

Sundaram BNP Paribas Home Finance Limited

14th Annual Report
2012-13



SUNDARAM BNP PARIBAS
— HOME FINANCE —

Board of Directors

S. Viji	Chairman
T.T. Srinivasaraghavan	
S. Ravindran	
John Christopher Woodhouse	
Anthony Colwyn-Thomas	
Alexandre Adam	
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	
Alexandre Adam	
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
V. Vijay Kulkarni	Area Head – Karnataka & Rest of India

Statutory Auditors

M/s. Brahmayya & 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
HDFC Bank
Axis Bank
IDBI Bank
City Union Bank
Federal Bank
Syndicate 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

	2012-13	2011-12	2010-11	2009-10	2008-09
OPERATIONAL HIGHLIGHTS:					(₹ in crore)
Approvals	2847	2248	1447	904	595
Disbursements	2572	1948	1207	739	526
Loans outstanding	5523	3728	2641	1851	1582
Loans under Management (including assets sold/secured)	5902	4226	2928	2083	1887
FINANCIAL HIGHLIGHTS:					
Paid-up capital	92.65	80.15	80.15	80.15	80.15
Reserves and surplus	421.89	245.79	175.34	141.64	123.30
Networth	514.54	325.94	255.49	221.79	203.45
Total borrowings	5357.92	3710.03	2538.56	1966.94	1722.70
Fixed Deposits	553.81	531.98	526.73	485.93	358.80
Net interest income	232.11	167.49	97.75	62.72	60.32
Fees & Other Income (Net of Business Sourcing Cost)	24.41	16.15	9.56	5.07	2.38
Operating Income	256.52	183.64	107.31	67.79	62.70
Operating Cost	51.12	37.59	25.62	21.86	20.59
Operating Profit	205.40	146.05	81.69	45.93	42.11
Profit before tax	176.68	130.50	68.38	41.49	39.26
Profit after tax	126.55	93.73	47.68	27.72	26.81
Return on average networth (%)	30.11	32.24	19.98	13.04	13.77
Book value (₹)	55.54	40.67	31.88	27.67	25.38
Earnings per share (₹)	15.61	11.57	5.95	3.46	3.35
Capital Adequacy Ratio (%)	15.42	14.61	15.24	18.66	14.36
Cost-to-income ratio (%)	19.93	20.47	23.87	32.25	32.84
Gross non-performing loans (%)	0.77	0.31	0.29	0.34	0.30
Net non-performing loans (%)	0.23	0.06	0.09	0.11	0.10

DIRECTORS' REPORT

To the Members

The Directors have pleasure in presenting the Fourteenth Annual Report of the Company together with the audited accounts for the year ended 31st March 2013 (FY13). The summarised financial results are given hereunder:

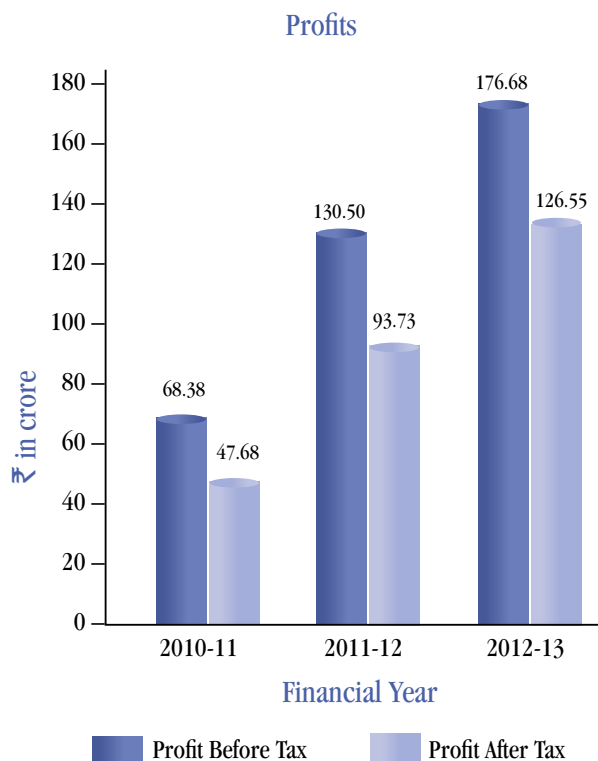
FINANCIAL RESULTS :

(₹ in lakhs)

	For the Year ended	
	March 31, 2013	March 31, 2012
Profit before Tax	17667.78	13050.01
Less: Provision for Tax	5013.22	3676.90
Profit after Tax	12654.56	9373.11
Add: Balance brought forward from the previous year	1136.92	1092.69
Amount available for appropriation	13791.48	10465.80
Appropriations proposed:		
1. Transfer to Special Reserve under Section 36(1)(viii) of the Income-tax Act, 1961	2200.00	2000.00
2. Transfer to Additional Reserve under Section 29C of National Housing Bank Act, 1987	332.00	-
3. Transfer to General Reserve	3800.00	5000.00
4. Dividend	3242.83	2003.81
5. Dividend Tax	551.12	325.07
6. Surplus carried to the Balance Sheet	3665.53	1136.92
Total	13791.48	10465.80

DIVIDEND

The Directors are pleased to recommend a dividend of 35% (₹ 3.50 per share) for the financial year 2012-13 (FY13) on the total paid-up capital of ₹ 92.65 crore as against 25% for the previous year on the total paid-up capital of ₹ 80.15 crore. The dividend, together with dividend tax of ₹ 5.51 crore, will absorb a sum of ₹ 37.94 crore.



CAPITAL INFUSION

During the year, there was a fresh equity capital infusion of ₹ 100 crore raised by issue of 1,25,00,000 equity shares at ₹ 80 per share (face value ₹ 10 per share and securities premium of ₹ 70 per share). Consequent to this, the paid-up equity share capital stands increased to ₹ 92.65 crore from ₹ 80.15 crore.

MATERIAL CHANGES AFTER BALANCE SHEET DATE (31ST MARCH 2013)

There have been no material changes and commitments between the end of FY13 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

INDIAN ECONOMIC OVERVIEW

The GDP is estimated to have registered a growth rate of 5.0 per cent in 2012-13 in terms of gross domestic product at factor cost at constant 2004-05 prices, down from the 6.2 per cent in 2011-12 and decadal average of 7.9 per cent during 2003-04 to 2012-13. This decline is attributable mainly to weakening industrial growth in the context of continued global uncertainties.

With some moderation in headline wholesale price index (WPI) inflation, there has been a reduction in the repo rate by the Reserve Bank of India by 50 basis points in April 2012 and by another 25 basis points in January 2013. The rate of inflation declined to about 6% by end-FY13.

The slowdown in the economy, particularly in the industrial sector has entailed a lower-than budgeted growth in government revenues. The current account deficit (CAD) at 4.6 per cent of GDP in the first half of 2012-13 is a cause for concern. After attaining an all-time low parity of ₹ 57.22 against US\$ on June 27, 2012, the Rupee rebounded and was in the range of 56-59 per US\$ in the month of January 2013. The Rupee has since breached ₹ 56/- to a US\$. WPI inflation, after remaining persistently high during 2010-11 and 2011-12, has moderated to 6% by end March 2013. With reform measures initiated in recent months and the global economy poised for a moderate recovery in 2013-14, the near-term outlook for the Indian economy is expected to improve.

INDUSTRY OVERVIEW

The total housing loan (Housing Finance Companies + Banks) in India is expected to grow @ CAGR of 19% during FY13-FY15,

leading to total housing loan market of ₹ 11,579 bn in FY15, (from ₹ 6,896 bn in FY12) on the assumption of HFCs loan books growing @ CAGR of 22% and housing loans by banks growing @ CAGR of 16% during FY13-FY15. The optimistic growth estimates stem from under-penetrated market as the mortgage of GDP ratio is 5% in FY13, increased deployment of funds towards housing, improving affordability leading to higher housing demand in form of investment coupled with primary usage, stabilized/declining property prices, increasing urbanization (only 30% of Indian population is urban as per Registrar General of India – 2011), favourable demographics (as 60% of India's population is below 30 years of age and as per 12th Five Year Plan Urban Housing shortage estimated at 18.78 mn units by Ministry of Housing and Urban Poverty Alleviation) and increasing housing loan demand from Tier II/III cities.

Despite higher input costs, property prices are expected to witness correction in FY14 in metros/tier I cities, due to slowdown in real estate market and liquidity crunch amongst the developer community. This could offer pent-up demand in the sector.

The HFCs have been able to bring down the non-performing assets (NPA) from 4% in FY04 to 0.75% in FY12 due to improved/efficient loan appraisal system, robust recovery mechanism under SARFAESI Act 2002, and risk-averse profile of borrowers (leading to less likely chances of default as the borrower primarily consist of first time home buyer). It is to be noted that HFCs have maintained low levels of NPA even during global economic slowdown indicating their robust business practices.

INDUSTRY CAPITALIZATION LEVELS WELL-ABOVE CAPITAL ADEQUACY NORMS

The regulator, National Housing Bank requires that HFCs maintain a superior capital adequacy ratio (CAR)/capital to risk-weighted assets ratio (CRAR) of 12% vs. Banks 9% due to higher concentration of risk on account of focus on single sector i.e. Housing. Despite several global and economic slowdowns in the last decade, HFCs continue to maintain robust capital adequacy ratio.

