

Sundaram BNP Paribas Home Finance Limited

16th Annual Report
2014-15



Board of Directors

S. Viji	Chairman
T.T. Srinivasaraghavan	
P.N. Venkatachalam	
John Christopher Woodhouse	
Anthony Colwyn-Thomas	
Alexandre Adam	
N. Ganga Ram	
M.S. Parthasarathy	
Radha Unni	
P.C. Mathew	
(w.e.f. 30th April 2015)	
Srinivas Acharya	Managing Director

Audit Committee

M.S. Parthasarathy	Chairman
N. Ganga Ram	
Radha Unni	
T.T. Srinivasaraghavan	
Anthony Colwyn-Thomas	

Executive Committee

T.T. Srinivasaraghavan	Chairman
Anthony Colwyn-Thomas	
Srinivas Acharya	

Asset Liability and Risk Management Committee

M. Ramaswamy	Chairman
Srinivas Acharya	
Alexandre Adam	
G. Sundararajan	
S. Rajagopalan	
V. Swaminathan	

Corporate Social Responsibility Committee

Srinivas Acharya	Chairman
P.N. Venkatachalam	
N. Ganga Ram	

Nomination & Remuneration Committee

T.T. Srinivasaraghavan	Chairman
Anthony Colwyn-Thomas	
N. Ganga Ram	
M.S. Parthasarathy	
Radha Unni	

Stakeholders Relationship Committee

Anthony Colwyn-Thomas	Chairman
Srinivas Acharya	
N. Ganga Ram	
M.S. Parthasarathy	

Key Managerial Personnel

Srinivas Acharya	Managing Director
G. Sundararajan	Chief Financial Officer
V. Swaminathan	Company Secretary & Head - Compliance & Administration

Senior Executives

S. Rajagopalan	Vice-President & Head - Operations
V. Janaki	General Manager & Head - Information Systems
S. Raghavan	Head - Receivables Management
R. Srinivasan	Area Head - Tamil Nadu
B. Dattu Reddy	Area Head - Andhra Pradesh & Telangana
G. Anandhan	Area Head - Kerala
K. Raghavendra	Area Head - Karnataka
V. Vijay Kulkarni	Area Head - Rest of India

Statutory Auditors

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

Secretarial Auditor

Mr. M. Damodaran
Company Secretary in Practice
M/s. M. Damodaran & Associates
New No. 6, Old No.12
Appavoo Gramani 1st Street
Mandaveli, Chennai - 600 028

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	BNP Paribas
Canara Bank	HDFC Bank
Syndicate Bank	Federal Bank
Deutsche Bank	Axis Bank
ICICI Bank	IDBI Bank
UCO Bank	IndusInd Bank
Bank of Maharashtra	Vijaya Bank

Trustee for Debentures/Public Deposits

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

Trustee for Securitisation

IL & FS Trust Company Limited
 The IL & FS Financial Centre
 Plot C-22, G Block
 Bandra-Kurla Complex
 Bandra (E), Mumbai - 400 051

Registered Office

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

Corporate Office

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

Email

corporateaffairs@sundarambnpphome.in

Website

www.sundarambnpphome.in

Corporate Identity Number

U65922TN1999PLC042759

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HIGHLIGHTS

(₹ in crore)

	2014-15	2013-14	2012-13	2011-12	2010-11
OPERATIONAL HIGHLIGHTS:					
Approvals	2097	2648	2847	2248	1447
Disbursements	1939	2493	2572	1948	1207
Loans outstanding	6805	6338	5523	3728	2641
Loans under Management (including assets sold/securitised)	7486	7112	5902	4226	2928
FINANCIAL HIGHLIGHTS:					
Paid-up Capital	101.25	101.25	92.65	80.15	80.15
Reserves and Surplus	663.47	596.64	421.89	245.79	175.34
Net Worth	764.72	697.89	514.54	325.94	255.49
Total Borrowings	6281.68	6100.32	5357.92	3710.03	2538.56
Fixed Deposits	876.17	673.20	553.81	531.98	526.73
Net Interest Income	237.01	241.08	187.26	132.44	77.54
Fees & Other Income (Net of Business Sourcing Cost)	99.58	82.10	69.26	51.20	29.76
Operating Income	336.59	323.18	256.52	183.64	107.30
Operating Cost	63.45	60.82	51.12	37.59	25.62
Operating Profit	273.14	262.36	205.40	146.05	81.68
Profit before Tax	219.26	215.13	176.68	130.50	68.38
Profit after Tax	146.42	150.74	126.55	93.73	47.68
Return on average networth (%)	20.02	24.87	30.11	32.24	19.98
Book value (₹)	75.53	68.92	55.54	40.67	31.88
Earnings per share (₹)	14.46	14.89	13.57	11.57	5.95
Capital Adequacy Ratio (%)	20.41	18.56	15.42	14.61	15.24
Cost-to-income ratio (%)	18.85	18.82	19.93	20.47	23.88
Gross non-performing loans (%)	2.46	1.53	0.77	0.31	0.29
Net non-performing loans (%)	0.75	0.46	0.23	0.06	0.09

DIRECTORS' REPORT

To the Members

The Directors have pleasure in presenting the Sixteenth Annual Report of the Company together with the audited accounts for the year ended 31st March 2015 (FY15). The summarised financial results are given hereunder:

FINANCIAL RESULTS :

(₹ in lakh)

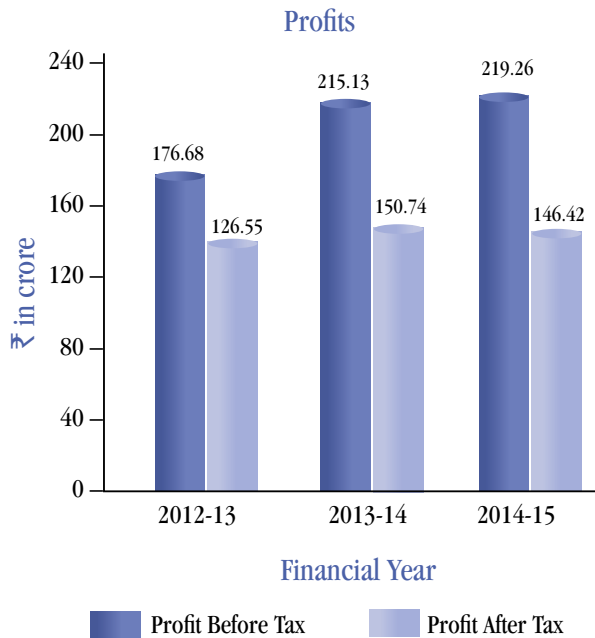
	For the Year ended	
	March 31, 2015	March 31, 2014
Gross Income	95435.65	88777.38
Profit before Interest and Depreciation	84067.21	78318.65
Finance Charges	61776.48	56459.07
Gross Profit	22290.73	21859.58
Less : Depreciation	364.59	346.88
Profit before Tax	21926.14	21512.70
Less: Provision for Tax	6324.98	6439.03
Profit before adjustment of Deferred Tax Liability on Special Reserve	15601.16	15073.67
Less : Deferred Tax Liability on Special Reserve	958.84	–
Profit after Tax	14642.32	15073.67
Add: Balance brought forward from the previous year	4785.70	3665.53
Less: Transfer to Deferred Tax Liability - Special Reserve and Depreciation Transition Reserve	3694.43	–
Amount available for appropriation	15733.59	18739.20

Appropriations proposed:

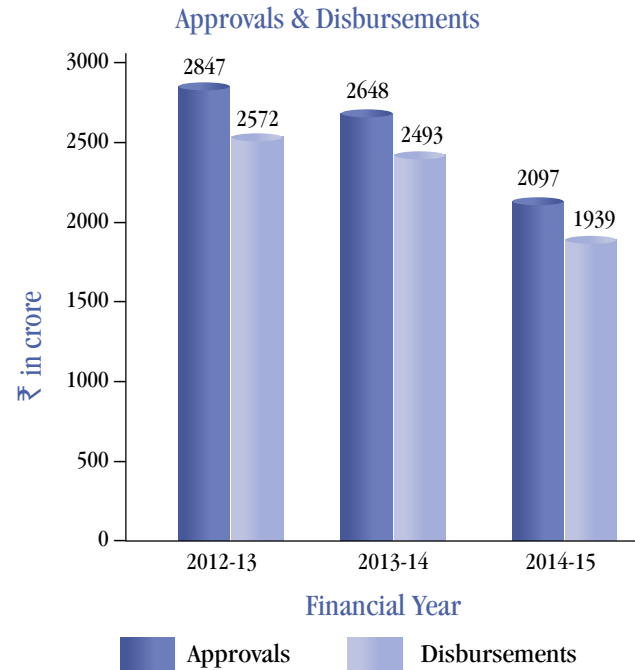
1.	Transfer to Special Reserve under Section 36(1) (viii) of the Income-tax Act, 1961	2800.00	2800.00
2.	Transfer to Additional Reserve under Section 29C of the National Housing Bank Act, 1987	128.46	215.00
3.	Transfer to General Reserve	4000.00	6200.00
4.	Dividend	3543.91	4050.17
5.	Dividend Tax	721.46	688.33
6.	Surplus carried to the Balance Sheet	4539.76	4785.70
	Total	15733.59	18739.20

DIVIDEND

The Directors are pleased to recommend a dividend of 35% (₹3.50 per share) for the Financial Year 2014-15 (FY15) on the total paid-up capital of ₹101.25 crore as against 40% for the previous year on the total paid-up capital of ₹101.25 crore. The dividend, together with dividend distribution tax of ₹7.21 crore, will absorb a sum of ₹42.65 crore.



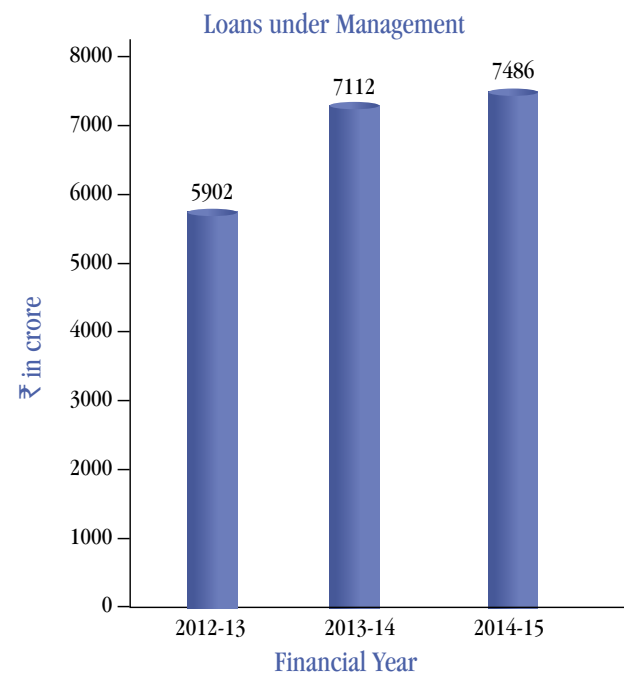
The Company approved loans totalling ₹2097 crore in the year, which was 21% lower than ₹2648 crore in FY14. Disbursements made during the year amounted to ₹1939 crore as against ₹2493 crore in FY14, a fall of 22%. The average size of home loans disbursed to individuals during the year was ₹19 lakh.



OPERATING AND FINANCIAL PERFORMANCE

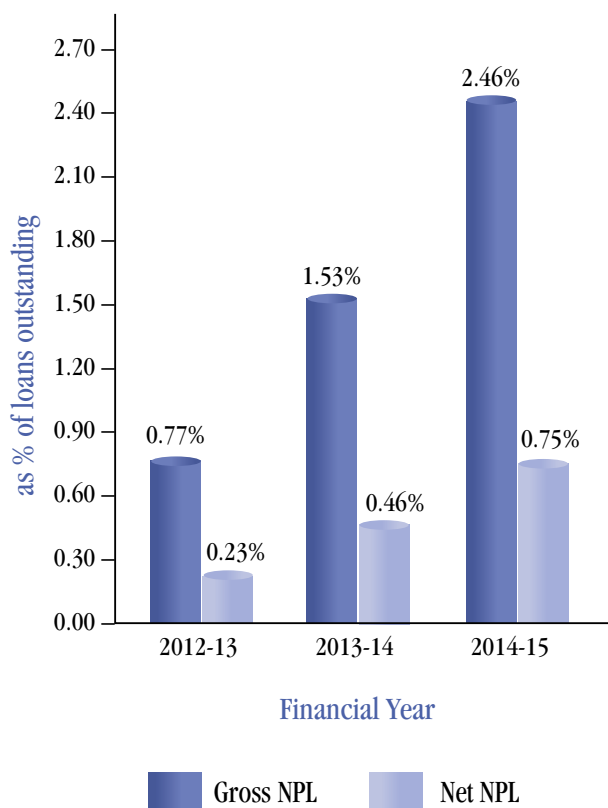
Gross income during the year ended 31st March 2015 amounted to ₹954.36 crore, recording a growth of 8% over ₹887.77 crore in the previous year. Profit before tax was ₹219.26 crore, up by 2% over the previous year's ₹215.13 crore. At ₹146.42 crore, profit after tax was lower by 3% over the previous year's ₹150.74 crore. The figures are not comparable as there was a Deferred Tax Liability on Special Reserve, introduced for the first time in FY15, to the tune of ₹9.59 crore.

Post-tax profit, after providing for dividend, boosted the Company's net worth to ₹764.72 crore as on 31st March 2015 (₹697.89 crore at the end of the previous year). As on that date, the regulatory capital adequacy ratio (CAR) was 20.41%, much higher than the regulatory minimum of 12%.



Gross non-performing loans (NPLs) (loans in continuing default for at least 90 days) rose to ₹168.03 crore as on 31st March 2015, but represented a manageable 2.46% of total loans, up from 1.53% a year earlier. Net NPLs (i.e. gross NPLs less provisions) increased from ₹29.10 crore to ₹50.41 crore over the year and remained at a very small fraction of the loan portfolio.

Non-Performing Loans



Considerable prudence underlies the Company's loan provisioning policy, which has aimed at maintaining much larger level of provisions than those strictly needed for regulatory compliance. Available provisions of ₹117.61 crore against NPLs were equivalent to 70% of the gross NPLs as of 31st March 2015 and 207% higher than mandated by regulatory guidelines. In addition, provisions totalling ₹30.32 crore made against Standard Loans as required by NHB were also available.

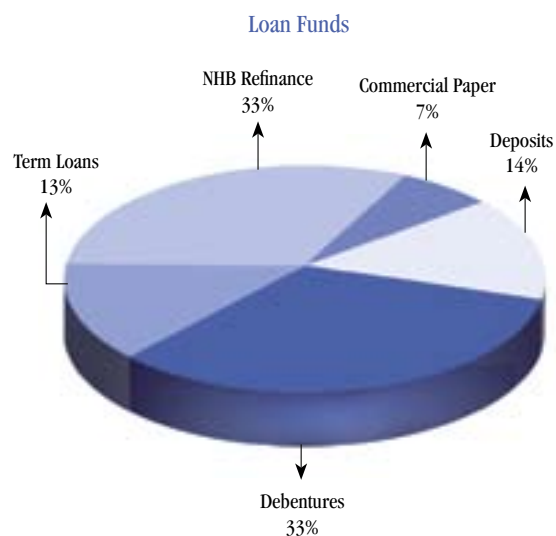
RESOURCE MOBILISATION

FRESH EQUITY

The Company did not raise funds by way of infusion of fresh equity during the year.

BORROWINGS

Total borrowings as on 31st March 2015 rose by 3% to ₹6281.68 crore from ₹6100.32 crore, a year earlier. Of the total borrowings, NHB refinance constituted 33%, term loans from banks and financial institutions 13%, non-convertible debentures (NCDs) 33%, public deposits 14% and commercial paper 7%.



During the year, the Company availed itself of fresh refinance of ₹1061.90 crore from NHB and repaid ₹448.62 crore of refinance. It raised term funds to the extent of ₹1757.50 crore through non-convertible debentures and from banks. The Company duly repaid all its term borrowings including debentures as and when they became due for payment and no debentures are remaining unclaimed by the investors.

COMMERCIAL PAPER

The Company issued commercial paper aggregating ₹589.13 crore during the year. The maximum amount of commercial paper outstanding at any time during the year was ₹748.80 crore (face value) and the amount outstanding at the end of the year ₹434.80 crore (face value).

DEPOSITS

During the year, the Company mobilised fresh public deposits of ₹270.92 crore. Deposits outstanding at the year-end were ₹876.17 crore (₹673.20 crore at end-FY14).

The Company notifies depositors well ahead of the maturity of their deposits, and thereafter issues periodical reminders if the deposits are not renewed or repaid on or after maturity. As of 31st March 2015, deposits totalling ₹4.52 crore from 479 depositors had matured for payment but the depositors concerned had sought neither renewal nor repayment of their deposits. The Company is closely following up these cases.

