

Sundaram BNP Paribas Home Finance Limited

18th Annual Report
2016-17



**Pradhan Mantri Awas Yojana – Housing for All
Credit Linked Subsidy Scheme (CLSS)**



SUNDARAM BNP PARIBAS
— HOME FINANCE —

Board of Directors

S. Viji	Chairman
T.T. Srinivasaraghavan	
Anthony Colwyn-Thomas	
Alexandre Adam	
N. Ganga Ram	
P.N. Venkatachalam	
Radha Unni	
P.C. Mathew	
Srinivas Acharya	Managing Director

Audit Committee

N. Ganga Ram	Chairman
Radha Unni	
P.C. Mathew	
T.T. Srinivasaraghavan	
Anthony Colwyn-Thomas	

Executive Committee

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

Asset Liability Management Committee

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

Risk Management Committee

P.N. Venkatachalam	Chairman
Anthony Colwyn-Thomas	
Srinivas Acharya	

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
Radha Unni

Stakeholders Relationship Committee

Anthony Colwyn-Thomas Chairman
N. Ganga Ram
Srinivas Acharya

Key Managerial Personnel

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

Senior Executives

S. Rajagopalan Senior Vice-President & Head - Operations
K. Moahan Venkatesan Vice-President - Strategy & Special Projects
V. Janaki Senior General Manager & Head - Information Systems

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

Axis Bank	HDFC Bank
BNP Paribas	ICICI Bank
Canara Bank	IndusInd Bank
Deutsche Bank	State Bank of India
Federal 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

21, Patullos Road
 Chennai-600 002
 Phone: 044 2852 1181
 Fax: 044 2858 6641

Corporate Office

'Sundaram Towers'
 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)

	2016-17	2015-16	2014-15	2013-14	2012-13
OPERATIONAL HIGHLIGHTS					
Approvals	2077	1857	2097	2648	2847
Disbursements	1831	1743	1939	2493	2572
Loans outstanding	7272	6995	6805	6338	5523
Loans under Management (Including assets sold/securitised)	7663	7510	7504	7131	5920
FINANCIAL HIGHLIGHTS					
Paid-up capital	101.25	101.25	101.25	101.25	92.65
Reserves and Surplus	927.19	773.54	663.47	596.64	421.89
Net Worth	1028.44	874.79	764.72	697.89	514.55
Total Borrowings	6470.75	6291.20	6281.68	6100.32	5357.92
Fixed Deposits	1094.72	1022.41	876.17	673.20	553.81
Net Interest Income	275.50	250.71	237.01	241.08	187.26
Fees & Other Income (Net of Business Sourcing Cost)	64.34	73.66	99.58	82.10	69.26
Operating Income	339.84	324.37	336.59	323.18	256.52
Operating Cost	82.52	72.79	63.45	60.82	51.12
Operating Profit	257.32	251.58	273.14	262.36	205.40
Profit before Tax	236.57	233.30	219.26	215.13	176.68
Profit after Tax	153.65	152.72	146.42	150.74	126.55
Return on average networth (%)	16.15	18.63	20.02	24.87	30.11
Book Value (₹)	101.57	86.40	75.53	68.92	55.54
Earnings Per Share (₹)	15.17	15.08	14.46	16.16	13.57
Capital Adequacy Ratio (%)	24.78	23.94	20.41	18.56	15.42
Cost-to-income Ratio (%)	24.28	22.44	18.85	18.82	19.93
Gross non-performing loans (%)	2.94	2.82	2.46	1.53	0.77
Net non-performing loans (%)	0.98	0.98	0.75	0.46	0.23

BOARD'S REPORT

To the Members

The Directors have pleasure in presenting the Eighteenth Annual Report of the Company together with the audited accounts for the year ended 31st March 2017. The summarised financial results are given hereunder:

FINANCIAL RESULTS

(₹ in lakh)

	For the Year ended	
	31st March 2017	31st March 2016
Gross Income	92284.87	92726.38
Profit before Interest and Depreciation	82377.70	83991.86
Finance Costs	58300.98	60289.89
Gross Profit	24076.72	23701.97
Less : Depreciation	420.17	372.25
Profit before Tax	23656.55	23329.72
Less: Provision for Tax (including deferred tax)	8291.62	8057.50
Profit after Tax	15364.93	15272.22
Add: Balance brought forward from the previous year	4492.17	4539.76
Amount available for appropriation	19857.10	19811.98

Appropriations proposed

Transfer to Special Reserve under Section 36(1) (viii) of the Income-tax Act, 1961	2700.00	2600.00
Transfer to Additional Reserve under Section 29C of National Housing Bank Act, 1987	373.00	454.44
Transfer to General Reserve	12000.00	8000.00
Dividend	- @	3543.91
Dividend Tax	- @	721.46
Surplus carried to the Balance Sheet	4784.10	4492.17
Total	19857.10	19811.98

@ No appropriation proposed, pending approval of Dividend by the Members at the ensuing Annual General Meeting.

DIVIDEND

The Directors are pleased to recommend a dividend of 35% (₹3.50 per share) for the Financial Year 2016-17 on the total paid-up capital of ₹101.25 crore. In terms of the Companies (Accounting Standard) Rules, 2006, as amended, the proposed dividend including dividend distribution tax of ₹42.65 crore is not recorded as a liability as on 31st March 2017 and it will be recognised when Dividend is approved by the Members in the ensuing Annual General Meeting.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Company has duly constituted a Corporate Social Responsibility 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 promotion/development, of at least two per cent of the average net profits made during the last 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 three Members, viz. Mr. Srinivas Acharya, Mr. P.N. Venkatachalam and Mr. N. Ganga Ram. Mr. Acharya is Chairman of the Committee.

The Annual Report on CSR Activities undertaken by the Company for the Financial Year 2016-17 is annexed as part of this Board's Report (Annexure I).

The Company has spent, during the Financial Year 2016-17, a substantial amount of ₹3.93 crore on CSR projects against the required amount of ₹4.66 crore. The marginal shortfall of ₹0.73 crore was due to the fact that the some of the CSR projects identified by the Company have not yet come to fruition and the Company is following up on these projects. With the experience gained during the years since the introduction of the CSR regime, the Company will endeavour to fulfill the required CSR expenditure going forward.

The Company's Policy on Corporate Social Responsibility has been hosted on Company's website.

CORPORATE GOVERNANCE

The National Housing Bank, vide Notification No. NHB.HFC.CG-DIR.1/MD&CEO/2016 dated 9th February 2017, has mandated all the Housing Finance Companies to follow the guidelines on Corporate Governance as per the Housing Finance Companies-Corporate Governance (NHB) Directions, 2016. The Company has accordingly framed the internal guidelines on Corporate Governance which have been hosted on Company's website www.sundarambnpphome.in

The Company is committed to achieving the highest standards of Corporate Governance and it aspires to benchmark itself with the best practices in this regard. The Board regularly reviews the Management's reports on statutory and regulatory compliances. A detailed report on Corporate Governance forms part of the Annual Report.

DIRECTORS' RESPONSIBILITY STATEMENT

In terms of the provisions of Section 134(3)(c) read with 134(5) of the Companies Act, 2013, the Board of Directors hereby state that:

- a. in the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- b. the Company has 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;
- c. proper and sufficient care has been exercised 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;

-
- d. the Annual Accounts have been prepared on a going concern basis;
 - e. adequate internal financial controls have been put in place and they are operating effectively and
 - f. proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

RELATED PARTY TRANSACTIONS

During the year, the Company did not enter into any materially significant transaction 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(1) of the Companies Act, 2013.

Approval of the Audit Committee is obtained by the Company before entering into any related party transaction as per the applicable provisions of Companies Act, 2013. As per the provisions of Section 188 of the Companies Act 2013, approval of the Board of Directors is also obtained for entering into related party transactions by the Company. A yearly update is also given to the Audit Committee and the Board of Directors on the related party transactions undertaken by the Company for their review and consideration.

All the transactions entered into by the Company with any of the related parties were in the ordinary course of business and on an arm's length basis. Form AOC-2, as required under Section 134(3)(h) of the Act, read with Rule 8(2) of the Companies (Accounts) Rules 2014, is annexed as part of this Board's Report (Annexure II(i)).