KEY CHALLENGES FACED BY INDIAN HOUSING FINANCE SECTOR

The Indian housing finance sector has its own share of challenges such as :

- Sourcing of long-term finance at competitive rates
- Making organised housing finance available to economically weaker sections (EWS) and lower income groups (LIGs)
- Modernisation of outdated land-record systems that currently add to institutional lenders' risks
- Using innovations in technology to broaden reach and appeal of housing credit
- Unifying the laws and regulations at the state level to minimize regional disparities
- Absence of law governing the Real Estate sector

KEY EMERGING TRENDS IN INDIAN HOUSING FINANCE SECTOR

- HFCs continue to explore lending opportunities in tier II, III and IV cities with rising incomes and low penetration of housing loans
- Co-sharing of loans by more than one lender, resulting in risk-sharing and reduced sourcing cost.
- HFCs have been allowed to borrow overseas (including other borrowing) up to 16 times their net owned funds (NOF) for financing low-cost affordable housing projects.
- Mortgage guarantee has been introduced in India by the setting up of Indian Mortgage Guarantee Corporation Pvt. Ltd. (IMGC), a joint venture by Genworth Finance Inc (with a 38% shareholding), along with NHB (36%), the International Finance Corporation (13%), and the Asian Development Bank (13%). IMGC seeks to provide loss protection to mortgage lenders, like HFCs and banks, against borrower defaults.

REAL ESTATE REGULATION BILL:

The draft real estate regulation bill, (2011) aims to

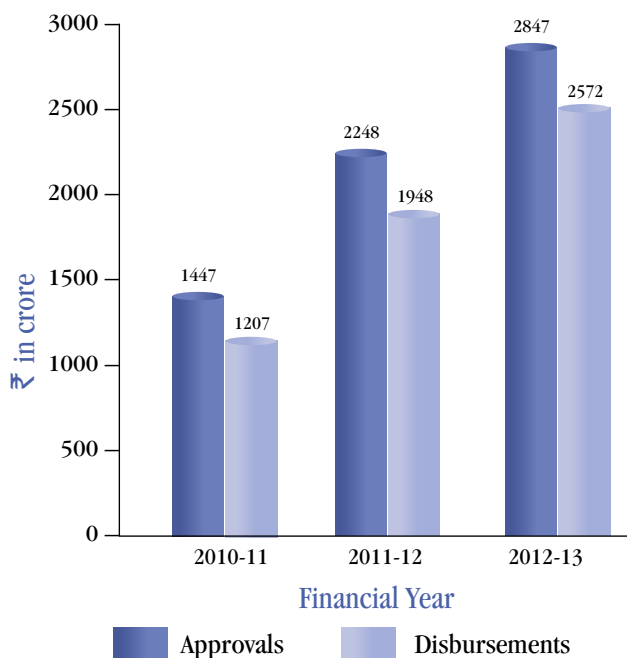
- i. set up a regulatory authority for the realty section
- ii. Protect consumer interest while selling of immovable properties in an efficient and transparent method
- iii. Dispute resolution mechanism.

OPERATING AND FINANCIAL PERFORMANCE

During the year under review, the Company's operating and financial performances were better than the previous year.

The Company approved loans totalling ₹ 2,847 crore in the year, which was 27% higher than ₹ 2,248 crore in FY12. The average size of home loans disbursed to individuals during the year was ₹ 17 lakh.

Approvals & Disbursements

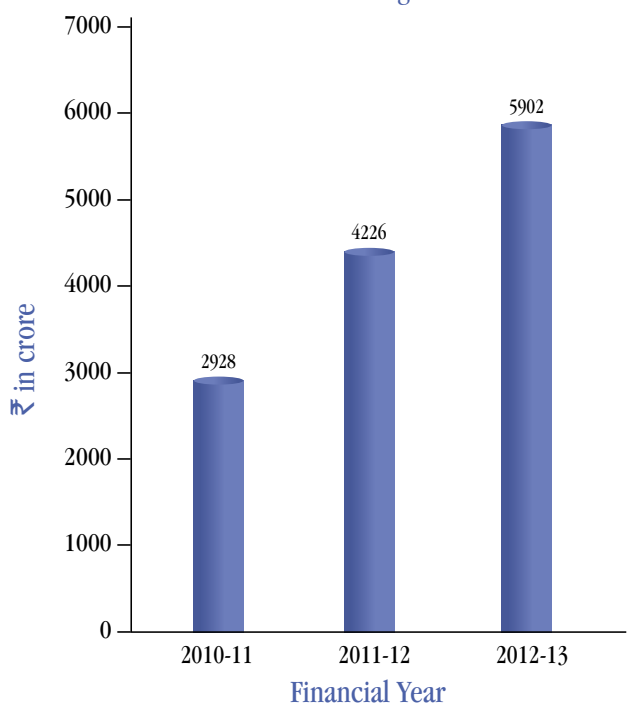


Gross income during the year amounted to ₹ 692.38 crore, recording a growth of 43% over ₹ 485.20 crore in the previous year. Profit before tax was ₹ 176.68 crore, up by 35% over the previous year's ₹ 130.50 crore. At ₹ 126.55 crore, the profit after tax was up by 35% over the previous year's ₹ 93.73 crore.

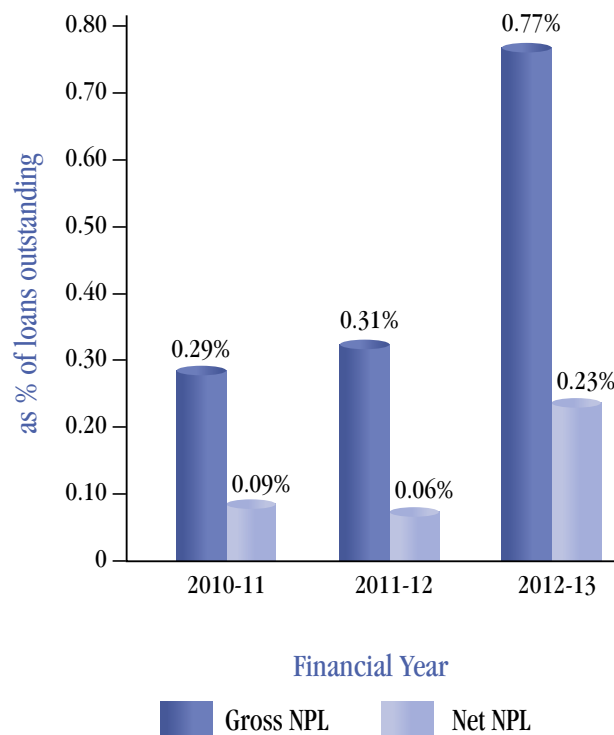
Increased post-tax profits, after providing for dividends, boosted the Company's net worth to ₹ 514.55 crore as on 31st March 2013 (₹ 325.94 crore a year earlier). As on that date, the regulatory capital adequacy ratio (CAR) was 15.4%, much higher than the 12% regulatory minimum.

The Company continued to maintain an exceptionally high quality of its loan portfolio. Gross non-performing loans (NPLs) (loans in continuing default for at least 90 days) rose to ₹ 42.53 crore as on 31st March 2013, but represented a manageable 0.77% of total loans, up from 0.31% a year earlier. Net NPLs (i.e. gross NPLs less provisions) increased from ₹ 2.16 crore to ₹ 12.73 crore over the year (0.23% as against 0.06%, a year earlier), and remained at a very small fraction of the loan portfolio.

Loans under Management



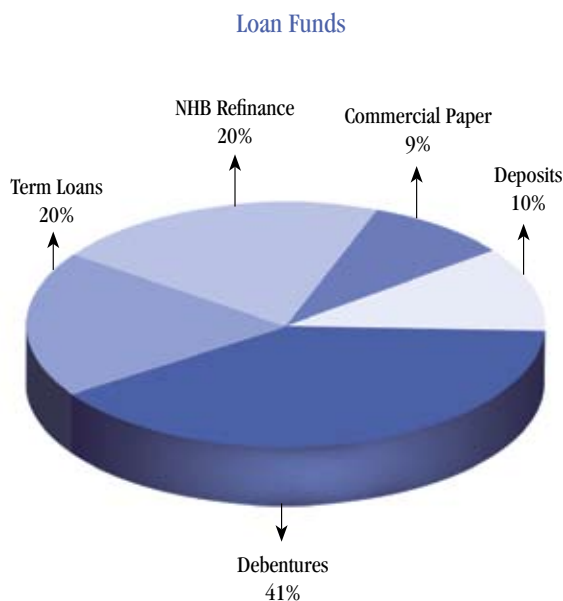
Non-Performing Loans



Considerable prudence underlies the Company's loan provisioning policy, which has aimed at maintaining much larger level of provisions beyond those strictly needed for regulatory compliance. Available provisions of ₹ 29.80 crore against NPLs were equivalent to 70% of the gross NPLs as of 31st March 2013, and 67% higher than those mandated by regulatory guidelines. In addition, provisions totalling ₹ 26.11 crore were available against other standard loans as required by NHB.

RESOURCE MOBILISATION

Total debt funds as on 31st March 2013 rose by 44% to ₹ 5,357.92 crore from ₹ 3,710.87 crore a year earlier. Of the total borrowing, NHB refinance constituted 20%, term loans from banks and financial institutions 20%, non-convertible debentures (NCDs) 41%, public deposits 10% and commercial paper 9%.



During the year, the Company availed itself of fresh refinance of ₹ 619 crore from NHB and repaid ₹ 182.71 crore of refinance. The Company raised term funds of ₹ 1,243.30 crore through NCDs and from banks.

The Company issued commercial paper aggregating ₹ 1,030.39 crore during the year. The maximum amount of commercial paper outstanding at any time during the year was ₹ 687 crore (face value) and the amount outstanding at the end of the year was ₹ 506.28 crore.

During the year, the Company mobilised fresh public deposits of ₹ 148.41 crore. Of the deposits that matured during the year, 64% (₹ 111.42 crore) were renewed. Deposits outstanding at the year-end were ₹ 553.81 crore (₹ 531.96 crore at FY12-end).

The Company notifies depositors at least two months ahead of maturity of their deposits, and thereafter issues periodical reminders if the deposits are not renewed or claimed on or after maturity. As of 31st March 2013, deposits totalling ₹ 4.19 crore from 445 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 ₹ 2.35 crore from 274 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	-
Non-Convertible Debentures	(ICRA) AA/Positive	-	CARE AA+
Subordinated Debt	(ICRA) AA/Positive	-	CARE AA
Long-term Bank Loans	(ICRA) AA/Positive	-	CARE AA+
Structured Obligations	(ICRA) AAA (SO)	-	-

BRANCH EXPANSION

The Company opened 23 branches during FY13, taking the total number of branches to 100 as at 31st March 2013.

