATION

Total debt funds as on 31st March 2012 rose by 47% to ₹ 3,730.87 crore from ₹ 2,541.14 crore a year earlier. Of the total borrowing, National Housing Bank (NHB) refinance constituted 17%, term loans from banks and financial institutions 17%, public deposits 14%, non-convertible debentures (NCDs) 46%, and commercial papers 6%.



During the year, the Company availed itself of fresh refinance of ₹ 175 crore from NHB and repaid ₹ 253.93 crore. The Company raised term funds of ₹ 1,586.21 crore through NCDs and from banks.

The Company issued commercial papers aggregating ₹ 551.10 crore during the year. The maximum amount of commercial paper outstanding at any time during the year was ₹ 425 crore and the amount outstanding at the end of the year was ₹ 224.37 crore.

During the year, the Company mobilised fresh public deposits of ₹ 114.29 crore. Of the deposits that matured during the year, ₹ 87.34 crore were renewed. Deposits outstanding at the year-end were ₹ 531.96 crore (₹ 526.73 crore at FY11-end).

The Company notifies the depositors at least two months ahead of maturity, and thereafter issues periodical reminders if the deposits are not renewed or claimed on or after maturity. As of 31st March 2012, deposits totalling ₹ 427.59 lakh from 531 depositors had matured but had not been renewed or claimed. The Company has closely followed up these cases and, as on date, such deposits amounted to ₹ 250.32 lakh from 352 depositors.

CREDIT RATINGS

The Company's borrowings enjoy the following credit ratings:

Borrowing through	Rating/Outlook by Rating Agencies		
	ICRA	CRISIL	CARE
Short-Term Debt / Commercial Paper	[ICRA] A1+	CRISIL A1+	-
Fixed Deposits	MAA+/Stable	FAA + / Stable	-
Subordinated Debt	[ICRA] AA/Positive	-	CARE AA
Non-Convertible Debentures	[ICRA] AA/Positive	-	CARE AA+
Long-term Bank Loans	[ICRA] AA/Positive	-	-
Structured Obligations	[ICRA] AAA (SO)	-	-

SALE OF LOANS

During the year, the Company sold pools of housing and non-housing loans totalling ₹ 296.32 crore to banks. The pools were rated [ICRA] AAA (SO) by ICRA with credit enhancement. The Company will, however, continue to collect the monthly repayment instalments on these loans as the agent of the acquirer of the loans. The excess interest spread on the loans is recognised as the Company's income in the year in which the spread is actually realised.

BRANCH EXPANSION

The Company opened 26 branches during FY12, taking the total number of branches to 77.

INTERNAL AUDIT

To carry out an effective internal audit, and the Company has engaged the Internal Audit Department of Sundaram Finance Limited as Internal Auditors. The internal audit covers the Corporate Office, branches and other offices of the Company. The Internal Auditors review all the internal control and risk-management measures, highlight areas requiring attention, and report their main findings and recommendations to the Audit Committee of the Board. The Committee regularly reviews the audit findings and action taken thereon, as well as the adequacy and effectiveness of the internal systems and controls.

INFORMATION SECURITY

ASSURANCE SERVICES

Information security assurance services is provided by Tejas Brainware Systems Ltd., whose recommendations have led to the introduction of several additional safeguards in operational, accounting, and security-related areas.

RISK MANAGEMENT

Successful mortgage lending calls for timely identification, careful assessment, and effective management of such risks as the credit, operational, market (interest-rate and liquidity), and reputation risks. The Company has adopted efficient risk-management policies, systems and processes that seek to strike an appropriate balance between risk and returns. The Company has also introduced appropriate risk-management measures, such as accessing the applicant's credit history with credit information bureaus, field investigation of the applicant's credentials, adoption of prudent loan/value ratio and analysis of the borrowers' debt-service capacity, thorough in-house scrutiny of the legal documents, monitoring the end-use of approved loans, lending only against approved properties, risk-based loan pricing, and property insurance. The Company has employed qualified personnel to value properties and track property price movements.

Besides, the Credit Process Control (CPC) cell, headed by a senior officer, set up at the Head Office during the year, seeks to ensure more effective control over the disbursement process, freeing branches to pay increased attention to business development and customer service and recovery.

ASSET LIABILITY AND RISK MANAGEMENT COMMITTEE

The Asset Liability and Risk Management Committee (ALCO), functioning under the supervision of the Board of Directors and within the regulatory framework, lays down risk-management policies and quantitative limits on various types of assets and liabilities, based on a realistic assessment of different risks and desirable shifts in assets and liabilities to manage such risks. ALCO ensures that the liquidity and interest-rate risks are contained within the limits laid down by the Board. Being dynamic, the risk management framework continues to evolve in line with the emerging risk perceptions. The Company submits periodic reports to NHB on the management of the Company's risks and assets and liabilities.

HUMAN RESOURCES

Employees' contribution is vital to organisational performance--both qualitative and quantitative. Accordingly, the Company's performance management system is used effectively to improve staff capabilities in areas such as leadership, team building, knowledge accessibility, and productivity enhancement. In-house on-the-job coaching and training programmes in various other functional areas were conducted during the year to upgrade the skills of employees and achieve functional effectiveness. In addition, executives were seconded to various external training programmes and seminars on risk management, regulatory know-your-customer guidelines, anti-money laundering and the Fair Practices Code. These training programmes enabled the staff members to sharpen their knowledge in the areas of their responsibility. New employees are put through an induction programme that covers business requirements, regulatory prescriptions, and contours of personality development.

STATUTORY AND REGULATORY COMPLIANCE

The Company has complied with the applicable statutory provisions, including those of the Companies Act, 1956, and the Income-tax Act, 1961. Further, the Company has complied with NHB's Housing Finance Companies Directions, 2010 and accounting standards issued by the Institute of Chartered Accountants of India (ICAI).

DIRECTORS

During the year, the Board appointed Mr. Anthony Colwyn-Thomas as an Additional Director. Mr. Alain Van Groenendael resigned from the Board during the year. The Board places on record its appreciation of Mr. Alain's contribution.

Mr. John Christopher Woodhouse and Mr. N. Ganga Ram retire by rotation and, being eligible, offer themselves for re-appointment. The Board recommends their re-appointment.

AUDITORS

The Company's statutory auditors, Messrs. Brahmayya & Co., Chartered Accountants, Chennai, retire at the Thirteenth Annual General Meeting and are eligible for re-appointment. A certificate under Section 224(1B) of the Companies Act, 1956, has been received from them.

INFORMATION UNDER SECTION 217(1)(e) OF THE COMPANIES ACT, 1956

Since the Company does not own any manufacturing facility, the requirement of disclosure of particulars relating to conservation of energy and technology absorption in terms of the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, is not applicable.

During the year, the Company did not have any foreign currency earnings. The Company incurred expenditure equivalent to ₹ 0.58 lakh in foreign exchange.

PERSONNEL

During the year, no employee of the Company was in receipt of remuneration in excess of the limits prescribed under Section 217(2A) of the Companies Act, 1956.

DIRECTORS' RESPONSIBILITY STATEMENT

In terms of Section 217(2AA) of the Companies (Amendment) Act, 2000, the Board of Directors confirms:

- that in the preparation of the Annual Accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;
- that the Directors had selected such accounting policies and applied them consistently and made judgements 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 of the Company for that period;
- that the Directors 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

- that the Directors had prepared the Annual Accounts on a 'going concern' basis.

CAUTIONARY STATEMENT

Statements in the Management Discussion and Analysis Report describing the Company's objectives, expectations, or predictions may be forward-looking within the meaning of applicable securities laws and regulations. Actual results may differ materially from those expressed in the statement, since various economic, legal, policy and regulatory factors may affect or influence the performance of the Company.

ACKNOWLEDGEMENT

The Directors extend their sincere thanks to all the customers of the Company and its shareholders, executives of Sundaram Finance and the BNP Paribas group, depositors, investors, insurance companies, mutual funds and bankers for their support and co-operation during the year. The Directors also thank the National Housing Bank for its valuable guidance and financial assistance and look forward to its continued support.

The Directors record their appreciation of the dedication and commitment of the Company's employees at all levels and look forward to their continued contribution and co-operation in the years ahead.

For and on behalf of the Board of Directors

Chennai
25th April 2012

S Viji
Chairman

Report on Corporate Governance

“Corporate governance” has come to denote a set of standards, systems, and practices that seek to ensure, not merely efficiency in corporate management, but also integrity, accountability and transparency in the Company’s operations and dealings with its stakeholders and others, and statutory and regulatory compliance. Companies with listed shares are mandated to follow a statutory and regulatory code of corporate governance, and are required to append to their annual financial statements, a report on their corporate-governance policies and practices.

Having not listed its shares (but only its debentures), our Company does not fall within the statutory and regulatory prescription. However, it has voluntarily adopted relevant provisions of the code in line with its own emphasis on following sound corporate-governance and financial-disclosure policies and practices. Incorporated as a subsidiary of Sundaram Finance Ltd. (SF), the Company has, all along, imbibed the Sundaram values stressing ethical business practices with transparency and accountability, dedicated customer service, and efficient and prudent financial policies. These values have been strengthened by the entry in 2007, as a joint shareholder, of the leading European banking group, BNP Paribas, with its strong stress on responsiveness, creativity, commitment and ambition.

What follows is a detailed review of the Company’s policies and practices on corporate governance:

BOARD OF DIRECTORS

Size and Composition

SF holds 50.10% of the paid-up share capital of the Company and BNP Paribas Personal Finance (BPPF), the remaining 49.90%.

As on 31st March 2012, the nine-member Board consisted of Mr. S. Viji, Non-Executive Chairman, Mr. T.T. Srinivasaraghavan and Mr. A.N. Raju (all the three being nominees of SF), Mr. John Christopher Woodhouse and Mr. Anthony Colwyn-Thomas (both being nominees of BPPF) and Mr. Srinivas Acharya, Managing Director besides Mr. N. Ganga Ram and Mr. M.S. Parthasarathy, both being Independent Directors.

During the year, Mr. Alain Van Groenendael, a nominee of BPPE, resigned from the Board and Mr. Colwyn-Thomas was appointed in his place.

The Managing Director is appointed by the shareholders for upto five years at a time, and may be re-appointed, if eligible.

No Director is related to any other Director.

Directors’ term

The Articles of Association require that at least two-thirds of the Directors retire by rotation. One-third of such Directors are required to retire every year and, if eligible, may be re-appointed.

Membership of other Boards

No Director is a member of more than ten committees, or chairs more than five committees, within the meaning of the Securities and Exchange Board of India (SEBI) regulations, across all public limited companies of which he is a Director.