Further, as mandated under the Directions issued by the National Housing Bank vide Notification No. NHB.HFC.CG-DIR.1/MD & CEO / 2016 dated 9th February 2017, the Company has formulated a Policy on Related Party Transactions and the Policy is annexed as part of this Board's Report (Annexure II(ii)).

The Policy on Related Party Transactions has been hosted on the Company's website.

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 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. The Policy has been hosted on the Company's website.

There were no sexual harassment complaints during the year 2016-17.

WHISTLE BLOWER POLICY

The Company has adopted a Whistle Blower Policy and established the necessary vigil mechanism with effect from 1st April 2014, for Directors and Employees to report genuine concerns about unethical behaviour, pursuant to the provisions of Section 177(9) and (10) of the Companies Act, 2013 read with Rule 7 of Companies (Meetings of Board and its Powers) Rules, 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. It is hereby affirmed that no personnel of the Company has been denied access to the Audit Committee under the vigil mechanism. There were no complaints from the employees during the year 2016-17.

The Whistle Blower Policy has been hosted on the Company's website.

SIGNIFICANT AND MATERIAL ORDERS

During the year under review, no significant and material orders were passed by the regulators, courts or tribunals against the Company, impacting its going concern status or its future operations.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

INDIAN ECONOMIC SCENARIO

On 8th November 2016, the Government of India announced its decision to demonetise high denomination bank notes of ₹500/- and ₹1,000/- issued by the Reserve Bank of India (RBI). This move was aimed at curbing tax evasion and financing of terrorism through the proceeds of fake Indian currency and black money. The RBI introduced a new series of bank notes in denominations of ₹500/- and ₹2,000/- for circulation from 10th November 2016. It was a welcome measure which, so far as the Real Estate Sector was concerned, resulted in initial slowing down of transactions.

As the magnitude of surplus liquidity available with the banking system was expected to increase further in the fortnights ahead, it was decided by the Reserve Bank of India to absorb a part of this surplus liquidity by applying an incremental cash reserve ratio as a temporary measure. The existing CRR remained unchanged at 4% of the outstanding Net Demand and Time Liabilities (NDTL).

The International Monetary Fund (IMF) in its biannual World Economic Outlook (WEO), while retaining its India's GDP growth projection of 7.2% for 2017-18, increased the country's growth estimate for 2016-17 to 6.8%, from 6.6% estimated in January 2017. At the same time, IMF maintained that economic activity had slowed primarily because of the temporary negative consumption shock induced by cash shortages and payment disruptions from the currency exchange initiative.

FOREX POSITION

The level of foreign exchange reserves marginally increased to US\$ 372 billion as on 28th April 2017 from US\$ 359 billion as on 6th January 2017.

IMPACT OF DEMONETISATION ON THE MORTGAGE FINANCE SECTOR

Post demonetisation, segments that have high reliance on cash components could face a temporary disruption till the system adjusts and realigns itself with the new ground realities. Affordable housing segment could face challenges in the near-term, as not all borrowers would have regular banking habits. The Government have rightly taken timely steps to encourage banking habits.

HOUSING FINANCE SECTOR AND FUTURE OUTLOOK

The real estate sector, by and large driven by cash, was affected by the demonetisation move. The major impact of demonetisation will be felt mostly in the secondary sales market where the incidence of cash transactions is very high.

The luxury and high end segment of residential real estate may also experience a major impact in terms of sales since this segment is mainly driven by cash transactions (a small part of the segment has taken re-course to banking/financing channels). This is likely to lead to considerable price corrections in the medium term since sellers may resort to distress sale by way of price negotiation or indirect promotional offers and discounts to reduce their inventory and tide over financial difficulties, especially at a time when buyers are showing their preference for completed or nearly completed projects which are configured in line with end users' requirements and affordability levels.

The primary market which mainly comprises of projects undertaken by reputable and credible developers in the top 8 cities like Mumbai, NCR, Bengaluru, Chennai, Pune and Hyderabad are unlikely to see any major impact on sales since buyers under such projects usually take the home loan route to purchase their houses and do transactions through banking/financing channels. There might be some impact on

a few projects in some tier 2 or tier 3 cities where cash has played a role even in primary sales.

Knight Frank estimates that in Chennai City, there is 2 years' unsold inventory of housing property at this time. With property prices widely expected to fall by about 20% and interest rates softening, buyers are also postponing their purchase decisions. However, there are a few mitigating factors like RBI reducing interest rates and Government introducing various incentive schemes for the affordable housing segment.

The real estate and housing sector, being an important contributor to the Indian economy, constituted 8% of India's Gross Value Added (GVA) and grew by 9.1% in 2014-15. The sector has grown at a CRAR of 8.1% since 2011-12 but is currently witnessing a slowdown in sales resulting in increase in the inventory of unsold housing units.

The announcements made in the Union Budget 2016-17 as also the multi-pronged thrust being provided to housing under the Prime Minister's Housing for All by 2022 Mission, have started making the desired impact on the sector, particularly in the affordable segment. It is further expected that these initiatives will go a long way in ameliorating the housing shortage in the country and achieving the objective of Housing for All.

In the long run, the demonetisation exercise along with the Real Estate (Regulation and Development) Act, (RERA) 2016, the Benami Transactions (Prohibition) Act, 1988, relaxation in the norms of the Real Estate Investment Trusts (REITs) and proposed Goods and Services Tax (GST) regime is bound to benefit the real estate sector by engendering all the stakeholders in the sector to conduct their dealings in a fair, transparent and legal manner.

OPERATING AND FINANCIAL PERFORMANCE

Gross income of the Company during the year ended 31st March 2017 amounted to ₹922.85 crore, lower by 0.84% over ₹927.26 crore in the previous year. Profit before tax was ₹236.57 crore, up by 1.40%

over the previous year's ₹233.30 crore. At ₹153.65 crore, profit after tax was higher by 0.61% over the previous year's ₹152.72 crore. The Company's net worth stood at ₹1028.44 crore as on 31st March 2017 (₹874.79 crore at the end of the previous year). As on that date, the regulatory capital adequacy ratio (CRAR) was 24.78%, well above the regulatory minimum of 12%.

The Company approved loans totalling ₹2077 crore during the year, 12% higher than corresponding figure of ₹1857 crore in FY16. Disbursements during the year amounted to ₹1831 crore as against ₹1743 crore in FY16, a growth of 5%. The average size of home loans disbursed to individuals during the year was ₹24 lakh.

Gross Non-Performing Loans (NPLs) (loans in continuing default for at least 90 days) amounted to ₹214.68 crore as on 31st March 2017, but represented a manageable 2.94% of total loans, up from 2.82% a year ago. Net NPLs (i.e. Gross NPLs less provisions) increased from ₹67.40 crore to ₹70.43 crore over the year, representing 0.98% of the loan portfolio.

The Company continues to follow a prudent loan provisioning policy, as a result of which the level of provisions allocated to NPL accounts is considerably higher than the regulatory requirement. Available provisions of ₹144.25 crore against NPLs were equivalent to 67% of the Gross NPLs as of 31st March 2017. In addition, provisions totalling ₹32.85 crore were also made against Standard Loans as required by National Housing Bank.

During the year, the Company disbursed loans amounting to ₹30 crore to Affordable Housing Finance Companies through Line of Credit (LOC).

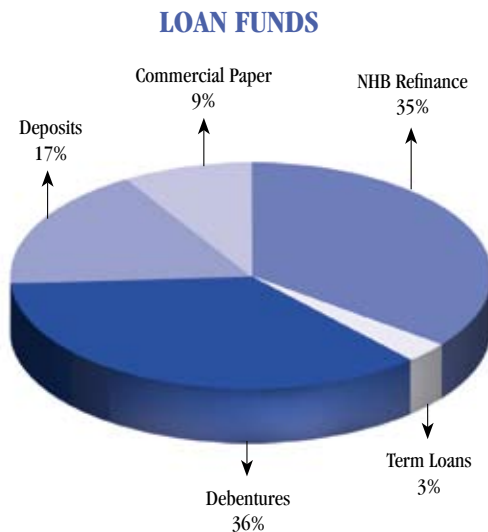
RESOURCE MOBILISATION

FRESH EQUITY

During the year, the Company did not raise funds by way of infusion of fresh equity.