INTERNAL AUDIT

To carry out an effective internal audit, 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

Company's operation have a high degree of automation. Information security assurance service 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 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 has an effective control over the entire disbursement process, freeing branches to pay increased attention to business development, 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, company's processes, 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. Alexandre Adam and Mr. S. Ravindran as Additional Directors. Mr. A.N. Raju resigned from the Board during the year. The Board places on record its appreciation of Mr. Raju's contribution.

Mr. T.T. Srinivasaraghavan retires by rotation and, being eligible, offers himself for re-appointment. The Board recommends his re-appointment.

AUDITORS

The Company's statutory auditors, Messrs. Brahmaya & 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 ₹ 0.11 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, 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
29th April 2013

S Viji
Chairman

Report on Corporate Governance

Launched in 1999 as a subsidiary of Sundaram Finance Ltd. (SF), our Company has imbibed the SF Group's core values of service, discipline, prudence, fair play, honesty, integrity, humility, openness and relationship. These values have been strengthened by the entry in 2007 of BNP Paribas, one of the leading European banking groups, with its strong stress on responsiveness, creativity, commitment, and ambition, as a joint shareholder.

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. Not having listed its shares (but only its debentures), our Company does not fall within the statutory and regulatory prescription. However, the Company has voluntarily adopted the relevant provisions of the code in line with its own emphasis on following sound corporate-governance and financial-disclosure policies and practices.

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 (BNPPF), the remaining 49.90%.

All the Directors of our Company are persons with expertise in banking, finance, auditing and accounting.

As on 31st March 2013, the nine-Member Board of the Company consisted of Mr. S. Viji, non-executive Chairman, Mr. T.T. Srinivasaraghavan and Mr. S. Ravindran (all the three being nominees of SF), Mr. John Christopher Woodhouse, Mr. Anthony Colwyn-Thomas and Mr. Alexandre Adam (all the three being nominees of BNPPF) and Mr. Srinivas Acharya, Managing Director, besides Mr. N. Ganga Ram and Mr. M.S. Parthasarathy, both being independent Directors.

During the year, Mr. A.N. Raju, a nominee of SF, resigned from the Board and Mr. S. Ravindran was appointed in his place. Besides, Mr. Alexandre Adam was appointed as a nominee of BNPPF on the Board.

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 2013 are given below:

Director	Directorships*		Chairmanship/ Membership of committees of other companies*	
	Chairman	Director	Chairman	Member
1. Mr. S. Viji	1	7	-	4
2. Mr. T.T. Srinivasaraghavan	1	9	5	1
3. Mr. S. Ravindran	-	7	-	3
4. Mr. John Christopher Woodhouse	-	-	-	-
5. Mr. Anthony Colwyn-Thomas	-	-	-	-
6. Mr. Alexandre Adam	-	-	-	-
7. Mr. N. Ganga Ram	-	3	2	2
8. Mr. M.S. Parthasarathy	-	1	-	1
9. Mr. Srinivas Acharya	-	9	3	5

* 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 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 2013 (FY13), the Board met seven times as noted below:

2012 - 2013	
25 April 2012	22 December 2012
20 July 2012	24 January 2013
9 August 2012	6 March 2013
26 October 2012	

The meetings were attended by Directors as shown below:

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

* Resigned on 9th August 2012

** Appointed as an Additional Director on 9th August 2012

Appointed as an Additional Director on 20th July 2012

BOARD COMMITTEES

As noted above, the Board has constituted three committees:

Executive Committee

As on 31st March 2013, the Executive Committee consisted of three Members viz., Mr. T.T. 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 33 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 2013, the Committee consisted of Mr. M.S. Parthasarathy (Chairman), Mr. N. Ganga Ram, Mr. T.T. 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;
- recommending the appointment (including the terms) of auditors for any other services rendered to the Company and
- reviewing the Non-Performing and Delinquent loans.

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

Member	No. of Meetings	
	Held	Attended
1. Mr. M.S. Parthasarathy	7	7
2. Mr. N. Ganga Ram	7	6
3. Mr. T.T. Srinivasaraghavan	7	7
4. Mr. John Christopher Woodhouse	7	3

Asset Liability and Risk Management Committee (ALCO)

As of 31st March 2013, ALCO comprised seven Members, viz, Mr. Srinivas Acharya (Chairman), Mr. John Christopher Woodhouse, Director, Mr. M. Ramaswamy, Chief Financial Officer and nominee of SE, Mr. Alexandre Adam, Director and nominee of BNPPE, Mr. G. Sundararajan, Chief Financial Officer, Mr. S. Rajagopalan, Vice-President & Head (Operations) and Mr. V. Swaminathan, Company Secretary & Head – HR.

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 five 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. N. Ganga Ram	1,20,000
2. Mr. M.S. Parthasarathy	1,40,000

In addition, a commission of ₹ 7.50 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, besides commission, within the limits prescribed in Schedule XIII to the Companies Act, 1956.

The details of remuneration paid to Mr. Srinivas Acharya, Managing Director for FY13 are as follows:

Particulars	Amount (in ₹ lakhs)
Salary	33.00
Commission	135.00
Contribution to Provident, Superannuation, and Gratuity Funds	10.50
Other allowances and perquisites	27.47

During the year, Sundaram Finance Limited, the holding company incurred ₹ 15.75 lakh towards the cost of shares 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 2013, Directors held deposits aggregating ₹115.24 lakh with the Company. The interest paid on the deposits of Directors during the year amounted to ₹6.17 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 2013

During the year, the Company made an issue of 1,25,00,000 further equity shares of the Company (New Equity Shares) at a premium of ₹ 70 per share on Rights Basis.

The distribution of shareholding in the Company as on 31st March 2013 was as under:

No. of Equity Shares Held by each	No. of Shareholders	Total No. of Shares		% of Capital
		Pre Issue	Post Issue	
1	5*	5	5	Negligible
1,00,001 and above	2	8,01,52,283	9,26,52,283	100%
Total	7	8,01,52,288	9,26,52,288	100%

* Nominees of SF

Of the 9.26 crore equity shares, 4.62 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 INVESTOR GRIEVANCES COMMITTEE

As the shares of the Company are not listed, no Share Transfer and Investors Grievances Committee is required to be constituted.

LISTED DEBENTURES

The Company has, thus far, privately placed a total of 133 series of secured/unsecured non-convertible debentures (NCDs) of the total face value of ₹ 2,962.40 crore. The NCDs have been listed on the National Stock Exchange of India Ltd. (NSE) for trading in compulsory dematerialised form. The Company has duly paid the NSE listing fees for FY13 for the purpose of trading.

During the year, the Company issued fresh NCDs aggregating ₹ 793.30 crore and redeemed NCDs aggregating ₹ 321.70 crore. NCDs (including debenture application moneys and subordinated debentures) of ₹ 2,185.23 crore were outstanding as on 31st March 2013.

COMMERCIAL PAPER

During the year, the Company privately placed commercial paper aggregating ₹ 1,030.40 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 - 2846 0390

Fax : 044 - 2846 0129

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
2011-12	12th July 2012	10.00 a.m.	“Sundaram Towers”, Ground Floor, 46, Whites Road, Chennai 600 014
2010-11	11th July 2011	3.00 p.m.	Registered Office
2009-10	15th July 2010	3.00 p.m.	Registered Office

No resolutions were passed during the year ended 31st March 2013 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 FY13 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 & Head- HR, 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 : 044-2858 2234
E-mail : swaminathan@sundarambnpphome.in

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

This report forms part of the Directors' Report.

GENERAL SHAREHOLDER INFORMATION

Fourteenth Annual General Meeting

Date	Time	Venue
17th July 2013	10.00 a.m.	No.21, Patullos Road, Chennai 600 002.

FINANCIAL CALENDAR

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

- Financial Year – 1st April 2012 to 31st March 2013 : 29th April 2013
- Unaudited results for the half-year ending 30th September 2013 : End of October 2013.

INDEPENDENT AUDITOR'S REPORT

To the Members of Sundaram BNP Paribas Home Finance Limited

1. Report on the Financial Statements

We have audited the accompanying financial statements of Sundaram BNP Paribas Home Finance Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

2. Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act") and the guidelines issued by National Housing Bank. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

3. Auditor's Responsibility

- a) Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
- b) An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
- c) We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

4. Opinion

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

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- b) in the case of the Statement of Profit and Loss, 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.

5. Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b. 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.
 - c. The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in sub-section(3C) of section 211 of the Companies Act, 1956;
 - e. On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

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

L. RAVI SANKAR

Partner

Place : Chennai

Date : 29th April, 2013

Membership No.25929

Annexure to the Auditors' Report Referred to in Paragraph 5 of our Report of Even Date

1. a) The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
b) Fixed assets have been physically verified by the management during the year, in accordance with an annual plan of verification which in our opinion is reasonable having regard to the size of the company and the nature of the fixed assets. The discrepancies noticed on such verification were not material and have been properly dealt with in the books of account.
c) In our opinion and according to the information and explanations given to us, a substantial part of the 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 register 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 there under 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 2013 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 investments 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 has created security in respect of secured debentures issued during the year.
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
 Firm Regn. No.000511S