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+/ Positive	FAA+/Stable	—
Non-Convertible Debentures	(ICRA) AA+/ Stable	—	CARE AA+
Subordinated Debt	(ICRA) AA+/ Stable	CRISIL AA/ Stable	CARE AA
Long-term Bank Loans	(ICRA) AA+/ Stable	—	CARE AA+
Structured Obligations	(ICRA) AAA (SO)	—	—

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

INDIAN ECONOMIC SCENARIO

Indian economy has weathered many challenges successfully in recent times and is currently placed on upturn, on the backdrop of prudent policies and a whiff of new optimism. The growth rate of the economy, measured by the growth in GDP at constant (2011-12) market prices, improved from 5.1 per cent in 2012-13 to 6.9 per cent in 2013-14 and is projected to clock 7.4 per cent in 2014-15, according to the Advance Estimates released by the Central Statistics Office. India is one of the very few countries for which IMF and World Bank have raised their growth assessment. The ongoing revival is remarkable against the fact that it happened despite highly tentative global economic conditions and below-par domestic agricultural season.

INFLATION

The CPI inflation number is the critical inflation indicator from the point of view of monetary policy as it will determine all future action of the RBI. The RBI has targeted CPI of 6% by January 2016. CPI inflation was 5.2% in March 2015 and the monthly number would have to be tracked closely from the policy perspective. With food inflation (6.1% in March 2015) still the dominant component and being the one susceptible to monsoon disturbances, this will continue to be the focus area assuming crude oil prices to be stable. Within domestic factors, food would continue to be the important part as prices are driven by domestic demand-supply factors. Supplies in the past have been affected by deficient and excess rainfall and even though confined to specific products, could lead to generalized inflation.

WPI inflation, which has a relatively lower share of primary products (weight of 20.1%) and dominated by manufactured products (weight of 65%), would witness a lower increase under conditions of benign metal prices. Fuel products with weight of 14.9% are expected to witness low inflation as long as global crude oil prices remain range bound. This being the case, WPI inflation would be in the region of 3-4% in FY16.

FOREX

In FY15, the flow of FII funds into both the equity and debt segments was significant, with the preference being for debt. Total net flows into equity were \$18.4 bn and \$27.4 bn in debt, together adding up to \$45.8 bn. This is one of the highest amounts of FII flows into the economy.

For the first 10 months of the year, total equity flows of FDI in FY15 were \$25.5 bn (\$38 bn if reinvested earnings are also considered) as against \$18.7 bn during the same period of last year.

As India continues to be a very important destination for foreign investment, it may be expected that the upward trajectory will continue in FY16 too and the flow would be in the region of \$ 30-35 bn for the year.

OUTLOOK

In view of the positive indications emanating from the Government's commitment to reforms, favourable situation on account of the reduced international prices of oil and benign inflationary outlook which could provide room to RBI for easing the monetary policy, the prospects for growth in 2015-16 appear bright. While the industrial sector is gradually capturing momentum, all major segments of services sector are growing at a robust pace. In the light of the above, assuming lower inflation, stable external sector and a normal monsoon, the rate of growth of the economy can be expected to be around 8.5 per cent during the year 2015-16.

HOUSING FINANCE INDUSTRY

The ₹9.7 trillion Indian housing finance market has grown at a steady rate of 19% CAGR over the last three years while reporting good asset quality indicators despite challenges in the operating environment. In order to boost affordable housing, RBI has eased norms for home loans upto ₹10 lakh by allowing banks to include stamp duty and registration charges to the cost of a unit.

The housing finance market in India could expand to include borrowers who are currently not being serviced by financial institutions. Various State Governments have taken initiatives to encourage builders/developers to launch projects in the affordable housing segment. With a favourable demographic profile, the mortgage industry in India would continue to grow around 19-21% in FY16. Consequently, mortgage penetration (which is currently at 8%) could increase in the forthcoming years.

Over the past, there has been a consistent growth in the HFC loan book (18% in H1FY15; CAGR of 21% from Mar-11 to Sept-14), though somewhat moderated in the recent years owing to lower growth in the non-housing loan book and increased shift of loans from HFCs to banks. As for the funding mix, the HFCs have a diversified funding base with the larger players being more active in the debt market and their smaller counterparts relying more on bank funding and NHB refinance.

Recent NHB Guidelines, which allow HFCs to increase Loan to Value Ratios (LTVs) to 90% (from 75% earlier for loans greater than ₹7.5 million) and 80% for loans between ₹2 to 7.5 million, provided the mortgage guarantee is in place may give further incentive to HFCs to increase business volumes by tapping new borrowers while mitigating the risk through the mortgage guarantee.

As for the key performance indicators, the asset quality indicators for HFCs continue to remain modest with Gross NPA% of 0.75% as on 30th September 2014. The overall profitability has been stable, (ROE of 19.3% in Q2FY15) supported by stable Net Interest Margins, operating expenses and credit provisions. Changes in Regulations have resulted in an increase in the effective tax rate from around 26% earlier to 33% in FY15, diluting return on equity to some extent.

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 a single sector i.e. Housing. Despite several global and economic slowdowns in the last decade, HFCs continue to maintain robust capital adequacy ratio.

GENERAL INFORMATION ABOUT THE COMPANY

Sundaram Home Finance Limited was promoted by Sundaram Finance Limited (SF) in 1999 with its Registered Office at 21, Patullos Road, Chennai 600 002. In the year 2007, SF entered into a strategic alliance with Union de Credit pour le Batiment S.A., (UCB), since renamed as BNP Paribas Personal Finance S.A., a wholly-owned subsidiary of BNP Paribas S.A., France, under which UCB acquired 49.90% of the share capital of the Company. The Company continues to be a subsidiary of SF which holds 50.10% of the share capital.

Subsequent to this alliance, the name of the Company was changed to Sundaram BNP Paribas Home Finance Limited with effect from 28th November 2007. The Company does not have any subsidiaries of its own.

The Company is primarily engaged in the business of providing Housing Finance to meet the long-term needs of individuals and others for construction / purchase of dwelling units in India. The nature of the business of the Company remains the same as in the previous year.

MATERIAL CHANGES AFTER BALANCE SHEET DATE (31ST MARCH 2015)

No material changes and commitments affecting the financial position of the Company have occurred between the end of the Financial Year (FY15) of the Company to which the Financial Statements relate and the date of this Board's Report.

CAPITAL INFUSION

As mentioned earlier, there was no infusion of fresh equity capital during the year.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Mr. S. Ravindran, Director, resigned from the Board on 21st October 2014 and Mr. P. N. Venkatachalam was appointed in his place as an Additional Director with effect from the same date.

Ms. Radha Unni was appointed Woman Director in accordance with Section 149(4) of the Companies Act, 2013, under the Independent category. Mr. Anthony Colwyn-Thomas and Mr. Alexandre Adam retire by rotation at the ensuing Annual General Meeting and, being eligible, offer themselves for re-appointment. The Board commends their re-appointment.

Subsequent to the close of the year, Mr. P.C. Mathew was appointed on 30th April 2015 as a Non-Executive Independent Director by the Board. The Board commends Mr. Mathew's appointment for a term of 5 consecutive years from the said date.

Mr. Srinivas Acharya has been re-appointed by the Board as the Managing Director of the Company for a period of five years with effect from 1st April 2015, subject to the approval of the Members.

Mr. G. Sundararajan, Chief Financial Officer and Mr. V. Swaminathan, Company Secretary have been included as Key Managerial Personnel in compliance with the provisions of Section 203 of the Companies Act, 2013.

DECLARATION BY INDEPENDENT DIRECTORS

The Company has received declaration from all its Independent Directors under Section 149(7) of the Companies Act, 2013 that they meet the criteria of independence as provided in Section 149(6) of the Act.

BOARD MEETINGS

The Board meets at least once in every quarter, and more frequently, as necessary.

During the year ended 31st March 2015 (FY15), the Board met six times as follows:

2014 – 2015	
29 April 2014	30 January 2015
22 July 2014	25 February 2015
21 October 2014	5 March 2015

AUDIT COMMITTEE

As of 31st March 2015, the Audit Committee consisted of Mr. M.S. Parthasarathy (Chairman), Mr. N. Ganga Ram, Mr. T.T. Srinivasaraghavan, Mr. John Christopher Woodhouse and Ms. Radha Unni.

The Committee met 5 times during the year. The recommendations made by the Committee to the Board were duly accepted by it.

NOMINATION AND REMUNERATION COMMITTEE

The Company has constituted Nomination and Remuneration Committee in accordance with Section 178 of the Companies Act, 2013 with Mr. T.T. Srinivasaraghavan as Chairman and Mr. Anthony Colwyn Thomas, Mr. N. Ganga Ram, Mr. M.S. Parthasarathy and Ms. Radha Unni as Members.

The broad terms of reference of the Committee are:

- a) identifying persons who are qualified to become Directors and who may be appointed in senior management;
- b) formulation of the criteria for determining qualifications, positive attributes and independence of Directors and recommend to the Board a policy relating to the remuneration of Directors, key managerial personnel and other employees;
- c) formulation of criteria for evaluation of Independent Directors and the Board;
- d) devising a policy on Board diversity;
- e) undertaking the process of due diligence to determine the suitability of Directors based upon qualification, track record, integrity and other fit and proper criteria;
- f) recommending the Director's appointment and continuation as a Director;
- g) ensuring that such persons meet the relevant criteria prescribed under applicable laws;
- h) reviewing the said criteria from time to time;
- i) fixing / re-fixing the remuneration of the Executive Directors (Whole-time Directors) of the Company; and
- j) approving the remuneration / any change therein of the managerial personnel of the Company when there are no

profits / inadequate profits / negative effective capital as per Schedule V to the Companies Act, 2013.

The Remuneration Policy of the Company is available on its website.

POLICY ON REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND OTHER EMPLOYEES

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

- a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;
- b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- c) remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay, reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

STAKEHOLDERS RELATIONSHIP COMMITTEE

The Company has constituted a Stakeholders Relationship Committee in terms of Section 178(5) of the Companies Act, 2013 with Mr. Anthony Colwyn-Thomas as Chairman and Mr. Srinivas Acharya, Managing Director, Mr. M.S. Parthasarathy and Mr. N Ganga Ram, Independent Directors, as Members.

The functions of the Committee include:

- a) approval and monitoring of transfer, transmission, split and consolidation of shares of the Company;
- b) monitoring the compliances with various statutory and regulatory requirements; and
- c) redressal of grievances of the security holders of the Company.

VIGIL MECHANISM

Vigil Mechanism for reporting of genuine concerns by Directors and employees pursuant to the provisions of Section 177(9) and (10) of the Companies Act, 2013 was established with effect from 1st April 2014. The Vigil Mechanism provides for adequate safeguards against victimisation of persons who use such Mechanism and makes provision for direct access to the Chairperson of the Audit Committee in appropriate or exceptional cases. Details of the establishment of the Vigil Mechanism have also been disclosed on the Company's website.

ANNUAL RETURN

As required under Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of the Annual Return in Form MGT-9 is annexed as part of this Board's Report (Annexure I).

STATUTORY AUDITORS

The present Statutory Auditors of the Company, M/s. Brahmayya & Co., Chartered Accountants, Chennai, retire at the ensuing Annual General Meeting and are eligible for re-appointment. They have confirmed that their re-appointment, if made, would be within the prescribed limits under the Companies Act, 2013 and that they are not disqualified for being re-appointed.

The Statutory Auditors' Report on the Accounts for the year ended 31st March 2015 does not contain any qualification, reservation or adverse observation. The Notes on the Financial Statements referred to in the Auditors' Report are self-explanatory.

SECRETARIAL AUDIT

In terms of Section 204 of the Companies Act, 2013 and the Rules thereunder, the Company appointed Mr. M. Damodaran, Company Secretary in Practice, for conducting Secretarial Audit of the Company. The Secretarial Audit Report given by Mr. M. Damodaran in Form MR-3 prescribed under the Companies Act, 2013 is annexed as part of this Board's Report (Annexure II). There is no qualification, observation or remark in the Secretarial Audit Report requiring explanation by the Board of Directors.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE OUTGO

The Company does not own any manufacturing facility and hence, the requirement of disclosure of particulars relating to conservation of energy and technology absorption in terms of Section 134(3)(m) and Rule 8 of the Companies (Accounts) Rules, 2014 is not applicable to it.

During the year, there was no foreign exchange earning, and foreign exchange outgo was to the extent of ₹20.21 crore towards dividend for the year 2013-14 to BNP Paribas Personal Finance, one of the Members of the Company.

DEPOSITS

Sections and Rules relating to acceptance of deposits under the Companies Act, 2013 do not apply to Housing Finance Companies registered with the National Housing Bank established under the National Housing Bank Act, 1987 and, therefore, are not applicable to the Company. The Company has complied with the provisions of the National Housing Bank Directions in relation to public deposits accepted by it.

LOANS AND INVESTMENTS

During the year, the Company duly complied with the provisions of Section 186 of the Companies Act, 2013. The Company did not make any investment through more than two layers of investment companies.

Particulars of loans given, investments made, guarantees given and securities provided along with the purpose therefor are provided in the Financial Statements.

RISK MANAGEMENT POLICY

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.

DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS / COURTS / TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE

During the year, there were no instances of significant and material orders passed by the regulators, courts or tribunals on the Company.

INTERNAL FINANCIAL CONTROLS

The Company has well defined and adequate internal controls and procedures, commensurate with its size and nature of operations. This is further strengthened by the Internal Audit done concurrently.

Besides, the Company has an Audit Committee, comprising Non-Executive Directors, which monitors systems, control, financial management and operations of the Company.

The Audit Committee, Independent Directors and the Board after review are satisfied with the internal financial controls and risk management systems put in place by the Company.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Company has duly constituted a CSR Committee as per the provisions of Section 135 of the Companies Act, 2013 and devised a policy for the implementation of the CSR framework, broadly defining the areas of spending for its the promotion / development at least two per cent of its average net profits made during the three immediately preceding financial years on the activities mentioned under Schedule VII of the Companies Act, 2013.

The CSR Committee monitors the policy of the Company from time to time and endeavours to ensure that the requisite amount is spent on CSR activities as per the framework.

The CSR Committee consists of Mr. Srinivas Acharya as Chairman and Mr. P.N. Venkatachalam, Director and Mr. N Ganga Ram, Independent Director, as Members.

The Annual Report on CSR Activities undertaken by the Company for the Financial Year 2014-15 is annexed as part of this Board's Report (Annexure III).

RELATED-PARTY TRANSACTIONS

During the year, the Company did not enter into any materially significant transactions with related parties, i.e., its promoters, Directors, Key Managerial Personnel and their relatives, conflicting with the Company's interests as laid down under Section 188 of the Companies Act, 2013. All the transactions entered into by the Company with any of the related parties were under arms-length basis in the ordinary course of business.

ANNUAL EVALUATION BY THE BOARD

The Board has made a formal evaluation of its own performance and that of its Committees and individual Directors as required under Section 134(3)(p) of the Companies Act, 2013 and a statement in this regard is annexed as part of this Board's Report (Annexure IV).

SEPARATE MEETING OF INDEPENDENT DIRECTORS

As required under Clause VII of Schedule IV of the Companies Act, 2013 on the Code For Independent Directors, a separate Meeting of all the Independent Directors on the Company's Board, viz. Mr. M.S. Parthasarathy, Mr. N. Ganga Ram and Ms. Radha Unni was held on 5th March 2015, without the attendance of the Non-Independent Directors and the Members of the Management.

At this Meeting, the Independent Directors --

- i) reviewed the performance of the Non-Independent Directors and the Board as a whole;
- ii) reviewed the performance of the Chairman of the Company, taking into account the views of the Managing Director and the (Non-Independent) Non-Executive Directors and

iii) assessed the quality, quantity and timeliness of the flow of information between the Company's Management and the Board that was necessary for the Board to effectively and reasonably perform its duties.

LISTING WITH STOCK EXCHANGES

The Company is up-to-date in the payment of annual listing fees to NSE on which its debentures are listed.

RATIO OF REMUNERATION TO EACH DIRECTOR

The details/disclosures of ratio of remuneration to each Director to the median employee's remuneration are annexed as part of this Board's Report (Annexure V).

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has in place a policy in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints as and when received regarding sexual harassment and all employees are covered under this Policy.

There was no sexual harassment complaint during the year 2014-15.

BRANCH EXPANSION

The Company opened 8 new branches and closed 4 branches during FY15, taking the total number of branches to 108 as at 31st March 2015.