BORROWINGS

Total borrowings as on 31st March 2017 stood at ₹6470.75 crore as against ₹6269.91 crore a year earlier. Of the total borrowings, Non-Convertible Debentures (NCDs) constituted 36%, NHB Refinance 35%, Public Deposits 17% and Term Loans from Banks and Financial Institutions 3% besides Commercial Paper 9%.



During the year, the Company availed itself of fresh refinance of ₹702.20 crore from NHB and repaid ₹249.41 crore of refinance. It raised term funds to the extent of ₹939 crore through non-convertible debentures and ₹75 crore from banks. The Company duly repaid its term borrowings including debentures as and when they became due for payment and no debentures remained unclaimed by the investors at the year end.

COMMERCIAL PAPER

The Company issued commercial paper aggregating ₹1653.59 crore during the year. The maximum amount of commercial paper outstanding at any time during the year was ₹799 crore (face value) and the amount outstanding at the end of the year ₹605 crore (face value).

DEPOSITS

The Company mobilised fresh public deposits of ₹151 crore during FY17. Fixed Deposits outstanding at the year-end were ₹1094 crore (₹1022.21 crore at the end of FY16).

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 2017, deposits totalling ₹9.29 crore from 708 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 and, as of date, such deposits stand reduced to ₹7.11 crore from 536 depositors. As of 31st March 2017, there were no amounts pending to be transferred to the Investor Education and Protection Fund (IEPF).

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+/ Stable
Subordinated Debt	(ICRA) AA+/ Stable	CRISIL AA/ Stable	CARE AA/ Stable
Long-term Bank Loans	(ICRA) AA+/ Stable	-	CARE AA+/ Stable
Structured Obligations	(ICRA) AAA (SO)	-	-

There was no migration of rating during the year.

INTERNAL FINANCIAL CONTROLS

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

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

RISK MANAGEMENT POLICY

As mandated under the Directions issued by the National Housing Bank vide Notification No. NHB.HFC.CG-DIR.1/MD&CEO/2016 dated 9th February 2017, the Company has constituted a Risk Management Committee which is responsible for putting in place a progressive risk management system, risk management policy and strategy to be followed by the Company.

The Company has to manage various risks such as credit risk, liquidity risk, interest rate risk and operational risk. The Risk Management Committee and the Asset Liability Management Committee review and monitor these risks at regular intervals.

The Company manages its credit risk through stricter credit norms in line with the business requirements and continues to follow the time tested practice of personally assessing every borrower, before committing credit exposure. This process ensures that the expertise in lending operations acquired by the Company over the past years is put to best use and acts to mitigate credit risks.

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 borrower's debt-service capacity in addition to 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. A separate recovery vertical has been set up to monitor recovery of dues from the borrowers. The Recovery Team constantly follows up with the borrowers for the collection of outstanding dues.

The Company monitors its Asset Liability Mismatch on an on-going basis to mitigate the liquidity risk, while interest rate risks arising out of Maturity Mismatch of assets and liabilities are managed through regular monitoring of the maturity profiles. The Company also measures the interest rate risk by the Duration Gap Method.

Operational risks arising from inadequate internal processes, people and systems or from external events are adequately addressed by the internal control systems and are continuously reviewed and monitored. The Senior Management Team regularly assesses the risks and takes appropriate measures to mitigate them. Process improvements and quality control are on-going activities and are built into the employees' training modules as well. The Company has well documented systems to ensure better control over transaction processing and regulatory compliance.

INTERNAL AUDIT

To carry out an effective internal audit, the Company has appointed a qualified, professional and experienced Internal Auditor who is well 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 actions taken thereon,

as well as the adequacy and effectiveness of the internal systems and controls. The internal control systems are being tested on an on-going basis and necessary actions are initiated wherever necessary.

INFORMATION SECURITY ASSURANCE SERVICES-SYSTEMS AUDIT

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.

HUMAN RESOURCES

Employees' contribution is vital to the Company's 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. An exclusive Training and Development Department, headed by a senior officer, has been setup to give additional impetus to the growing training needs of the employees. In-house on-the-job coaching and enhanced 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 their areas of responsibility. New employees are put through an induction programme covering business requirements, Company's processes, regulatory prescriptions and contours of personality development. There are no material developments in the human resources/industrial relations front adversely affecting the Company's business.

The number of permanent employees on the rolls of the Company as on 31st March 2017 was 723.

MATERIAL CHANGES AFTER BALANCE SHEET DATE (31ST MARCH 2017)

No material changes and commitments favourably or unfavourably affecting the financial position of the Company have occurred between the end of the Financial Year (FY17) of the Company to which the Financial Statements relate and the date of this Board's Report.

BOARD OF DIRECTORS

During the year, some changes in the composition of the Board of Directors have taken place. Mr. P.N. Venkatachalam was re-designated as an Independent Director on the Board with effect from 30th April 2016. Mr. John Christopher Woodhouse resigned from the Board with effect from 1st June 2016. The Board places on record its appreciation of the significant contribution made by Mr. John Christopher Woodhouse during his tenure as Director of the Company.

In terms of Section 152 of the Companies Act, 2013, Mr. S. Viji and Mr. Srinivas Acharya retire by rotation at the ensuing Annual General Meeting and, being eligible, offer themselves for re-appointment.

The Independent Directors on the Company's Board have given their declaration that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013. The appointment of the Independent Directors has been made in accordance with the provisions of Section 152(5) of the Companies Act, 2013 and the Rules made thereunder and the details of the terms and conditions of their appointment have been hosted on the website of the Company.

KEY MANAGERIAL PERSONNEL

Mr. Srinivas Acharya, Managing Director, Mr. G. Sundararajan, Chief Financial Officer and Mr. V. Swaminathan, Company Secretary are deemed to be Key Managerial Personnel of the Company as per the provisions of Section 203 of the Companies Act, 2013 and the Rules made thereunder and have been in office before the commencement of the Companies Act, 2013.

BOARD AND COMMITTEE MEETINGS

Details regarding the number of Board and Committee Meetings held during the Financial Year and the composition of various Committees of the Board are furnished in the Corporate Governance Report.

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:

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

The Remuneration Policy has been hosted on the Company's website.

EXTRACT OF ANNUAL RETURN

In accordance with Section 134(3)(a) of the Companies Act, 2013, details in Form MGT-9, forming part of the extract of the Annual Return, as provided under Section 92(3) of the Companies Act, 2013 read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014, are annexed as part of this Board's Report (Annexure III).

STATUTORY AUDITORS' REPORT

The Statutory Auditors' Report on the Accounts for the year ended 31st March 2017 does not contain any qualification, reservation or

adverse observation. The Notes on the Financial Statements referred to in the Auditors' Report are self-explanatory.

STATUTORY AUDITORS

In terms of Section 139(1) of the Companies Act, 2013, the appointment of the Statutory Auditors is required to be placed for ratification at every Annual General Meeting. The present Statutory Auditors of the Company, M/s. Brahmayya & Co., Chartered Accountants, Chennai, retire at the ensuing Annual General Meeting and new Statutory Auditors are to be appointed by the Members at the ensuing Annual General Meeting.

The Board of Directors of the Company have recommended to the Members, the appointment of M/s. Sundaram & Srinivasan (Registration No. 004207S), Chartered Accountants, Chennai, as the Statutory Auditors of the Company from the conclusion of the ensuing Annual General Meeting till the conclusion of the next Annual General Meeting.

SECRETARIAL AUDITORS

In terms of Section 204 of the Companies Act, 2013 and the Rules thereunder, the Company has appointed Mr. M. Damodaran, Company Secretary in Practice, for conducting Secretarial Audit of the Company for the Financial Year 2016-17. The Secretarial Audit Report for the Year, in Form MR-3 as prescribed under the Companies Act, 2013 is annexed to this Board's Report (Annexure IV).