Details of directorships held by the Directors in other Indian public limited companies as on 31st March 2012 are given below:

Director	Directorships*		Committees of companies* in which Chairman/Member	
	Chairman	Director	Chairman	Member
1. Mr. S. Viji	1	7	-	4
2. Mr. T.T. Srinivasaraghavan	1	8	3	2
3. Mr. A.N. Raju	-	4	-	-
4. Mr. Alain Van Groenendael	-	-	-	-
5. Mr. John Christopher Woodhouse	-	-	-	-
6. Mr. Anthony Colwyn-Thomas	-	-	-	-
7. Mr. N. Ganga Ram	-	3	2	2
8. Mr. M.S. Parthasarathy	-	1	-	1
9. Mr. Srinivas Acharya	-	9	3	5

* Other than Sundaram BNP Paribas Home Finance Limited. Foreign companies, private companies and companies under Section 25 of the Companies Act, 1956 are excluded for the above purpose.

BOARD PROCEDURE AND RESPONSIBILITIES

The Board plays a key role in ensuring that the Company adopts good corporate governance practices. The Board has a formal schedule of matters reserved for its consideration and decision. Amongst other things, the Board considers and approves:

- operational and financial policies;
- annual business strategy, plans and budgets;
- loan proposals exceeding ₹ 6.50 crore;
- strategy and plans for mobilization of resources and larger borrowing arrangements; and
- quarterly/half-yearly/annual results.

The Board takes decisions after careful consideration of the issues involved and ensures that appropriate action is taken by the Company to implement Board decisions and directions.

The Board also reviews periodically the Company's compliance with various statutory and regulatory requirements.

In accordance with the code of corporate governance and to facilitate closer attention to particular facets of the Company's operations, systems and practices, the Board has constituted certain Committees with appropriate delegated authority.

The day-to-day operations of the Company are looked after by the Managing Director under the overall superintendence, guidance, and control of the Board. He is assisted by senior officers with well-defined responsibilities.

BOARD MEETINGS

Board meetings are normally held in Chennai. The Board meets at least once a quarter, and more frequently as necessary. The Directors are informed of the main items on the agenda for every Board meeting along with the notice. Detailed agenda notes are sent to them in advance of the meetings.

During the year ended 31st March 2012 (FY12), the Board met eight times as noted below:

2010 - 2011	
28 April 2011	28 October 2011
31 May 2011	29 December 2011
11 July 2011	27 January 2012
3 October 2011	6 March 2012

The meetings were attended by Directors as shown below:

Director	No. of Meetings	
	Held	Attended
1. Mr. S. Viji	8	8
2. Mr. T.T. Srinivasaraghavan	8	7
3. Mr. A.N. Raju	8	8
4. Mr. Alain Van Groenendael	5	-
5. Mr. John Christopher Woodhouse	8	4
6. Mr. Anthony Colwyn-Thomas	3	1
7. Mr. N. Ganga Ram	8	8
8. Mr. M.S. Parthasarathy	8	6
9. Mr. Srinivas Acharya	8	8

BOARD COMMITTEES

As noted above, the Board has constituted three committees:

Executive Committee

As on 31st March 2012, the Executive Committee consisted of three Members viz., Mr. Srinivasaraghavan (Chairman), Mr. John Christopher Woodhouse, and Mr. Srinivas Acharya.

Any two Members form the quorum for meetings. The Company Secretary serves as the Secretary to the Committee.

The Committee approves loans, borrowings, and investments within limits specified by the Board. Besides, the Committee reviews the conduct of business and operations, considers new products and parameters and suggests business reorientation.

The Executive Committee met 74 times during the year.

Audit Committee

The Audit Committee consists of four non-executive Directors, with the requisite knowledge and experience in finance and accounting, as Members. Any two members form the quorum for meetings. The Company Secretary serves as the Secretary to the Committee.

As of 31st March 2012, the Committee consisted of Mr. Parthasarathy (Chairman), Mr. Ganga Ram, Mr. Srinivasaraghavan and Mr. John Christopher Woodhouse.

The Chairman of the Committee remains present at the Annual General Meeting of the Company to provide any clarification on matters relating to audit.

The external and the internal auditors of the Company as well as the Managing Director and the senior executives of the Company are invited to the meetings of the Committee.

The Audit Committee's functions include:

- overseeing the Company's financial reporting and disclosure to ensure that the financial statements are correct and credible;
- reviewing the annual, half-yearly, and quarterly financial statements and recommending them (as such or with modifications) to the Board for being taken on record or according approval as the case may be;
- reviewing the effectiveness and adequacy of the internal control systems of the Company and its statutory and regulatory compliance;
- recommending the appointment (including the terms) of external statutory auditors for Board clearance and shareholder approval;
- recommending the appointment (including the terms) of internal auditors and system auditors for Board approval;
- reviewing the scope and plans of statutory, internal, and systems audits, and discusses the main audit findings and comments with the management and auditors to focus on any significant area of concern and to ensure expeditious rectification of shortcomings noticed; and
- recommending the appointment (including the terms) of auditors for any other services rendered to the Company.

The Audit Committee met five times during the year under review. The Committee meetings were attended by Members, as follows:

Member	No. of Meetings	
	Held	Attended
1. Mr. Parthasarathy	5	3
2. Mr. Ganga Ram	5	5
3. Mr. Srinivasaraghavan	5	4
4. Mr. John Christopher Woodhouse	5	2

Asset Liability and Risk Management Committee (ALCO)

As of 31st March 2012, ALCO comprised six Members, viz, Mr. Srinivas Acharya (Chairman), Mr. John Christopher Woodhouse, Director, Mr. M. Ramaswamy, Chief Financial Officer and nominee of SF,

Mr. G. Sundararajan, Vice-President & Head (Finance & Accounts), Mr. S. Rajagopalan, General Manager & Head (Operations) and Mr. V. Swaminathan, Company Secretary.

Functioning under the supervision of the Board of Directors, ALCO lays down policies and quantitative limits relating to assets and liabilities, based on an assessment of the various risks involved in managing them.

The ALCO met nine times during the year.

REMUNERATION OF DIRECTORS

Independent Directors are paid sitting fees for attending Board and Committee meetings. The fees paid to them during the year are shown below:

Director	Sitting Fees Paid
1. Mr. Ganga Ram	₹ 1,30,000
2. Mr. Parthasarathy	₹ 90,000

In addition, a commission of ₹ 5 lakh each was paid to the Independent Directors within the approval of the Central Government, vide Ministry of Corporate Affairs letter SRN No.A66212374-CL-VII dated 24th February 2010.

The Managing Director is appointed under a contract with the Company with the approval of the shareholders. His remuneration package comprises salary, allowances, and perquisites within the limits prescribed in Schedule XIII to the Companies Act, 1956.

The details of remuneration paid to Mr. Srinivas Acharya, Managing Director for FY12 are as follows.

Particulars	Amount (in ₹ lakhs)
Salary	28.80
Commission	125.00
Contribution to Provident, Superannuation, and Gratuity Funds	9.16
Other allowances and perquisites	24.35

During the year, Sundaram Finance Limited, the holding company has incurred ₹ 9.88 lakh towards cost of Employee Stock Option Scheme issued under the Sundaram Finance Employee Stock Option Scheme 2008 to Mr. Srinivas Acharya, Managing Director of the Company.

DIRECTORS' DEPOSITS WITH THE COMPANY

As on 31st March 2012, Directors held deposits aggregating ₹ 97.10 lakh with the Company. The interest paid on deposits of Directors during the year amounted to ₹ 7.17 lakh.

RELATED-PARTY TRANSACTIONS

During the year, the Company did not enter into any materially significant transaction with related parties, i.e., its promoters, Directors and their relatives, conflicting with the Company's interests.

Distribution of Shareholding as on 31st March 2012

No. of Equity Shares Held by each	No. of Shareholders	Total No. of Shares	% to Capital
1	5*	5	Negligible
1,00,001 and above	2	8,01,52,283	100%
Total	7	8,01,52,288	100%

* Nominees of SF

Of the 8.02 crore equity shares, 4.00 crore shares have been dematerialised, and the others are in physical form.

SHARE PRICE PERFORMANCE

Not applicable since the Company's shares are not listed.

SHARE TRANSFER AND INVESTORS GRIEVANCES COMMITTEE

As the shares of the Company are not listed, no Share Transfer and Investors Grievances Committee has been constituted.

LISTED DEBENTURES

The Company has, in all, privately placed 95 series of secured/unsecured non-convertible debentures (NCDs) of the total face value of ₹ 1,724.10 crore. The NCDs have been listed with the National Stock Exchange of India Ltd. (NSE) for trading in compulsory dematerialised form. The Company has duly paid the NSE listing fees for FY12 for the purpose of trading.

During the year, the Company issued fresh NCDs aggregating ₹ 1,061.23 crore and redeemed NCDs aggregating ₹190 crore.

NCDs (including debenture application moneys and subordinated debentures) of ₹ 1,705.70 crore were outstanding as on 31st March 2012.

COMMERCIAL PAPER

During the year, the Company privately placed commercial paper aggregating ₹ 551.10 crore with mutual funds and banks/companies.

REGISTRAR AND TRANSFER AGENT

Cameo Corporate Services Ltd. has been appointed as the Registrar and Transfer Agent of the Company, and can be contacted by investors at the following address:

Cameo Corporate Services Ltd.

'Subramaniam Building'

1, Club House Road, Chennai 600 002

Phone : 044 - 28460390

Fax : 044 - 28460129

Email : Cameo@Cameoindia.com

Contact Person : Mr. R.D. Ramaswamy, Director

ANNUAL GENERAL MEETINGS

The following table shows when and where the last three Annual General Meetings were held:

For Financial Year	Date of meeting	Time	Venue
2010-11	11 July 2011	3.00 p.m.	Registered Office
2009-10	15 July 2010	3.00 p.m.	Registered Office
2008-09	23 July 2009	10.30 a.m.	Registered Office

No resolutions were passed during the year ended 31st March 2012 through postal ballot. None of the resolutions being placed at the ensuing Annual General Meeting is covered by the Postal Ballot Rules.

DISCLOSURE

The Company has complied with the applicable requirements of the Securities and Exchange Board of India (SEBI) and the National Stock Exchange (NSE) on matters relating to capital markets. There has been no instance of non-compliance by the Company or penalty or strictures imposed/passed on the Company by SEBI or NSE or any statutory authority, on any matter related to capital markets, during the last three years.

MEANS OF COMMUNICATION

In accordance with the provisions of the Listing Agreement with NSE, unaudited half-yearly financial results of the Company in respect of FY12 were forwarded to NSE in the prescribed form. Further, the results were published in newspapers as required by the said Agreement and displayed on the Company's website www.sundarambnpparibashome.com

CORPORATE IDENTITY NUMBER

The Corporate Identity Number (CIN), allotted by the Ministry of Corporate Affairs, Government of India, to the Company is U65922TN1999PLC042759. With the MCA21 initiative of the Ministry of Corporate Affairs going live, the Company's master data information and details of the compliance filings made by the Company with the Ministry may be viewed by members and other stakeholders at www.mca.gov.in using the CIN.