INTERNAL AUDIT

To carry out an effective internal audit, the Company has appointed an Internal Auditor who is supported by the Internal Audit Department of Sundaram Finance Limited. The internal audit covers the Corporate Office, branches and other offices of the Company. The Internal Auditor reviews all the internal control and risk-management measures, highlights areas requiring attention and reports the main findings and recommendations to the Audit Committee of the Board. The Committee regularly reviews the audit findings and the action taken thereon, as

well as the adequacy and effectiveness of the internal systems and controls.

INFORMATION SECURITY ASSURANCE SERVICES

The Company's operations 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.

ASSET LIABILITY AND RISK MANAGEMENT COMMITTEE

The Asset Liability and Risk Management Committee (ALCO), functioning under the supervision of the Board 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 as well as 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 were put through an induction programme covering 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, 2013 and the Income-tax Act, 1961. Further, the Company has complied with the NHB's Housing Finance Companies Directions, 2010 and the Accounting Standards issued by the Institute of Chartered Accountants of India (ICAI).

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 review the Management's reports on statutory and regulatory compliance. The Company has taken adequate steps to adhere to all the stipulations laid down in Clause 49 of the Listing Agreement.

DIRECTORS' RESPONSIBILITY STATEMENT

In terms of Section 134(5) of the Companies Act, 2013, the Board of Directors hereby state 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;
 - the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
 - the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- the Directors had prepared the Annual Accounts on a 'going concern' basis;
 - the Directors, had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
 - the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

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 statements, 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
30th April 2015

S Viji
Chairman

Form No. MGT-9
Extract of Annual Return as on the financial year ended on 31st March 2015

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

I. REGISTRATION AND OTHER DETAILS

(i)	CIN	U65922TN1999PLC042759
(ii)	Registration Date	2nd July 1999
(iii)	Name of the Company	Sundaram BNP Paribas Home Finance Limited
(iv)	Category / Sub-Category of the Company	Housing Finance Company
(v)	Address of the Registered Office and contact details	21, Patullos Road, Chennai - 600 002 Ph: 044-2852 1181, Fax: 044-2858 6641
(vi)	Whether Listed Company	Yes / No
(vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	Cameo Corporate Services Ltd. 'Subramanian Building', No.1, Club House Road, Chennai - 600 002. Phone: 044 2846 0390

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name and Description of main products / services	NIC Code of the Product / Service	% to total turnover of the company
1	Housing Finance	65922	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and Address of the Company	CIN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
1	Sundaram Finance Limited 21, Patullos Road, Chennai - 600 002	L65191TN1954PLC002429	Holding Company	50.1%	2(87)(ii)

IV. SHARE HOLDING PATTERN (Equity Share Capital Break-up as percentage of Total Equity)

(i) Category-wise Share Holding

Category of Shareholders	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
1) Indian									
a) Individual/HUF	-	-	-	-	-	-	-	-	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	50728473	50728473	50.1%	-	50728473	50728473	50.1%	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
Sub-Total (A)(1)	-	50728473	50728473	50.1%	-	50728473	50728473	50.1%	-
2) Foreign									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other - Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	50525965	-	50525965	49.9%	50525965	-	50525965	49.9%	-
e) Any Other	-	-	-	-	-	-	-	-	-
Sub-Total (A)(2)	50525965	-	50525965	49.9%	50525965	-	50525965	49.9%	-
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	50525965	50728473	101254438	100%	50525965	50728473	101254438	100%	-
B. Public Shareholding									
1) Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
i) Any Other - Foreign Portfolio Investors	-	-	-	-	-	-	-	-	-
Sub-Total (B)(1)	-	-	-	-	-	-	-	-	-

	Category of Shareholders	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
2)	Non- Institutions									
a)	Bodies Corporate									
i)	Indian	-	-	-	-	-	-	-	-	-
ii)	Overseas	-	-	-	-	-	-	-	-	-
b)	Individuals									
i)	Individual shareholders holding nominal shares capital upto ₹1 lakh	-	-	-	-	-	-	-	-	-
ii)	Individual shareholders holding nominal shares capital in excess of ₹1 lakh	-	-	-	-	-	-	-	-	-
c)	Others (specify)	-	-	-	-	-	-	-	-	-
	Sub-Total (B)(2)	-	-	-	-	-	-	-	-	-
	Total Public Shareholding (B)= (B)(1)+(B)(2)	-	-	-	-	-	-	-	-	-
C.	Shares held by Custodian for GDRs and ADRs	-	-	-	-	-	-	-	-	-
	GRAND TOTAL (A)+(B)+(C)	50525965	50728473	101254438	100%	50525965	50728473	101254438	100%	-

(ii) Shareholding of promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of shares	% of total shares of the company	% of shares pledged / encumbered to total shares	No. of shares	% of total shares of the company	% of shares pledged / encumbered to total shares	
1	Sundaram Finance Limited (SFL)	50728473	50.1%	-	50728473	50.1%	-	-
2	BNP Paribas Personal Finance S.A.	50525965	49.9%	-	50525965	49.9%	-	-
	Total	101254438	100%	-	101254438	100%	-	-

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year	NO CHANGE			
2	Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/bonus/sweat equity etc.)				
3	At the end of the year				

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):
Not Applicable

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		Mr. S. Viji, Chairman			
	For each of the Directors and KMP	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year	1	Negligible	1	Negligible
2	Date wise Increase/ Decrease in Share-holding during the year specifying the reasons for increase/ decrease (e.g. allotment /transfer /bonus/ sweat equity etc.)	–	–	–	–
3	At the end of the year	1	Negligible	1	Negligible

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		Mr. T.T. Srinivasaraghavan, Director			
	For each of the Directors and KMP	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year	1	Negligible	1	Negligible
2	Date wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment /transfer/bonus/ sweat equity etc.)	–	–	–	–
3	At the end of the year	1	Negligible	1	Negligible

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		Mr. Srinivas Acharya (MD) jointly with Mr. G. Sundararajan (KMP)			
	For each of the Directors and KMP	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year	1	Negligible	1	Negligible
2	Date wise Increase/ Decrease in Share-holding during the year specifying the reasons for increase/ decrease (e.g. allotment /transfer /bonus/ sweat equity etc.)	–	–	–	–
3	At the end of the year	1	Negligible	1	Negligible

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding / accrued but not due for payment:

(₹ in lakh)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
(i) Principal Amount	4679,33.11	747,77.84	673,20.41	6100,31.36
(ii) Interest due but not paid	—	—	—	—
(iii) Interest accrued but not due	188,01.53	7,15.85	26,06.79	221,24.17
Total (i + ii + iii)	4867,34.64	754,93.69	699,27.20	6321,55.53
Change in Indebtedness during the financial year (including interest accrued but not due)				
(i) Addition	2668,13.41	655,06.05	274,24.77	3597,44.23
(ii) Reduction	2677,63.51	670,43.17	67,95.43	3416,02.11
Net Change (i – ii)	(9,50.10)	(15,37.12)	206,29.34	181,42.12
Indebtedness at the end of the financial year				
(i) Principal Amount	4674,04.50	731,46.82	876,16.97	6281,68.29
(ii) Interest due but not paid	—	—	—	—
(iii) Interest accrued but not due	183,80.04	8,09.75	29,39.57	221,29.36
Total (i + ii + iii)	4857,84.54	739,56.57	905,56.54	6502,97.65

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(₹ in lakh)

Sl. No.	Particulars of Remuneration	Name of the MD/WTD/Manager		Total Amount
		Mr. Srinivas Acharya, Managing Director		
1	Gross Salary			
a)	Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	48.65		48.65
b)	Value of perquisites under Section 17(2) of the Income-tax Act, 1961	37.67		37.67
c)	Profits in lieu of salary under Section 17(3) of the Income-tax Act, 1961	–		–
2	Stock Option	–		–
3	Sweat Equity	–		–
4	Commission	100.00		100.00
	- as % of profit	0.42%		0.42%
	Total (A)	186.32		186.32
	Ceiling as per the Act (5% of Net Profit)			1182.35

B. Remuneration to other Directors:

(₹ in lakh)

Sl. No.	Particulars of Remuneration	Name of Directors			Total Amount
		Mr. N. Ganga Ram	Mr. M. S. Parthasarathy	Ms. Radha Unni	
1	Independent Directors				
a)	Fee for attending board / committee meetings	1.90	1.50	0.10	3.50
b)	Commission	7.50	7.50	–	15.00
	Total (1)	9.40	9.00	0.10	18.50
2	Other Non-Executive Directors	–	–	–	–
a)	Fee for attending board / committee meetings	–	–	–	–
b)	Commission	–	–	–	–
c)	Others, please specify	–	–	–	–
	Total (2)	–	–	–	–
	Total (B) = (1 + 2)	9.40	9.00	0.10	18.50
	Total Managerial Remuneration (A + B)				204.82
	Overall Ceiling as per the Act (11% of Net Profit)				2601.16

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

(₹ in lakh)

Sl. No.	Particulars of Remuneration	Mr. G. Sundararajan Chief Financial Officer	Mr. V. Swaminathan Company Secretary	Total Amount
1	Gross Salary			
a)	Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	24.65	8.88	33.53
b)	Value of perquisites under Section 17(2) of the Income-tax Act, 1961	29.74	13.96	43.70
c)	Profits in lieu of salary under Section 17(3) of the Income-tax Act, 1961	—	—	—
2	Stock Option	—	—	—
3	Sweat Equity	—	—	—
4	Commission			
	- as % of profit	—	—	—
	- others, specify	—	—	—
5	Others, please specify	—	—	—
	Total (C)	54.39	22.84	77.23

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

During the year 2014-15, the Company or any of its Directors or Key Managerial Personnel were not liable for any penalty, punishment or any compounding offences under the Companies Act, 2013.

Form No. MR-3

Secretarial Audit Report For The Financial Year Ended 31.03.2015

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

To,

The Members,
Sundaram BNP Paribas Home Finance Limited
(CIN: U65922TN1999PLC042759)
21, Patullos Road
Chennai – 600 002

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Sundaram BNP Paribas Home Finance Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Sundaram BNP Paribas Home Finance Limited books, papers, minute books, forms, and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31.03.2015 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made here in after:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by Sundaram BNP Paribas Home Finance Limited for the financial year ended on 31.03.2015 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iii) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment;
- (iv) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (v) (a) The National Housing Bank Act, 1987 and
 - (b) The Housing Finance Companies (NHB) Directions, 2010

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

- (i) The Listing Agreements entered into by the Company with National Stock Exchange of India Limited for Listing of its debt securities;

The Secretarial Standards issued by The Institute of Company Secretaries of India were not applicable during the financial year.

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

I further report that :

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

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

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

I further report that during the audit period the Company :

- (i) duly issued Listed Redeemable Non-Convertible Debentures on Private Placement Basis.
- (ii) duly redeemed the debentures on its respective due dates.
- (iii) a) passed a Special Resolution under section 180(1)(c) of the Companies Act, 2013 and
 - b) altered the Memorandum of Association of the Company under Section 13 of the Companies Act, 2013.

Signature : *sd/-*

Name of Company Secretary

in practice / Firm : M. Damodaran

AGS/FCS No : 5837

C P No. : 5081

Place : Chennai

Date : 24th April, 2015

Annual Report on CSR Activities for the Financial Year 2014-15

- (1) A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs:

The Company devised a CSR policy for the implementation of the CSR framework, broadly defining the areas in which the Company proposes to spend for its the promotion / development. The Company has contributed towards areas as mentioned under Schedule VII of the Act and plans to further contribute towards the same. Our Company's CSR Policy is available under the link www.sundarambnpphome.in

- (2) The Composition of the CSR Committee:

The CSR Committee was duly constituted with Mr. Srinivas Acharya as Chairman and Mr. P.N. Venkatachalam, Director and Mr. N. Ganga Ram, Independent Director as Members.

- (3) Average net profit of the company for last three financial years: ₹190 crore

- (4) Total amount to be spent for the financial year: ₹3.80 crore

- (5) Details of CSR spent during the financial year:

(a) Total amount to be spent for the financial year: ₹3.80 crore

(b) Amount unspent, if any: ₹1.09 crore

(c) Manner in which the amount spent during the financial year is detailed below: Details enclosed

- (6) In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board Report:

The Company has been supporting social causes in the field of Education and healthcare during the last five years in the form of voluntary donations. While the donations are one-off in nature, CSR is intended to support programs on an on-going basis. We have been exploring the possibilities of participating in various CSR projects in line with the policy approved by the Board and have duly identified several such worth projects which are at various stages of implementation. Accordingly, the Company had spent ₹2.71 crore on such projects. While we have been endeavouring to spend ₹3.80 crore for FY15, we could do only ₹2.71 crore for the said period. This being the first year of CSR requirement, we have, during the year, put in place, necessary infrastructure and robust process to identify worthy causes and monitor with a view to ensuring that the causes are in line with our policy serving larger public and are sustainable over an extended period. The shortfall of ₹1.09 crore in CSR expenditure was mainly due to the fact that the Company did not get adequate number of eligible CSR projects for funding. With the experience gained during the initial year of CSR regime, the Company will endeavour its best to fulfil the CSR expenditure target in the current Financial Year, 2015-16 by proactively identifying eligible projects and programmes for CSR funding.

- (7) A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company:

The CSR Committee of the Company affirms that the Company's CSR implementation and monitoring is in compliance with the CSR objectives and the policy of the Company.

Place : Chennai

Date : 30th April 2015

Managing Director

Chairman - CSR Committee

Manner in which the amount spent during the financial year is detailed below:

(₹ in lakh)

1	2	3	4	5	6	7	8
Sl. No.	CSR project or activity identified	Sector in which the Project is covered	Projects or programmes (1) Local area or other (2) Specify the State and district where projects or programmes were undertaken	Amount outlay (budget) project or programme-wise	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or program (2) Overhead	Cumulative expenditure up to the reporting period	Amount spent: Direct or through implementing agency
1	Promoting education by providing financial assistance to deserving and meritorius students and also Educational Institutions which work for this cause						
	7 Institutions	Education	Tamil Nadu, Chennai	58.00	58.00	58.00	58.00
	1 Institution	Education	Tamil Nadu, Vellore	1.00	1.00	59.00	1.00
	1 Institution	Education	Tamil Nadu, Nilgiri	5.00	5.00	64.00	5.00
	3 Institutions	Education	Karnataka, Bangalore	8.79	8.79	72.79	8.79
	1 Institution	Education	Karnataka, Tumkur	1.00	1.00	73.79	1.00
	1 Institution	Education	Karnataka, Utteri Village	7.50	7.50	81.29	7.50
	1 Institution	Education	West Bengal, Calcutta	10.00	10.00	91.29	10.00
	1 Institution	Education	Gujarat, Ahmedabad	1.00	1.00	92.29	1.00
2	Environmental sustainability, ecological balance, conservation of natural resources and Solar Projects						
	1 Institution	Environment	Tamil Nadu, Chennai	0.50	0.50	92.79	0.50
	1 Institution	Environment	Tamil Nadu, Rameswaram	1.00	1.00	93.79	1.00

(₹ in lakh)

1	2	3	4	5	6	7	8
Sl. No.	CSR project or activity identified	Sector in which the Project is covered	Projects or programmes (1) Local area or other (2) Specify the State and district where projects or programmes were undertaken	Amount outlay (budget) project or programme-wise	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or program (2) Overhead	Cumulative expenditure up to the reporting period	Amount spent: Direct or through implementing agency
3	Promoting preventive and general health care						
	6 Institutions	Health	Tamil Nadu, Chennai	137.65	137.65	231.44	137.65
	1 Institution	Health	Karnataka, Chikmagalur	2.00	2.00	233.44	2.00
	1 Institution	Health	Tamil Nadu, Dharmapuri	0.50	0.50	233.94	0.50
	1 Institution	Health	Karnataka, Bangalore	5.00	5.00	238.94	5.00
	1 Institution	Health	Tamil Nadu, Vellore	1.00	1.00	239.94	1.00
4	Protection of National Heritage, Art & Culture						
	4 Institutions	National Heritage, Art and Culture	Tamil Nadu, Chennai	18.75	137.65	258.69	137.65
	1 Institution	National Heritage, Art and Culture	Tamil Nadu, Kanchipuram	1.05	2.00	259.74	2.00
	1 Institution	National Heritage, Art and Culture	Tamil Nadu, Tiruppur	1.00	0.50	260.74	0.50
5	Contribution to PM's National Relief Fund	Prime Minister's National Relief Fund	Jammu & Kashmir	10.00	10.00	270.74	10.00
TOTAL				270.74	270.74		270.74

* Give details of implementing agency

Criteria for evaluation

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

1. Composition of the Board and availability of multi-disciplinary skills
Whether the Board comprises Directors with the requisite mix of qualifications and experience as would enable the Company to achieve its corporate objectives, and formulate and implement appropriate business policies, plans and strategies.
2. Commitment to good Corporate Governance Practices
 - a) Whether the Company practises high ethical and moral standards
 - b) Whether the Company is fair and transparent in dealings with its stakeholders, and in particular whether it deals with its associates at arm's length.
3. Adherence to Regulatory Compliance
Whether the Company complies with the various applicable statutes and regulations, as well as requirements of municipal and other authorities concerned.
4. Track record of financial performance
Whether the Company's operational and financial performance has been satisfactory and has enhanced shareholder value.
Whether the Company has duly observed statutory requirements and applicable accounting standards in its financial disclosures.
5. Grievance redressal mechanism
Whether a proper system is in place to attend to and resolve complaints/grievances from stakeholders, including depositors, customers, employees and others, quickly and fairly
6. Existence of an integrated Risk Management System
Whether the Company has an integrated risk-management system to carefully assess and effectively manage its business risks.
7. Use of Modern technology
Whether the Company has an Integrated IT strategy and whether technology hardware and software are periodically upgraded as necessary.
8. Commitment to Corporate Social Responsibility (CSR)
Whether the Company is committed to social causes and whether it identifies, finances and monitors its CSR commitments.