There is no qualification, observation or remark in the Secretarial Audit Report requiring explanation by the Board of Directors.

CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION

Since the Company is not engaged in any manufacturing activity and its operations are not energy intensive, the disclosure relating to conservation of energy and technology absorption as stipulated under Section 134(3)(m) read with Rule 8 of the Companies (Accounts) Rules, 2014 is not applicable to the Company. However, adequate

measures are always taken to ensure optimum utilization and maximum possible saving of energy. The Company on its lending side, associates itself in all programmes and schemes of the Government and NHB, in promoting energy efficient homes.

The Company actively pursues a culture of technology adoption, prudently leveraging on the advancements in technology to serve customers better, manage process more efficiently and economically and strengthen control systems. The Company has maintained a technology friendly working environment for its employees. In keeping with the current trends in the areas of digital marketing, the Company has effectively used these avenues in positioning itself in the market to gain better Customer engagement.

FOREIGN EXCHANGE OUTGO

During the year, there were no foreign exchange earnings, and foreign exchange outgo was to the extent of ₹1768.93 lakh (₹0.52 lakh for membership fees remitted to APNIC and ₹1768.41 lakh for dividend for the year 2015-16 remitted to BNP Paribas Personal Finance, one of the principal shareholders of the Company).

DEPOSITS

The Sections and Rules under Chapter V under the Companies Act, 2013, relating to acceptance of deposits, 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, however, complied with the provisions of the National Housing Bank Directions in relation to acceptance of public deposits.

LOANS AND INVESTMENTS

During the year, the Company duly complied with the provisions of Section 186(1) 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. The Company, being a Housing Finance Company, is exempt from the provisions of Section 186(11) of the Companies Act, 2013.

BOARD EVALUATION

The Companies Act, 2013 states that a formal annual evaluation needs to be made by the Board of its own performance and that of its Committees and individual Directors. Further, Schedule IV of the Companies Act, 2013, lays down that the performance evaluation of Independent Directors shall be done by the entire Board of Directors, excluding the Director being evaluated.

The evaluation of all the Directors and the Board as a whole was conducted based on the criteria and framework adopted by the Board and a statement indicating the formal annual evaluation as required under Section 134(3)(p) of the Companies Act, 2013, is annexed as part of this Board's Report (Annexure V).

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. N. Ganga Ram, Mr. P.N. Venkatachalam, Mrs. Radha Unni and Mr. P.C. Mathew was held on 24th March 2017, without the attendance of the Non-Independent Directors and the Members of the Management.

At this Meeting, the Independent Directors -

- reviewed the performance of the Non-Independent Directors and the Board as a whole;
- 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

- 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. Besides, they discussed other matters of interest concerning the Company.

LISTING WITH STOCK EXCHANGES

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

PARTICULARS OF EMPLOYEES

The details/disclosures of ratio of remuneration of each Director to the median of the employees remuneration in accordance with the provisions of Section 197(12) of the Companies Act, 2013, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are annexed as part of this Board's Report (Annexure VI).

A statement containing the details of top ten employees who were in receipt of remuneration not less than ₹1.20 crore for the year 2016-17, in accordance with the provisions of Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, forms part of the Report (Annexure VII).

In terms of proviso to Section 136(1) of the Companies Act, 2013, a copy of the Board's Report is being sent to all the Members excluding this Annexure. The Annexure is available for inspection by the Members at the Registered Office of the Company during business hours on working days upto the date of ensuing Annual General Meeting. Any Member interested in obtaining a copy of the said Annexure may write to the Company Secretary at the Registered Office of the Company.

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, SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, Accounting Standards issued by the Institute of Chartered Accountants of India (ICAI), Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI), Anti-Money Laundering guidelines, applicable labour laws and forex laws.

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, its shareholders, executives of Sundaram Finance and the BNP Paribas Group, vendors, depositors, investors, mutual funds and bankers for their support and co-operation during the year. The Directors also thank the National Housing Bank, Securities and Exchange Board of India, the Financial Intelligence Unit, Ministry of Corporate Affairs, the Reserve Bank of India, the Depositories and Stock Exchanges, for their valuable guidance and look forward to their continued support.

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

For and on behalf of the Board of Directors

Chennai
28th April 2017

sd/-
S Viji
Chairman

Annexure I
Annual Report on CSR Activities for the Financial Year 2016-17

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 has formulated its Corporate Social Responsibility (CSR) Policy for implementing the CSR framework, broadly defining the areas in which the Company proposes to spend for CSR promotion / development. The Company has contributed and will contribute further towards the areas mentioned in Schedule VII of the Companies Act, 2013. The Company's CSR Policy is available on its website www.sundarambnpphome.in
2.	Composition of the CSR Committee	The CSR Committee consists of the following Members: <ul style="list-style-type: none"> • Mr. Srinivas Acharya, Chairman • Mr. P.N. Venkatachalam, Independent Director • Mr. N. Ganga Ram, Independent Director
3.	Average net profit of the Company for last three Financial Years	₹233.19 crore
4.	Total amount to be spent for the Financial Year	₹4.66 crore
5.	Details of CSR spent during the Financial Year	a. Total amount to be spent for the Financial Year: ₹4.66 crore b. Amount unspent, if any; ₹0.73 crore c. Manner in which the amount spent during the Financial Year : Details attached
6.	In case the Company has failed to spend the two per cent of the average net profits 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 spent, during the Financial Year 2016-17, a substantial amount of ₹3.93 crore on CSR projects against the required amount of ₹4.66 crore. The marginal shortfall of ₹0.73 crore was due to the fact that the some of the CSR projects identified by the Company have not yet come to fruition and the Company is following up on these projects. With the experience gained during the years since the introduction of the CSR regime, the Company will endeavour to fulfill the required CSR expenditure going forward.
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 affirms that the Company's CSR implementation and monitoring is in compliance with the CSR objectives and the Company's Policy.

Place : Chennai

Date : 28th April 2017

sd/-

Managing Director

sd/-

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 meritorious students and also Educational Institutions which work for this cause						
	9 Institutions	Educational	Tamil Nadu, Chennai	51.10	51.10	51.10	Direct
	1 Institution	Educational	Tamil Nadu, Cuddalore	1.00	1.00	52.10	Direct
	1 Institution	Educational	Tamil Nadu, Nilgiri	5.00	5.00	57.10	Direct
	2 Institutions	Educational	Tamil Nadu, Trichy	11.00	11.00	68.10	Direct
	3 Institutions	Educational	Karnataka, Bengaluru	19.50	19.50	87.60	Direct
	3 Institutions	Educational	Gujarat, Ahmedabad	6.50	6.50	94.10	Direct
	1 Institution	Educational	West Bengal, Kolkata	10.00	10.00	104.10	Direct
2	Environmental sustainability, ecological balance, conservation of natural resources and solar projects						
	2 Institutions	Environment	Tamil Nadu, Chennai	1.50	1.50	105.60	Direct
	1 Institution	Environment	Tamil Nadu, Rameswaram	1.00	1.00	106.60	Direct
	1 Institution	Environment	Tamil Nadu, Tiruppur	2.00	2.00	108.60	Direct
	1 Institution	Environment	Puducherry	2.00	2.00	110.60	Direct
3	Promoting preventive & general health care						
	18 Institutions	Health	Tamil Nadu, Chennai	164.15	164.15	274.75	Direct
	1 Institution	Health	Tamil Nadu, Chennai	4.20	4.20	278.95	Direct
	1 Institution	Health	Tamil Nadu, Coimbatore	1.00	1.00	279.95	Direct
	1 Institution	Health	Tamil Nadu, Kancheepuram	1.00	1.00	280.95	Direct
	1 Institution	Health	Tamil Nadu, Kancheepuram	4.20	4.20	285.15	Direct
	1 Institution	Health	Tamil Nadu, Kodaikanal	5.00	5.00	290.15	Direct
	1 Institution	Health	Tamil Nadu, Tenkasi	1.00	1.00	291.15	Direct
	1 Institution	Health	Tamil Nadu, Tiruvannamalai	0.75	0.75	291.90	Direct
	1 Institution	Health	Tamil Nadu, Vellore	3.00	3.00	294.90	Direct
	1 Institution	Health	Andhra Pradesh Visakhapatnam	2.00	2.00	296.90	Direct
	1 Institution	Health	Gujarat, Ahmedabad	5.00	5.00	301.90	Direct
	2 Institutions	Health	Karnataka, Bengaluru	7.00	7.00	308.90	Direct