L. RAVI SANKAR
 Partner

Place : Chennai
 Date : 29th April, 2013

Membership No.25929

Balance Sheet as at 31st March 2013

₹ in lakhs

Particulars	Note	March 31, 2013	March 31, 2012
<u>EQUITY AND LIABILITIES</u>			
Shareholders' Funds			
Share Capital	2	92,65.23	80,15.23
Reserves and Surplus	3	421,89.30	245,78.69
Money received against share warrants		-	-
		514,54.53	325,93.92
Share application money pending allotment		-	-
Non-current Liabilities			
Long-term Borrowings	4	3064,58.28	2686,83.84
Other Long-term Liabilities	5	37,01.56	28,93.52
Long-term Provisions	6	54,63.91	26,12.94
		3156,23.75	2741,90.30
Current Liabilities			
Short-term Borrowings	7	444,74.06	280,82.05
Trade Payables	8	25,92.96	21,59.70
Other Current Liabilities	9	2010,38.90	833,49.67
Short-term Provisions	10	39,62.28	28,45.31
		2520,68.20	1164,36.73
Total		<u>6191,46.48</u>	<u>4232,20.95</u>
<u>ASSETS</u>			
Non-current Assets			
Long-term Loans and Advances	11	5217,31.11	3537,02.73
Fixed Assets			
Tangible Assets	12	5,88.00	4,64.75
Intangible Assets	12	1,56.09	1,51.66
Non-current Investments	13	30,09.04	35,90.31
Deferred Tax Assets (Net)	14	19,14.84	10,28.05
Other Non-current Assets	15	97.73	93.00
		5274,96.81	3590,30.50
Current Assets			
Short-term Loans and Advances	16	351,67.23	228,80.10
Current Investments	17	215,75.10	2,58.21
Cash and Bank Balances	18	338,02.76	401,75.94
Other Current Assets	19	11,04.58	8,76.20
		916,49.67	641,90.45
Total		<u>6191,46.48</u>	<u>4232,20.95</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
29th April 2013

S. Viji
Chairman

Srinivas Acharya
Managing Director

G. Sundararajan
Chief Financial Officer

V. Swaminathan
Company Secretary & Head HR

Directors

T.T. Srinivasaraghavan

S. Ravindran

John Christopher Woodhouse

M.S. Parthasarathy

Profit and Loss statement for the year ended 31st March 2013

₹ in lakhs

Particulars	Note	2012-13	2011-12
REVENUE			
Revenue from Operations	20	692,11.09	484,62.66
Other Income	21	26.81	57.44
Total Revenue	(A)	<u>692,37.90</u>	<u>485,20.10</u>
EXPENSES			
Financial Costs	22	435,86.31	301,54.84
Employee Benefits	23	23,86.46	17,98.18
Depreciation and Amortisation Expenses	12	3,07.26	1,94.98
Administrative and Other Expenses	24	27,25.03	19,60.44
Contingent Provision against Standard Assets		9,32.60	13,82.78
Provisions and Write-offs	25	16,32.46	(21.13)
Total Expenses	(B)	<u>515,70.12</u>	<u>354,70.09</u>
Profit before Tax	(A-B)	176,67.78	130,50.01
Tax Expense			
Current Tax		59,00.00	40,66.00
Deferred Tax	14	<u>(8,86.78)</u>	<u>(3,89.10)</u>
		50,13.22	36,76.90
Profit for the year from continuing operations		<u>126,54.56</u>	<u>93,73.11</u>
Earnings per Equity Share			
Number of Equity Shares (Face Value ₹10/- per share)		9,26,52,288	8,01,52,288
Weighted Average number of Shares (Face Value ₹ 10/- per share)		8,10,42,699	8,10,42,699
Basic and Diluted Earnings per Share in ₹ (Annualised)		15.61	11.57
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
 29th April 2013

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

Directors
T.T. Srinivasaraghavan
S. Ravindran
John Christopher Woodhouse
M.S. Parthasarathy

Cash Flow Statement

₹ in lakhs

Particulars	2012-13	2011-12
A) Cash Flow From Operating Activities		
Net Profit	126,54.56	93,73.11
Provision for Taxation (Including Deferred Tax)	50,13.22	36,76.90
Financial Expenses	435,86.31	301,54.84
Depreciation	3,07.26	1,94.98
Long-term Provisions	28,50.97	12,15.32
Short-term Provisions	34,45.85	23,62.77
(Profit)/loss on sale of assets	(2.42)	(4.09)
(Profit)/loss on sale of Investments	(9,91.80)	(10,38.97)
Interest/Dividend Income	(13,77.03)	(28,17.79)
Provision for Dividend	(37,93.95)	(23,28.88)
Operating Profit Before Working Capital Changes	616,92.97	407,88.19
(Increase)/Decrease in Long-term Loans and Advances	(1681,28.38)	(1028,15.77)
(Increase)/Decrease in Short-term Loans and Advances	(122,87.13)	(61,16.34)
(Increase)/Decrease in Current Liabilities (Trade Payable)	4,33.26	3,43.40
(Increase)/Decrease in Other Current Asset	(2,28.38)	(1,60.04)
(Increase)/Decrease in Non-current Asset (Other Non-current Asset)	(4.73)	(55.65)
Increase/(Decrease) - Current Liabilities (Other Current Liabilities)	1116,20.77	13,59.77
Cash Generated From Operations	(69,01.62)	(666,56.44)
Financial Expenses paid	(371,71.52)	(414,47.80)
Direct Taxes Paid	(58,00.00)	(47,00.00)
Net Cash From Operating Activities	(A) (498,73.14)	(1128,04.24)
B) Cash Flow From Investing Activities		
Purchase of Fixed Assets - Tangible	(3,46.19)	(3,94.52)
Purchase of Fixed Assets - Intangible	(96.64)	(1,43.31)
Sale of Fixed Assets - Tangible	10.31	8.25
Purchase/Sale of Current Investments	(202,86.07)	3,67.39
Purchase/Sale of Non-current Investments	5,42.25	8,96.34
Deposits - Maturing after three months	75,47.51	(103,11.41)
Interest Received	10,30.69	25,06.80
Net Cash From Investing Activities	(B) (115,98.14)	(70,70.46)

₹ in lakhs

	2012-13	2011-12
C) Cash Flow From Financing Activities		
Share Capital - Equity	12,50.00	-
Securities Premium received	87,50.00	-
Non-Current Liability (Long-term Borrowings)	377,74.44	1149,59.09
Current Liability (Short-term Borrowings)	163,92.01	150,97.99
Non-current Liability (Other Long-term Liability)	8,08.04	19,00.20
Dividend paid (including Corporate Dividend Tax)	(23,28.88)	(13,97.33)
Net Cash From Financing Activities (C)	626,45.61	1305,59.95
D) Effect of Foreign Exchange rates on Cash and Cash Equivalents, net (D)	-	-
Net increase in cash and cash equivalents (A) + (B) + (C) + (D)	11,74.33	106,85.25
Cash and cash equivalents at the beginning of the year	243,72.45	136,87.20
Cash and cash equivalents at the end of the year	255,46.78	243,72.45
Components of cash and cash equivalents at the end of the year		
Current Account with Banks	2,54.92	1,13.43
Short-term Deposit	250,97.64	241,55.80
Cash, Stamps and Stamp Papers on Hand	1,94.22	1,03.22
Cash & Cash equivalents	255,46.78	243,72.45

Note : Previous year's figures have been regrouped/reclassified wherever necessary to confirm 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
 29th April 2013

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

Directors
T.T. Srinivasaraghavan
S. Ravindran
John Christopher Woodhouse
M.S. Parthasarathy

NOTES TO THE ACCOUNTS

1. Significant Accounting Policies

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

The assets and liabilities have been classified as current and non-current based on a twelve month operating cycle.

1.2 Income Recognition:

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

1.3 Financial Instruments:

Commercial Paper, Zero Coupon Non-Convertible Debentures etc., issued at a discount to the face value are accounted at their carrying cost, comprising issue price and accrued finance cost.

1.4 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 year of acquisition to ₹ 1.

Intangible assets represent Computer Software acquired/developed whose cost is amortised over its expected useful life.

1.5 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.

1.6 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 Statement.

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 Statement 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.

1.7 Employee Benefits:

A) Short-term Employee Benefits:

Short-term Employee Benefits for services rendered by employees are recognized during the year 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 Statement.

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 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 Statement 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.

1.8 Taxation:

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

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

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.)

2: Share Capital

Particulars	₹ in lakhs	
	31.03.2013	31.03.2012
Authorised Capital :		
Equity Shares , ₹10/- Par Value		
15,00,00,000 (10,00,00,000) Equity Shares	150,00.00	100,00.00
Issued:		
Equity Shares, ₹10/- Par Value		
9,76,52,288 (8,51,52,288) Equity Shares	97,65.23	85,15.23
Subscribed and Fully Paid-up:		
Equity Shares, ₹10/- Par Value		
9,26,52,288 (8,01,52,288) Equity Shares	92,65.23	80,15.23
	92,65.23	80,15.23

a) 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 31.03.2013	No. of Shares	% held as at 31.03.2012
Sundaram Finance Limited *	Holding Company	4,64,18,796	50.10	4,01,56,296	50.10
BNP Paribas Personal Finance		4,62,33,492	49.90	3,99,95,992	49.90

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

b) The Company had issued 1,25,00,000 Equity Shares @ ₹ 10 each during the financial year 2012-13

c) Reconciliation of number of shares outstanding at the beginning and at the end of the financial year

Particulars	2012-13		2011-12	
	No of Shares	₹ in lakhs	No of Shares	₹ in lakhs
Opening number of shares outstanding	8,01,52,288	80,15.00	8,01,52,288	80,15.00
Add: Shares issued	1,25,00,000	12,50.00	-	-
Less: Shares bought back	-	-	-	-
Closing number of shares outstanding	9,26,52,288	92,65.00	8,01,52,288	80,15.00

3 Reserves and Surplus

₹ in lakhs

Particulars	31.03.2013	31.03.2012
Securities Premium Account		
Securities Premium - Opening Balance	45,84.77	45,84.77
Add: Received during the year	87,50.00	—
Securities Premium - Closing Balance	133,34.77	45,84.77
Other Reserves		
Special Reserve - Opening Balance [u/s Section 36(1)(viii) of Income-tax Act, 1961]	58,57.00	38,57.00
Add : Transferred from Surplus	22,00.00	20,00.00
Special Reserve - Closing Balance	80,57.00	58,57.00
Additional Reserve - Opening Balance (u/s 29C of NHB Act, 1987)	-	-
Add : Transferred from Surplus	3,32.00	-
Additional Reserve - Closing Balance	3,32.00	-
General Reserve - Opening Balance	130,00.00	80,00.00
Add : Transferred from Surplus	38,00.00	50,00.00
General Reserve - Closing Balance	168,00.00	130,00.00
Surplus- Opening Balance	11,36.92	10,92.69
Add : Profit for the year transferred from Statement of Profit and Loss	126,54.56	93,73.11
Amount available for Appropriation	137,91.48	104,65.80
Less: Appropriations		
Dividend		
Final (Proposed)	32,42.83	20,03.81
Dividend distribution Tax	5,51.12	3,25.07
Special Reserve	22,00.00	20,00.00
Additional Reserve	3,32.00	
General Reserve	38,00.00	50,00.00
Surplus - Closing Balance	36,65.53	11,36.92
	421,89.30	245,78.69

Special Reserve has been created over the years in terms of Section 36(1)(viii) of the Income-tax Act, 1961 & Section 29C of National Housing Bank Act, 1987.