B. Criteria for evaluation of the Chairman at an exclusive meeting of the Independent Directors

1. Integrity
2. Leadership qualities
3. Ability to provide a long-range vision for the Company and suggest innovative ideas
4. Importance attached to corporate governance practices
5. Willingness to allow other members of the Board to express their views and ability to resolve any disagreement among them
6. Understanding of the macroeconomic and relevant industry trends
7. Projection of the Company's external image and public and media relations

C. Criteria for evaluation of the Independent Directors' performance

1. Integrity
2. Relevant qualifications and experience
3. Understanding of the Company's business
4. Attendance at Board and Committee meetings/annual general meetings
5. Value addition to Board discussions

D. Criteria for evaluation of the Audit Committee's performance

1. Relevant qualifications and experience of members
2. Review of financial performance and disclosure
3. Review of external, internal, statutory, tax, and system audits and inspections, and discussion with the auditors and inspectors of their audit plans and findings, and monitoring of follow-up actions on the audit and inspections
4. Review of statutory and regulatory compliance, and discussion of findings and observations of regulatory inspections and monitoring follow-up action thereon
5. Monitoring of systems and processes for the prevention and detection of frauds, and of steps taken to deal with frauds that have surfaced

Disclosure pursuant to Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

(i) & (ii) The ratio of the remuneration of each Director to the median and mean remuneration of the employees of the company for the financial year and the percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year:

Names of the Directors / Key Managerial Personnel	Ratio to Median Remuneration (times)	Ratio to Mean Remuneration (times)	Increase / Decrease in Remuneration
Mr. S. Viji, Chairman	-	-	Not Applicable
Mr. T.T. Srinivasaraghavan	-	-	Not Applicable
Mr. P.N. Venkatachalam	-	-	Not Applicable
Mr. John Christopher Woodhouse	-	-	Not Applicable
Mr. Anthony Colwyn-Thomas	-	-	Not Applicable
Mr. Alexandre Adam	-	-	Not Applicable
Mr. N. Ganga Ram	2.76	1.70	Not Applicable
Mr. M.S. Parthasarathy	2.76	1.70	Not Applicable
Ms. Radha Unni	-	-	Not Applicable
Mr. Srinivas Acharya, Managing Director	69	42	(-) 8.67%
Mr. G. Sundararajan, Chief Financial Officer	20	12	15.17%
Mr. V. Swaminathan, Company Secretary	8	5	18.28%

(iii) The percentage increase in the median remuneration of employees in the financial year : 8%

(iv) The number of permanent employees on the rolls of the Company : 703

(v) Explanation on the relationship between average increase in remuneration and company performance:

The average increase in the remuneration of all employees was 8.04% for the financial year 2014-15. The average increase in remuneration of the Key Managerial Personnel was -3%

The average increase in the remuneration to employees was determined based on the overall performance of the Company. Further, the criteria for remuneration of employees other than Key Managerial Personnel is based on an evaluation of Key Results Areas (KRAs), while the remuneration of the managerial personnel is based on the remuneration policy as recommended by the Nomination & Remuneration Committee and approved by the Board of Directors.

- (vi) Comparison of the remuneration of the Key Managerial Personnel against the performance of the company: Profit before Tax – ₹219.26 crore.

(₹ in crore)

Particulars	Managing Director	Chief Financial Officer	Company Secretary	Total
Remuneration	1.86	0.54	0.23	2.63
Remuneration (as % of PBT)	0.85%	0.25%	0.10%	1.20%

- (vii) Variations in the market capitalisation of the company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase or decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer in case of listed companies, and in case of unlisted companies, the variations in the net worth of the company as at the close of the current financial year and previous financial year:

Particulars	As at 31.03.2015	As at 31.03.2014	Increase
Net Worth (₹ in crore)	764.72	697.89	66.83

- (viii) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

The average increase in salaries of employees other than managerial personnel in 2014-15 was 9.54%. Percentage increase in the managerial remuneration for the year was -3%

- (ix) Comparison of the each remuneration of the Key Managerial Personnel against the performance of the company;

Please refer point no. (vi)

- (x) The key parameters for any variable component of remuneration availed by the directors;

Commission within the ceiling of 1% of the net profits of the Company, as approved by the shareholders.

- (xi) The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year; and

Not applicable

- (xii) Affirmation that the remuneration is as per the remuneration policy of the company.

The Company affirms that the remuneration is as per the remuneration policy of the Company.

Report on Corporate Governance

Right from its establishment in 1999 as a subsidiary of Sundaram Finance Limited, the Company has imbibed the Sundaram Finance Group's core values of service, discipline, prudence, fair play, honesty, integrity, humility, openness and relationship. These values have been further reinforced by the strategic alliance, in the year 2007, of the leading European banking group, BNP Paribas with its strong emphasis on responsiveness, creativity, commitment and ambition.

Companies with listed shares are mandated to follow a statutory and regulatory code of corporate governance and required to append to their annual financial statements, a report on the corporate governance policies and practices adopted by them. Not having listed its shares (but only its debentures), our Company does not fall within this 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.

The Directors present below a detailed review of the Company's policies and practices on Corporate Governance:

1 BOARD OF DIRECTORS

Size and Composition

Sundaram Finance holds 50.10% of the paid-up share capital of the Company and BNP Paribas Personal Finance S.A., (BNPPF), the remaining 49.90%.

All the Directors of our Company are persons with expertise and experience in the field of banking, finance, auditing and/or accounting. The Company is immensely benefitted by the range of experience and skills that the Directors bring to the Board.

As on 31st March 2015, the Company's Board consisted of 10 Directors as follows:

Non-Executive Promoter Directors:

1. Mr. S. Viji, Chairman
2. Mr. T.T. Srinivasaraghavan
3. Mr. P.N. Venkatachalam
4. Mr. John Christopher Woodhouse
5. Mr. Anthony Colwyn - Thomas
6. Mr. Alexandre Adam

Non-Executive Independent Directors:

7. Mr. N. Ganga Ram
8. Mr. M.S. Parthasarathy
9. Ms. Radha Unni

Managing Director:

10. Mr. Srinivas Acharya

The Independent Directors have affirmed compliance with the provisions of Section 149 read with Schedule IV to the Companies Act, 2013 regarding their independence.

During the year, Mr. S. Ravindran, a nominee of SE, resigned from the Board and Mr. P.N. Venkatachalam was appointed in his place. Besides, Ms. Radha Unni was appointed as Woman Independent Director on the Board. Subsequent to the close of the year, Mr. P.C. Mathew was appointed as a Non-Executive Independent Director with effect from 30th April 2015.

Mr. Acharya has been re-appointed by the Board for a period of five years with effect from 1st April 2015, subject to the approval of the Members.

No Director is related to any other Director of the Company.

1.1 Directors' term

The Company's Articles of Association require that at least two-

thirds of the Directors retire by rotation. As per the provisions of the Companies Act, 2013, the Independent Directors are not liable to retire by rotation.

One-third of the Directors of the Company (other than Independent Directors) are liable to retire every year and, if eligible, may offer themselves for re-appointment.

1.2 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 2015 are given below:

Sl. No.	Director	DIN	Directorships*		Chairmanship/ Membership of committees of other Companies*	
			Chairman	Director	Chairman	Member
1.	Mr. S. Viji	00139043	1	4	1	2
2.	Mr. T.T. Srinivasaraghavan	00018247	-	6	1	1
3.	Mr. P.N. Venkatachalam	00499442	-	9	1	9
4.	Mr. John Christopher Woodhouse	01587411	-	-	-	-
5.	Mr. Anthony Colwyn-Thomas	05102669	-	-	-	-
6.	Mr. Alexandre Adam	05309888	-	-	-	-
7.	Mr. N. Ganga Ram	00001246	-	3	1	2
8.	Mr. M.S. Parthasarathy	00038588	-	1	-	1
9.	Ms. Radha Unni	03242769	-	4	1	2
10.	Mr. Srinivas Acharya	00017412	-	4	1	2

* Foreign companies, private companies and companies under Section 8 of the Companies Act, 2013 are excluded for the above purpose. Audit Committee and Stakeholders Relationship Committee are considered.

1.3 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 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.

2 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 of the meeting. Detailed agenda notes are sent to the Directors in advance of the meetings.

During the year ended 31st March 2015 (FY15), the Board met six times as noted below:

Financial Year 2014 - 2015	
29 April 2014	30 January 2015
22 July 2014	25 February 2015
21 October 2014	5 March 2015

The meetings were attended by Directors as shown below:

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

* Resigned on 21st October 2014

#Appointed as an Additional Director on 21st October 2014

Appointed as Woman Independent Director on 5th March 2015

3 BOARD COMMITTEES

The Board has constituted six committees as under:

3.1 Executive Committee

As on 31st March 2015, the Executive Committee consisted of three Members viz.,

1. Mr. T.T. Srinivasaraghavan, Chairman
2. Mr. John Christopher Woodhouse
3. 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 re-orientation as and when necessary.

The Executive Committee met 18 times during the year.

3.2 Audit Committee

The Audit Committee consists of five 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 2015, the Committee consisted of :

1. Mr. M.S. Parthasarathy, Chairman
2. Mr. N. Ganga Ram
3. Ms. Radha Unni
4. Mr. T.T. Srinivasaraghavan
5. Mr. John Christopher Woodhouse

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 acts in accordance with the Terms of Reference made by the Board and the functions include:

- examination of the financial statements and the auditors' report thereon;

- review and evaluation of the effectiveness and adequacy of the internal controls systems and risk management of the Company and its statutory and regulatory compliance;
- the recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- review and monitor the auditor's independence and performance, and effectiveness of audit process;
- reviewing the scope and plans of statutory, internal, and systems audits, and discussing 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, if any, noticed;
- reviewing the non-performing and delinquent loans
- approval or any subsequent modification of transactions of the Company with related parties;
- scrutiny of inter-corporate loans and investments;
- valuation of undertakings or assets of the company, wherever it is necessary; and
- monitoring the end use of funds raised through public offers and related matters.

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

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

3.3 Asset Liability and Risk Management Committee (ALCO)

As of 31st March 2015, ALCO comprised seven Members, viz,

1. Mr. M. Ramaswamy, Chairman
2. Mr. Srinivas Acharya
3. Mr. John Christopher Woodhouse
4. Mr. Alexandre Adam
5. Mr. G. Sundararajan
6. Mr. S. Rajagopalan
7. Mr. V. Swaminathan, Member - Secretary

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

The ALCO met six times during the year.

3.4 Corporate Social Responsibility Committee (CSR)

The Corporate Social Responsibility (CSR) Committee was constituted in March 2014 as per the provisions of Section 135 of the Companies Act, 2013. The Committee consists of three Directors of whom one is an Independent Director.

As of 31st March 2015, the Committee consisted of :

1. Mr. Srinivas Acharya, Chairman
2. Mr. P.N. Venkatachalam
3. Mr. N. Ganga Ram

The functions of the Committee include:

- a) formulation and recommendation of Corporate Social Responsibility Policy to the Board; such policy to indicate the

activities to be undertaken by the Company as specified in Schedule VII to the Companies Act, 2013;

- b) recommendation of the amount of expenditure to be incurred on the activities referred to in clause (a); and
- c) monitoring the Corporate Social Responsibility Policy of the Company from time to time.

The CSR Committee met four times during the year.

3.5 Nomination and Remuneration Committee (NRC)

The Nomination and Remuneration Committee (NRC) was constituted in April 2014 as per the provisions of Section 178 of the Companies Act, 2013 with five Directors of whom three are Independent Directors.

As of 31st March 2015, the Committee consisted of :

1. Mr. T.T. Srinivasaraghavan, Chairman
2. Mr. Anthony Colwyn-Thomas
3. Mr. N. Ganga Ram
4. Mr. M.S. Parthasarathy
5. Ms. Radha Unni

The functions of the Committee include:

- a) identifying persons who are qualified to become Directors and who may be appointed in senior management;
- b) formulation of the criteria for determining qualifications, positive attributes and independence of Directors and recommend to the Board a policy relating to the remuneration of Directors, key managerial personnel and other employees;
- c) formulation of criteria for evaluation of Independent Directors and the Board;
- d) devising a policy on Board diversity;
- e) undertaking the process of due diligence to determine the suitability of Directors, based upon qualification, track record, integrity and other fit and proper criteria;

f) recommending the Director's appointment and continuation as a Director;

- g) ensuring that such persons meet the relevant criteria prescribed under applicable laws;
- h) reviewing the said criteria from time to time;
- i) fixing / re-fixing the remuneration of the Executive Directors (Whole-time Directors) of the Company; and
- j) approving the remuneration / any change therein of the managerial personnel of the Company when there are no profits / inadequate profits / negative effective capital as per Schedule V to the Companies Act, 2013.

The NRC Committee met three times during the year.

3.6 Stakeholders Relationship Committee (SRC)

The Stakeholders Relationship Committee (SRC) was constituted in April 2014 as per the provisions of Section 178 of the Companies Act, 2013 with four Directors of whom two are Independent Directors.

As of 31st March 2015, the Committee consisted of :

1. Mr. Anthony Colwyn-Thomas, Chairman
2. Mr. Srinivas Acharya
3. Mr. N. Ganga Ram
4. Mr. M.S. Parthasarathy

The functions of the Committee include:

- a) approval and monitoring of transfer, transmission, split and consolidation of shares of the Company;
- b) monitoring the compliances with various statutory and regulatory requirements; and
- c) redressal of grievances of the security holders of the Company.

The SRC Committee met once during the year.

The Chairman of the Nomination and Remuneration Committee and of the Stakeholders Relationship Committee or any other Member authorised in this behalf by the respective Chairman attend the General Meetings of the Company.

4 REMUNERATION OF THE DIRECTORS

4.1 Independent Directors

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

S. No.	Director	Sitting Fees Paid (in ₹)
1.	Mr. N. Ganga Ram	1,90,000
2.	Mr. M.S. Parthasarathy	1,50,000
3.	Ms. Radha Unni	10,000

In addition, commission of ₹7.50 lakh each was paid to Mr. N. Ganga Ram and Mr. M.S. Parthasarathy.

4.2 Key Managerial Personnel

The details of remuneration paid to the Key Managerial Personnel of the Company for the year 2014-15 are as follows:

(₹ in lakh)

Particulars	Mr. Srinivas Acharya Managing Director	Mr. G. Sundararajan Chief Financial Officer	Mr. V. Swaminathan Company Secretary
Salary	40.80	20.25	7.60
Commission	100.00	—	—
Contribution to Provident, Superannuation, and Gratuity Funds	7.85	4.40	1.28
Other allowances and perquisites	37.67	29.74	13.96
Total	186.32	54.39	22.84

During the year, Sundaram Finance Limited (SF), the holding company has incurred ₹21.44 lakh (31.03.2014 – ₹14.04 lakh) towards the cost of 3,000 number of shares issued under Sundaram Finance Employee Stock Option Scheme 2008 to Mr. Srinivas Acharya, Managing Director of the Company.

5 DIRECTORS' DEPOSITS WITH THE COMPANY

As on 31st March 2015, Directors and their relatives held deposits aggregating ₹7,04.39 lakh with the Company. The interest paid on the deposits of Directors and their relatives during the year amounted to ₹60.26 lakh.

6 RELATED-PARTY TRANSACTIONS

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

7 DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH 2015

The distribution of shareholding in the Company as on 31st March 2015 was as under:

No. of Equity Shares held by each	No. of Shareholders	Total No. of Shares	% of Capital
1	5*	5	Negligible
1,00,001 and above	2	10,12,54,433	100%
Total	7	10,12,54,438	100%

* Nominees of SF

Of the total equity shares, 5.05 crore shares have been dematerialised, and the balance shares are held in physical form.