(₹ 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 *
	2 Institutions	Health	Karnataka Dakshin Kannada Dist	5.00	5.00	313.90	Direct
	1 Institution	Health	Maharashtra, Mumbai	2.00	2.00	315.90	Direct
	1 Institution	Health	New Delhi	0.50	0.50	316.40	Direct
	1 Institution	Health	West Bengal, Kolkata	2.00	2.00	318.40	Direct
4	Protection of National Heritage, Art & Culture						
	12 Institutions	National Heritage, Art and Culture	Tamil Nadu, Chennai	38.85	38.85	357.25	Direct
	1 Institution	National Heritage, Art and Culture	Tamil Nadu, Kancheepuram	4.00	4.00	361.25	Direct
	2 Institutions	National Heritage, Art and Culture	Tamil Nadu, Tiruvannamalai	2.70	2.70	363.95	Direct
	1 Institution	National Heritage, Art and Culture	Tamil Nadu, Tiruvaroor	1.00	1.00	364.95	Direct
	1 Institution	National Heritage, Art and Culture	Karnataka Mathur	3.00	3.00	367.95	Direct
	1 Institution	National Heritage, Art and Culture	West Bengal Kolkata	5.00	5.00	372.95	Direct
5	Promotion of Gender Equality & Setting up Homes for Women and Children						
	5 Institutions	Promotion of Gender Equality	Tamil Nadu, Chennai	13.00	13.00	385.95	Direct
	1 Institution	Promotion of Gender Equality	Karnataka, Bengaluru	3.00	3.00	388.95	Direct
	1 Institution	Promotion of Gender Equality	Gujarat, Ahmedabad	4.00	4.00	392.95	Direct
TOTAL				392.95	392.95		

* Give details of implementing agency

Form No. AOC-2

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

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

1. Details of contracts or arrangements or transactions not at arm's length basis:

All transactions entered into by the Company during the year with related parties were on an arm's length basis.

2. Details of material contracts or arrangement or transactions at arm's length basis:

The transactions entered into by the Company during the year with related parties on an arm's length basis were not material in nature.

sd/-

Chennai
28th April 2017

S VIJI
Chairman

POLICY ON RELATED PARTY TRANSACTIONS

PREAMBLE:

This Policy is formulated in terms of the Directions issued by the National Housing Bank *vide* Notification No. NHB.HFC.CG-DIR.1/MD&CEO/2016 dated 9th February 2017 known as the "Housing Finance Companies – Corporate Governance (National Housing Bank) Directions, 2016," taking into account the provisions of the Companies Act, 2013 as may be amended from time to time.

OBJECTIVE:

The Policy is intended to ensure due and timely identification, approval, disclosure and reporting of transactions between the Company and any of its related parties in compliance with the applicable laws and regulations as may be amended from time to time.

The provisions of the Policy are designed to govern the approval process and disclosure requirements to ensure transparency in the conduct of Related Party Transactions in the best interest of the Company and its shareholders and to comply with the statutory provisions in this regard.

DEFINITIONS:

- a. "Audit Committee or Committee" means the Committee of the Board constituted from time to time under the provisions of Section 177 of the Companies Act, 2013.
- b. "Arm's length means a transaction between two related parties that is conducted as if they were unrelated, so that there is no conflict of interest as defined under the Companies Act, 2013.
- c. "Board" means the Board of Directors as defined under the Companies Act, 2013.
- d. "Key Managerial Personnel" means Key Managerial Personnel as defined under the Companies Act, 2013.
- e. "Material Related Party Transaction" means a Related Party Transaction which individually or taken together with previous transactions during the financial year, exceeds ten percent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company or such limits

as may be prescribed either in the Companies Act, 2013 and/or Regulation/Rules/Guidelines or other Directions.

f. “Related Party” a means related party as defined under the Companies Act, 2013 read with the SEBI (Listing Obligations and Disclosure Requirements), 2015 as may be amended from time to time.

g. “Related Party Transaction” means any transaction between the Company and any Related Party for transfer of resources, services or obligations, regardless of whether a price is charged and includes –

- i. Sale, purchase or supply of any goods or materials;
- ii. Selling or otherwise disposing of, or buying property of any kind;
- iii. Leasing of property of any kind;
- iv. Availing or rendering of any services;
- v. Appointment of any agent for the purchase or sale of goods, materials, services or property;
- vi. Such related party’s appointment to any office or place of profit in the Company, its subsidiary Company or associate Company;
- vii. Underwriting the subscription of any securities or derivatives thereof, of the Company;
- viii. Financing (including loans and equity contributions in cash or kind);
- ix. Providing or obtaining guarantees and collaterals; and
- x. Deputation of employees.

h. “Relative” means a relative as defined under the Companies Act, 2013 and includes anyone who is related in any of the following manner:

- i. Members of a Hindu Undivided Family;
- ii. Husband or Wife;
- iii. Father (including Step-Father);
- iv. Mother (including Step-Mother);
- v. Son (including Step-Son);

vi. Son’s Wife;

vii. Daughter;

viii. Daughter’s Husband;

ix. Brother (including Step-Brother); or

x. Sister (including Step-Sister).

i. “Transaction” with a related party shall be construed to include a single transaction or a group of transactions.

POLICY:

All the proposed Related Party Transactions shall be referred to the Audit Committee irrespective of (i) whether or not the Transactions are in the ordinary course of business; (ii) whether or not they are at arm’s length basis supported by agreement or formal letter; or (iii) whether or not they are material if the transaction / transactions to be entered into individually or taken together with the previous transactions during a financial year, exceed/s 10% of the annual consolidated turnover of the Company as per its last audited financial statements. The Committee shall accord its approval to such of the Transactions which it considers as in the ordinary course of business and at arm’s length basis.

Of the other proposed Related Party Transactions which are not in the ordinary course of business and which are not at arm’s length basis shall be referred to the Board. The Board, on due consideration at its meeting of the relevant factors such as the nature of the transaction, material terms, the manner of determining the pricing and the business rationale for entering into such transactions accord its approval to the Transactions which it deems fit.

The proposed Related Party Transactions which are material in nature shall be placed before the Shareholders for their consideration and approval by special resolution.

The Company shall submit to its Board a quarterly statement of all the Related Party Transactions which are approved by the Audit Committee, the Board and the Shareholders.

AMENDMENTS:

This Policy may be amended by the Board at any time and is subject to (i) the amendments to the Companies Act, 2013 (the Act 2013) and (ii) further guidelines from the SEBI/other applicable regulatory authorities.

Form No. MGT-9

Extract of Annual Return as on the financial year ended on 31st March 2017

[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.	-	-	-	-	-	-	-	-	-
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.	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
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 share capital upto ₹1 lakh	-	-	-	-	-	-	-	-	-
	ii) Individual shareholders holding nominal share 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				
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.)	NO CHANGE			
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 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. 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	4461,04.32	807,94.97	1022,20.76	6291,20.05
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	228,84.22	8,15.29	47,37.98	284,37.49
Total (i + ii + iii)	4689,88.54	816,10.26	1069,58.74	6575,57.54
Change in Indebtedness during the financial year (including interest accrued)				
i) Addition	1721,10.45	1702,17.83	160,03.44	3583,31.72
ii) Reduction	1635,95.05	1699,85.52	78,83.97	3414,64.54
Net Change (i-ii)	85,15.40	2,32.31	81,19.47	168,67.18
Indebtedness at the end of the financial year				
i) Principal Amount	4564,90.19	811,12.80	1094,72.01	6470,75.00
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	210,13.75	7,29.77	56,06.20	273,49.72
Total (i + ii + iii)	4775,03.94	818,42.57	1150,78.21	6744,24.72