As per Section 29C of the National Housing Bank Act, 1987, the Company is required to transfer at least 20% of its net profits every year to a reserve before any dividend is declared. For this purpose, any Special Reserve created by the Company under Section 36(1)(viii) of the Income-tax Act, 1961 is considered to be an eligible transfer. The Company has transferred an amount of ₹ 22,00.00 lakhs (31.03.2012 - ₹ 20,00.00 lakhs) to Special Reserve in terms of Section 36(1)(viii) of the Income-tax Act, 1961 and an amount of ₹ 3,32.00 lakhs (31.03.2012 - NIL) to "Additional Reserve (u/s 29C of NHB Act)".

NOTES TO THE ACCOUNTS (Contd.)

4: Long-term Borrowings

₹ in lakhs

Particulars	31.03.2013	31.03.2012
Secured Loans		
Non-Convertible Debentures (Redeemable at Par)	838,59.21	1179,21.65
Term Loans from Scheduled banks	668,33.33	505,00.00
From Others:		
Term Loans by way of refinance from National Housing Bank (NHB)	873,20.55	483,04.70
Unsecured Loans		
Fixed Deposits		
From Public	311,44.32	344,06.44
From Companies	6,85.34	3,39.34
From Directors	65.53	71.71
	318,95.19	348,17.49
Subordinated Non-Convertible Debentures	250,00.00	130,00.00
Debenture Application money	115,50.00	41,40.00
	3064,58.28	2686,83.84

The Secured Non-Convertible Debentures are secured by 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 ₹ 405,59.21 lakhs of face value ₹ 407,30.00 lakhs. (31.03.2012 - ₹ 492,21.66 lakhs of face value ₹ 504,00.00 lakhs)

The Term Loans from Scheduled banks are secured by a negative lien on loan assets of the Company.

The Refinance from NHB are secured on assets of the Company other than (i) Immovable property and (ii) Statutory Liquid Assets having floating charge in favour of Public Deposit Trustees against the public deposits and are repayable in quarterly instalment from April 2014 to January 2028.

The Unsecured Non-Convertible 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. They are redeemable at par between 2017 and 2023.

Debenture Application money includes zero coupon debentures of ₹ 115,50.00 lakhs of face value ₹ 115,50.00 lakhs (31.03.2012 - ₹ 41,40.00 lakhs).

Details of Secured Non-Convertible Debentures

₹ in lakhs

Implicit Interest rate (%)	As on 31.03.2013					As on 31.03.2012		
	2014-15	2015-16	2016-17	2017-18	Total	2013-14	2014-15	Total
>8 to 9	-	-	-	-	-	133,00.00	-	133,00.00
>9 to 10	357,10.00	36,40.00	6,00.00	35,00.00	434,50.00	45,80.00	20,00.00	65,80.00
>10 to 11	404,09.21	-	-	-	404,09.21	632,38.35	348,03.30	980,41.65
Total	761,19.21	36,40.00	6,00.00	35,00.00	838,59.21	811,18.35	368,03.30	1179,21.65

Details of Term loans from banks

₹ in lakhs

	As on 31.03.2013				As on 31.03.2012				
	2014-15	2015-16	2016-17	Total	2013-14	2014-15	2015-16	2016-17	Total
Repayment	486,66.67	161,66.67	20,00.00	668,33.33	195,00.00	270,00.00	20,00.00	20,00.00	505,00.00

Subordinated Non-Convertible Debentures

₹ in lakhs

Implicit Interest rate (%)	As on 31.03.2013					As on 31.03.2012		
	2016-17	2018-19	2019-20	2022-23	Total	2016-17	2018-19	Total
9 to 10	100,00.00	-	-	40,00.00	140,00.00	100,00.00	-	100,00.00
> 10 to 11		30,00.00	55,00.00	25,00.00	110,00.00	-	30,00.00	30,00.00
Total	100,00.00	30,00.00	55,00.00	65,00.00	250,00.00	100,00.00	30,00.00	130,00.00

5: Other Long-term Liabilities

₹ in lakhs

Particulars	31.03.2013	31.03.2012
Creditors for Expenses	3,32.25	5,00.63
Interest accrued but not due - Long-term Borrowings	33,69.31	23,92.89
	37,01.56	28,93.52

NOTES TO THE ACCOUNTS (Contd.)

6 Long-term Provisions

₹ in lakhs

Particulars	31.03.2013	31.03.2012
Employee Benefits	25.44	25.60
Contingent Provision against Standard Assets		
Standard-Housing Loans	14,46.15	9,37.80
Standard Non-Housing Loans	4,81.94	2,79.88
Standard Non-Housing Loans - Commercial	6,83.11	4,60.92
Non-Performing Loans	28,27.27	9,08.74
	54,63.91	26,12.94

7 Short-term Borrowings

₹ in lakhs

Particulars	31.03.2013	31.03.2012
Secured Loans		
Overdraft facilities with Scheduled Banks	95,09.83	88,47.59
Unsecured Loans		
Commercial Paper	349,64.23	192,34.46
	444,74.06	280,82.05

The Overdraft facilities with Scheduled Banks are secured by a negative lien on loan assets of the Company.

Face value of commercial paper outstanding as on 31.03.2013 was ₹ 367,50.00 lakhs (31.03.2012 - ₹ 200,00.00 lakhs). Maximum amount of face value of commercial paper outstanding at any time during the year was ₹ 687,00.00 lakhs. (2011-12 - ₹ 425,00.00 lakhs).

8 Trade Payables

₹ in lakhs

Particulars	31.03.2013	31.03.2012
Creditors for Expenses *	23,99.68	19,97.36
[Includes ₹ 1,50.00 lakhs (31.03.2012- ₹ 1,35.00 lakhs) payable to Directors]		
Other Liabilities	1,93.28	1,62.34
	25,92.96	21,59.70

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

NOTES TO THE ACCOUNTS (Contd.)

9 Other Current Liabilities

₹ in lakhs

Particulars	31.03.2013	31.03.2012
Secured Loans		
Non-Convertible Debentures (Redeemable at Par)	981,14.78	355,08.25
Term Loans from Scheduled banks	278,33.33	20,00.00
From Others :		
Term Loans by way of Refinance from NHB	197,62.15	151,48.05
Unsecured Loans		
Fixed Deposits		
From Public	228,91.85	178,59.80
From Companies	1,25.00	66.00
From Directors	49.71	25.39
Unpaid Matured Deposits and Interest accrued thereon	4,57.85	4,29.53
	235,24.41	183,80.72
Commercial Paper	156,64.17	32,02.07
Others		
Interest accrued but not due	158,55.25	88,98.14
Instalments Received in Advance	2,84.81	2,12.44
	2010,38.90	833,49.67

The Secured Non-Convertible Debentures are secured by 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 ₹ 394,14.78 lakhs of face value ₹ 397,90.00 lakhs (31.03.2012 - ₹ 58,05.25 lakhs of face value ₹ 59,70.00 lakhs)

The Term loans from Scheduled banks are secured by a negative lien on loan assets of the Company.

The Refinance from NHB are secured on assets of the Company other than (i) Immovable property and (ii) Statutory Liquid Assets having floating charge in favour of Public Deposit Trustees against the public deposits and are repayable in quarterly instalments from April 2013 to March 2014.

Face value of commercial paper outstanding as on 31.03.2013 was ₹ 167,00.00 lakhs (31.03.2012 - ₹ 33,00.00 lakhs)

Interest accrued but not due includes interest of ₹ 9.77 lakhs (31.03.2012 - ₹ 4.85 lakhs) on deposits accepted from Directors

Details of Secured Non-Convertible Debentures

₹ in lakhs

Implicit Interest Rate (%)	As on 31.03.2013	As on 31.03.2012
> 7 to 8	-	50,00.00
> 8 to 9	183,00.00	110,00.00
> 9 to 10	89,50.00	32,55.82
> 10 to 11	708,64.78	162,52.43
Total	981,14.78	355,08.25

Details of Term loans from Scheduled Bank

₹ in lakhs

	As on 31.03.2013	As on 31.03.2012
Repayment	278,33.33	20,00.00
	278,33.33	20,00.00

NOTES TO THE ACCOUNTS (Contd.)