8 SHARE PRICE PERFORMANCE

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

9 SHARE TRANSFER AND INVESTOR GRIEVANCES COMMITTEE

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

Share transfer, transmission, split, consolidation and grievances of investors and security holders are taken care of by the Stakeholders Relationship Committee set up by the Board.

10 LISTED DEBENTURES

The Company has, thus far, privately placed a total of 246 series of secured/unsecured Non-Convertible Debentures (NCDs) of the total face value of ₹4730 crore. The NCDs have been listed on the National Stock Exchange of India Ltd. (NSE) for trading in compulsory dematerialised form. The Company is up-to-date in the payment of annual listing fees to NSE on which its debentures are listed.

During the year, the Company issued fresh NCDs aggregating ₹732.50 crore and redeemed NCDs of ₹878.70 crore. NCDs (including debenture application moneys and subordinated debentures) of ₹2094.70 crore were outstanding as on 31st March 2015.

11 COMMERCIAL PAPER

During the year, the Company privately placed commercial paper aggregating ₹589.13 crore with mutual funds and banks/companies.

12 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

13 ANNUAL GENERAL MEETINGS

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

Financial Year	Date of Meeting	Time	Venue
2013-14	22nd July 2014	1.30 pm	No.21, Patullos Road, Chennai 600 002.
2012-13	17th July 2013	10.00 am	No.21, Patullos Road, Chennai 600 002.
2011-12	12th July 2012	10.00 am	"Sundaram Towers", Ground Floor, 46, Whites Road, Chennai 600 014

No resolutions were passed through postal ballot during the year ended 31st March 2015. None of the resolutions being placed at the ensuing Annual General Meeting is covered by the Postal Ballot Rules.

14 VIGIL MECHANISM

Vigil Mechanism for the reporting of genuine concerns by Directors and employees pursuant to the provisions of Section 177(9) and (10) of the Companies Act, 2013 was established with effect from 1st April 2014. The Vigil Mechanism provides for adequate safeguards against victimisation of persons who use such mechanism and make provision for direct access to the Chairperson of the Audit Committee in appropriate or exceptional cases.

15 DISCLOSURE

The Company has complied with the applicable requirements of the Securities and Exchange Board of India (SEBI) and the National Stock Exchange of India Ltd. (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.

16 MEANS OF COMMUNICATION

In accordance with the provisions of the Listing Agreement with NSE, unaudited half-yearly financial results/audited financial results of the Company in respect of Financial Year 2014-15 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.sundarambnpphome.in

17 CORPORATE IDENTITY NUMBER

The Corporate Identity Number (CIN), allotted to the Company 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 and details of the compliance filings of the Company with the Ministry may be viewed by the Members and other stakeholders at www.mca.gov.in using the CIN.

18 ADDRESS FOR CORRESPONDENCE AND ANY ASSISTANCE OR CLARIFICATION

Mr. V. Swaminathan, Company Secretary & Head - Compliance & Administration, is 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.
Fifth Floor, Sundaram Towers,
46, Whites Road, Chennai-600 014
Phone: 044-2858 2234
E-mail: swaminathan@sundarambnpphome.in

19 MANAGEMENT DISCUSSION AND ANALYSIS REPORT

This Report forms part of the Directors' Report.

20 GENERAL SHAREHOLDER INFORMATION

Sixteenth Annual General Meeting

Date	Time	Venue
15th July 2015	10.00 a.m.	No.21, Patullos Road, Chennai 600 002

21 FINANCIAL CALENDAR

The Company's Board is scheduled to consider the audited annual results / unaudited half-yearly results as under:

- Financial Year – 1st April 2014 to 31st March 2015 : 30th April 2015
- Unaudited results for the half-yearly ending 30th September 2015: End of October 2015

INDEPENDENT AUDITORS' 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 31st March, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

2. Management's Responsibility for the Financial Statements

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

3. Auditor's Responsibility

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

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

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

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

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

4. Opinion

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

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2015;
- b) in the case of the Statement of Profit and Loss, of the 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
- (i) As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section 11 of section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraph 3 of the Order.
- (ii) As required by Section 143 (3) of the Act, we report that:
- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.:
- (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the effect of the pending legal proceedings against it in its financial statements as mentioned in Note 26.11 of the Notes to the Accounts.
- ii. The Company has made provision for losses based on the current estimated realisability of its loans as explained in Note 26.12 of the Notes to the Accounts, on the basis of the information and explanations given to us. The Company did not enter into any derivative contracts during the year.
- iii. There was no amount to be transferred to the Investor Education and Protection Fund by the Company.

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

P. BABU
Partner

Place: Chennai
Date: 30-04-2015

Membership No.203358

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.
2. In our opinion and according to the information and explanations given to us, the Company has not granted any loans secured or unsecured to companies, firms or other parties covered in the register maintained under Section 189 of the Act. Therefore, clauses (iii)(a) and (b) of paragraph 3 of the Order are not applicable to the Company for the year.
3. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of fixed assets. 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. 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 73 to 76, and any other relevant provisions of the Act and the rules framed thereunder with regard to the deposits accepted from the public.
5. The Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act.
6. i) According to the records of the Company and the information and explanations given to us, undisputed statutory dues, including Provident Fund, Employees State Insurance, Income tax, 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 2015 for a period of more than six months from the date they became payable.
- ii) According to the records of the Company and the information and explanations given to us, there are no dues of Income tax, Wealth tax and Service tax which have not been deposited on account of any dispute.
- iii) Based on our examination of the records and the information and explanations given to us, there was no amount to be transferred to the Investor Education and Protection Fund by the Company during the year in accordance with the relevant provision of the Companies Act, 1956 and the rules made thereunder.
7. 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.
8. Based on our audit procedures and the information and explanations given by the Management, the Company has not defaulted in the repayment of dues to financial institutions, banks or debenture holders.
9. In our opinion and according to the information and explanations given to us, the Company has not given any guarantees for loans taken by others from banks or financial institutions.
10. Based on our examination of the records and the information and explanations given to us, the term loans were applied for the purposes for which the loans were obtained.
11. To the best of our knowledge and belief and according to the information and explanations given to us, during the year, no fraud by the Company and no material frauds on the Company were noticed or reported during the course of our audit.
12. In our opinion and according to the information and explanations given to us, the nature of the Company's business/ activities during the year has been such that clause ii of paragraph 3 of the Companies (Auditor's Report) Order, 2015 is not applicable to the Company for the year.

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

P. BABU
Partner

Place: Chennai

Date : 30-04-2015

Membership No.203358

Balance Sheet as at 31st March, 2015

(₹ in lakh)

Particulars	Note	March 31, 2015	March 31, 2014
<u>EQUITY AND LIABILITIES</u>			
Shareholders' Funds			
Share Capital	2	101,25.44	101,25.44
Reserves and Surplus	3	663,46.78	596,64.26
Money received against share warrants		—	—
		764,72.22	697,89.70
Share application money pending allotment		—	—
Non-Current Liabilities			
Long-Term Borrowings	4	4710,88.91	3476,45.97
Other Long-Term Liabilities	5	75,30.21	34,49.80
Long-Term Provisions	6	140,29.86	93,51.76
		4926,48.98	3604,47.53
Current Liabilities			
Short-Term Borrowings	7	100,25.41	286,91.28
Trade Payables	8	38,82.68	37,37.02
Other Current Liabilities	9	1622,32.91	2529,36.11
Short-Term Provisions	10	50,76.18	51,75.99
		1812,17.18	2905,40.40
Total		<u>7503,38.38</u>	<u>7207,77.63</u>
<u>ASSETS</u>			
Non-Current Assets			
Long-Term Loans and Advances	11	6401,54.20	5983,21.89
Fixed Assets			
Tangible Assets	12	6,46.94	6,52.94
Intangible Assets	12	1,05.46	2,47.53
Non-Current Investments	13	59,14.26	50,11.02
Deferred Tax Assets (Net)	14	5,28.82	33,50.80
Other Non-Current Assets	15	62.62	29.74
		6474,12.30	6076,13.92
Current Assets			
Short-Term Loans and Advances	16	457,23.13	414,36.25
Current Investments	17	160,99.82	170,00.92
Cash and Bank Balances	18	372,27.31	523,05.84
Other Current Assets	19	38,75.82	24,20.70
		1029,26.08	1131,63.71
Total		<u>7503,38.38</u>	<u>7207,77.63</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

P. Babu
Partner
Membership No. 203358
Chennai
30th April 2015

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

Directors
T.T. Srinivasaraghavan
P.N. Venkatachalam
Anthony Colwyn-Thomas
Alexandre Adam
N. Ganga Ram
M.S. Parthasarathy
Radha Unni
P.C. Mathew

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

(₹ in lakh)

Particulars	Note	April 2014 - March 2015	April 2013 - March 2014
REVENUE			
Revenue from Operations	20	954,01.29	887,55.92
Other Income	21	34.36	21.46
Total Revenue	(A)	<u>954,35.65</u>	<u>887,77.38</u>
EXPENSES			
Financial Costs	22	617,76.48	564,59.07
Employee Benefits	23	31,48.00	27,82.21
Administrative and Other Expenses	24	31,97.28	32,99.46
Provisions and Write-offs	25	48,85.24	40,94.34
Depreciation and Amortisation expenses	12	3,64.59	3,46.88
Contingent Provision against Standard Assets		1,37.92	2,82.72
Total Expenses	(B)	<u>735,09.51</u>	<u>672,64.68</u>
Profit before Tax	(A-B)	<u>219,26.14</u>	<u>215,12.70</u>
Tax Expense			
Current Tax		81,50.00	78,75.00
Deferred Tax		(18,25.02)	(14,35.97)
		<u>63,24.98</u>	<u>64,39.03</u>
Profit before adjustment of Deferred Tax Liability on Special Reserve		<u>156,01.16</u>	<u>150,73.67</u>
Deferred Tax Liability on Special Reserve		9,58.84	–
Profit after Tax		<u>146,42.32</u>	<u>150,73.67</u>
Earnings per Equity Share			
Number of Equity Shares (Face Value ₹10/- per share)		10,12,54,438	10,12,54,438
Weighted Average number of Shares (Face Value ₹10/- per share)		10,12,54,438	10,12,54,438
Basic and Diluted Earnings per Share in ₹ (Annualised)		14.46	14.89
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

P. Babu
 Partner
 Membership No. 203358
 Chennai
 30th April 2015

S. Viji
 Chairman

Srinivas Acharya
 Managing Director

G. Sundararajan
 Chief Financial Officer

V. Swaminathan
 Company Secretary

Directors

T.T. Srinivasaraghavan
P.N. Venkatachalam
Anthony Colwyn-Thomas
Alexandre Adam
N. Ganga Ram
M.S. Parthasarathy
Radha Unni
P.C. Mathew

NOTES TO THE ACCOUNTS

1. Significant Accounting Policies

- 1.1 The financial statements are prepared and presented under the historical cost convention on the accrual basis of accounting and comply with the relevant provisions of the Companies Act, 2013. 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 the 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:

- a. 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 when the loan is fully disbursed. Pre-EMI interest is payable monthly where the loan is partly disbursed.
- b. Loans securitised/assigned have been derecognised in the books of account. Recognition of income on loan assets securitised /assigned and accounting for interest on cash collateral deposits provided by the Company is based on the guidelines issued by the Institute of Chartered Accountants of India.
- c. Income from other financing activities and services is recognized on accrual basis.

1.3 Financial Instruments:

Commercial Papers and Zero-Coupon Non-Convertible Debentures 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:

Tangible assets are carried at historical cost less accumulated depreciation and impairment, if any.

Depreciation of tangible assets is provided on the written-down value method over the useful life of assets estimated by the Management. Depreciation of assets purchased/ sold during the year is charged on a pro-rata basis.

The Management estimates the useful life of the fixed assets as follows:

Electrical installations	15 years
Vehicles	5 years
Furniture and Fixtures	10 years
Computers and Data Processing Units	
- Networks and Servers	10 years
- End User Devices	7 years
Office Equipment	8 years

For these classes of assets, based on internal assessment, the Management believes that the useful life as given above represents the years over which, the Management expects to use these assets. Hence, the useful life of these assets is different from the useful life as prescribed under Part C of Schedule II to the Companies Act, 2013.

Intangible assets represent computer software acquired/developed, of which the cost is amortised over its expected useful life as per the Accounting Standard for Intangible Assets issued by the Institute of Chartered Accountants of India.

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 the least of the cost, market value and net asset value.

NOTES TO THE ACCOUNTS (Contd.)

1.6 Employee Benefits:

A) Short-Term Employee Benefits:

Short-Term employee benefits for services rendered by employees are recognised during the year in which the services are rendered.

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, with a ceiling of Rupees one lakh per annum per employee, 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 Statement of Profit and Loss.

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 the Balance Sheet date, determined every year by LIC using the Projected Unit Credit method.

ii) Leave Encashment

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

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

C) Other Long Term Employee Benefits:

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

1.7 Taxation:

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

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

1.8 Impairment of Assets:

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

1.9 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 obligations and a reliable estimate can be made of the amount of the obligations.

NOTES TO THE ACCOUNTS (Contd.)

2. Share Capital

(₹ in lakh)

Particulars	March 31, 2015	March 31, 2014
Authorised Capital:		
Equity Shares, ₹10/- Par Value		
15,00,00,000 (15,00,00,000) Equity Shares	<u>150,00.00</u>	<u>150,00.00</u>
Issued:		
Equity Shares, ₹10/- Par Value		
10,62,54,438 (10,62,54,438) Equity Shares	<u>106,25.44</u>	<u>106,25.44</u>
Subscribed and Fully Paid-up:		
Equity Shares, ₹10/- Par Value		
10,12,54,438 (10,12,54,438) Equity Shares	<u>101,25.44</u>	<u>101,25.44</u>
	<u>101,25.44</u>	<u>101,25.44</u>

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 March 31, 2015	No. of Shares	% held as at March 31, 2014
Sundaram Finance Ltd.*	Holding Company	5,07,28,473	50.10	5,07,28,473	50.10
BNP Paribas Personal Finance S.A.		5,05,25,965	49.90	5,05,25,965	49.90

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

b) The Company had issued 86,02,150 Equity Shares @ ₹10/- each during the financial year 2013-14 at a premium of ₹83/-.

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

Particulars	April 2014 - March 2015		April 2013 - March 2014	
	No. of Shares	(₹ in lakh)	No. of Shares	(₹ in lakh)
Opening number of shares outstanding	10,12,54,438	101,25.44	9,26,52,288	92,65.23
Add : Shares issued	-	-	86,02,150	8,60.21
Less: Shares bought back	-	-	-	-
Closing number of shares outstanding	10,12,54,438	101,25.44	10,12,54,438	101,25.44

NOTES TO THE ACCOUNTS (Contd.)

3. Reserves and Surplus

(₹ in lakh)

Particulars	March 31, 2015	March 31, 2014
Securities Premium Account		
Balance at the beginning of the year	204,74.56	133,34.77
Add: Received during the year	—	71,39.79
Balance at the end of the year	204,74.56	204,74.56
General Reserve		
Balance at the beginning of the year	230,00.00	168,00.00
Add: Transferred from Surplus in the Statement of Profit and Loss	40,00.00	62,00.00
Balance at the end of the year	270,00.00	230,00.00
Other Reserves		
Balance at the beginning of the year		
(a) Statutory Reserve u/s 29C of the NHB Act, 1987	5,47.00	3,32.00
(b) Amount of Special Reserve u/s 36(1) (viii) of the Income-tax Act, 1961 taken into account for the purpose of Statutory Reserve under Section 29C of the NHB Act, 1987	108,57.00	80,57.00
(c) Total	114,04.00	83,89.00
Additions / Appropriations / withdrawal during the year		
Add:		
(a) Amount transferred u/s 29C of the NHB Act, 1987	1,28.46	2,15.00
(b) Amount of Special Reserve u/s 36(1) (viii) of the Income-tax Act, 1961 taken into account for the purpose of Statutory Reserve under Section 29C of the NHB Act, 1987	28,00.00	28,00.00
	29,28.46	30,15.00
Less:		
(a) Amount appropriated from the Statutory Reserve u/s 29C of the NHB Act, 1987	—	—
(b) Amount withdrawn from the Special Reserve u/s 36(1) (viii) of the Income-tax Act, 1961 which has been taken into account for the purpose of provision u/s 29C of the NHB Act, 1987	—	—
	—	—

NOTES TO THE ACCOUNTS (Contd.)