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	58.97		58.97
b)	Value of perquisites under Section 17(2) of the Income-tax Act, 1961	58.38		58.38
c)	Profits in lieu of salary under Section 17(3) of the Income-tax Act, 1961	-		-
2	Stock Option	-		-
3	Sweat Equity	-		-
4	Commission	1,00.00		1,00.00
	- as % of profit	0.43%		0.43%
	Total (A)	2,17.35		2,17.35
	Ceiling as per the Act (5% of Net Profit)			11,72.88

B. Remuneration to other Directors

(₹ in lakh)

Sl. No.	Particulars of Remuneration	Name of Directors				Total Amount
		Mr. N. Ganga Ram	Mrs. Radha Unni	Mr. P. C. Mathew	Mr. P.N. Venkatachalam*	
1	Independent Directors					
	• Fee for attending board / committee meetings	3.70	3.40	2.35	1.85	11.30
	• Commission	7.50	7.50	7.50	5.00	27.50
	Total (1)	11.20	10.90	9.85	6.85	38.80
2	Other Non-Executive Directors	-	-	-	-	-
	• Fee for attending board / committee meetings	-	-	-	-	-
	• Commission	-	-	-	-	-
	Total (2)	-	-	-	-	-
	Total (B) = (1 + 2)	11.20	10.90	9.85	6.85	38.80
	Total Managerial Remuneration (A + B)					2,56.15
	Overall Ceiling as per the Act (11% of Net Profit)					25,80.34

* Re-designated as an Independent Director on 30th April 2016

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

(₹ in lakh)

Sl. No.	Particulars of Remuneration	Mr. G. Sundarrarajan 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	33.04	12.51	45.55
	b) Value of perquisites under Section 17(2) of the Income-tax Act, 1961, Allowances and Performance Bonus	35.65	26.08	61.73
	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)	68.69	38.59	1,07.28

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES

During the year 2016-17, 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.

Chennai
28th April 2017

sd/-
S VIJI
Chairman

Form No. MR-3
Secretarial Audit Report For The Financial Year Ended 31.03.2017

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial 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 M/s.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 M/s.Sundaram BNP Paribas Home Finance Limited's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31.03.2017 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by M/s.Sundaram BNP Paribas Home Finance Limited for the financial year ended on 31.03.2017 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;
 - b) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
- v) The following act and directions applicable specifically to the Company:-
 - 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/Regulations of the following:

- i) The Listing Agreement entered into by the Company with National Stock Exchange of India Limited under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for listing of its debt securities;
- ii) The Secretarial Standards issued by the Institute of Company Secretaries of India.

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 and detailed note on agenda were sent atleast seven days 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 has:

- i) passed Special Resolution under section 180(1)(c) and all other applicable provisions of the Companies Act, 2013 vide AGM dated 21.07.2016 to borrow money provided that the aggregate amount so borrowed by the Company outstanding at any one time shall not exceed Rs.10,500/- crore (Ten Thousand and Five Hundred Crores Only)
- ii) issued listed Secured Redeemable Non-Convertible Debentures on Private Placement Basis.
- iii) redeemed the debentures on its respective due dates.

Place : Chennai
 Date : 28.04.2017

Signature : *sd/-*
 Name of Company Secretary in practice : M. Damodaran
 FCS No : 5837
 C P No. : 5081

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 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 Chairman at separate meeting of 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 Independent Directors

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

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

Chennai
28th April 2017

sd/-
S VIJI
Chairman

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 & 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. Anthony Colwyn-Thomas	-	-	Not Applicable
Mr. Alexandre Adam	-	-	Not Applicable
Mr. N. Ganga Ram	1.94	1.59	Not Applicable
Mr. P.N. Venkatachalam*	1.29	1.06	Not Applicable
Mrs. Radha Unni	1.94	1.59	Not Applicable
Mr. P.C. Mathew	1.94	1.59	Not Applicable
Mr. Srinivas Acharya, Managing Director	52.43	36.35	5%
Mr. G. Sundararajan, Chief Financial Officer	17.35	12.03	11%
Mr. V. Swaminathan, Company Secretary	8.30	5.75	14%

* Re-designated as an Independent Director on 30th April 2016

(iii) The percentage increase in the median remuneration of employees in the financial year : 18.84%

(iv) The number of permanent employees on the rolls of the Company : 723

(v) 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 2016-17 was 9.96%. Percentage increase in the managerial remuneration for the year was 7%.

(vi) The key parameters for any variable component of remuneration availed by the Directors;

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

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

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

Chennai
28th April 2017

sd/-
S VIJI
Chairman

Report on Corporate Governance

Corporate Governance is a system of compliance with various rules, practices and processes by which a company is directed towards attaining corporate objectives with utmost transparency and sound disclosure practices. Launched as a subsidiary of Sundaram Finance Limited in 1999, the Company has imbibed the Sundaram Finance Group's core values of service, discipline, prudence, fair play, honesty, integrity, humility and openness in relationship. These values have been further reiterated by the strategic alliance with BNP Paribas Personal Finance, a wholly owned subsidiary of BNP Paribas, a leading European Bank, in the year 2007, with its strong emphasis on responsiveness, creativity, commitment and ambition.

The Company has been following the principles of Corporate Governance even before it was made mandatory. The National Housing Bank, vide Notification No. NHB.HFC.CG-DIR.1/MD&CEO/2016 dated 9th February 2017, has mandated all Housing Finance Companies to follow the guidelines on Corporate Governance as per the Housing Finance Companies - Corporate Governance (NHB) Directions, 2016. The Company has accordingly framed the internal guidelines on Corporate Governance and the guidelines have been hosted on the Company's website www.sundarambnpphome.in

The Company's Corporate Governance is a reflection of its value system, encompassing its culture, policies and relationships with its stakeholders.

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

1 BOARD OF DIRECTORS

The composition of the Board of Directors of the Company is governed by the relevant provisions of the Companies Act, 2013 and the Rules made thereunder. The Company's Board has an optimum combination of executive and non-executive Directors with expertise and experience in the field of banking, finance, operations management, engineering, 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 2017, the Company's Board consisted of 9 Directors as under:

Non-Executive Promoter Directors:

1. Mr. S. Viji, Chairman
2. Mr. T.T. Srinivasaraghavan
3. Mr. Anthony Colwyn-Thomas
4. Mr. Alexandre Adam

Non-Executive Independent Directors:

5. Mr. N. Ganga Ram
6. Mr. P.N. Venkatachalam
7. Mrs. Radha Unni
8. Mr. P.C. Mathew

Managing Director:

9. Mr. Srinivas Acharya

The Independent Directors have affirmed compliance with the provisions of Section 149 and adherence to the Code for Independent Directors as set out in Schedule IV to the Companies Act, 2013.

All the Directors of the Company have signed and executed the Deed of Covenants in compliance with the Directions laid down by the National Housing Bank vide Notification No. NHB.HFC.CG-DIR.1/MD&CEO/2016 dated 9th February 2017.

During the year, Mr. P.N. Venkatachalam was re-designated as a Non-Executive Independent Director with effect from 30th April 2016 and Mr. John Christopher Woodhouse, serving as a Non-Executive Promoter Director, resigned from the Board with effect from 1st June 2016.

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

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

1.2 Membership of other Boards

No Director is a Director in more than twenty Companies or 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 2017 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	1
2.	Mr. T.T. Srinivasaraghavan	00018247	-	8	2	1
3.	Mr. Anthony Colwyn-Thomas	05102669	-	-	-	-
4.	Mr. Alexandre Adam	05309888	-	-	-	-
5.	Mr. N. Ganga Ram	00001246	-	3	1	2
6.	Mr. P.N. Venkatachalam	00499442	-	9	1	9
7.	Mrs. Radha Unni	03242769	-	4	1	2
8.	Mr. P. C. Mathew	02527048	-	-	-	-
9.	Mr. Srinivas Acharya	00017412	-	5	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 have been 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 the delegated authority of the Committees of the Board/Managing Director/ Key Managerial Personnel/other Principal Officers;
- 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. The Managing Director 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, inter-alia, to review the financial results. The Company also holds additional Board Meetings to address its specific requirements, as and when required. 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 them in advance of the meetings. All the decisions and urgent matters approved by way of circular resolutions are placed and noted at the subsequent Board meeting. The intervening gap between any two meetings was within the period prescribed by the Companies Act, 2013.