Address for Correspondence and any Assistance or Clarification

Mr. V. Swaminathan, Company Secretary, is also the Compliance Officer. He can be contacted at the following address for assistance or clarification:

Mr. V. Swaminathan
Compliance Officer
Sundaram BNP Paribas Home Finance Ltd.
First Floor, Sundaram Towers
46, Whites Road, Chennai 600 014
Phone : 044-28582234
E-mail : swaminathan@sundarambnpphome.in

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

This report forms part of the Directors' Report.

GENERAL SHAREHOLDER INFORMATION

Thirteenth Annual General Meeting

Date	Time	Venue
12th July 2012	10.00 a.m.	"Sundaram Towers", Ground Floor, 46, Whites Road, Chennai 600 014

FINANCIAL CALENDAR

The Company's Board is scheduled to consider the audited annual results as under:

- Financial Year – 1st April 2011 to 31st March 2012 : 25th April 2012
- Unaudited results for the half-year ending 30th September 2012 : End of October 2012

Auditors' Report

To the Members of Sundaram BNP Paribas Home Finance Limited

1. We have audited the attached Balance Sheet of Sundaram BNP Paribas Home Finance Limited as at 31st March 2012, the Profit and Loss Account and the Cash Flow Statement of the company for the year 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 disclosure 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 2012 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March 2012 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 2012;
 - b) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
 - c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For **BRAHMAYYA & CO.**,
Chartered Accountants
Registration No.000511S

L. RAVI SANKAR
Partner

Place : Chennai
Date : 25th April, 2012

Membership No.25929

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 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 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 of by the company during the year.
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) (a) to (g) of paragraph 4 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. 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. 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 year, 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. In our opinion and according to the information and explanations given to us, the company has complied with the directions issued by the National Housing Bank and the provisions of Section 58A, Section 58AA and any other relevant provisions of the Act and the rules framed thereunder with regard to the deposits accepted from the public.
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, Employees State Insurance, Income tax, Wealth 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, 2012 for a period of more than six months from the date they became payable.
9. According to the records of the company and the information and explanations given to us, there are no dues of Income tax, Sales tax, Wealth tax, Service tax, Excise duty and Cess which have not been deposited on account of any dispute.

10. The company does not have any accumulated losses at the end of the financial year and has not incurred cash losses during the current and immediately preceding financial years.
11. 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 repayment of dues to financial institutions, banks or debenture holders.
12. 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.
13. The provisions of any special statute applicable to chit fund / nidhi / mutual benefit fund / societies are not applicable to the company.
14. 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 year. 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.
15. 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.
16. To the best of our knowledge and belief and according to the information and explanations given to us, term loans availed by the company, prima facie, were applied by the company during the year for the purposes for which the loans were obtained, other than temporary deployment, pending application.
17. According to the cash flow statement and other records examined by us and the information and explanations given to us, on an overall examination of the Balance Sheet of the company, funds raised on short term basis, prima facie, have not been used during the year for long term investment.
18. According to the information and explanations given to us, the company is required to create a pari passu charge over an immovable property in respect of secured debentures of the face value of Rs.2400 lakhs allotted during March 2012. We have been informed that the charge will be created within the stipulated time.
19. The company has not raised monies by public issue during the year.
20. 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 material frauds on the company were noticed or reported during the course of our audit.
21. 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 clauses ii and xviii of paragraph 4 of the Companies (Auditor's Report) Order, 2003 are not applicable to the company for the year.

For **BRAHMAYYA & CO.,**
Chartered Accountants
Registration No.000511S

L. RAVI SANKAR

Partner

Membership No.25929

Place : Chennai

Date : 25th April, 2012

Balance Sheet as at 31st March 2012

₹ in lakhs

Particulars	Note	March 31, 2012		March 31, 2011	
<u>EQUITY AND LIABILITIES</u>					
Shareholders' Funds					
Share Capital	2	80,15.23		80,15.23	
Reserves and Surplus	3	245,78.69		175,34.46	
Money received against share warrants		-	325,93.92	-	255,49.69
Share application money pending allotment			-		-
Non-Current Liabilities					
Long-term Borrowings	4	2686,83.84		1537,24.75	
Other Long-term Liabilities	5	28,93.52		9,93.32	
Long-term Provisions	6	26,12.94	2741,90.30	13,97.62	1561,15.69
Current Liabilities					
Short-term Borrowings	7	353,33.46		294,44.26	
Trade Payables	8	21,59.70		18,09.72	
Other Current Liabilities	9	781,82.42		768,29.24	
Short-term Provisions	10	28,45.31	1185,20.89	18,79.87	1099,63.09
Total			<u>4253,05.11</u>		<u>2916,28.47</u>
<u>ASSETS</u>					
Non-Current Assets					
Long-term Loans and Advances	11	3521,20.11		2486,79.34	
Fixed Assets	12				
Tangible Assets		4,64.75		1,94.35	
Intangible Assets		1,51.66		83.37	
Non-current Investments	13	35,90.31		34,47.68	
Deferred Tax Assets (Net)	14	10,28.05		6,38.95	
Other Non-current Assets	15	93.00	3574,47.88	37.35	2530,81.04
Current Assets					
Short-term Loans and Advances	16	240,43.37		179,18.03	
Current Investments	17	2,58.21		6,25.60	
Cash and Bank Balances	18	422,60.10		191,79.28	
Other Current Assets	19	12,95.55	678,57.23	8,24.52	385,47.43
Total			<u>4253,05.11</u>		<u>2916,28.47</u>
Significant Accounting Policies and Notes to the Accounts	1 to 26				

As per our report of even date attached
For **Brahmayya & Co.**,
Chartered Accountants
FRN 000511S
L. Ravi Sankar
Partner
Membership No. 25929
Chennai
25th April 2012

S. Viji
Chairman
Srinivas Acharya
Managing Director
G. Sundararajan
Chief Financial Officer
V. Swaminathan
Company Secretary

Directors
T.T. Srinivasaraghavan
A.N. Raju
John Christopher Woodhouse
Anthony Colwyn-Thomas
N. Ganga Ram
M.S. Parthasarathy

Profit and Loss statement for the year ended 31st March 2012

₹ in lakhs

Particulars	Note	2011-12	2010-11
Revenue from Operations	20	494,69.50	307,41.35
Other Income	21	57.44	46.87
Total Revenue	(A)	<u>495,26.94</u>	<u>307,88.22</u>
Expenses			
Financial Expenses	22	301,54.84	194,82.72
Employee Benefits	23	18,08.18	11,65.05
Depreciation and Amortization Expenses	12	1,94.98	1,30.03
Administrative Expenses	24	29,57.28	19,72.13
Contingent Provision against Standard Assets		13,82.78	62.80
Provisions and Write-offs	25	(21.13)	11,37.98
Total Expenses	(B)	<u>364,76.93</u>	<u>239,50.71</u>
Profit before Tax	(A-B)	130,50.01	68,37.51
Tax Expense			
Current Tax		40,66.00	24,25.00
Deferred Tax	14	<u>(3,89.10)</u>	<u>(355.58)</u>
		36,76.90	20,69.42
Profit for the year from continuing operations		<u>93,73.11</u>	<u>47,68.09</u>
Earnings per Equity Share			
Number of Equity Shares (Face Value ₹ 10/- per share)		8,01,52,288	8,01,52,288
Weighted Average number of Shares (Face Value ₹ 10/- per share)		8,01,52,288	8,01,52,288
Basic and Diluted Earnings per Share in ₹		11.69	5.95
Significant Accounting Policies and Notes to the Accounts	1 to 26		

As per our report of even date attached
 For **Brahmayya & Co.**,
 Chartered Accountants
 FRN 000511S
L. Ravi Sankar
 Partner
 Membership No. 25929
 Chennai
 25th April 2012

S. Viji
 Chairman
Srinivas Acharya
 Managing Director
G. Sundararajan
 Chief Financial Officer
V. Swaminathan
 Company Secretary

Directors
T.T. Srinivasaraghavan
A.N. Raju
John Christopher Woodhouse
Anthony Colwyn-Thomas
N. Ganga Ram
M.S. Parthasarathy

Cash Flow Statement

₹ in lakhs

Particulars	2011-12	2010-11
A) Cash Flow From Operating Activities		
Net Profit	93,73.11	47,68.09
Provision for Taxation (Including Deferred Tax)	36,76.90	20,69.67
Financial Expenses	301,54.84	195,12.93
Depreciation	1,94.98	1,30.03
Long-term Provisions	12,15.32	3,22.53
Short-term Provisions	23,62.77	8,43.64
(Profit)/loss on sale of assets	(4.08)	(2.47)
(Profit)/loss on sale of Investments	(10,38.97)	(7,18.17)
Interest/Dividend Income	(28,17.79)	(14,76.48)
Provision for Dividend	(23,28.88)	(13,97.33)
Operating Profit Before Working Capital Changes	407,88.20	240,52.44
(Increase)/Decrease in Long-term Loans and Advances	(1028,15.77)	(671,88.80)
(Increase)/Decrease in Short-term Loans and Advances	(61,16.34)	43.60
(Increase)/Decrease in Current Liabilities (Trade Payable)	3,43.40	31,05.73
(Increase)/Decrease in Other Current Asset	(1,60.04)	11,63.17
(Increase)/Decrease in Non-current Asset (Other Non-current Asset)	(55.65)	(4,48.77)
Increase/(Decrease) - Current Liabilities (Other Current Liabilities)	13,59.77	224,28.68
Cash Generated From Operations	(666,56.43)	(168,43.95)
Financial Expenses paid	(414,47.80)	(179,57.88)
Direct Taxes Paid	(47,00.00)	(26,00.00)
Net Cash From Operating Activities	(A) (1128,04.23)	(374,01.83)
B) Cash Flow From Investing Activities		
Purchase of Fixed Assets - Tangible	(3,94.52)	(1,16.73)
Purchase of Fixed Assets - Intangible	(1,43.31)	(24.17)
Sale of Fixed Assets - Tangible	8.24	12.99
Purchase/Sale of Current Investments	3,67.39	78,25.06
Purchase/Sale of Non-current Investments	8,96.34	(1,99.54)
Deposits - Maturing after three months	(103,11.41)	(44,24.25)
Interest Received	25,06.80	14,31.09
Net Cash From Investing Activities	(B) (70,70.47)	45,04.45

₹ in lakhs

	2011-12	2010-11
C) Cash Flow From Financing Activities		
Non-current Liabilities (Long-term Borrowings)	1149,59.09	277,24.45
Current Liabilities (Short-term Borrowings)	171,82.16	85,30.37
Non-current Liabilities (Other Long-term Liability)	19,00.20	(1,54.54)
Dividend paid (including Corporate Dividend Tax)	(13,97.33)	-
Net Cash from Financing Activities (C)	1326,44.12	361,00.28
D) Effect of Foreign Exchange rates on Cash and Cash Equivalents, net (D)	-	-
Net increase in cash and cash equivalents (A)+(B)+(C)+(D)	127,69.41	32,02.89
Cash and cash equivalents at the beginning of the year	136,87.20	104,84.31
Cash and cash equivalents at the end of the year	264,56.61	136,87.20
Components of cash and cash equivalents at the end of the year		
Current Account with Banks	21,97.59	22,18.85
Short-term Deposit	241,55.80	113,98.56
Cash, Stamps and Stamp Papers on Hand	1,03.22	69.79
Cash & Cash equivalents	264,56.61	136,87.20

Note : Previous year's figures have been regrouped/reclassified wherever necessary to conform to current year's classification

As per our report of even date attached
 For **Brahmayya & Co.,**
 Chartered Accountants
 FRN 000511S
L. Ravi Sankar
 Partner
 Membership No. 25929
 Chennai
 25th April 2012

S. Viji
 Chairman
Srinivas Acharya
 Managing Director
G. Sundararajan
 Chief Financial Officer
V. Swaminathan
 Company Secretary

Directors
T.T. Srinivasaraghavan
A.N. Raju
John Christopher Woodhouse
Anthony Colwyn-Thomas
N. Ganga Ram
M.S. Parthasarathy

NOTES TO THE ACCOUNTS

Note 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. Besides, the Company follows the directions prescribed by the National Housing Bank (NHB) for Housing Finance Companies.