(₹ in lakh)

Particulars	March 31, 2015	March 31, 2014
Balance at the end of the year		
(a) Statutory Reserve u/s 29C of the NHB Act, 1987	6,75.46	5,47.00
(b) Amount of Special Reserve u/s 36(1) (viii) of the Income-tax Act,1961 taken into account for the purpose of Statutory Reserve under Section 29C of the NHB Act, 1987	136,57.00	108,57.00
(c) Total	143,32.46	114,04.00
Surplus in the Statement of Profit and Loss		
Balance at the beginning of the year	47,85.70	36,65.53
Less : Transition Reserve on Depreciation under Companies Act,2013	4.14	—
Less : Transfer to Deferred Tax Liability on Special Reserve	36,90.29	—
Add : Profit for the year ended March 31, 2015	146,42.32	150,73.67
	157,33.59	187,39.20
Less: Appropriations		
Special Reserve	28,00.00	28,00.00
Statutory Reserve	1,28.46	2,15.00
General Reserve	40,00.00	62,00.00
Dividend		
Final (Proposed)	35,43.91	40,50.17
Dividend Tax	7,21.46	6,88.33
Balance at the end of the year	45,39.76	47,85.70
	663,46.78	596,64.26

- a) The Special Reserve has been created over the years in terms of Section 36(1) (viii) of the Income-tax Act,1961 and Section 29C of the National Housing Bank Act, 1987.
- b) 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, a transfer to 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 ₹1,28.46 lakh (March 31, 2014 - ₹2,15.00 lakh) to the Statutory Reserve (u/s 29C of NHB Act) and ₹28,00.00 lakh (March 31, 2014 - ₹28,00.00 lakh) to the Special Reserve in terms of Section 36 (1) (viii) of the Income-tax Act,1961.

NOTES TO THE ACCOUNTS (Contd.)

4. Long-Term Borrowings

(₹ in lakh)

Particulars	March 31, 2015	March 31, 2014
Secured Loans		
Non-Convertible Debentures (Redeemable at Par)	1425,50.00	1122,50.00
Term Loans		
from Scheduled Banks	470,83.33	435,83.34
from National Housing Bank	1870,89.89	1268,24.17
Unsecured Loans		
Fixed Deposits		
From Public	621,40.56	397,89.12
From Companies	4,35.75	1,25.34
From Directors	2,89.38	74.00
	628,65.69	399,88.46
Subordinated Non-Convertible Debentures	315,00.00	250,00.00
	4710,88.91	3476,45.97

(a) The Secured Non-Convertible Debentures in addition to the first mortgage over a specific immovable property belonging to the Company are further secured by:

	Amount (₹ lakh)
(i) Hypothecation of loan receivables. (Subsequently, the security has been converted to first mortgage over a specific immovable property belonging to the Company and a negative lien on its loan assets. The charge has been modified accordingly.)	1109,90.00
(ii) Hypothecation of loan receivables	265,10.00
(iii) Negative lien on the loan assets of the Company	50,50.00

(b) The Term Loans from Scheduled Banks are secured by a negative lien on the loan assets of the Company.

(c) The Term Loans from NHB are secured by a negative lien 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 2016 to January 2030.

(d) The Unsecured Non-Convertible Debentures are subordinated to the existing and future unsecured borrowings of the Company and qualify as Tier II Capital under the Housing Finance Companies (NHB) Directions, 2010, ("NHB Directions 2010") issued by NHB. They are redeemable at par between February 2017 and February 2025.

NOTES TO THE ACCOUNTS (Contd.)

Maturity of Secured Non-Convertible Debentures

(₹ in lakh)

Implicit Interest Rate (%) / Residual Maturity	March 31, 2015			
	< 1 year	1-3 years	3-5 years	Total
>8 to 9	50,00.00 (-)	100,50.00 (100,00.00)	- (-)	150,50.00 (100,00.00)
>9 to 10	113,90.00 (462,60.00)	482,10.00 (137,20.00)	350,20.00 (192,00.00)	946,20.00 (791,80.00)
>10 to 11	190,30.00 (405,26.08)	396,70.00 (519,30.00)	96,00.00 (174,00.00)	683,00.00 (1098,56.08)
Total	354,20.00 (867,86.08)	979,30.00 (756,50.00)	446,20.00 (366,00.00)	1779,70.00 (1990,36.08)

Previous year's figures are given in brackets

Details of Secured Term Loans from Scheduled Banks

(₹ in lakh)

Prepayment /Implicit Interest Rate	March 31, 2015			March 31, 2014		
	< 1 year	1-3 years	Total	< 1 year	1-3 years	Total
Short-Term Borrowings	-	-	-	20,00.00	-	20,00.00
Other Current Liabilities	337,50.00	470,83.33	808,33.33	674,16.00	435,83.33	1109,99.33

Maturities of Secured Term Loans from Others - NHB

(₹ in lakh)

Implicit Interest rate (%) / Maturities	March 31, 2015				
	< 1 year	1-3 years	3-5 years	> 5 years	Total
<=7	9,68.00 (9,68.00)	12,13.00 (19,13.00)	- (2,68.00)	- (-)	21,81.00 (31,49.00)
>7 to 8	10,25.73 (8,16.34)	19,38.15 (14,32.53)	17,47.68 (13,07.00)	10,31.35 (5,13.38)	57,42.90 (40,69.24)
>9 to 10	180,93.01 (157,52.07)	335,45.87 (306,91.79)	301,30.40 (185,60.88)	1100,92.45 (641,66.59)	1918,61.73 (1291,71.34)
>10 to 11	5,80.00 (20,66.00)	11,60.00 (11,60.00)	11,60.00 (11,60.00)	50,71.00 (56,51.00)	79,71.00 (100,37.00)
Total	206,66.74 (196,02.41)	378,57.02 (351,97.32)	330,38.07 (212,95.88)	1161,94.80 (703,30.97)	2077,56.63 (1464,26.58)

Previous year's figures are given in brackets

Maturities of Unsecured Subordinated Non-Convertible Debentures

(₹ in lakh)

Implicit Interest Rate (%) / Maturities	March 31, 2015			
	1-3 years	3-5 years	> 5 years	Total
9 to 10	100,00.00 (100,00.00)	- (-)	105,00.00 (40,00.00)	205,00.00 (140,00.00)
> 10 to 11	- (-)	85,00.00 (30,00.00)	25,00.00 (80,00.00)	110,00.00 (110,00.00)
Total	100,00.00 (100,00.00)	85,00.00 (30,00.00)	130,00.00 (120,00.00)	315,00.00 (250,00.00)

Previous year's figures are given in brackets

NOTES TO THE ACCOUNTS (Contd.)
5. Other Long-Term Liabilities

(₹ in lakh)

Particulars	March 31, 2015	March 31, 2014
Creditors for Expenses	1,97.02	2,74.98
Interest accrued but not due - Long-Term Borrowings	73,33.19	31,74.82
	75,30.21	34,49.80

6. Long-Term Provisions

(₹ in lakh)

Particulars	March 31, 2015	March 31, 2014
Employee Benefits	30.55	75.84
Contingent Provision against Standard Assets		
Standard-Housing Loans	18,69.17	16,90.75
Standard Non-Housing Loans	5,59.60	5,59.68
Standard Non-Housing Loans - Commercial	6,03.06	6,43.49
Non-Performing Loans	109,67.48	63,82.00
	140,29.86	93,51.76

7. Short-Term Borrowings

(₹ in lakh)

Particulars	March 31, 2015	March 31, 2014
Secured Loans		
Overdraft facilities / Cash Credit with Scheduled Banks	8,39.76	94,71.11
Term Loans from Scheduled Banks	—	20,00.00
Unsecured Loans		
Commercial Paper	91,80.88	172,20.17
Overdraft facilities with Scheduled Banks	4.77	—
	100,25.41	286,91.28

- a) The Secured Overdraft facilities / Cash Credit with Scheduled Banks are secured by a negative lien on the loan assets of the Company.
- b) Face value of commercial paper outstanding as on March 31, 2015 was ₹93,80.00 lakh (March 31, 2014 - ₹180,00.00 lakh). Maximum amount of face value of commercial paper outstanding at any time during the year was ₹748,80.00 lakh. (April 2013 - March 2014 - ₹730,75.00 lakh).

8. Trade Payables

(₹ in lakh)

Particulars	March 31, 2015	March 31, 2014
Creditors for Expenses *	36,63.78	35,22.40
[Includes ₹115.00 lakh (March 31, 2014 - ₹140.00 lakh) payable to Directors]		
Other Liabilities	2,18.90	2,14.62
	38,82.68	37,37.02

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

NOTES TO THE ACCOUNTS (Contd.)

9. Other Current Liabilities

(₹ in lakh)

Particulars	March 31, 2015	March 31, 2014
Secured Loans		
Non-Convertible Debentures (Redeemable at Par)	354,20.00	867,86.08
Term Loans		
From Scheduled banks	337,50.00	674,16.00
From Others - National Housing Bank	206,66.74	196,02.41
Unsecured Loans		
Fixed Deposits		
From Public	240,61.18	260,33.95
From Companies	1,88.34	7,42.88
From Directors	50.00	1,02.23
Unpaid Matured Deposits and Interest accrued thereon	5,03.15	5,02.25
	248,02.67	273,81.31
Commercial Paper	324,65.95	325,57.67
Others		
Interest accrued but not due	147,44.79	188,99.98
Instalments Received in Advance	3,82.76	2,92.66
	1622,32.91	2529,36.11

- (a) The Secured Non-Convertible Debentures are secured by first mortgage over a specific immovable property belonging to the Company and hypothecation of loan receivables as at March 31, 2015. Subsequently, the security has been converted to first mortgage over a specific immovable property belonging to the Company and a negative lien on its loan assets. The charge has been modified accordingly.
- (b) The Term Loans from Scheduled Banks are secured by a negative lien on the loan assets of the Company.
- (c) The Term Loans from NHB are secured by a charge on the assets of the Company other than (i) Immovable property and (ii) Statutory Liquid Assets subject to a floating charge in favour of Public Deposit Trustees against the public deposits and is repayable in quarterly instalments from April 2015 to March 2016.
- (d) Face Value of commercial paper outstanding as on March 31, 2015 was ₹341,00.00 lakh (March 31, 2014 - ₹343,25.00 lakh).
- (e) Interest accrued but not due includes interest of ₹7.82 lakh (March 31, 2014 - ₹10.48 lakh) on deposits accepted from Directors.

NOTES TO THE ACCOUNTS (Contd.)

10. Short-Term Provisions

(₹ in lakh)

Particulars	March 31, 2015	March 31, 2014
Employee Benefits	15.79	28.49
Non-Performing Loans	7,95.02	4,09.00
Proposed Dividend	35,43.91	40,50.17
Provision for Dividend Tax	7,21.46	6,88.33
	50,76.18	51,75.99

11. Long-Term Loans and Advances

(₹ in lakh)

Particulars	March 31, 2015	March 31, 2014
Secured, Considered Good		
Housing Loans		
Individuals	4462,37.28	4013,54.30
Others	8,94.15	8,56.36
	<u>4471,31.43</u>	<u>4022,10.66</u>
Non-Housing Loans		
Individuals	1710,95.10	1761,84.01
Others	153,00.91	142,36.40
	<u>1863,96.01</u>	<u>1904,20.41</u>
Amount retained on Loans assigned	33,45.02	31,66.82
Unsecured, Considered Good		
Advances and Deposits recoverable in cash or in kind or for value to be received	6,97.69	4,60.25
Other Loans and Advances		
Advance Income - tax and TDS (Net) [includes ₹55.29 lakh towards income tax paid under dispute]	25,84.05	20,63.75
	<u>64 01,54.20</u>	<u>5983,21.89</u>

- Housing/ Non-Housing Loans granted by the Company are secured by mortgage of properties/hypothecation of loan receivables.
- ₹ Nil (March 31, 2014 - ₹7.50 lakh) due from an Officer of the Company.
- In line with NHB Directions, the Company has identified Non-Performing Loans amounting to ₹156,67.57 lakh as on March 31, 2015 (March 31, 2014 ₹91,16.34 lakh).
- Advance Income Tax and Tax deducted at Source is net of provision for taxation of ₹327,97.42 lakh. (March 31, 2014 - ₹246,72.42 lakh).

Description	(₹ in lakh)										
	Gross Block at Cost				Depreciation			Net Block			
	As at April 1, 2014	Additions	Deductions	As at March 31, 2015	Up to March 31, 2014	For The Year	Transition Reserve	Deductions	Up to March 31, 2015	March 31, 2015	March 31, 2014
Tangible Assets											
Land	1.92 (1.92)	- (-)	- (-)	1.92 (1.92)	- (-)	- (-)	- (-)	- (-)	- (-)	1.92 (1.92)	1.92 (1.92)
Electrical Installations and Equipments	1,03.71 (92.26)	18.41 (11.86)	49.19 (0.41)	72.93 (1,03.71)	45.84 (37.10)	7.85 (9.05)	- (-)	25.38 (0.31)	28.31 (45.84)	44.62 (57.87)	57.87 (55.16)
Vehicles	3,89.27 (2,99.33)	95.82 (1,18.99)	25.12 (29.05)	4,59.97 (3,89.27)	1,65.50 (1,17.68)	77.09 (68.75)	- (-)	16.60 (20.93)	2,25.96 (1,65.50)	2,34.01 (2,23.77)	2,23.77 (1,81.65)
Furniture and Fixtures	2,38.77 (1,89.40)	21.59 (57.32)	63.98 (7.95)	1,96.38 (2,38.77)	1,60.66 (1,38.31)	20.85 (29.20)	2.47 (-)	56.47 (6.85)	1,27.51 (1,60.66)	68.87 (78.11)	78.11 (51.09)
Computers and Data Processing Units – Networks & Servers	3,10.00 (3,03.16)	17.18 (6.84)	- (-)	3,27.18 (3,10.00)	2,19.56 (1,60.95)	34.56 (58.60)	- (-)	- (-)	2,54.12 (2,19.55)	73.06 (90.44)	90.44 (1,42.21)
Computers and Data Processing Units – End user devices	2,35.58 (2,16.25)	94.53 (45.30)	4.89 (25.97)	3,25.22 (2,35.58)	1,58.35 (1,41.31)	50.12 (41.12)	- (-)	4.04 (23.97)	2,04.43 (1,58.36)	1,20.79 (77.23)	77.23 (75.04)
Office Equipment	1,94.88 (1,38.91)	17.63 (58.02)	3.75 (2.05)	2,08.76 (1,94.88)	71.28 (57.98)	31.73 (14.86)	3.79 (-)	1.71 (1.56)	1,05.09 (71.28)	1,03.67 (1,23.60)	1,23.60 (80.93)
Total	14,74.13	2,65.16	1,46.93	15,92.36	8,21.19	2,22.20	6.26	1,04.20	9,45.42	6,46.94	6,52.94
Intangible Assets											
Computer Software	6,73.30 (4,56.56)	0.32 (2,16.74)	- (-)	6,73.62 (6,73.30)	4,25.77 (3,00.47)	1,42.39 (1,25.30)	- (-)	- (-)	5,68.16 (4,25.77)	1,05.46 (2,47.53)	2,47.53 (1,56.09)
Total	6,73.30	0.32	-	6,73.62	4,25.77	1,42.39	0.00	0.00	5,68.16	1,05.46	2,47.53
Grand Total	21,47.43 (16,97.79)	2,65.48 (5,15.07)	1,46.93 (65.43)	22,65.98 (21,47.43)	12,46.96 (9,53.70)	3,64.59 (3,46.88)	6.26 (-)	1,04.20 (53.62)	15,13.58 (12,46.96)	7,52.40 (9,00.47)	9,00.47 (7,44.09)

Previous year's figures are given in brackets

Intangible Assets : In accordance with Accounting Standard AS 26 - Intangible Assets- Computer Software purchased amounting to ₹0.32 lakh (March 31, 2014 - ₹2,16.74 lakh) is amortised over a period of 3 years.

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

(₹ in lakh)

Particulars	March 31, 2015		March 31, 2014	
	Face Value	Amount	Face Value	Amount
Investment in Government Securities				
Central Government Loans	23,65.00	22,90.42	24,15.00	24,02.81
State Development Loans	23,12.60	23,58.09	21,83.60	22,23.47
Investment in Trust Securities				
in Mortgage Backed Securities (On Securitisation)				
Investments in Senior Pass Through Certificate (PTC) Securities				
- SINANN IFMR Capital (A1 Certificates)		9,37.06		—
- Santhanam Trust Series I (A2 Certificates)		4,18.88		5,11.81
Less: Aggregate provision for diminution in value of investment in Government Securities		(90.19)		(1,27.07)
		59,14.26		50,11.02

(₹ in lakh)

Particulars	Cost	Market Value
Aggregate amount of Quoted Investments	45,58.32	49,39.55
Aggregate amount of Unquoted Investments	13,55.94	—
Total	59,14.26	

(₹ in lakh)

Particulars	Face Value	March 31, 2015	March 31, 2014
		Cost	Cost
Quoted			
Investment in Government Securities			
Central Government Loans	23,65.00	22,47.10	23,16.99
State Development Loans	23,12.60	23,11.22	21,82.22
		45,58.32	44,99.21

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 ₹47,27.60 lakh (Cost ₹46,97.02 lakh) and bank deposits of ₹55,37.00 lakh (mentioned in Note - 18 Cash and Bank Balances) in favour of Trustees representing the public depositors of the Company.