10 Short-term Provisions

₹ in lakhs

Particulars	31.03.2013	31.03.2012
Employee Benefits	15.60	18.28
Standard Housing Loans- Teaser/Special Rates	-	4,56.89
Non-Performing Loans	152.73	41.26
Dividend	32,42.83	20,03.81
Dividend Distribution Tax	5,51.12	3,25.07
	<u>39,62.28</u>	<u>28,45.31</u>

11 Long-term Loans and Advances

₹ in lakhs

Particulars	31.03.2013	31.03.2012
Secured, Considered Good		
Housing Loans		
Individuals	3432,17.37	2451,75.04
Others	7,69.15	58.76
Non-Housing Loans	3439,86.52	2452,33.80
Individuals	1624,99.47	976,08.86
Others	129,46.88	90,04.05
	<u>1754,46.35</u>	<u>1066,12.91</u>
Unsecured, Considered Good		
Advances and Deposits recoverable		
in cash or in kind or for value to be received	3,51.27	2,73.40
Other Loans and advances		
Advance Income - tax and TDS (Net)	19,36.92	15,72.57
[Includes ₹ 55.29 lakhs towards income tax paid under dispute]		
Advance Tax - FBT - (Net)	10.05	10.05
	<u>5217,31.11</u>	<u>3537,02.73</u>

- (1) Loans granted by the Company are secured by mortgage of properties.
- (2) ₹ 3.84 lakhs (31.03.2012 - ₹ 7.60 lakhs) due from the Managing Director of the Company.
- (3) ₹ 7.67 lakhs (31.03.2012 - ₹ 7.82 lakhs) due from an Officer of the Company.
- (4) In line with NHB Directions, the Company has identified Non-Performing Loans amounting to ₹ 40,35.24 lakhs as on 31.03.2013 (31.03.2012 - ₹ 10,37.50 lakhs).
- (5) Advance Income Tax and Tax deducted at Source is net of Provision for Taxation of ₹ 170,49.04 lakhs. (31.03.2012 - ₹ 111,49.04 lakhs)
- (6) Advance Fringe Benefit Tax is net of provision for Tax of ₹ 54.84 lakhs (31.03.2012 - ₹ 54.84 lakhs).

NOTES TO THE ACCOUNTS (Contd.)
Note 12: Fixed Assets

₹ in lakhs

Description	Gross Block at Cost			Depreciation			Net Block	
	As at 01.04.2012	Additions	Deductions	As at 31.03.2013	Up to 01.04.2012	For The Year 31.03.2013	Up to 31.03.2013	31.03.2013
Tangible Assets								
Land	1.92 (1.92)	- (-)	- (-)	1.92 (1.92)	- (-)	- (-)	- (-)	1.92 (1.92)
Plant and Machinery	58.93 (53.38)	37.60 (7.78)	4.27 (2.23)	92.26 (58.93)	34.10 (31.65)	6.51 (3.98)	37.10 (34.10)	24.83 (21.73)
Vehicles	2,18.21 (86.75)	98.00 (1,43.38)	16.88 (11.92)	2,99.33 (2,18.21)	72.22 (39.21)	57.67 (41.72)	1,17.68 (72.22)	1,45.99 (47.54)
Furniture and Fixtures	1,45.74 (1,24.88)	43.74 (22.80)	0.08 (1.94)	1,89.40 (1,45.74)	1,15.36 (1,00.79)	23.03 (16.29)	1,38.31 (1,15.36)	30.38 (24.09)
Computer - Hardware	4,10.80 (2,15.95)	1,25.74 (1,94.85)	17.13 (-)	5,19.41 (4,10.80)	1,99.87 (1,49.53)	1,16.97 (50.34)	3,02.16 (1,99.87)	2,10.93 (66.42)
Office Equipment	97.80 (72.18)	41.11 (25.71)	- (0.09)	1,38.91 (97.80)	47.11 (39.53)	10.87 (7.64)	57.98 (47.10)	50.70 (32.65)
Total	9,33.40	3,46.19	38.36	12,41.23	4,68.66	2,15.05	6,53.23	5,88.00
Intangible Assets								
Computer Software	3,59.92 (2,16.61)	96.64 (1,43.31)	- (-)	4,56.56 (3,59.92)	2,08.26 (1,33.25)	92.21 (75.01)	3,00.47 (2,08.26)	1,51.66 (83.37)
Total	3,59.92	96.64	-	4,56.56	2,08.26	92.21	3,00.47	1,51.66
Grand Total	12,93.32	4,42.83	38.36	16,97.79	6,76.92	3,07.26	9,53.70	6,16.41
Previous year	(7,71.67)	(5,37.83)	(16.18)	(12,93.32)	(4,93.96)	(1,94.98)	(6,76.91)	(2,77.72)

Figures in brackets pertain to 31st March 2012

Intangible Assets : In accordance with Accounting Standard AS 26 -Intangible Assets, Software purchased amounting to ₹ 96,64.00 lakhs (31.03.2012 - ₹ 1,43.31 lakhs) is amortised over a period of 3 years.

NOTES TO THE ACCOUNTS (Contd.)

13 Non-current Investments

₹ in lakhs

Particulars	31.03.2013		31.03.2012	
	Face Value	Amount	Face Value	Amount
Investment in Government Securities				
Central Government Loans	19,15.00	19,35.51	34,49.00	35,13.37
State Development Loans	10,40.00	10,56.74		-
Investment 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		95.36		1,33.47
Investment in Subordinate Tranche Securities		23.99		93.19
Less: Aggregate provision for diminution in value of investment in Government Securities		(1,02.56)		(1,49.72)
		<u>30,09.04</u>		<u>35,90.31</u>

₹ in lakhs

Particulars	Cost	Market Value
Aggregate amount of Quoted Investments	28,89.69	30,55.03
Aggregate amount of Unquoted Investments	1,19.35	-
Total	<u>30,09.04</u>	

Particulars	Face Value	As at 31.03.2013		As at 31.03.2012	
	(₹ in lakhs)	Holding (Number)	Cost (₹ in lakhs)	Holding (Number)	Cost (₹ in lakhs)
Quoted					
Investment in Government Securities					
Central Government Loans	19,15.00		18,49.69		33,63.65
State Development Loans	10,40.00		10,40.00		-
			<u>28,89.69</u>		<u>33,63.65</u>

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 ₹ 32,39.00 lakhs (Cost ₹ 33,01.35 lakhs) and bank deposits of ₹ 34,75.00 lakhs (mentioned in Note - 18 Cash and Bank Balances) in favour of trustees representing the public deposit holders of the Company.

NOTES TO THE ACCOUNTS (Contd.)
14 Deferred Tax Assets (Net)

₹ in lakhs

Particulars	31.03.2013	31.03.2012
Deferred Tax Asset		
Provision against		
Non-Performing Loans	10,12.90	3,08.22
Standard Housing Loans	4,91.55	4,52.51
Standard Non-Housing Loans	3,96.00	2,37.38
Others - Investments and Employee Benefits	(6.30)	(7.47)
Provision on SLR Investments	43.39	48.57
	19,37.54	10,39.21
Less: Deferred Tax Liability		
Depreciation	22.70	11.16
	19,14.84	10,28.05

15 Other Non-current Assets

₹ in lakhs

Particulars	31.03.2013	31.03.2012
Secured, Considered Good		
Loan Against Deposits	97.73	93.00
	<u>97.73</u>	<u>93.00</u>

16 Short-term Loans and Advances

₹ in lakhs

Particulars	31.03.2013	31.03.2012
Secured, Considered Good		
Housing Loans		
Individuals	190,55.99	130,26.35
Others	1,31.86	3.14
	<u>191,87.85</u>	<u>130,29.49</u>
Non-Housing Loans		
Individuals	129,60.86	74,70.40
Others	25,98.60	19,60.86
	<u>155,59.46</u>	<u>94,31.26</u>
Loan Against Deposits	78.30	47.94
Unsecured, Considered Good		
Advances and Deposits recoverable in cash or in kind or for value to be received	3,41.62	3,71.41
[Includes a deposit of ₹ 69 lakhs (31.03.2012- ₹ 69 lakhs) provided as collateral for the loans Securitised]	<u>351,67.23</u>	<u>228,80.10</u>

- (1) Loans granted by the Company are secured by mortgage of properties.
- (2) ₹ 3.76 lakhs (31.03.2012 - ₹ 3.69 lakhs) due from the Managing Director of the Company.
- (3) ₹ 0.15 lakh (31.03.2012 - ₹ 0.14 lakh) due from an Officer of the Company.
- (4) In line with NHB Directions, the Company has identified Non-Performing Loans amounting to ₹ 2,17.98 lakhs as on 31.03.2013 (31.03.2012- ₹ 128.18 lakhs).

NOTES TO THE ACCOUNTS (Contd.)

17 Current Investments

₹ in lakhs

Particulars	31.03.2013		31.03.2012	
	Face Value	Amount	Face Value	Amount
Investment In Government Securities	2,84.00	3,09.10	1,90.00	1,83.46
Investment in Tax Free NHB Bonds	29,90.00	29,90.30		-
Investment in Trust Securities				
in Mutual Funds		182,31.57		-
in Subordinate Tranche Securities		69.20		74.75
Less: Aggregate provision for diminution in value of investment in Government Securities		(25.07)		-
		<u>215,75.10</u>		<u>2,58.21</u>

Particulars	Cost	Market Value
Aggregate amount of Quoted Investments	32,74.33	32,74.33
Aggregate amount of Unquoted Investments	183,00.77	
Total	215,75.10	

Particulars	Face Value (₹)	As at 31.03.2013		As at 31.03.2012	
		Holding (Number)	Cost (₹ in lakhs)	Holding (Number)	Cost (₹ in lakhs)
Quoted					
Investment in Government Securities	2,84,00,000.00	-	2,84.03		1,83.46
Investment in NHB Bonds	10,00,000.00	299.00	29,90.30		-
			<u>32,74.33</u>		<u>1,83.46</u>
Unquoted					
Investment in Mutual Funds					
Sundaram Money Fund - Direct- Growth	10.00	4,15,14,516.55	102,31.19		-
HDFC Liquid Fund - Direct - Growth	10.00	1,30,53,762.80	30,00.00		-
Reliance Liquid Fund-Treasury Plan-Direct- Growth	1,000.00	63,388.70	18,00.14		-
Kotak Liquid Fund - Pan A- Direct -Growth Option	1,000.00	84,577.06	20,00.00		-
ICICI Prudential Liquid Fund - Direct plan - Growth	100.00	6,92,917.70	12,00.24		-
			<u>182,31.57</u>		<u>-</u>

NOTES TO THE ACCOUNTS (Contd.)
18 Cash and Bank Balances

₹ in lakhs

Particulars	31.03.2013	31.03.2012
Cash and Cash Equivalents		
Cash on Hand	1,94.22	1,03.22
Balances with Scheduled Banks in Current Accounts	2,54.92	1,13.43
Bank Deposit (Up to 3 months maturity)	<u>250,97.64</u>	<u>241,55.80</u>
	253,52.56	242,69.23
Bank Deposits		
More than 3 months and up to 12 months maturity	60,55.90	142,28.49
More than 12 months maturity	<u>22,00.08</u>	<u>15,75.00</u>
	<u>338,02.76</u>	<u>401,75.94</u>

Bank Deposits include ₹ 44,78.08 lakhs (31.03.2012 - ₹ 44,78.08 lakhs) provided as collateral for assets securitised/assigned.