During the year ended 31st March 2017, the Board met six times as noted below:

2016-2017	
30 April 2016	27 October 2016
21 July 2016	25 January 2017
19 September 2016	8 March 2017

Details of the Meetings attended by the Directors are as under:

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

Re-designated as an Independent Director on 30th April 2016

* Stepped down from the Board on 1st June 2016

3 BOARD COMMITTEES

The Board has constituted the following seven Committees:

3.1 EXECUTIVE COMMITTEE

As on 31st March 2017, the Executive Committee consisted of three Members, viz.

1. Mr. T.T. Srinivasaraghavan, Chairman
2. Mr. Anthony Colwyn-Thomas
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 Committee met seven times during the year.

3.2 AUDIT COMMITTEE

In accordance with the provisions of Section 177 of the Companies Act, 2013, the Audit Committee consists of five Directors as Members, with Independent Directors forming a majority. All the Members of the Audit Committee have the requisite knowledge and experience in finance and accounting. Any two Members form the quorum for the meetings of the Committee. The primary objective of the Audit Committee is to monitor and provide an effective supervision of the Management's financial reporting process, to ensure accurate and timely disclosures with the highest levels of transparency, integrity and quality of financial reporting.

The Company Secretary serves as the Secretary to the Committee.

As of 31st March 2017, the Committee consisted of five Members. viz.

1. Mr. N. Ganga Ram, Chairman
2. Mrs. Radha Unni
3. Mr. P.C. Mathew
4. Mr. T.T. Srinivasaraghavan
5. Mr. Anthony Colwyn-Thomas

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 specified by the Board in writing and its functions include:

- a. examination of the Financial Statements and the Auditors' Report thereon;
- b. review and evaluation of the effectiveness and adequacy of the internal financial controls and risk management systems of the Company and its statutory and regulatory compliance;

- c. the recommendation for appointment, remuneration and terms of appointment of Auditors of the Company;
- d. review and monitoring of the Auditor's independence and performance, and effectiveness of audit process;
- e. 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;
- f. reviewing the non-performing and delinquent loans;
- g. approval or any subsequent modification of transactions of the Company with related parties;
- h. scrutiny of inter-corporate loans and investments;
- i. valuation of undertakings or assets of the company, wherever it is necessary; and
- j. monitoring the end use of funds if any raised through public offers and related matters.

The Audit Committee met seven times during the year under review. Details of the meetings attended by the Members are as under:

Sl. No.	Member	No. of Meetings	
		Held	Attended
1.	Mr. N. Ganga Ram	7	7
2.	Mrs. Radha Unni	7	7
3.	Mr. P.C. Mathew	7	4
4.	Mr. T.T. Srinivasaraghavan	7	6
5.	Mr. Anthony Colwyn-Thomas	7	3

3.3 ASSET LIABILITY MANAGEMENT COMMITTEE (ALCO)

As of 31st March 2017, ALCO consisted of seven Members, viz.

1. Mr. M. Ramaswamy, Chairman
2. Mr. Srinivas Acharya
3. Mr. Alexandre Adam
4. Mr. G. Sundararajan

5. Mr. S. Rajagopalan
6. Mr. K. Moahan Venkatesan
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 five times during the year. Details of the meetings attended by the Members are as under:

Sl. No.	Member	No. of Meetings	
		Held	Attended
1.	Mr. M. Ramaswamy	5	5
2.	Mr. Srinivas Acharya	5	5
3.	Mr. Alexandre Adam	5	-
4.	Mr. G. Sundararajan	5	5
5.	Mr. S. Rajagopalan	5	5
6.	Mr. K. Moahan Venkatesan	5	5
7.	Mr. V. Swaminathan	5	5

3.4 RISK MANAGEMENT COMMITTEE (RMC)

In accordance with the Directions issued by the National Housing Bank Directions known as the "Housing Finance Companies - Corporate Governance (National Housing Bank) Directions, 2016", the Risk Management Committee was constituted in March 2017.

The Company Secretary serves as the Secretary to the Committee.

As of 31st March 2017, the Risk Management Committee consisted of three Members viz.

1. Mr. P.N. Venkatachalam, Chairman
2. Mr. Anthony Colwyn-Thomas
3. Mr. Srinivas Acharya

The functions of the Committee include:

- a. formulation of strategies and policies for identification, measurement and reporting on market risks, credit risks and operational risks;

- b. reviewing and recommending changes to the Risk Management Policy and/or associated frameworks, processes and practices of the Company;
- c. ensuring that the Company takes appropriate measures to achieve prudent balance between risk and reward in both on-going and new business activities;
- d. apprising the Board of significant risk exposures of the Company;
- e. access to any internal information necessary to fulfil its role;
- f. authority to obtain advice and assistance from internal or external legal, accounting or other advisors; and
- g. performing such other activities related to the terms of reference as requested by the Board of Directors or to address issues related to any significant subject within its terms of reference.

3.5 CORPORATE SOCIAL RESPONSIBILITY COMMITTEE (CSR)

In keeping with the Company's social responsibilities and in accordance with the provisions of Section 135 of the Companies Act, 2013, Corporate Social Responsibility (CSR) Committee was constituted consisting of three Directors of whom two are Independent Directors.

The Company Secretary serves as the Secretary to the Committee.

As of 31st March 2017, the CSR Committee consisted of three Members, viz.

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

The functions of the Committee include:

- i) formulation and recommendation to the Board of Corporate Social Responsibility Policy which will indicate the activities to be undertaken by the Company as specified in Schedule VII to the Companies Act, 2013;

- ii) recommendation of the amount of expenditure to be incurred on the activities referred to in (i); and
- iii) monitoring the Corporate Social Responsibility Policy of the Company from time to time.

The Corporate Social Responsibility Committee met five times during the year. Details of the meetings attended by the Members are as under:

Sl. No.	Member	No. of Meetings	
		Held	Attended
1.	Mr. Srinivas Acharya	5	5
2.	Mr. P.N. Venkatachalam	5	5
3.	Mr. N. Ganga Ram	5	4

3.6 NOMINATION AND REMUNERATION COMMITTEE (NRC)

In accordance with the provisions of Section 178 of the Companies Act, 2013, Nomination and Remuneration Committee (NRC) has been constituted with four Non-Executive Directors, of whom two are Independent Directors.

The Company Secretary serves as the Secretary to the Committee.

As of 31st March 2017, the Nomination and Remuneration Committee consisted of four Members, viz.

1. Mr. T.T. Srinivasaraghavan, Chairman
2. Mr. Anthony Colwyn-Thomas
3. Mr. N. Ganga Ram
4. Mrs. 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 persons proposed to be appointed as Directors 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 Nomination and Remuneration Committee met two times during the year. Details of the Meetings attended by the Members are as under:

Sl. No.	Member	No. of Meetings	
		Held	Attended
1.	Mr. T.T. Srinivasaraghavan	2	2
2.	Mr. Anthony Colwyn-Thomas	2	1
3.	Mr. N. Ganga Ram	2	1
4.	Mrs. Radha Unni	2	2

3.7 STAKEHOLDERS RELATIONSHIP COMMITTEE (SRC)

In accordance with the provisions of Section 178(5) of the Companies Act, 2013, Stakeholders Relationship Committee (SRC) has been constituted with three Members, viz. Mr. Anthony Colwyn-Thomas,

Mr. N. Ganga Ram and Mr. Srinivas Acharya. Mr. Anthony Colwyn-Thomas, Non-Executive Director is the Chairman of the Committee.

The Company Secretary acts as the Secretary to the Committee.

The functions of the Committee include:

- a. approval and monitoring of transfers, 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 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. 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. N. Ganga Ram, Mr. P.N. Venkatachalam, Mrs. Radha Unni and Mr. P.C. Mathew was held on 24th March 2017, without the attendance of the Non-Independent Directors and the Members of the Management.

At this Meeting, the Independent Directors-

- reviewed the performance of the Non-Independent Directors and the Board as a whole;
- 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
- 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. Besides, they discussed other matters of interest concerning the Company.