The preparation of the financial statements in conformity with generally accepted accounting principles requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities as at the Balance Sheet date, reported amounts of revenues and expenses during the year and disclosure of contingent liabilities as at that date. The estimates and assumptions used in the financial statements are based upon the management's evaluation of the relevant facts and circumstances as of the date of financial statements.

- 1.2 Income Recognition:

Interest on loans disbursed is recognised as income on accrual basis. Loans granted are repayable in Equated Monthly Instalments (EMIs), comprising principal and interest. The EMIs commence upon disbursal of the entire loan sanctioned. Pre-EMI Interest is payable monthly where the loan is partly disbursed.

- 1.3 Fixed Assets and Depreciation / Amortisation:

Fixed Assets are carried 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 ₹ 5000/- or less are written down in the period of acquisition to ₹ 1.

- 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 or net asset value.

- 1.5 Foreign Currency Transactions:

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

Exchange differences on forward exchange contracts, entered into for hedging foreign exchange fluctuation risk in respect of assets/liabilities are recognized in the Profit and Loss account in the reporting period in which the exchange rate changes. Premium on forward contracts is recognized as an expense over the tenure of the contract.

Interest accrued on secured/unsecured foreign currency loans covered by forward contracts has been provided at the forward exchange contract rate and on loans not so covered at the exchange rates prevailing at the year end.

- 1.6 Employee Benefits:

A) Short-term Employee Benefits:

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

NOTES TO THE ACCOUNTS (Contd.)

B) Post employment benefits:

Defined Contribution Plan

i) Provident Fund

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

ii) Superannuation

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

Defined Benefit Plan

i) Gratuity

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

ii) Leave Encashment

The Company contributes to a staff leave encashment scheme managed by SBI Life Insurance Company Limited. The Company accounts its liability based on an actuarial valuation, as at the Balance Sheet date, determined every year by SBI Life Insurance Company Limited, using the Projected Unit Credit method.

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

C) Other Long-term Employee Benefits:

The estimated liability in respect of reimbursement of medical expenses has been provided on the basis of actuarial valuation.

1.7 Taxation :

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

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

1.8 Intangible Assets :

Items of computer software acquired/developed are recorded as intangible assets and their cost is amortised over their expected useful life.

1.9 Impairment of Assets :

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

1.10 Provisions :

Provisions are recognised when the Company has 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 of the amount of the obligation.

NOTES TO THE ACCOUNTS (Contd.)

Note 2: Share Capital

₹ in lakhs

Particulars	31.03.2012	31.03.2011
Authorised :		
Equity Shares, ₹10/- Par Value 10,00,00,000 (10,00,00,000) Equity Shares	100,00.00	100,00.00
Issued :		
Equity Shares, ₹ 10/- Par Value 8,51,52,288 (8,51,52,288) Equity Shares	85,15.23	85,15.23
Subscribed and Fully Paidup : Equity Shares, ₹10/- Par Value 8,01,52,288 (8,01,52,288) Equity Shares	80,15.23	80,15.23
	80,15.23	80,15.23

Details of number of shares held by shareholders holding more than 5% shares are as follows:

Name of the Shareholder	Status	No. of Shares	% held as at 31.03.2012	No. of Shares	% held as at 31.03.2011
Sundaram Finance Limited *	Holding Company	4,01,56,296	50.10	4,01,56,296	50.10
BNP Paribas Personal Finance		3,99,95,992	49.90	3,99,95,992	49.90

* Include 5 equity shares held by nominees of Sundaram Finance Limited.

Note 3: Reserves and Surplus

₹ in lakhs

Nature of Reserve	Opening Balances as on 01.04.2011	Additions during the year	Deductions / Appropriation during the year	Closing Balances as on 31.03.2012
Securities Premium Account	45,84.77	-	-	45,84.77
Other Reserves				
Special Reserve ^	38,57.00	20,00.00	-	58,57.00
General Reserve	80,00.00	50,00.00	-	130,00.00
Surplus *	10,92.69	93,73.11	93,28.88	11,36.92
Total	175,34.46	163,73.11	93,28.88	245,78.69

₹ in lakhs

Nature of Reserve	Opening Balances as on 01.04.2010	Additions during the year	Deductions / Appropriation during the year	Closing Balances as on 31.03.2011
Securities Premium Account	45,84.77	-	-	45,84.77
Other Reserves				
Special Reserve ^	28,87.00	9,70.00	-	38,57.00
General Reserve	57,50.00	22,50.00	-	80,00.00
Surplus *	9,41.93	47,68.09	46,17.33	10,92.69
Total	141,63.70	79,88.09	46,17.33	175,34.46

^ Special Reserve: The appropriation of profit of ₹ 20,00 lakhs (31.03.2011 - ₹ 9,70 lakhs) to the special reserve is in accordance with Section 36(1)(viii) of Income Tax Act, 1961 & Section 29C of National Housing Bank Act, 1987.

* Surplus Appropriation includes

Particulars	2011-12 ₹ in lakhs	2010-11 ₹ in lakhs
Dividend	20,03.81	12,02.29
Dividend Distribution Tax	3,25.07	1,95.04
Special Reserve	20,00.00	9,70.00
General Reserve	50,00.00	22,50.00
	93,28.88	46,17.33

SUNDARAM BNP PARIBAS HOME FINANCE LIMITED

NOTES TO THE ACCOUNTS (Contd.)
Note 4: Long-term Borrowings

Particulars	31.03.2012 ₹ in lakhs	31.03.2011 ₹ in lakhs
<u>Secured Loans</u>		
Non-Convertible Debentures (Redeemable at Par) - Refer Annexure A	1179,21.65	511,76.82
[Secured by a first mortgage over a specific immovable property belonging to the Company and a negative lien on its loan assets]		
[These debentures include zero coupon debentures of ₹ 492,21.66 lakhs of face value ₹ 504,00 lakhs (31.03.2011 - ₹ 52,76.82 lakhs of face value ₹ 59,70 lakhs)]		
Charge in respect of Non-Convertible Debentures having face value ₹ 24,00 lakhs to be created.		
From Scheduled Banks :		
Rupee Term Loans - Refer Annexure B	505,00.00	88,33.33
[Secured by a negative lien on loan assets of the Company]		
From Others :		
Rupee Term Loans by way of refinance from National Housing Bank (NHB)	483,04.70	494,65.75
[Secured by a negative lien on loan assets of the Company]		
[Repayment in quarterly instalments from April 2013 to March 2026]		
<u>Unsecured Loans</u>		
Fixed Deposits		
From Public	344,06.44	316,05.14
From Companies	3,39.34	1,20.00
From Directors	71.71	23.71
	348,17.49	317,48.85
Subordinated Non-Convertible Debentures - Refer Annexure C	130,00.00	100,00.00
[The debentures are subordinated to the existing and future unsecured loan funds of the Company and qualify as Tier II Capital under the Housing Finance Companies (NHB) Directions, 2010, issued by NHB]		
[Redeemable at par between 2017 and 2019]		
Debenture Application Money	41,40.00	25,00.00
[These debentures include zero coupon debentures of ₹ 41,40 lakhs of face value ₹ 41,40 lakhs (31.03.2011 - NIL)]		
	2686,83.84	1537,24.75

NOTES TO THE ACCOUNTS (Contd.)

Annexure A

Details of rate of interest and redemption in respect of Non-Convertible Debentures

As at 31st March 2012

₹ in lakhs

Continued from previous table

Implicit interest rate	Redemption Date	Amount
9.91%	06-Mar-15	10,00.00
9.77%	03-Feb-15	10,00.00
10.20%	15-Dec-14	15,00.00
10.33%	09-Dec-14	5,00.00
10.42%	04-Dec-14	15,00.00
10.42%	01-Dec-14	16,30.00
10.42%	25-Nov-14	15,00.00
10.35%	10-Nov-14	31,50.00
10.35%	12-Sep-14	20,00.00
10.35%	05-Sep-14	10,23.30
10.35%	29-Aug-14	25,00.00
10.55%	11-Aug-14	25,00.00
10.40%	11-Aug-14	10,00.00
10.35%	22-Jul-14	50,00.00
10.55%	14-Jul-14	60,00.00
10.50%	11-Jul-14	10,00.00
10.55%	19-May-14	40,00.00
10.00%	17-Mar-14	4,00.00
10.27%	27-Jan-14	25,00.00
10.27%	24-Jan-14	34,00.00
10.05%	16-Jan-14	5,00.00
10.36%	13-Jan-14	6,40.00
9.97%	23-Dec-13	12,00.00
10.27%	19-Dec-13	12,00.00
10.25%	17-Dec-13	21,15.32
10.35%	09-Dec-13	8,00.00
10.27%	09-Dec-13	21,00.00
10.35%	04-Dec-13	12,71.67
10.35%	02-Dec-13	10,50.00
10.36%	25-Nov-13	8,50.00
10.40%	28-Oct-13	17,11.36
10.40%	11-Oct-13	70,00.00
10.15%	19-Sep-13	45,00.00
10.33%	13-Sep-13	5,00.00
10.20%	06-Sep-13	12,50.00
8.75%	02-Sep-13	18,00.00
8.75%	09-Aug-13	5,00.00
10.12%	09-Aug-13	15,00.00
10.33%	08-Aug-13	35,00.00
10.40%	02-Aug-13	15,00.00
8.90%	22-Jul-13	10,00.00
10.23%	19-Jul-13	10,00.00
10.46%	18-Jul-13	15,00.00
10.45%	28-Jun-13	25,00.00
10.41%	28-Jun-13	25,00.00

Continued to next table...