19 Other Current Assets

₹ in lakhs

Particulars	31.03.2013	31.03.2012
Secured, Considered Good		
Instalments due from Borrowers	8,80.65	4,65.62
Income Receivable	42.88	35.26
Interest Accrued on Investments	1,81.05	3,75.32
	<u>11,04.58</u>	<u>8,76.20</u>

20 Revenue from Operations

₹ in lakhs

Particulars	2012-13	2011-12
Interest on Loans	623,11.57	433,98.97
Loan Processing and Other Fees	24,14.14	15,59.47
Investment Income	18,72.56	15,65.93
Profit on Sale of Current Investments	10,37.33	10,38.97
Other Operating Income	15,75.49	8,99.32
	<u>692,11.09</u>	<u>484,62.66</u>

Investment Income includes ₹ 14.08 lakhs (31.03.2012 - ₹ 23.44 lakhs) from investment in Mortgaged Backed Securities in SHFL Housing Finance Trust - August 2004.

Loan Processing and Other Fees is net of amount paid to Business sourcing agents aggregating ₹ 11,72.75 lakhs (31.03.2012 - ₹ 10,06.84 lakhs)

21 Other Income

₹ in lakhs

Particulars	2012-13	2011-12
Interest Receipts	21.48	51.78
Profit on Sale of Fixed Assets	3.62	4.58
Miscellaneous Income	1.71	1.08
	<u>26.81</u>	<u>57.44</u>

NOTES TO THE ACCOUNTS (Contd.)

22 Financial Costs

₹ in lakhs

Particulars	2012-13	2011-12
Interest expenses	209,71.35	143,19.59
Interest on Debentures	181,01.95	122,42.62
Other borrowing cost	45,13.01	35,92.63
	435,86.31	301,54.84

23 Employee Benefits

₹ in lakhs

Particulars	2012-13	2011-12
Salaries and Wages	21,20.26	16,02.94
Contribution to		
-Provident and Other Funds	95.75	79.93
-Gratuity Fund	49.43	38.22
Staff Welfare Expenses	1,21.02	77.09
	23,86.46	17,98.18

24 Administrative and Other Expenses

₹ in lakhs

Particulars	2012-13	2011-12
Rent	3,38.12	2,44.98
Rates and Taxes	39.91	18.37
Communication Expenses	1,26.12	1,02.39
Electricity	63.11	43.33
Travelling and Conveyance	1,51.33	1,08.55
Advertisement and Publicity	1,41.77	99.76
Outsourcing Cost	8,15.21	7,00.21
Directors' Sitting Fees	2.60	2.20
Insurance	48.50	27.50
Repairs and Maintenance		
- Buildings	55.38	1.76
- Others	1,80.84	1,84.87
	2,36.22	1,86.63
Software Charges	2,49.42	1,65.81
Database and Networking Expenses	1,96.67	1,02.05
Donations	1,30.00	75.00
Miscellaneous Expenses (Net)	1,86.05	83.66
	27,25.03	19,60.44

Miscellaneous Expenses (Net) include remuneration to Auditors towards:

₹ in lakhs

Particulars	2012-13	2011-12
Statutory Audit	12.00	8.50
Tax Audit	3.00	2.50
Certification	4.75	3.80
Other Services	5.00	-

NOTES TO THE ACCOUNTS (Contd.)

25 Provisions and Write offs

₹ in lakhs

Particulars	2012-13	2011-12
Bad Debts	34.72	1,05.58
Loss on Fixed Assets Sold / Written off	1.20	0.49
Loss on sale of Investments	45.53	-
Provision against		
Standard Housing under Teaser/Special Rate	(4,56.90)	(5,37.20)
Non-Performing Loans	20,30.00	4,10.00
Investments	(22.09)	-
	16,32.46	(21.13)

26 General

26.1 The main business of the Company is to provide long-term finance 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 financial year 2004 - 05 to the extent of ₹ 51,69.18 lakhs and details of such assets as on 31st March 2013 are as follows:

Pass Through Certificates subscribed by the Company : ₹ 1,88.55 lakhs

Bank deposits held as collateral : ₹ 28.40 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 ₹ 42,53.22 lakhs as on 31.03.2013 (31.03.2012 – ₹ 11,65.68 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	10,68.97	7,30.76	-	17,99.73
	(6,55.84)	(3,08.10)	(-)	(9,63.94)
Provisions	7,48.28	5,11.53	-	12,59.81
	(5,24.43)	(2,58.63)	(-)	(7,83.06)
Non-Housing loans				
Outstanding	22,42.39	2,11.10	-	24,53.49
	(1,23.84)	(77.90)	(-)	(2,01.74)
Provisions	15,69.67	1,50.52	-	17,20.19
	(1,00.64)	(66.30)	(-)	(1,66.94)
Total				
Loans Outstanding	33,11.36	9,41.86	-	42,53.22
	(7,79.68)	(3,86.00)	(-)	(11,65.68)
Provisions	23,17.95	6,62.05	-	29,80.00
	(6,25.07)	(3,24.93)	(-)	(9,50.00)

Figures in brackets pertain to previous year

NOTES TO THE ACCOUNTS (Contd.)

26.4 Employee Benefits:

i) Defined Contribution Plans:

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

Contribution to	2012-13	2011-12	2010-11	2009-10	2008-09
Provident Fund	75.59	59.27	42.33	32.55	30.17
Employees State Insurance Scheme	6.11	3.86	3.19	0.41	0.59
Superannuation Fund	14.05	10.70	8.90	3.90	5.35

ii) Defined Benefit Plan: Gratuity

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

	2012-13	2011-12
Present value of obligations as at the beginning of the year	1,51.51	1,05.84
Interest cost	12.12	8.47
Current service cost	15.31	16.89
Benefits paid	(4.25)	(2.88)
Actuarial (gain)/loss on obligation	36.89	23.20
Present value of obligations as at the end of the year	2,11.59	1,51.51

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

Fund Maintained by LIC	2012-13	2011-12
Fair value of plan assets as at beginning of the year	1,61.85	1,12.44
Expected return on plan assets	14.89	10.34
Contributions	53.99	41.96
Benefits paid	(4.25)	(2.88)
Actuarial gain / loss on plan assets	--	--
Fair value of plan assets as at the end of the year	2,26.48	1,61.85

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

	2012-13	2011-12
Present value of obligations as at the end of the year	2,11.59	1,51.51
Fair value of plan assets as at the end of the year	2,26.48	1,61.85
Net (asset)/liability recognised in the Balance Sheet	(14.89)	(10.34)

NOTES TO THE ACCOUNTS (Contd.)

D. Expenses recognised in the Profit and Loss Statement		₹ in lakhs	
	2012-13	2011-12	
Current Service cost	15.31	16.89	
Interest Cost	12.12	8.47	
Expected return on plan assets	(14.89)	(10.34)	
Actuarial (gain)/loss on obligation	36.89	23.20	
Expenses to be recognized in the Profit and Loss Statement	49.43	38.22	

E. Details showing fair value of Plan assets		₹ in lakhs	
	2012-13	2011-12	
Fair value of plan assets as at the beginning of the year	1,61.85	1,12.44	
Actual return on plan assets	14.89	10.34	
Contributions	53.99	41.96	
Benefit Paid	(4.25)	(2.88)	
Fair value of plan assets as at the end of the year	2,26.48	1,61.85	

F. Actuarial Gain / Loss recognized		₹ in lakhs	
	2012-13	2011-12	
Actuarial loss on obligation	36.89	23.20	
Actuarial gain / loss on plan assets	--	--	
Total (gain) / loss for the year	36.89	23.20	
Actuarial (gain) / loss recognized in the year	36.89	23.20	

G. Actual return on plan assets		₹ in lakhs	
	2012-13	2011-12	
Expected return on plan assets	14.89	10.34	
Actuarial gain / loss on plan assets	--	--	
Actual return on plan assets	14.89	10.34	

H. Actuarial assumption*		31-03-2013	31-03-2012
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.

NOTES TO THE ACCOUNTS (Contd.)

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

Particulars	₹ in lakhs			
	2012-13	2011-12	2010-11	2009-10
Defined Benefit Obligation	2,11.59	1,51.51	1,05.84	54.53
Plan Assets	2,26.48	1,61.85	1,12.44	57.45
Surplus (Deficit)	14.89	10.34	6.60	2.92
Experience adjustments on plan liabilities	(36.89)	(23.20)	(15.46)	0.82
Experience adjustments on plan assets	-	-	-	-

(iii) The actuarial present value of obligation towards compensated absences, as per actuarial certificate, as on 31st March 2013 is ₹ 98.13 lakhs (31.03.2012 - ₹ 1,11.85 lakhs) and is recognised for in the books of accounts.

(iv) The actuarial value of reimbursement of medical expenses as on 31st March 2013 is ₹ 34.53 lakhs (31st March 2012- ₹ 22.80 lakhs) and is provided for in the books of accounts.