NOTES TO THE ACCOUNTS (CONTD.)

14. Deferred Tax Assets (Net)

(₹ in lakh)

Particulars	March 31, 2015	March 31, 2014
Deferred Tax Asset		
- Provision against		
Non-Performing Loans	40,70.77	23,08.26
Standard Housing Loans	6,46.88	5,74.69
Standard Non-Housing Loans	4,02.38	4,08.96
- Others - Employee Benefits	(5.26)	9.13
- Depreciation	11.47	(23.14)
- Provision on SLR Investments	31.22	17.56
- Provision on NHB Bonds	20.50	55.34
	<u>51,77.96</u>	<u>33,50.80</u>
Less: Deferred Tax Liability		
- Special Reserve U/s 36(1) (viii) of Income-tax Act, 1961	46,49.14	-
	<u>5,28.82</u>	<u>33,50.80</u>

15. Other Non-Current Assets

(₹ in lakh)

Particulars	March 31, 2015	March 31, 2014
Secured, Considered Good		
Loans Against Deposits	62.62	29.74
	<u>62.62</u>	<u>29.74</u>

16. Short-Term Loans and Advances

(₹ in lakh)

Particulars	March 31, 2015	March 31, 2014
Secured, Considered Good		
Housing Loans		
Individuals	252,10.33	211,79.51
Others	1,64.97	1,48.19
	<u>253,75.30</u>	<u>213,27.70</u>
Non-Housing Loans		
Individuals	165,51.55	153,81.67
Others	31,84.68	28,91.58
	<u>197,36.23</u>	<u>182,73.25</u>
Amount retained on Loans assigned	3,60.74	2,96.86
Loan against Deposits	89.78	86.62
Unsecured, Considered Good		
Advances and Deposits recoverable in cash or in kind or for value to be received		
Deposits - collateral for the assets securitised	-	13,07.40
Others	1,61.08	1,44.42
	<u>457,23.13</u>	<u>414,36.25</u>

a) Housing/ Non-Housing Loans granted by the Company are secured by mortgage of properties/hypothecation of loan receivables.

b) ₹ Nil (March 31, 2014 - ₹3.84 lakh) due from the Managing Director of the Company.

c) ₹ Nil (March 31, 2014 - ₹0.17 lakh) due from an Officer of the Company.

d) In line with NHB Directions, the Company has identified Non-Performing Loans amounting to ₹11,35.72 lakh as on March 31, 2015 (March 31, 2014 - ₹5,84.26 lakh).

NOTES TO THE ACCOUNTS (Contd.)
17. Current Investments

(₹ in lakh)

Particulars	March 31, 2015		March 31, 2014	
	Face Value	Amount	Face Value	Amount
Investment In Government Securities	50.00	48.50	–	–
Investment in Tax Free NHB Bonds	29,90.00	29,31.04	29,90.00	27,46.06
Investment in Trust Securities				
- Mutual Funds		130,30.55		141,52.36
- SINANN IFMR Capital A1 Certificates		60.28		–
- Senior Pass Through Certificate (PTC) A2 Cert.		–		48.91
- Santhanam Trust Series I A2 Certificates		29.45		29.60
- Subordinate Tranche Securities		–		23.99
		160,99.82		170,00.92

(₹ in lakh)

Particulars	Cost	Market Value
Aggregate amount of Quoted Investments	29,79.54	29,80.84
Aggregate amount of Unquoted Investments	131,20.28	
Total	160,99.82	

Particulars	Face Value (₹)	March 31, 2015		March 31, 2014	
		Holding (Number)	Cost (₹ in lakh)	Holding (Number)	Cost (₹ in lakh)
Quoted					
Investment in Government Securities	50.00	–	48.50	–	–
Investment in NHB Bonds	10,00,000.00	299	29,90.30	299	29,90.30
			<u>30,38.80</u>		<u>29,90.30</u>
Unquoted					
Investment in Mutual Funds					
Sundaram Money Fund - Direct - Growth	10.00	4,43,45,044.39	130,30.55	4,50,09,100.73	121,52.36
Templeton India TMA - Direct - Growth	1,000.00	–	–	1,04,663.43	20,00.00
			<u>130,30.55</u>		<u>141,52.36</u>

NOTES TO THE ACCOUNTS (Contd.)

18. Cash and Bank Balances

(₹ in lakh)

Particulars	March 31, 2015	March 31, 2014
Cash and Cash Equivalents		
Cash on Hand	3,16.88	3,69.58
Balances with Scheduled Banks in Current Accounts	26,00.67	97.09
Bank Deposit (Upto 3 months maturity)	234,89.76	424,69.17
	<u>260,90.43</u>	<u>425,66.26</u>
Other Bank Balances		
Deposits		
- Statutory Liquidity Reserve	55,37.00	49,69.00
- Collateral for assets assigned	52,83.00	44,01.00
	<u>372,27.31</u>	<u>523,05.84</u>

19. Other Current Assets

(₹ in lakh)

Particulars	March 31, 2015	March 31, 2014
Secured, Considered Good		
Instalments due from Borrowers	35,05.54	18,55.40
Income Receivable	2,29.91	1,78.93
Interest Accrued on Investments	1,40.37	3,86.37
	<u>38,75.82</u>	<u>24,20.70</u>

20. Revenue from Operations

(₹ in lakh)

Particulars	April 2014 - March 2015	April 2013 - March 2014
Interest on Loans	854,77.93	805,67.40
Loan Processing and Other Fees	12,77.99	22,40.33
Investment Income	18,58.84	18,22.98
Profit on Sale of Current Investments	34,06.21	19,12.53
Other Operating Income	33,80.32	22,12.68
	<u>954,01.29</u>	<u>887,55.92</u>

Investment Income includes ₹79.86 lakh (April 2013 - March 2014 ₹9.42 lakh) from investment in Mortgage-Backed Securities.

Loan Processing and Other Fees is net of amount paid to Business sourcing agents aggregating ₹7,21.40 lakh (April 2013 - March 2014 ₹9,57.92 lakh)

NOTES TO THE ACCOUNTS (Contd.)
21. Other Income

(₹ in lakh)

Particulars	April 2014 - March 2015	April 2013 - March 2014
Interest Receipts	26.13	14.86
Profit on Sale of Fixed Assets	4.95	6.16
Miscellaneous Income	3.28	0.44
	34.36	21.46

22. Financial Costs

(₹ in lakh)

Particulars	April 2014 - March 2015	April 2013 - March 2014
Interest Expense		
- Non-Convertible Debentures	193,38.61	211,90.76
- Term Loans	291,93.05	226,43.97
- Fixed Deposits	73,78.39	64,55.25
- Commercial Paper	52,81.83	54,05.12
- Other	60.34	1,04.75
Other borrowing cost	5,24.26	6,59.22
	617,76.48	564,59.07

23. Employee Benefits

(₹ in lakh)

Particulars	April 2014 - March 2015	April 2013 - March 2014
Salaries, Bonus and Commission	28,70.64	24,90.94
Contribution to Provident and Other Funds	1,15.60	1,53.99
Staff Welfare Expenses	1,61.76	1,37.28
	31,48.00	27,82.21

NOTES TO THE ACCOUNTS (Contd.)

24. Administrative and Other Expenses

(₹ in lakh)

Particulars	April 2014 - March 2015	April 2013 - March 2014
Rent	4,80.56	4,05.18
Rates and Taxes	18.55	19.48
Communication Expenses	1,47.95	1,57.43
Electricity	87.23	74.54
Travelling and Conveyance	1,57.90	1,86.85
Advertisement and Publicity	2,56.32	1,37.72
Outsourcing Cost	6,05.96	9,85.62
Directors' Sitting Fees	3.72	1.83
Insurance	19.98	33.59
Repairs and Maintenance		
- Buildings	66.25	1,24.85
- Others	2,46.43	2,11.96
	312.68	3,36.81
Software Charges	3,03.71	2,92.05
Database and Networking Expenses	3,01.31	2,92.12
CSR Contributions/ Donations	2,70.74	1,40.75
Miscellaneous Expenses (Net)	2,30.67	2,35.49
	31,97.28	32,99.46

Miscellaneous Expenses (Net) include remuneration to Auditors towards:

(₹ in lakh)

Particulars	April 2014 - March 2015	April 2013 - March 2014
Statutory Audit	18.00	12.00
Tax Audit	4.50	3.00
Certification	7.43	6.90
Other Services	—	5.00

25. Provisions and Write offs

(₹ in lakh)

Particulars	April 2014 - March 2015	April 2013 - March 2014
Provision against		
- Non-Performing Loans	49,71.50	38,11.00
- Investments	(2,21.85)	2,43.67
Bad Debts	1,01.22	11.94
Loss on Fixed Assets Sold / Written off	6.89	2.63
Loss on Sale of Investments	27.48	25.10
	48,85.24	40,94.34

NOTES TO THE ACCOUNTS (Contd.)

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 17: Segment Reporting.

26.2 Securitisation :

Details of securitised assets outstanding as on March 31, 2015 are as follows

Pass Through Certificates subscribed by the Company:	₹14,45.67 lakh
Bank Deposits provided as collateral:	₹12,79.00 lakh

26.3 Non-Performing Loans and Provisions :

In line with the NHB Directions 2010, the Company has identified Non-Performing Loans amounting to ₹168,03.29 lakh as on March 31, 2015 (March 31, 2014 – ₹97,00.60 lakh).

The provisions relating to housing and non-housing loans made in the books of account are as follows:

Non-Performing Loans				(₹ in lakh)
Particulars	Sub Standard	Doubtful	Loss	Total
Housing Loans				
Outstanding	44,27.04	26,41.80	30.44	70,99.28
	(24,80.57)	(11,80.40)	(12.60)	(36,73.57)
Provisions	30,45.77	19,19.38	30.44	49,95.59
	(17,03.97)	(8,77.54)	(12.60)	(25,94.11)
Non-Housing loans				
Outstanding	55,40.44	41,63.57	–	97,04.01
	(46,53.12)	(13,51.14)	(22.77)	(60,27.03)
Provisions	38,14.58	29,52.33	–	67,66.91
	(31,95.56)	(9,78.56)	(22.77)	(41,96.89)
Total				
Loans Outstanding	99,67.48	68,05.37	30.44	168,03.29
	(71,33.69)	(25,31.54)	(35.37)	(97,00.60)
Provisions	68,60.35	48,71.71	30.44	117,62.30
	(48,99.53)	(18,56.10)	(35.37)	(67,91.00)

Previous year's figures are given in brackets

26.4 Employee Benefits:

i) Defined Contribution Plans:

The Company has recognised the following amounts in the Statement of Profit and Loss which are included in Employee Benefits in Note 23:

(₹ in lakh)					
Contribution to	2014-15	2013-14	2012-13	2011-12	2010-11
Provident Fund	1,27.59	91.76	75.59	59.27	42.33
Employees State Insurance Scheme	9.16	7.02	6.11	3.86	3.19
Superannuation Fund	8.80	9.58	14.05	10.70	8.90

NOTES TO THE ACCOUNTS (Contd.)

ii) Defined Benefit Plan: Gratuity

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

(₹ in lakh)

	April 2014 - March 2015	April 2013 - March 2014
Present value of obligations as at the beginning of the year	2,54.57	2,11.59
Interest cost	20.37	16.93
Current service cost	20.64	18.27
Benefits paid	(11.73)	(15.38)
Actuarial (gain)/loss on obligation	(37.54)	23.16
Present value of obligations as at the end of the year	2,46.31	2,54.57

B. Reconciliation of opening and closing balances of fair value of plan assets
Fund Maintained by LIC

(₹ in lakh)

	April 2014 - March 2015	April 2013 - March 2014
Fair value of plan assets as at beginning of the year	2,31.15	2,26.48
Expected return on plan assets	24.03	19.34
Contributions	44.29	0.71
Benefits paid	(11.73)	(15.38)
Actuarial gain / loss on plan assets	—	—
Fair value of plan assets as at the end of the year	2,87.74	2,31.15

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

(₹ in lakh)

	April 2014 - March 2015	April 2013 - March 2014
Present value of obligations as at the end of the year	2,46.31	2,54.57
Fair value of plan assets as at the end of the year	2,87.74	2,31.15
Net asset/(liability) recognised in the Balance Sheet	41.43	(23.42)

D. Expenses recognised in the Statement of Profit and Loss

(₹ in lakh)

	April 2014 - March 2015	April 2013 - March 2014
Current Service Cost	20.64	18.27
Interest Cost	20.37	16.93
Expected return on plan assets	(24.03)	(19.34)
Actuarial (gain) / loss on obligation	(37.54)	23.16
Expenses recognized in the Statement of Profit and Loss	20.56	39.02

NOTES TO THE ACCOUNTS (Contd.)

E. Details showing fair value of plan assets

(₹ in lakh)

	April 2014 - March 2015	April 2013 - March 2014
Fair value of plan assets as at the beginning of the year	2,31.15	2,26.48
Actual return on plan assets	24.03	19.34
Contributions	44.29	0.71
Benefits Paid	(11.73)	(15.38)
Fair value of plan assets as at the end of the year	2,87.74	2,31.15

F. Actuarial Gain / Loss recognized

(₹ in lakh)

	April 2014 - March 2015	April 2013 - March 2014
Actuarial (gain) / loss on obligation	(37.54)	23.16
Actuarial gain / loss on plan assets	—	—
Total (gain) / loss for the year	(37.54)	23.16
Actuarial (gain) / loss recognized in the year	(37.54)	23.16

G. Actual return on plan assets

(₹ in lakh)

	April 2014 - March 2015	April 2013 - March 2014
Expected return on plan assets	24.03	19.34
Actuarial gain / loss on plan assets	—	—
Actual return on plan assets	24.03	19.34

H. Actuarial assumption*

	March 31, 2015	March 31, 2014
Discount Rate	8.00%	8.00%
Rate of Increase in Compensation levels	6.00%	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, take 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 four years are as follows:

Particulars	(₹ in lakh)				
	2014-15	2013-14	2012-13	2011-12	2010-11
Defined Benefit Obligations	2,46.31	2,54.57	2,11.59	1,51.51	1,05.84
Plan Assets	2,87.74	2,31.15	2,26.48	1,61.85	1,12.44
Surplus (Deficit)	41.43	(23.42)	14.89	10.34	6.60
Experience adjustments on plan liabilities	(37.54)	23.16	(36.89)	(23.20)	(15.46)
Experience adjustments on plan assets	–	–	–	–	–

iii) The actuarial present value of obligations towards compensated absences, as per actuarial certificate, as on March 31, 2015 is ₹26.24 lakh (March 31, 2014 - ₹43.86 lakh) and is recognised in the books of account.

(iv) The actuarial value of reimbursement of medical expenses as on March 31, 2015 is ₹33.43 lakh (31st March 2014 - ₹41.55 lakh) and is provided in the books of account.

26.5 In accordance with Accounting Standard - 18: Related Party Disclosures, the details of Related Party Transactions are given below:

Details of Related Parties:

Joint Venture Promoters

Sundaram Finance Ltd. (50.10% of the paid-up share capital)
BNP Paribas Personal Finance S.A. (49.90% of the paid-up share capital)

Fellow Subsidiaries

Infreight Logistics Solutions Ltd.
LGF Services Ltd.
Sundaram Asset Management Company Ltd.
Sundaram Asset Management Singapore Pte Ltd.
Sundaram BNP Paribas Fund Services Ltd.
Sundaram BPO India Ltd.
Sundaram Business Services Ltd.
Sundaram Finance Distribution Ltd.
Sundaram Infotech Solutions Ltd.
Sundaram Insurance Broking Services Ltd.
Sundaram Trustee Company Ltd.