Implicit interest rate	Redemption Date	Amount
10.46%	24-Jun-13	35,00.00
9.95%	19-Jun-13	10,80.00
9.95%	17-Jun-13	23,00.00
10.65%	13-Jun-13	10,00.00
10.21%	12-Jun-13	5,00.00
10.15%	11-Jun-13	25,00.00
8.30%	30-May-13	50,00.00
10.32%	28-May-13	15,00.00
10.40%	20-May-13	50,00.00
8.35%	29-Apr-13	25,00.00
10.30%	19-Apr-13	10,00.00
8.30%	16-Apr-13	25,00.00
10.35%	09-Apr-13	10,00.00
10.30%	03-Apr-13	14,50.00
Total		1179,21.65

As at 31st March 2011

₹ in lakhs

Implicit interest rate	Redemption Date	Amount
10.27%	27-Jan-14	25,00.00
10.27%	24-Jan-14	34,00.00
10.05%	16-Jan-14	5,00.00
8.75%	02-Sep-13	18,00.00
8.75%	09-Aug-13	5,00.00
8.90%	22-Jul-13	10,00.00
8.30%	30-May-13	50,00.00
8.35%	29-Apr-13	25,00.00
8.30%	16-Apr-13	25,00.00
8.35%	29-Mar-13	50,00.00
10.30%	29-Mar-13	35,00.00
8.75%	15-Oct-12	25,00.00
8.60%	27-Sep-12	5,00.00
8.69%	21-Sep-12	25,00.00
8.60%	20-Sep-12	5,00.00
10.15%	24-Aug-12	17,48.01
10.24%	17-Aug-12	13,12.14
9.74%	09-Jul-12	5,06.98
9.74%	26-Jun-12	10,00.00
9.60%	21-May-12	17,00.00
7.60%	11-May-12	50,00.00
10.10%	07-May-12	17,09.69
10.38%	02-May-12	30,00.00
10.06%	20-Apr-12	10,00.00
Total		511,76.82

NOTES TO THE ACCOUNTS (Contd.)

Annexure B

Details in relation to repayment of Rupee Term Loans

As at 31st March 2012

₹ in lakhs

Final Maturity Date	Particulars	Amount
3-Nov-16	8 equal half yearly instalments from 3rd May 2013	80,00.00
15-Mar-15	3 equal Instalment from the end of 24, 30 & 36 Months from 15th March 2012	75,00.00
30-Jun-14	Bullet Repayment at the end of 30 months from 30th December 2011	25,00.00
12-Jul-14	Bullet repayment at the end of 30 months from 12th January 2012	75,00.00
1-Aug-14	Bullet repayment at the end of 30 months from 1st February 2012	100,00.00
29-Sep-13	Bullet repayment at the end of 2 years from 29th September 2011	50,00.00
18-Aug-13	Bullet repayment at the end of 2 years from 18th August 2011	50,00.00
20-Jun-13	Bullet repayment at the end of 2 years from 20th June 2011	50,00.00
Total		505,00.00

As at 31st March 2011

₹ in lakhs

Final Maturity Date	Particulars	Amount
24-Sep-14	5 equal half-yearly instalments from 25th September 2012	15,00.00
23-Dec-13	4 equal half-yearly instalments from 23rd June 2012	33,33.33
29-Sep-12	Bullet repayment at the end of 3 years from 29th September 2009	40,00.00
Total		88,33.33

Annexure C

Details of rate of interest and redemption in respect of Subordinated Non-Convertible Debentures

As at 31st March 2012

₹ in lakhs

Implicit interest rate	Redemption Date	Amount
10.35%	22-Feb-19	10,00.00
10.35%	08-Feb-19	10,00.00
10.25%	19-Jan-19	10,00.00
10.00%	03-Feb-17	100,00.00
Total		130,00.00

As at 31st March 2011

₹ in lakhs

Implicit interest rate	Redemption Date	Amount
10.00%	03-Feb-17	100,00.00
Total		100,00.00

NOTES TO THE ACCOUNTS (Contd.)

Note 5: Other Long-term Liabilities

Particulars	31.03.2012 ₹ in lakhs	31.03.2011 ₹ in lakhs
Trade Payables		
– Others	5,00.63	1,29.25
Interest accrued but not due - Long-term Borrowings	23,92.89	8,64.07
	<u>28,93.52</u>	<u>9,93.32</u>

Note 6: Long-term Provisions

Particulars	31.03.2012 ₹ in lakhs	31.03.2011 ₹ in lakhs
Provision for Employee Benefits	25.60	50.25
Others		
Contingent Provision against Standard Assets		
Standard-Housing Loans	9,37.80	–
Standard Non-Housing Loans	2,79.88	2,95.82
Standard Non-Housing Loans - Commercial	4,60.92	–
Provision against:		
Standard-Housing Loans - Teaser / Special Rate	–	5,96.40
Non-Performing Loans	9,08.74	4,55.15
	<u>26,12.94</u>	<u>13,97.62</u>

Note 7: Short-term Borrowings

Particulars	31.03.2012 ₹ in lakhs	31.03.2011 ₹ in lakhs
Secured Loans		
Overdraft facilities with Scheduled Banks [Secured by a negative lien on loan assets of the Company]	109,31.75	44,17.47
Unsecured Loans		
Commercial Paper	224,36.53	216,45.81
Fixed Deposits		
From Public	19,65.18	33,34.98
From Companies	–	26.00
From Directors	–	20.00
	<u>19,65.18</u>	<u>33,80.98</u>
	<u>353,33.46</u>	<u>294,44.26</u>

Note 8: Trade Payables

Particulars	31.03.2012 ₹ in lakhs	31.03.2011 ₹ in lakhs
Trade Payables *		
– For Expenses [Includes ₹ 1,35.00 lakhs (31.03.2011- ₹ 81.00 lakhs) payable to Directors]	19,97.36	16,55.88
– Others	1,62.34	1,53.84
	<u>21,59.70</u>	<u>18,09.72</u>

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

NOTES TO THE ACCOUNTS (Contd.)
Note 9: Other Current Liabilities

Particulars	31.03.2012 ₹ in lakhs	31.03.2011 ₹ in lakhs
Secured Loans		
Non-Convertible Debentures	355,08.25	140,00.00
(Redeemable at Par) - Refer Annexure D		
[Secured by a first mortgage over a specific immovable property belonging to the Company and a negative lien on its loan assets]		
[These debentures include zero coupon debentures of ₹ 58,08.25 lakhs of face value ₹ 59,70 lakhs (31.03.2011 - NIL)]		
From Scheduled Banks :		
Rupee Term Loans - Refer Annexure E	20,00.00	125,21.97
[Secured by a negative lien on the loan assets of the Company]		
From Others:		
Rupee Term Loans by way of Refinance from National Housing Bank (NHB)	151,48.05	218,80.53
[Secured by a negative lien on the loan assets of the Company]		
[Repayment in quarterly instalments from April 2012 to March 2013]		
Unsecured Loans		
Fixed Deposits		
From Public	158,94.62	163,38.30
From Companies	66.00	6,92.90
From Directors	25.39	21.00
Unpaid Matured Deposits and Interest accrued thereon	4,29.53	4,93.07
	164,15.54	175,45.27
Subordinated Non-Convertible Debentures - Refer Annexure F	-	50,00.00
[The debenture are subordinated to the existing and future unsecured loan funds of the Company and qualify as Tier II Capital under the Housing Finance Companies (NHB) Directions, 2010, issued by NHB.]		
Others		
Interest accrued but not due	88,98.14	57,00.21
[Includes interest of ₹ 4.85 lakhs (31.03.2011- ₹ 4.91 lakhs) on deposits accepted from Directors]		
Instalments Received in Advance	2,12.44	1,81.26
	781,82.42	768,29.24

NOTES TO THE ACCOUNTS (Contd.)

Annexure D

Details of rate of interest and redemption in respect of Non-Convertible Debentures

As at 31st March 2012			As at 31st March 2011		
		₹ in lakhs			₹ in lakhs
Implicit interest rate	Redemption Date	Amount	Implicit interest rate	Redemption Date	Amount
8.35%	29-Mar-13	50,00.00	7.60%	26-Mar-12	50,00.00
10.30%	29-Mar-13	35,00.00	6.95%	25-Nov-11	50,00.00
8.75%	15-Oct-12	25,00.00	12.50%	29-Sep-11	40,00.00
10.18%	08-Oct-12	10,00.00			
8.60%	27-Sep-12	5,00.00			
8.69%	21-Sep-12	25,00.00			
8.60%	20-Sep-12	5,00.00			
10.15%	24-Aug-12	19,24.65			
10.24%	17-Aug-12	14,45.73			
10.30%	02-Aug-12	10,00.00			
9.74%	09-Jul-12	5,55.82			
9.74%	26-Jun-12	10,00.00			
10.30%	15-Jun-12	15,00.00			
9.60%	21-May-12	17,00.00			
7.60%	11-May-12	50,00.00			
10.10%	07-May-12	18,82.05			
10.38%	02-May-12	30,00.00			
10.06%	20-Apr-12	10,00.00			
Total		355,08.25	Total		140,00.00

Annexure E

Details in relation to repayment of Rupee Term Loans

As at 31st March 2012			₹ in lakhs
Final Maturity Date	Particulars	Amount	
3-Nov-16	2 Equal half-yearly instalments from 3rd May 2012	20,00.00	
Total		20,00.00	

As at 31st March 2011			₹ in lakhs
Final Maturity Date	Particulars	Amount	
24-Sep-14	2 equal half-yearly instalments from 25th September 2011	6,00.00	
23-Dec-13	2 equal half-yearly instalments from 23rd June 2011	16,66.67	
31-Mar-12	Bullet repayment at the end of 3 years from 31st March 2009	100,00.00	
15-Sep-11	Repayment in 14 half-yearly instalments from 15th March 2005	1,84.42	
30-Jun-11	Repayment in 14 half-yearly instalments from 31st December 2004	70.88	
TOTAL		125,21.97	

NOTES TO THE ACCOUNTS (Contd.)