26.5.1 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. Sundaram BPO India Ltd. Sundaram Asset Management Singapore Pte Ltd.
Associate	Turbo Energy Limited
Key Management Personnel	Mr. Srinivas Acharya - Managing Director

NOTES TO THE ACCOUNTS (Contd.)
Details of Related Parties Transactions for the year ended 31.03.2013

₹ in lakhs

	Joint Venture Promoters	Fellow Subsidiaries / Associates	Key Management Personnel	Total 2012-2013	Previous Year 2011-2012
Income					
Interest on Housing Loan	-	-	0.19	0.19	0.27
Rent Charges					
Sundaram Finance Ltd	4.76	-	-	4.76	5.18
Sundaram Asset Management Company Ltd	-	0.34	-	0.34	0.48
Total	4.76	0.34	0.19	5.29	5.93
Expenses					
Rent and Office Maintenance					
Sundaram Finance Ltd	1,25.96	-	-	1,25.96	99.91
Brokerage, Commission, Deposit, Payroll Processing Services and Telecalling Services					
Sundaram Finance Ltd	9,18.72	-	-	9,18.72	8,35.28
Sundaram Business Services Ltd	-	17.25	-	17.25	33.67
Sundaram BPO India Limited	-	16.49	-	16.49	-
Professional Management Consultants Ltd	-	8.28	-	8.28	6.07
Intranet/ Web Maintenance, Scanning Image Charges					
Sundaram Finance Ltd	15.67	-	-	15.67	20.57
Internal Audit fees					
Sundaram Finance Ltd	38.51	-	-	38.51	10.00
Connectivity and Other Charges					
Sundaram Finance Ltd	2,44.54	-	-	2,44.54	1,59.92
Sundaram Infotech Solutions Ltd	-	36.97	-	36.97	27.17
Remuneration					
Sundaram Finance Ltd	-	-	1,95.97	1,95.97	1,87.31
Training Expenses					
Sundaram Finance Ltd	0.38	-	-	0.38	-
Total	13,43.78	78.99	1,95.97	16,18.74	13,79.90
Assets					
Purchase of Asset					
Sundaram Finance Limited	0.35	-	-	0.35	3.88
Sundaram Infotech Solutions Ltd	-	1,00.45	-	1,00.45	2,65.50
Sale of Asset					
Turbo Energy Limited	-	1.75	-	1.75	-
Housing Loan - at the end of the year					
	-	-	7.60	7.60	11.29
Other Assets					
Sundaram Finance Ltd	54.38	-	-	54.38	-
Sundaram Infotech Solutions Ltd	-	36.78	-	36.78	3.00
Total	54.73	1,38.98	7.60	2,01.31	2,83.67
Liabilities					
Other Liabilities					
Sundaram Finance Ltd	11.04	-	-	11.04	99.21
Commission Payable					
	-	-	1,35.00	1,35.00	1,25.00
Equity					
Share Capital					
Sundaram Finance Ltd	6,26.25	-	-	6,26.25	-
BNP Paribas Personal Finance	6,23.75	-	-	6,23.75	-
Share Premium					
Sundaram Finance Ltd	43,83.75	-	-	43,83.75	-
BNP Paribas Personal Finance	43,66.25	-	-	43,66.25	-
Total	100,11.04	-	1,35.00	101,46.04	2,24.21
Dividend					
Sundaram Finance Ltd	16,24.66	-	-	-	10,03.91
BNP Paribas Personal Finance	16,18.17	-	-	-	9,99.90
Total	32,42.83	-	-	-	20,03.81

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

NOTES TO THE ACCOUNTS (Contd.)

26.6 Earnings per Share (Basic and diluted)

Particulars	2012-13	2011-12
Profit for the year after taxation (₹ in lakhs)	126,54.56	93,73.11
Weighted average number of Equity shares	8,10,42,699	8,10,42,699
Basic and Diluted earnings per share (₹)	15.61	11.57
Dividend Proposed to be distributed (₹ in lakhs)	32,42.83	20,03.81
Dividend per share (₹)	3.50	2.50

26.7 Details of Dividend remitted in foreign currency

Particulars	2012-13	2011-12
Number of Non Resident Shareholders	One	One
Number of Shares	3,99,95,992	3,99,95,992
Amount of Dividend remitted (₹ in lakhs)	9,99.90	5,99.94
Financial year to which the dividend relates	2011-12	2010-11

26.8 Expenditure in Foreign Currency (on payment basis)

On account of others – Travel ₹ 0.11 lakh (31.03.2012- ₹ Nil).

– Subscription to Magazines ₹ Nil (31.03.2012 - ₹ 0.58 lakh).

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 ₹ 15.75 lakhs (31.03.2012 - ₹ 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 Contingent Liabilities in respect of

Undisbursed amount of loans sanctioned and partly disbursed as at 31.03.2013 works out to ₹ 125,22.00 lakhs.

(31.03.2012 - ₹ 115,39.91 lakhs)

26.12 Estimated amount of contracts remaining to be executed on capital account – ₹ 27.22 lakhs. (31.03.2012 – ₹ 6.50 lakhs)

26.13 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
29th April 2013

S. Viji
Chairman

Srinivas Acharya
Managing Director

G. Sundararajan
Chief Financial Officer

V. Swaminathan
Company Secretary & Head - HR

Directors

T.T. Srinivasaraghavan

S. Ravindran

John Christopher Woodhouse

M.S. Parthasarathy

Disclosure in the Balance Sheet (as on 31st March 2013)

I. Capital to Risk Assets Ratio (CRAR)

Items	31.03.2013	31.03.2012
i) CRAR (%)	15.42%	15.24%
ii) CRAR - Tier I capital (%)	10.43%	10.86%
iii) CRAR - Tier II Capital (%)	4.99%	4.38%

II. Exposure to Real Estate Sector

₹ in crores

Category	31.03.2013	31.03.2012
a) Direct exposure #		
(i) 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	14,21.87	11,37.93
– Others	34,28.52	21,46.00
	<u>48,50.39</u>	<u>32,83.93</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;	6,95.47	4,61.32
(iii) Investments in Mortgage Backed Securities (MBS) and other securitised exposures –		
a. Residential	1.88	3.01
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 ₹ 1217.03 crores (Previous year – ₹ 701.33 crores)

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

		₹ in crores										
		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*		1,50.29	39.17	8.33	99.99	2,73.27	9,40.53	2,31.73	1,14.99	1,22.32	1,31.96	21,12.59
Market Borrowings		2,40.40	1,60.43	1,67.15	2,62.75	7,38.90	13,38.90	1,86.80	85.00	65.00	-	32,45.33
Assets												
Advances		27.84	28.10	28.37	86.38	1,76.78	7,98.64	8,64.37	9,42.01	12,86.33	13,02.98	55,41.80
Investments#		4,36.38	0.31	0.06	35.42	10.36	68.43	-	3.09	14.35	10.97	5,79.37

* Includes Borrowings from NHB

Breakup of Investments :

	₹ in crores
Investments	
Investments as per Note 13	30.09
Investments as per Note 17	2,15.75
Total (A)	2,45.84
Cash & Cash equivalents – Note 18	
SLR Bank Deposits	34.75
Certificate of Deposits	1,90.00
Short term deposits with banks	64.00
Deposits under Lien	44.78
Total (B)	3,33.53
Total (A)+(B)	5,79.37



SUNDARAM BNP PARIBAS — HOME FINANCE —

Registered Office : 21, Patullos Road, Chennai - 600 002. Phone : (044) 28521181

Corporate Office : I Floor, Sundaram Towers, 46, Whites Road, Chennai - 600 014.

Phone : (044) 28515267, 28515269

Email: customercare@sundarambnpphome.in; depositorcare@sundarambnpphome.in

Website: www.sundarambnpparibashome.com

Andhra Pradesh

Anantapur : 08554 243717, Bhimavaram : 08816 226119, Cuddappah : 08562 253366, Eluru : 08812 233432,
Gajuwaka : 0891 2573077, Gudivada : 08674 248007, Guntur : 0863 2331469, Hyderabad : 040 27806002,
Kakinada : 0884 2351618, Karimnagar : 0878 2237676, Khammam : 08742 242160, Kukkatpally : 040 23162224,
Kurnool : 08518 225146, LB Nagar : 040 24126456, Madanapalle : 08571 231571 Mancherial : 08736 255456,
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, Vizianagaram : 08922 237778, Warrangal : 0870 2441244

Karnataka

Bengaluru – Malleswaram : 080 23567911, Bengaluru - Jayanagar : 080 26493737, Belgaum: 0831 2471019,
Hubli: 0836 2251954, Mangalore : 0824 2451517, Mysuru : 0821 2425007, Raichur : 08532 225009,
Shimoga : 08182 275719, Udipi : 0820 2520879, Whitefield : 080 28450035

Kerala

Calicut : 0495 2722066, Cochin : 0484 2350341, Kanhangad : 0467 2203990, Kannur : 0497 2761917,
Kayamkulam:0479 2443399, Kazhakkottom: 0471 2415333, Kollam: 0474 2727490, Kottayam : 0481 2561549,
Manjeri: 0483 2760037, Muvattupuzha: 0485 2812906, Palakkad : 0491 2503610, Pathanamthitta: 0468 2224289,
Tirur: 0494 2428028, 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 230244, Dindigul : 0451 2422001, Erode : 0424 2262999,
Gobichettipalayam : 04285 227737, Hosur : 04344 243318, Kancheepuram : 044 27233660, Karaikudi : 04565 233202,
Karur : 04324 231235, Kumbakonam : 0435 2433216, Madurai : 0452 4380202, Mettupalayam : 04254 221125,
Mettur : 04298 242248, Namakkal : 04286 233454, Neyveli : 04142 254577, Parrys : 044 25331099,
Perambalur : 04328 275563, Pollachi: 04259 223552, Porur : 044 65624038, Pudukottai : 04322 232455,
Ranipet : 04172 271979, R S Puram : 0422 2545333, Salem : 0427 2334554, Sivakasi : 04562 222262,
Tanjore : 04362 233216, Theni : 04546 263004, Thiruvallur : 044 27664590, Thiruvannamalai : 04175 252020,
Thiruvarur : 04366 220293, Tiruchengode : 04288 257381, Tirunelveli : 0462 2574274, Tirupur : 0421 2244450,
Trichy : 0431 2769200, Tuticorin : 0461 2328827, Vellore : 0416 2224884

Rest of India

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

Kolkata : 033 22837877, Nasik : 0253 2501766, Ratnagiri : 0231 2667381