Key Management Personnel

Mr. Srinivas Acharya – Managing Director
Mr. G. Sundararajan – Chief Financial Officer
Mr. V. Swaminathan – Company Secretary

Relatives of Key Management Personnel with whom the Company has transactions:

Mrs. Revathi Srinivas – Wife of Mr. Srinivas Acharya
Mr. R.T. Gopalakrishnan – Father of Mr. G. Sundararajan
Mrs. G. Rukmani – Mother of Mr. G. Sundararajan

NOTES TO THE ACCOUNTS (Contd.)
Details of Related Party Transactions for the year ended 31st March 2015

(₹ in lakh)

	Joint Venture Promoters	Fellow Subsidiaries / Associates	Key Management Personnel	Relative of Key Management Personnel	April 2014 - March 2015	April 2013 - March 2014
Income						
Interest on Housing Loan	—	—	0.54	—	0.54	1.28
Rent						
Sundaram Finance Ltd.	0.69	—	—	—	0.69	4.08
Royal Sundaram Alliance Insurance Company Ltd.	—	0.02	—	—	0.02	17.70
Sundaram Asset Management Company Ltd.	—	—	—	—	—	0.24
Expenses						
Rent						
Sundaram Finance Ltd.	1,99.74	—	—	—	1,99.74	1,37.66
Brokerage, Commission, Deposit, Payroll Processing Services and Tele calling Services						
Sundaram Finance Ltd.	6,32.53	—	—	—	6,32.53	7,96.72
Sundaram BPO India Ltd.	—	32.72	—	—	32.72	37.25
Intranet / Web Maintenance, Scanning Image Charges						
Sundaram Finance Ltd.	17.43	—	—	—	17.43	17.81
Inspection fees and Docket Verification fees						
Sundaram Finance Ltd.	35.69	—	—	—	35.69	44.84
Connectivity and Other Charges						
Sundaram Finance Ltd.	3,20.20	—	—	—	3,20.20	3,05.40
Sundaram Infotech Solutions Ltd.	—	35.66	—	—	35.66	39.11
Interest On NCDs						
Royal Sundaram Alliance Insurance Company Ltd.	—	4,84.72	—	—	484.72	3,71.77
Interest On Public Deposits						
—	—	—	—	2.20	2.20	1.46
Training Expenses						
Sundaram Finance Ltd.	—	—	—	—	—	0.65
Insurance Premium						
Royal Sundaram Alliance Insurance Company Ltd.	—	8.85	—	—	8.85	16.80
Remuneration						
—	—	—	2,63.57	—	2,63.57	2,70.56
Dividend Paid						
Sundaram Finance Ltd.	20,29.14	—	—	—	20,29.14	16,24.66
BNP Paribas Personal Finance S. A.	20,21.04	—	—	—	20,21.04	16,18.17

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

NOTES TO THE ACCOUNTS (Contd.)

Details of Related Party Transactions for the year ended 31st March 2015

(₹ in lakh)

	Joint Venture Promoters	Fellow Subsidiaries / Associates	Key Management Personnel	Relative of Key Management Personnel	April 2014 - March 2015	April 2013 - March 2014
Assets						
Purchase of Asset						
Sundaram Finance Ltd.	–	–	–	–	–	4.36
Sundaram Infotech Solutions Ltd.	–	0.30	–	–	0.30	21.18
Advances towards Software						
Sundaram Finance Ltd.	2,23.54	–	–	–	2,23.54	90.00
Other Deposits						
Sundaram Finance Ltd.	1,43.44	–	–	–	1,43.44	1,43.44
Royal Sundaram Alliance Insurance Company Ltd.	–	10.02	–	–	10.02	10.10
Housing Loan - at the end of the year	–	–	25.98	–	25.98	29.47
Insurance Premium Prepaid						
Royal Sundaram Alliance Insurance Company Ltd.	–	5.57	–	–	5.57	2.27
Liabilities						
Deposits	–	–	–	33.18	33.18	17.11
Interest Accrued on Deposits	–	–	–	2.20	2.20	1.46
Issue of Non-Convertible Debentures						
Royal Sundaram Alliance Insurance Company Ltd.	–	60,00.00	–	–	60,00.00	40,00.00
Interest Accrued on NCDs						
Royal Sundaram Alliance Insurance Company Ltd.	–	2,50.88	–	–	2,50.88	1,63.72
Commission to MD/ Incentive to Key Management Personnel Payable	–	–	1,13.00	–	1,13.00	1,35.92
Other Liabilities						
Sundaram Finance Ltd.	66.16	–	–	–	66.16	49.09
Sundaram BPO India Ltd.	–	2.85	–	–	2.85	0.63
Equity						
Share Capital						
Sundaram Finance Ltd.	–	–	–	–	–	4,30.96
BNP Paribas Personal Finance S.A.	–	–	–	–	–	4,29.25
Securities Premium						
Sundaram Finance Ltd.	–	–	–	–	–	35,77.03
BNP Paribas Personal Finance S.A.	–	–	–	–	–	35,62.75
Dividend						
Sundaram Finance Ltd.	17,75.50	–	–	–	17,75.50	20,29.14
BNP Paribas Personal Finance S.A.	17,68.41	–	–	–	17,68.41	20,21.04

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

NOTES TO THE ACCOUNTS (Contd.)

26.6 The Company did not contract any foreign currency loan during the year.

26.7 No amount was due to small-scale industries in terms of the Micro, Small and Medium Enterprises Development Act, 2006.

26.8 Earnings per Share (Basic and Diluted)

Particulars	April 2014 - March 2015	April 2013 - March 2014
Profit for the year after taxation (₹ in lakh)	146,42.32	150,73.67
Weighted average number of Equity Shares	10,12,54,438	10,12,54,438
Basic and Diluted earnings per share (₹)	14.46	14.89
Dividend Proposed to be distributed (₹ in lakh)	35,43.91	40,50.17
Dividend per share (₹)	3.50	4.00

26.9 Details of Dividend remitted in foreign currency

Particulars	April 2014 - March 2015	April 2013 - March 2014
Number of Non Resident Shareholders	One	One
Number of Shares	5,05,25,965	4,62,33,492
Amount of Dividend remitted (₹ in lakh)	20,21.04	16,18.17
Financial year to which the dividend relates	2013-14	2012-13

26.10 Contingent Liabilities in respect of

- Sanctioned and Undisbursed loans as at March 31, 2015: ₹185,96.59 lakh. (March 31, 2014 - ₹198,55.56 lakh)
- Partly undisbursed amounts of loans sanctioned as at March 31, 2015: ₹127,10.37 lakh. (March 31, 2014 - ₹132,97.69 lakh)
- Others – ₹20 lakh

26.11 The pending litigations as on March 31, 2015 have been compiled by the Company and reviewed by the Statutory Auditors. The current position of the litigations has been evaluated and the effect thereof has been disclosed in the financial statements, where appropriate.

26.12 Based on the current status of the loan accounts, the Company has made adequate provisions for losses, where required.

26.13 In accordance with the provisions of the Companies Act, 2013, the Company has reviewed during the year its policy of providing depreciation on tangible fixed assets and also has reassessed the remaining useful life of those assets as on April 1, 2014. However, the assets depreciated on the written-down value method over the useful life as assessed by the Management is different from the useful life specified in Schedule II to the Companies Act, 2013.

Consequently, depreciation for the year ended March 31, 2015 is lower by ₹76.80 lakh.

In respect of assets which have no remaining useful life, the carrying cost less residual value as on March 31, 2014 amounting to ₹6.26 lakh has been absorbed against retained earnings and accounted as a Transition Reserve under Fixed Assets.

26.14 NHB vide Circular No 62/2014 dated 27th May 2014, has directed Housing Finance Companies to create the Deferred Tax Liability (DTL) in respect of amounts transferred to “Special Reserve” created under Section 36(1)(viii) of the Income-tax Act,1961.

Accordingly, the Company has charged its Statement of Profit and Loss for the Year ended 31st March 2015 with ₹9,58.84 lakh.

For the opening balance of Special Reserve created under Section 36(1)(viii) of the Income-tax Act,1961 amounting to ₹108,57.00 lakh, Deferred tax liability to the extent of ₹36,90.29 lakh has been adjusted against the surplus in the Statement of Profit and Loss under Reserves.

26.15 Estimated amount of contracts remaining to be executed on capital account - ₹2,62.00 lakh. (31st March 2014 - ₹4,85.00 lakh)

26.16 Previous year's figures have been regrouped / reclassified / restated where necessary, to conform to the current period's presentation.

As per our report of even date attached

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

P. Babu
Partner
Membership No. 203358
Chennai
30th April 2015

S. Viji
Chairman

Srinivas Acharya
Managing Director

G. Sundararajan
Chief Financial Officer

V. Swaminathan
Company Secretary

Directors

T.T. Srinivasaraghavan
P.N. Venkatachalam
Anthony Colwyn-Thomas
Alexandre Adam
N. Ganga Ram
M.S. Parthasarathy
Radha Unni
P.C. Mathew

Cash Flow Statement

(₹ in lakh)

Particulars	April 2014 - March 2015	April 2013 - March 2014
Cash Flow From Operating Activities		
Net Profit	146,42.32	150,73.67
Provision for Taxation (Including Deferred Tax)	72,83.82	64,39.03
Add : Financial Costs	617,76.48	564,59.07
Depreciation	3,64.59	3,46.88
Provision against Investments (net)	(2,21.85)	2,43.67
Provision against Non-Performing assets (net)	49,71.50	38,11.00
Contingent Provision against Standard Assets	1,37.93	2,82.72
(Profit)/ Loss on sale of assets	1.94	(3.54)
(Profit)/ Loss on sale of Investments	(33,78.73)	(18,87.43)
Interest / Dividend Income	(10,66.19)	(11,99.22)
Operating Profit Before Working Capital Changes	845,11.80	795,65.85
(Increase)/Decrease in Long-Term Loans and Advances	(417,82.31)	(768,15.78)
(Increase)/Decrease in Other Non-Current Asset	(32.88)	67.99
(Increase)/Decrease in Bank Deposits	(14,50.00)	(14,16.92)
(Increase)/Decrease in Short-Term Loans and Advances	(42,86.88)	(62,69.02)
(Increase)/Decrease in Other Current Asset	(18,51.08)	(13,16.12)
(Increase)/Decrease in SLR Investments - net of sales	1,12.39	(4,67.30)
Increase/(Decrease) in Long-Term Provisions	(45.30)	50.40
Increase/(Decrease) in Short-Term Provisions	(12.70)	12.89
Increase/(Decrease) in Other Long-Term Liabilities	40,80.41	(2,51.76)
Increase/(Decrease) in Other Current Liabilities	(905,10.41)	489,07.06
Increase/(Decrease) in Trade Payable	1,45.66	11,44.06
Cash Generated From Operations	(511,21.30)	432,11.35
Financial Costs	(617,71.29)	(535,98.51)
Direct Taxes Paid	(82,00.00)	(76,50.00)
Net Cash From Operating Activities (A)	(1210,92.60)	(180,37.16)

(₹ in lakh)

Particulars	April 2014 - March 2015	April 2013 - March 2014
Cash Flow From Investing Activities		
Purchase of Fixed Assets - Tangible	(2,65.16)	(2,98.31)
Purchase of Fixed Assets - Intangible	(0.32)	(2,16.74)
Sale of Fixed Assets - Tangible	40.76	15.33
Purchase / Sale of Current Investments	45,29.16	62,43.15
Purchase / Sale of Non Current Investments	(10,43.11)	(15,59.89)
Interest Received	12,64.17	13,28.82
Net Cash From Investing Activities (B)	45,25.50	55,12.36
Cash Flow From Financing Activities		
Share Capital - Equity	–	8,60.21
Securities Premium received	–	71,39.79
Increase/(Decrease) in Long-Term Borrowings	1234,42.93	411,87.69
Increase/(Decrease) in Short-Term Borrowings	(186,65.87)	(157,82.78)
Dividend paid (including Corporate Dividend Tax)	(47,38.50)	(37,93.95)
Net Cash From Financing Activities (C)	1000,38.56	296,10.96
Effect of Foreign Exchange rates on Cash and Cash Equivalents, net (D)	–	–
Net Increase In Cash And Cash Equivalents (A)+(B)+(C)+(D)	(165,28.53)	170,86.16
Cash and cash equivalents at the beginning of the Year	429,35.84	258,49.68
Cash and cash equivalents at the end of the Year	264,07.31	429,35.84
Components of cash and cash equivalents at the end of the year		
Current Account with Banks	26,00.67	97.09
Short-Term Deposit	234,89.76	424,69.17
Cash, Stamps and Stamp Papers on Hand	3,16.88	3,69.58
Cash & Cash equivalents	264,07.31	429,35.84

Note: 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
P. Babu
Partner
Membership No. 203358
Chennai
30th April 2015

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N. Ganga Ram
M.S. Parthasarathy
Radha Unni
P.C. Mathew

Disclosure in the Balance Sheet (as on 31st March 2015)

I. Capital to Risk Assets Ratio (CRAR)

Items	March 31, 2015	March 31, 2014
i) CRAR (%)	20.41%	18.56%
ii) CRAR - Tier I capital (%)	15.46%	14.04%
iii) CRAR - Tier II Capital (%)	4.95%	4.52%

II. Exposure to Real Estate Sector

(₹ in crore)

Category	March 31, 2015	March 31, 2014
a) Direct exposure #		
i) Residential Mortgages* – Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented;		
- Individual Housing Loans upto ₹15 Lakh	1494.13	1401.47
- Others	4700.20	4293.10
	6194.33	5694.57
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;	638.70	672.00
iii) Investments in Mortgage Backed Securities (MBS) and other securitised exposures –		
a. Residential	14.46	6.14
b. Commercial Real Estate	–	–
b) Indirect Exposure Fund Based and Non-Fund Based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	10.00	–

Note:

Consists of future Principal and Principal component of EMI outstanding.

* Includes exposures to Non-Housing loans secured by residential mortgages amounting to ₹1460.41 crore (Previous year – ₹1438.05 crore)

III. Asset Liability Management

Maturity pattern of certain items of Assets and Liabilities

(₹ in crore)											
	1 day to 30-31 days (one month)	Over one month to 2 months	Over 2 months to 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*	64.45	4.17	100.00	136.29	247.70	849.40	330.38	282.58	396.83	482.55	2894.35
Market Borrowings	186.93	204.61	99.69	195.64	331.32	1601.65	637.50	–	130.00	–	3387.34
Assets											
Advances	36.46	36.92	37.18	112.86	231.30	1006.65	1097.87	1203.34	1352.67	1708.21	6823.45
Investments #	365.28	0.07	29.38	16.91	46.00	45.69	5.74	4.60	26.43	23.14	563.24

* Includes Borrowings from NHB

Breakup of Investments :

	(₹ in crore)
Investments	
Investments as per Note 13	59.14
Investments as per Note 17	161.00
Total (A)	220.14
Cash & Bank balances – Note 18	
Bank Deposits	234.90
SLR Bank Deposits	55.37
Collateral for assets assigned	52.83
Total (B)	343.10
Total (A)+(B)	563.24



SUNDARAM BNP PARIBAS
— HOME FINANCE —

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

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

Phone : (044) 28515267, 28515269

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

Website: www.sundarambnpphome.in

Andhra Pradesh & Telangana

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, Kukatpally : 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,
Srikakulam : 08942 229123, Tanuku : 08819 227667, Tenali : 08644 222932, Tirupati : 0877 2237378, Tolichowki : 040 23564968,
Vijayawada : 0866 2471717, Visakhapatnam : 0891 2575522, Vizianagaram : 08922 237778, Warangal : 0870 2441244

Karnataka

Bengaluru – Malleswaram : 080 23567911, Bengaluru - Jayanagar : 080 26493737, Belgaum: 0831 2471019, Bellary : 0839 2276437,
Gulbarga : 0847 2244419, Hubli: 0836 2251954, Mangalore : 0824 2451517, Mysuru : 0821 2425007, Raichur : 08532 225009,
Shimoga : 08182 275719, Udupi : 0820 2520879, Whitefield : 080 28450035

Kerala

Calicut : 0495 2722066, Cochin : 0484 2350341, Kanhangad : 0467 2203990, Kannur : 0497 2761917, Kayamkulam : 0479 244 1147,
Kollam : 0474 2742490, Kottayam : 0481 2561549, Manjeri : 0483 2760037, Muvattupuzha : 0485 2812906, Palakkad : 0491 2503610,
Pathanamthitta : 0468 2224289, Tirur : 0494 2428028, Trichur : 0487 2324077, Thiruvananthapuram : 0471 2346086

Puducherry : 0413 2330509

Tamil Nadu

Attur : 04282 253354, Chennai - Ambattur : 044 26521656, Chennai - Chromepet : 044 22210244, Chennai - Parris : 044 25331099,
Chennai - Porur : 044 65624038, Chennai - T Nagar : 044 28155151, Chennai - Thiruvanimiyur : 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 243248, Namakkal : 04286 233454, Neyveli : 04142 254577,
Perambalur : 04328 275563, Pollachi: 04259 223552, 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,
Tiruppur : 0421 2244450, Trichy : 0431 2769200, Tuticorin : 0461 2328827, Vellore : 0416 2224884

Rest of India

Aurangabad : 0240 235 0005, Berhampur : 0680 2290677, Bhopal : 0755 2550240, Bhubaneswar : 0674 2544677, Indore : 0731 2522236,
Jaipur : 0141 2359577, Kolhapur : 0231 2667381, Kolkata : 033 22837877, Nagpur : 0712 2558017, Nasik : 0253 2501766, Pune : 98237 88578