Annexure F

Details of rate of interest and redemption in respect of Subordinated Non-Convertible Debentures

As at 31st March 2012			As at 31st March 2011		
		₹ in lakhs			₹ in lakhs
Implicit interest rate	Redemption Date	Amount	Implicit interest rate	Redemption Date	Amount
		NIL	8.25%	06-Jun-11	50,00.00
Total		NIL	Total		50,00.00

Note 10: Short-term Provisions

Particulars	31.03.2012 ₹ in lakhs	31.03.2011 ₹ in lakhs
Provision for Employee Benefits	18.28	–
Others		
Provision against		
Standard Housing Loans- Teaser/Special Rates	4,56.89	3,97.69
Non-Performing Loans	41.26	84.85
Dividend	20,03.81	12,02.29
Dividend Distribution Tax	3,25.07	1,95.04
	28,45.31	18,79.87

NOTE 11: Long-term Loans and Advances

Particulars	31.03.2012 ₹ in lakhs	31.03.2011 ₹ in lakhs
Secured, Considered Good		
Housing Loans		
Individuals	2451,75.04	1810,60.91
Others	58.76	–
Non-Housing Loans	2452,33.80	1810,60.91
Individuals	976,08.86	605,02.21
Others	90,04.05	67,91.66
	1066,12.91	672,93.87
Unsecured, Considered Good		
Advances and Deposits recoverable in cash or in kind or for value to be received	2,73.40	3,24.56
	3521,20.11	2486,79.34

- Loans granted by the Company are secured by mortgage of properties
- ₹ 7.60 lakhs (31.03.2011 – ₹ 11.36 lakhs) due from the Managing Director of the Company.
- ₹ 7.82 lakhs (31.03.2011 – ₹ NIL) due from an Officer of the Company.
- In line with National Housing Bank Directions, 2010 the Company has identified Non-Performing Loans amounting to ₹ 10,37.50 lakhs as on 31.03.2012 (31.03.2011 – ₹ 6,71.41 lakhs).

NOTES TO THE ACCOUNTS (Contd.)

Note 12: Fixed Assets

₹ in lakhs

Description	Gross Block at Cost			Depreciation			Net Block			
	As at 01.04.2011	Additions	Deductions	As at 31.03.2012	Up to 01.04.2011	For The Year	Deductions	Up to 31.03.2012	31.03.2012	31.03.2011
Tangible Assets										
Land	1.92 (1.92)	- -	- -	1.92 (1.92)	- -	- -	- -	- -	1.92 (1.92)	1.92 (1.92)
Plant and Machinery	53.38 (48.47)	7.78 (9.86)	2.23 (4.95)	58.93 (53.38)	31.65 (31.73)	3.98 (3.29)	1.53 (3.37)	34.10 (31.65)	24.83 (21.73)	21.73 (16.74)
Vehicles	86.75 (96.79)	1,43.38 (24.17)	11.92 (34.21)	2,18.21 (86.75)	39.21 (51.51)	41.72 (13.92)	8.71 (26.23)	72.22 (39.20)	1,45.99 (47.55)	47.54 (45.27)
Furniture and Fixtures	1,24.88 (1,19.53)	22.80 (5.35)	1.94 (-)	1,45.74 (1,24.88)	1,00.79 (92.98)	16.29 (7.81)	1.72 (-)	1,15.36 (1,00.79)	30.38 (24.09)	24.09 (26.55)
Computer - Hardware	2,15.95 (1,66.83)	1,94.85 (60.79)	- (11.67)	4,10.80 (2,15.95)	1,49.53 (1,30.19)	50.34 (30.26)	- (10.92)	1,99.87 (1,49.53)	2,10.93 (66.42)	66.42 (36.64)
Office Equipment	72.18 (56.51)	25.71 (16.56)	0.09 (0.89)	97.80 (72.18)	39.53 (33.40)	7.64 (6.82)	0.07 (0.69)	47.10 (39.53)	50.70 (32.65)	32.65 (23.11)
Total	5,55.06	3,94.52	16.18	9,33.40	3,60.71	1,19.97	12.03	4,68.65	4,64.75	1,94.35
Intangible Assets										
Computer Software	2,16.61 (1,91.88)	1,43.31 (24.73)	- (-)	3,59.92 (2,16.61)	1,33.25 (65.32)	75.01 (67.93)	- (-)	2,08.26 (1,33.25)	1,51.66 (83.37)	83.37 (1,26.57)
Total	2,16.61	1,43.31	-	3,59.92	1,33.25	75.01	-	2,08.26	1,51.66	83.37
Grand Total	7,71.67	5,37.83	16.18	12,93.32	4,93.96	1,94.98	12.03	6,76.91	6,16.41	2,77.72
Previous year	(6,81.93)	(1,41.46)	(51.72)	(7,71.67)	(4,05.13)	(1,30.03)	(41.21)	(4,93.95)	(2,77.72)	(2,76.80)

Figures in brackets pertain to 31st March 2011

Intangible Assets: In accordance with Accounting Standard AS 26 -Intangible Assets, Software purchased amounting to ₹ 1,43.31 lakhs (31.03.2011 --₹ 24.73 lakhs) is amortised over a period of 3 years.

NOTES TO THE ACCOUNTS (Contd.)
Note 13: Non-Current Investments

Particulars	31.03.2012 ₹ in lakhs		31.03.2011 ₹ in lakhs	
	Face Value	Amount	Face Value	Amount
Investment - At Cost				
Other Investments				
In Government / Trust Securities				
A. Quoted				
Government Securities				
Central Government Loans	34,49	33,63.65	31,89	31,08.27
[Net of Provision of ₹ 1,49.72 lakhs (31.03.2011- ₹ 1,55.31 lakhs) for cost over face value] (Face Value of ₹ 4,50 lakhs purchased during the year)				
B. Unquoted				
In Trust Securities				
in Mortgage Backed Securities (on Securitisation) in SHFL Housing Finance Trust August 2004				
Investments in Senior Pass Through Certificate (PTC) (A2) Securities		1,33.47		1,71.47
Investment in Subordinate Tranche Securities		93.19		1,67.94
		<u>35,90.31</u>		<u>34,47.68</u>

Particulars	Cost ₹ in lakhs	Market Value ₹ in lakhs
Aggregate of Quoted Investments	33,63.65	34,16.15
Aggregate of Unquoted Investments	2,26.66	—

In accordance with the NHB Directions, the Company has created a floating charge on the statutory liquid assets comprising investments in Government securities of the face value of ₹ 36,39 lakhs (Cost ₹ 36,96.83 lakhs) and bank deposits of ₹ 37,75.00 lakhs (mentioned in Note - 18 Cash and Bank Balances) in favour of trustees representing the public deposit holders of the Company.

Note 14: Deferred Tax Assets (Net)

Particulars	31.03.2012 ₹ in lakhs	31.03.2011 ₹ in lakhs
Deferred Tax Asset		
Provision against		
Non-Performing Loans	3,08.22	1,75.20
Standard Housing Loans	4,52.51	3,22.53
Standard Non-Housing Loans	2,37.38	95.98
Others - Investments and Employee Benefits	41.10	50.39
	<u>10,39.21</u>	<u>6,44.10</u>
Less: Deferred Tax Liability		
Depreciation	11.16	5.15
	<u>10,28.05</u>	<u>6,38.95</u>

Note 15: Other Non-current Assets

Particulars	31.03.2012 ₹ in lakhs	31.03.2011 ₹ in lakhs
Secured, Considered Good		
Loan Against Deposits	93.00	37.35
	<u>93.00</u>	<u>37.35</u>

NOTES TO THE ACCOUNTS (Contd.)

Note 16: Short-term Loans and Advances

Particulars	31.03.2012		31.03.2011	
	₹ in lakhs		₹ in lakhs	
Secured, Considered Good				
Housing Loans				
Individuals	130,26.35		101,69.67	
Others	3.14		—	
		130,29.49		101,69.67
Non-Housing Loans				
Individuals	74,70.40		49,95.54	
Others	19,60.86		17,53.89	
		94,31.26		67,49.43
Advance Income - tax and TDS (Net)		15,72.57		9,88.88
[Includes ₹ 55.29 lakhs towards income tax paid under dispute]				
Advance Tax - FBT - (Net)		10.05		10.05
		240,43.37		179,18.03

- (1) Loans granted by the Company are secured by mortgage of properties.
- (2) ₹ 3.69 lakhs (31.03.2011 - ₹ 3.55 lakhs) due from the Managing Director of the Company.
- (3) ₹ 0.14 lakhs (31.03.2011 - NIL) due from an Officer of the Company.
- (4) In Line with NHB Directions, the Company has identified Non-Performing Loans amounting to ₹ 128.18 lakhs as on 31.03.2012 (31.03.2011 - ₹ 96.28 lakhs).
- (5) Advance Income Tax and Tax deducted at Source is net of Provision for Taxation of ₹ 111,49.04 lakhs (31.03.2011 - ₹ 70,83.04 lakhs).
- (6) Advance Fringe Benefit Tax is net of Provision for Tax of ₹ 54.84 lakhs (31.03.2011 - ₹ 54.84 lakhs).

Note 17: Current Investments

Particulars	31.03.2012		31.03.2011	
	₹ in lakhs		₹ in lakhs	
	Face Value	Amount	Face Value	Amount
Investments - At Cost				
In Government / Trust Securities				
A Quoted				
Government Securities				
Central Government Loans	1,90	1,83.46	1,62	1,62.86
B Unquoted				
In Trust Securities				
Investments in Mutual Funds (Sundaram Ultra Short term- Super institutional Plan - Growth Option)		—		4,25.00
Investment in Subordinate Tranche Securities		74.75		37.74
		2,58.21		6,25.60

Particulars	Cost ₹ in lakhs	Market Value ₹ in lakhs
Aggregate of Quoted Investments	1,83.46	1,89.84
Aggregate of Unquoted Investments	74.75	—

NOTES TO THE ACCOUNTS (Contd.)

Note 18: Cash and Bank Balances

Particulars	31.03.2012 ₹ in lakhs	31.03.2011 ₹ in lakhs
Cash and Cash Equivalents		
Cash on Hand	1,03.22	69.79
Balances with Scheduled Banks in Current Accounts	21,97.59	22,18.85
Deposit Accounts - Up to 3 months maturity	241,55.80	113,98.56
	263,53.39	136,17.41
Other Bank Balances		
Balances with Scheduled Banks in Deposit Accounts		
- 3 to 12 months maturity	142,28.49	29,50.00
- more than 12 months maturity	15,75.00	25,42.08
[Deposit accounts include Cash Collateral provided for ₹ 44,78.08 lakhs (31.03.2011 - ₹ 13,17.08 lakhs) for which the lien has been noted]		
	422,60.10	191,79.28

Note 19: Other Current Assets

Particulars	31.03.2012 ₹ in lakhs	31.03.2011 ₹ in lakhs
Loans and Advances		
Secured, Considered Good		
Instalments due from Borrowers	4,65.62	3,50.77
Loan Against Deposits	47.94	63.97
	5,13.56	4,14.74
Unsecured, Considered Good		
Advances and Deposits recoverable in cash or in kind or for value to be received	3,71.41	2,42.65
[Includes a deposit of ₹ 69 lakhs (31.03.2011 – ₹ 69 lakhs) offered as collateral for the Securitisation of assets]		
Income Receivable	35.26	23.93
Interest Accrued on Investments	3,75.32	1,43.20
	12,95.55	8,24.52

NOTES TO THE ACCOUNTS (Contd.)

Note 20: Revenue from Operations

Particulars	2011-12 ₹ in lakhs	2010-11 ₹ in lakhs
Interest on Loans	433,98.97	272,36.83
Loan Processing and Other Fees	25,66.31	14,37.60
Investment Income	15,65.93	8,02.53
Profit on Sale of Current Investments	10,38.97	7,18.17
Other Operating Income	8,99.32	5,46.22
[Includes ₹ 23.44 lakhs (31.03.2011- ₹ 29.44 lakhs) from investment in Mortgaged Backed Securities in SHFL Housing Finance Trust - August 2004]		
	494,69.50	307,41.35

The Company sold a pool of its Housing and Non-Housing loans at par with an aggregate outstanding principal of ₹ 296,32.79 lakhs (31.03.2011 - ₹ 125,35.63 lakhs). The Excess Interest Spread (EIS) which the Company is entitled to retain from the interest to be collected from the borrowers of the loans, over and above a specified amount of interest to be passed on to the acquirer of the loan, will be accounted over the remaining life of the loans sold.

Note 21: Other Income

Particulars	2011-12 ₹ in lakhs	2010-11 ₹ in lakhs
Interest Receipts	51.78	42.74
Profit on Sale of Fixed Assets	4.58	3.73
Miscellaneous Income	1.08	0.40
	57.44	46.87

Note 22: Financial Expenses

Particulars	2011-12 ₹ in lakhs	2010-11 ₹ in lakhs
Interest expenses	143,19.59	127,50.14
Interest on Debentures	122,42.62	48,72.63
Other borrowing cost	35,92.63	18,59.95
	301,54.84	194,82.72

Note 23: Employee Benefits

Particulars	2011-12 ₹ in lakhs	2010-11 ₹ in lakhs
Salaries and Wages	16,12.94	10,37.82
Contribution to		
– Provident and Other Funds	79.93	54.42
– Gratuity Fund	38.22	25.12
Staff Welfare Expenses	77.09	47.69
	18,08.18	11,65.05

NOTES TO THE ACCOUNTS (Contd.)
Note 24: Administrative Expenses

Particulars	2011-12 ₹ in lakhs	2010-11 ₹ in lakhs
Rent	2,44.98	1,67.36
Rates and Taxes	18.37	5.58
Communication Expenses	1,02.39	83.47
Electricity	41.07	32.10
Travelling and Conveyance	1,08.55	95.92
Advertisement and Publicity	99.76	1,06.35
Outsourcing Cost	7,00.21	5,32.57
Directors' Sitting Fees	2.20	3.00
Insurance	27.50	51.66
Repairs and Maintenance		
– Buildings	1.76	3.58
– Others	<u>1,87.13</u>	<u>63.88</u>
	1,88.89	67.46
Software Charges	1,65.81	98.35
Database and Networking Expenses	1,02.05	88.58
Business Sourcing Cost	10,06.84	5,75.81
Donations	75.00	5.00
Miscellaneous Expenses (Net)	73.66	58.92
	<u>29,57.28</u>	<u>19,72.13</u>

Miscellaneous Expenses (Net) include remuneration to Auditors towards:

Particulars	2011-12 ₹ in lakhs	2010-11 ₹ in lakhs
Statutory Audit	8.50	6.25
Tax Audit	2.50	2.00
Certification	3.80	3.65

Note 25: Provisions and Write offs

Particulars	2011-12 ₹ in lakhs	2010-11 ₹ in lakhs
Bad Debts	1,05.58	45.38
Loss on Fixed Assets Sold / Written off	0.49	1.26
Provision against		
Standard Housing under Teaser/Special Rate	(5,37.20)	9,94.09
Non-Performing Loans	4,10.00	95.85
Investments	-	1.40
	<u>(21.13)</u>	<u>11,37.98</u>

NOTES TO THE ACCOUNTS (Contd.)

Note 26: General

26.1 The main business of the Company is to provide long-term financing for residential purposes in India. Accordingly there is no separate reportable segment as per Accounting Standard – AS – 17 – ‘Segment Reporting’.

26.2 Securitisation:

The Company securitised assets in the year 2004 - 05 to the extent of ₹ 51,69.18 lakhs and details of such assets as on 31st March 2012 are as follows:

Pass Through Certificates subscribed by the Company : ₹ 3,01.41 lakhs

Bank deposits held as collateral : ₹ 69.00 lakhs

26.3 Non-Performing Loans and Provisions :

In line with the National Housing Bank Directions 2010, the Company has identified Non-Performing Loans amounting to ₹ 11,65.68 lakhs as on 31.03.2012 (31.03.2011 – ₹ 7,67.69 lakhs). The provisions relating to housing and non-housing loans made in the books of account are as follows:

Non-Performing Loans				₹ in lakhs
Particulars	Sub Standard	Doubtful	Loss	Total
Housing Loans				
Outstanding	6,55.84 (3,05.45)	3,08.10 (2,96.16)	- (-)	9,63.94 (6,01.61)
Provisions	5,24.43 (2,14.76)	2,58.63 (2,08.23)	- (-)	7,83.06 (4,22.99)
Non-Housing loans				
Outstanding	1,23.84 (1,17.74)	77.90 (47.57)	- (0.77)	2,01.74 (1,66.08)
Provisions	1,00.64 (82.78)	66.30 (33.46)	- (0.77)	1,66.94 (1,17.01)
Total				
Loans Outstanding	7,79.68 (4,23.19)	3,86.00 (3,43.73)	- (0.77)	1,165.68 (7,67.69)
Provisions	6,25.07 (2,97.54)	3,24.93 (2,41.69)	- (0.77)	9,50.00 (5,40.00)

Figures in brackets pertain to previous year

26.4 Employee Benefits:

i) Defined Contribution Plans:

The Company has recognized the following amounts in the Profit and Loss Statement Account which are included in Employee Benefits in Note 23.

₹ in lakhs					
Contribution to	2011-12	2010-11	2009-10	2008-09	2007-08
Provident Fund	59.27	42.33	32.55	30.17	26.76
Employees State Insurance Scheme	3.86	3.19	0.41	0.59	1.05
Superannuation Fund	10.70	8.90	3.90	5.35	3.84

NOTES TO THE ACCOUNTS (Contd.)

ii) Defined Benefit Plan: Gratuity

A. Reconciliation of opening and closing balances of present value of the defined benefit obligation

	₹ in lakhs	
	2011-12	2010-11
Present value of obligations as at the beginning of the year	1,05.84	54.53
Interest cost	8.47	4.36
Current service cost	16.89	11.89
Benefits paid	2.88	20.26
Transferred employees past service		39.86
Actuarial (gain)/loss on obligation	23.20	15.46
Present value of obligations as at the end of the year	1,51.51	1,05.84

B. Reconciliation of opening and closing balances of fair value of Plan Assets

Fund Maintained by LIC

	₹ in lakhs	
	2011-12	2010-11
Fair value of plan assets as at beginning of the year	1,12.44	57.45
Expected return on plan assets	10.34	6.60
Contributions	41.96	68.64
Benefits paid	2.88	20.26
Actuarial gain on plan assets	-	-
Fair value of plan assets as at the end of the year	1,61.85	1,12.44

C. Reconciliation of present value of defined benefit obligation and fair value of plan assets to the assets and liabilities

	₹ in lakhs	
	2011-12	2010-11
Present value of obligations as at the end of the year	1,51.51	1,05.84
Fair value of plan assets as at the end of the year	1,61.85	1,12.44
Net (asset)/liability recognised in the Balance Sheet	(10.34)	(6.60)

D. Expenses recognised in the Profit and Loss Account

	₹ in lakhs	
	2011-12	2010-11
Current Service cost	16.89	11.89
Interest Cost	8.47	4.36
Expected return on plan assets	10.34	6.60
Actuarial (gain)/loss on obligation	23.20	15.46
Expenses to be recognized in the Profit and Loss Account	38.22	25.11

NOTES TO THE ACCOUNTS (Contd.)

E. Details showing fair value of Plan assets

	₹ in lakhs	
	2011-12	2010-11
Fair value of plan assets as at the beginning of the year	1,12.44	57.46
Actual return on plan assets	10.34	6.60
Contributions	41.96	68.64
Benefit Paid	2.88	20.26
Fair value of plan assets as at the end of the year	1,61.85	1,12.44

E. Actuarial Gain / Loss recognized

	₹ in lakhs	
	2011-12	2010-11
Actuarial loss on obligation	23.20	15.46
Actuarial gain on plan assets	--	--
Total (gain)/loss for the year	23.20	15.46
Actuarial (gain)/loss recognized in the year	23.20	15.46

G. Actuarial assumption*

	31-03-2012	31-03-2011
Discount Rate	8.00%	8.00%
Rate of Increase in Compensation levels	8.00%	8.00%
Expected return on plan assets	8.00%	8.00%
Attrition Rate	1-3%	1-3%

* 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.

Amount for the current and previous three years are as follows:

	₹ in lakhs			
Particulars	2011-12	2010-11	2009-10	2008-09
Defined Benefit Obligation	1,51.51	1,05.84	54.53	43.74
Plan Assets	1,61.85	1,12.44	57.45	45.92
Surplus (Deficit)	10.34	6.60	2.92	2.18
Experience adjustments on plan liabilities	(23.20)	(15.46)	0.82	7.78
Experience adjustments on plan assets	-	-	-	0.14

iii) The present value of obligation towards compensated absences, as per actuarial certificate, as on 31st March 2012 is ₹ 1,11.85 lakhs (31.03.2011 - ₹ 63.65 lakhs) and is recognised for in the books of accounts.

iv) The Company's liability in respect of reimbursement of medical expenses, as per actuarial certificate, as on 31st March 2012 is ₹ 22.80 lakhs (31st March 2011- ₹ 10.68 lakhs) and is provided for in the books of accounts.

NOTES TO THE ACCOUNTS (Contd.)

26.5 In accordance with Accounting Standard - AS- 18 'Related Parties Disclosures' the details of Related Parties Transactions are given below:

Details of Related Parties:

Joint Venture Promoters

Sundaram Finance Limited – (50.10% of the paid-up share capital)

BNP Paribas Personal Finance – (49.90% of the paid-up share capital)

Fellow Subsidiaries

Sundaram Asset Management Company Ltd.

Sundaram Trustee Company Ltd.

Sundaram Finance Distribution Ltd.

LGF Services Ltd.

Sundaram Infotech Solutions Ltd.

Sundaram Business Services Ltd.

Infreight Logistics Solutions Ltd.

Professional Management Consultants Ltd.

Sundaram BNP Paribas Fund Services Ltd.

Sundaram Insurance Broking Services Ltd.

Sundaram Parekh Warehousing Services Ltd.

Caltec Servicez Private Ltd.

Associate

Sundaram Mutual Fund

Sundaram Medical Foundation

Key Management Personnel

Mr. Srinivas Acharya – Managing Director

NOTES TO THE ACCOUNTS (Contd.)

Details of Related Parties Transactions for the year ended 31.03.2012

₹ in lakhs

	Joint Venture Promoters	Fellow Subsidiaries / Associates	Key Management Personnel	Total 2011-2012	Previous Year 2010 - 2011
Income					
Interest on Housing Loan	-	-	0.27	0.27	0.34
Rent Charges					
Sundaram Finance Ltd	5.18	-	-	5.18	7.70
Sundaram Asset Management Company Ltd	-	0.48	-	0.48	0.54
Total	5.18	0.48	0.27	5.93	8.58
Expenses					
Rent and Office Maintenance					
Sundaram Finance Ltd	99.91	-	-	99.91	58.55
Brokerage, Commission, Deposit and Payroll Processing Services					
Sundaram Finance Ltd	8,35.28	-	-	8,35.28	5,38.62
Sundaram Business Services Ltd	-	33.67	-	33.67	33.33
Professional Management Consultants Ltd	-	6.07	-	6.07	-
Intranet Maintenance charges					
Sundaram Finance Ltd	20.57	-	-	20.57	7.35
Internal Audit fees					
Sundaram Finance Ltd	10.00	-	-	10.00	6.00
Connectivity and Other Charges					
Sundaram Finance Ltd	1,59.92	-	-	1,59.92	1,03.74
Sundaram Infotech Solutions Ltd	-	27.17	-	27.17	-
Remuneration	-	-	1,87.31	1,87.31	1,27.16
Donations					
Sundaram Medical Foundation	-	50.00	-	50.00	-
Total	11,25.68	1,16.91	1,87.31	14,29.90	8,74.75
Assets					
Purchase of Asset					
Sundaram Finance Limited	3.88	-	-	3.88	22.14
Sundaram Infotech Solutions Ltd	-	2,65.50	-	2,65.50	-
Investment in Trust Securities					
Sundaram Mutual fund	-	445,00.00	-	445,00.00	169,04.25
Disinvestments in Trust Securities - at the end of the year					
Sundaram Mutual fund	-	452,41.01	-	452,41.01	166,24.93
Investment in Trust Securities - at the end of the year					
Sundaram Mutual fund	-	-	-	-	4,25.00
Housing Loan - at the end of the year	-	-	11.29	11.29	14.91
Other Assets					
Sundaram Finance Ltd	-	-	-	-	27.98
Sundaram Infotech Solutions Ltd	-	3.00	-	3.00	1.80
Total	3.88	900,09.51	11.29	900,24.68	340,21.01
Liabilities					
Other Liabilities					
Sundaram Finance Ltd	99.21	-	-	99.21	50.63
Commission Payable	-	-	1,25.00	1,25.00	75.00
Total	99.21	-	1,25.00	2,44.21	1,25.63
Dividend					
Sundaram Finance Ltd	10,03.91	-	-	10,03.91	6,02.35
BNP Personal Finance	9,99.90	-	-	9,99.90	5,99.94
Total	20,03.81	-	-	20,03.81	12,02.29

SUNDARAM BNP PARIBAS HOME FINANCE LIMITED

NOTES TO THE ACCOUNTS (Contd.)
26.6 Earnings per Share (Basic and diluted)

Particulars	2011-12	2010-11
Profit for the year after taxation (₹ in lakhs)	93,73.11	47,68.09
Number of Equity share	8,01,52,288	8,01,52,288
Basic and Diluted earnings per share (₹)	11.69	5.75
Dividend Proposed to be distributed (₹ in lakhs)	20,03.81	12,02.29
Dividend per share (₹)	2.50	1.50

26.7 Details of Dividend remitted in foreign currency

Particulars	2011-12
Number of Non-Resident Shareholders	One
Number of Shares	3,99,95,992
Amount of Dividend remitted (₹ in lakhs)	5,99.94
Financial year to which the dividend relates	2010-11

26.8 Expenditure in Foreign Currency (on payment basis)

On account of others – Subscription to magazines ₹ 0.58 lakhs (31.03.2011 - ₹ 0.01 lakhs).

26.9 There are no amounts due to small-scale industries in terms of The Micro, Small and Medium Enterprises Development Act, 2006.

26.10 During the year, Sundaram Finance Limited, the holding company has incurred ₹ 9.88 lakhs towards the cost of Employee Stock Option Scheme issued under Sundaram Finance Employee Stock Option Scheme 2008 to Mr. Srinivas Acharya, Managing Director of the Company.

26.11 During the year, the Company has changed the method of accounting of brokerage paid on deposits accepted by the Company. Hitherto, brokerage was amortised over the tenure of the deposit. From the current year, brokerage paid is written off in the year of accepting the deposits. Consequently, brokerage for the year is higher and profit before tax for the year is lower by ₹ 65.10 lakhs.

26.12 Contingent Liabilities in respect of

Undisbursed amount of loans sanctioned and partly disbursed as at 31.03.2012 works out to ₹115,39.91 lakhs. (31.03.2011 - ₹ 97,48.52 lakhs)

26.13 Estimated amount of contracts remaining to be executed on capital account – ₹ 6.50 lakhs. (31.03.2011– ₹ 4.20 lakhs)

26.14 The presentation in the Balance Sheet, Profit and Loss statement and Notes to the Accounts has been in terms of Revised Schedule VI to the Companies Act, 1956, which has become mandatory with effect from 1st April 2011. Previous year's figures have been regrouped / reclassified wherever necessary to conform to the current year's presentation.

As per our report of even date attached

For **Brahmayya & Co.,**
Chartered Accountants
FRN 000511S

L. Ravi Sankar
Partner
Membership No. 25929

Chennai
25th April 2012

S. Viji
Chairman

Srinivas Acharya
Managing Director

G. Sundararajan
Chief Financial Officer

V. Swaminathan
Company Secretary

Directors

T.T. Srinivasaraghavan

A.N. Raju

John Christopher Woodhouse

Anthony Colwyn-Thomas

N. Ganga Ram

M.S. Parthasarathy

Disclosure in the Balance Sheet (as on 31st March 2012)

I. Capital to Risk Assets Ratio (CRAR)

Items	31.03.2012	31.03.2011
i) CRAR (%)	14.61%	15.24%
ii) CRAR - Tier I capital (%)	10.41%	10.86%
iii) CRAR - Tier II Capital (%)	4.20%	4.38%

II. Exposure to Real Estate Sector (₹ in crore)

Category	31.03.2012	31.03.2011
a) Direct exposure #		
(i) Residential Mortgages* – Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented;		
– Individual Housing Loans upto ₹ 15 lakhs	1137.93	905.21
– Others	2146.00	1439.25
	<u>3283.93</u>	<u>2344.47</u>
(ii) Commercial Real Estate – Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits;	461.32	309.86
(iii) Investments in Mortgage Backed Securities (MBS) and other securitised exposures –		
a. Residential	3.01	3.77
b. Commercial Real Estate	–	–
b) Indirect Exposure		
Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	–	–

Note:

Consists of future Principal and Principal component of EMI outstanding.

* Includes exposures to Non-Housing loans secured by residential mortgages amounting to ₹ 701.33 crore (Previous year – ₹ 431.36 crore)

III. Asset Liability Management
Maturity pattern of certain items of assets and liabilities

	₹ in crore										
	1 day to 30-31 days (one month)	Over one month to 2 months	Over 2 months upto 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 to 5 years	Over 5 to 7 years	Over 7 to 10 years	Over 10 years	Total
Liabilities											
Borrowings from banks*	21.14	10.00	-	46.67	202.99	648.53	142.03	70.96	81.79	44.74	1268.85
Market Borrowings	28.90	164.50	48.68	285.56	235.61	1525.23	143.56	30.00	-	-	2462.03
Assets											
Advances	61.16	61.13	61.07	182.46	358.90	1379.15	1269.04	1162.33	1448.77	1665.75	7649.76
Investments #	303.96	15.06	0.06	0.18	67.14	20.03	1.34	10.21	9.13	10.96	438.07

* Includes Borrowings from NHB

Breakup of Investments :

	₹ in crore
Investments	
Investments as per Note 13	35.90
Investments as per Note 17	2.58
Total (A)	<u>38.48</u>
Cash & Bank Balances – Note 18	
SLR Bank Deposits	37.75
Certificate of Deposits	173.06
Short-term deposits with banks	144.00
Deposits under Lien	44.78
Total (B)	<u>399.59</u>
Total (A)+(B)	<u>438.07</u>



SUNDARAM BNP PARIBAS
— HOME FINANCE —

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Hyderabad : 040 27806002, Kakinada : 0884 2351618, Karimnagar: 0878 2277676, Khammam: 08742 242160, Kukkatpally: 040 23162224,
Kurnool: 08518 225146, Nellore: 0861 2322269, Nizamabad: 08462 220224, Ongole : 08592 283959, Rajahmundry : 0883 2468579,
Srikkakulam: 08942 229123, Tanuku: 08819 227667, Tirupati: 0877 2237378, Vijayawada: 0866 2471717,
Visakhapatnam : 0891 2575522, Warrangal : 0870 2441244

Karnataka

Bengaluru – Malleswaram : 080 23567911, Bengaluru - Jayanagar : 080 26493737, Hubli: 0836 2251954,
Mangalore : 0824 2451517, Mysuru : 0821 2425007, Shimoga : 08182 275719, Udipi : 0820 2520879

Kerala

Calicut : 0495 2722066, Cochin : 0484 2350341, Kannur : 0497 2761917, Kayamkulam: 0489 2443399, Kollam: 0474 2727490,
Kottayam : 0481 2561549, Manjeri: 0483 2766863, Muvattupuzha: 0485 2812906, Palakkad : 0491 2503610, Pathanamthitta: 0468 2224289,
Tirur: 0494 2425821, Trichur: 0487 2324077, Trivandrum : 0471 2346086

Puducherry : 0413 2330509

Tamil Nadu

Attur : 04282 253354, Chennai - T Nagar : 044 28155151, Chennai - Chromepet : 044 22210244, Chennai - Ambattur : 044 26521656,
Chennai - Thiruvanniyur : 044 24430030, Chengleput : 044 27432929, Coimbatore : 0422 2246655, Dharmapuri : 04342 266244,
Dindigul : 0451 2422001, Erode : 0424 2262999, Gobichettipalayam : 04285 227737, Hosur : 04344 243318, Kancheepuram : 044 27233660,
Karaiykudi : 04565 233202, Karur : 04324 231235, Kumbakonam : 0435 2433216, Madurai : 0452 4380202, Mettupalayam : 04254 221125,
Namakkal : 04286 233454, Perambalur : 04328 275563, Pollachi: 04259 223552, Salem : 0427 2334554, Tanjore : 04362 233216,
Thiruvarur : 04366 220293, Tiruchengode : 04288 257381, Tirunelveli : 0462 2574274,
Tirupur : 0421 2244450, Trichy : 0431 2769200, Tuticorin : 0461 2328827, Vellore : 0416 2224884

Beyond Southern India

Bhopal : 0755 2550240, Bhubaneswar : 0674 2544677, Kohlapur : 0231 2667381

Kolkata : 033 22837877, Nasik : 0253 2501766