5 REMUNERATION OF DIRECTORS

5.1 INDEPENDENT DIRECTORS

Independent Directors are paid sitting fees for attending Board and Committee meetings. Details of the fees paid to them for the year 2016-17 are as under:

Sl. No.	Director	Sitting Fees Paid (in ₹)
1.	Mr. N. Ganga Ram	3,70,000
2.	Mr. P.N. Venkatachalam*	1,85,000
3.	Mrs. Radha Unni	3,40,000
4.	Mr. P.C Mathew	2,35,000

*Re-designated as an Independent Director on 30th April 2016

In addition, commission of ₹7.50 lakh each was paid to Mr. N. Ganga Ram, Mrs. Radha Unni and Mr. P.C. Mathew and ₹5 lakh to Mr. P.N. Venkatachalam.

5.2 KEY MANAGERIAL PERSONNEL

Details of remuneration paid to the Key Managerial Personnel of the Company for the year 2016-17 are as under:

(₹ in lakh)

Particulars	Mr. Srinivas Acharya Managing Director	Mr. G. Sundararajan Chief Financial Officer	Mr. V. Swaminathan Company Secretary
Salary	49.20	27.00	10.71
Commission	100.00	-	-
Contribution to Provident, Superannuation, and Gratuity Funds	9.77	6.04	1.80
Other allowances and perquisites	58.38	35.65	26.08
Total	217.35	68.69	38.59

During the year, Sundaram Finance Limited, the holding company, incurred ₹28.91 lakh (31st March 2016 - ₹31.34 lakh) towards the cost of Stock Options issued under Sundaram Finance Employee Stock Option Scheme, 2008 to the Managing Director and two Senior Executives of the Company.

6 DIRECTORS' DEPOSITS WITH THE COMPANY

As on 31st March 2017, Directors and their relatives held deposits aggregating ₹655.82 lakh with the Company. The interest paid on the deposits of Directors and their relatives during the year amounted to ₹65.46 lakh.

7 RELATED PARTY TRANSACTIONS

During the year, the Company did not enter into any materially significant transaction with related parties, i.e., its Promoters, Directors and their relatives, conflicting with the Company's interests. All related party transactions were being transacted on an arm's length basis.

8 DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH 2017

The distribution of shareholding in the Company as on 31st March 2017 was as under:

No. of Equity Shares held by each Shareholder	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.

9 SHARE PRICE PERFORMANCE

Share Price Performance is not applicable since the Company's shares are not listed.

10 SHARE TRANSFER AND INVESTOR GRIEVANCES COMMITTEE

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

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. There were no investor complaints pending resolution at the beginning of the year and no fresh investor complaints were received during the year. Also, during the Financial Year, Company did not receive any complaint from its debenture holders.

11 LISTED DEBENTURES

The Company has, thus far, privately placed a total of 280 series of secured/unsecured Non-Convertible Debentures (NCDs) of the total face value of ₹6023.50 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.

During the year, the Company issued fresh NCDs aggregating ₹939.02 crore and redeemed NCDs aggregating ₹713.50 crore. NCDs (including debenture application money and subordinated debentures) of ₹2320.50 crore were outstanding as on 31st March 2017.

12 COMMERCIAL PAPER

During the year, the Company privately placed commercial paper aggregating ₹1653.59 crore with mutual funds and banks/companies.

13 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. Ramasamy, Whole-Time Director

14 ANNUAL GENERAL MEETING

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

Financial Year	Date of Meeting	Time	Venue	Special Resolutions passed
2015-16	21 st July 2016	03.05 p.m.	No.21, Patullos Road, Chennai 600 002	Resolution for borrowing monies by private placement of non-convertible debentures u/s 180(1) (c) of the Companies Act, 2013
2014-15	15 th July 2015	10.00 a.m.	No.21, Patullos Road, Chennai 600 002	-
2013-14	22 nd July 2014	01.30 p.m.	No.21, Patullos Road, Chennai 600 002	Resolution for borrowing monies by private placement of non-convertible debentures u/s 180(1) (c) of the Companies Act, 2013

No resolutions were passed through postal ballot during the year ended 31st March 2017. None of the resolutions being placed at the ensuing Annual General Meeting is covered by the Postal Ballot Rules. No Extraordinary General Meeting of the shareholders was held during the year.

15 WHISTLE BLOWER POLICY

The Company adopted a Whistle Blower Policy and established the necessary vigil mechanism with effect from 1st April 2014, for Directors and Employees to report genuine concerns about unethical behaviour, pursuant to the provisions of Section 177(9) and (10) of the Companies Act, 2013 read with Rule 7 of Companies (Meetings of Board and its Powers) Rules, 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. It is hereby affirmed that no personnel of the Company has been denied access to the Audit Committee. There were no complaints from the employees during the year 2016-17.

The Whistle Blower Policy has been hosted on the Company's website.

16 SEBI COMPLAINTS REDRESS SYSTEM (SCORES) AND NHB GRIEVANCE REGISTRATION & INFORMATION DATABASE SYSTEM (GRIDS)

The Company is registered with SEBI Complaints Redress System (SCORES) and NHB Grievance Registration & Information Database System (GRIDS). Under both SCORES and GRIDS, the investor/customer complaints are processed in a centralised web based complaints redressal system. The salient features of this system are Centralised database of all complaints, online upload of Action Taken Reports (ATRs) and online viewing by investors/customers of actions taken on the complaint and its current status.

17 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.

18 MEANS OF COMMUNICATION

The primary source of information to the shareholders, customers, analysts and other stakeholders of the Company and to the public at large is through the website of the Company www.sundarambnpphone.in. 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 2016-17 have been forwarded to NSE in the prescribed format. Further, the results have been published in newspapers as required by the said Agreement and are hosted on the Company's website.

19 CORPORATE IDENTITY NUMBER

The Corporate Identity Number (CIN), allotted to the Company by the Ministry of Corporate Affairs, Government of India 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.

20 REGISTRATION WITH THE NATIONAL HOUSING BANK

The Registration Number allotted to the Company by the National Housing Bank (NHB) is 01.0010.01 in pursuance to Section 29A of

the National Housing Bank Act, 1987. The Company has been granted Certificate of Registration to carry on the business of a housing finance institution along with a permission to accept deposits from the public.

21 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: 044-28582234
 E-mail: swaminathan@sundarambnpphome.in

22 MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management Discussion and Analysis Report forms part of the Board's Report.

23 GENERAL SHAREHOLDER INFORMATION

Eighteenth Annual General Meeting

Date	Time	Venue
17th July 2017	1.15 p.m.	No.21, Patullos Road, Chennai 600 002

24 FINANCIAL CALENDAR

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

Financial Year-1st April 2016 to 31st March 2017	28th April 2017
Unaudited results for the half-year ending 30th September 2017	End of October 2017

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, 2017, 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 controls 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. 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 31st March, 2017;
- 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, 2016 ("the Order") issued by the Central Government of India in terms of sub-section 11 of section 143 of the Act, we give in "Annexure - A" a statement on the matters specified in paragraph 3 and 4 of the Order.
- (ii) As required by Section 143 (3) of the Act, we report that:
- 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.
 - 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.
 - 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.
 - 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.
 - On the basis of the written representations received from the Directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
 - With respect to the adequacy of the internal financial controls over financial reporting of the Company and the Operating Effectiveness of such controls, refer to our separate report in "Annexure - B".
 - 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:

- the Company has disclosed the effect of the pending legal proceedings against it in its financial statements as mentioned in Note 26.13 of the Notes to the Accounts;
- 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.
- during the year, there has been no delay in transferring the amounts required to be transferred to the Investor Education and Protection Fund.
- the Company has provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November, 2016 to 30 December, 2016 as mentioned in Note 26.17 to the financial statements and the details are in accordance with the books of account maintained by the Company.

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

L Ravi Sankar
 Partner
 Membership No.25929

Place: Chennai
 Date: 28-04-2017

“Annexure A” to the Auditors’ Report referred to in paragraph 5 of our Report of Even Date

1. a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
- b) Fixed assets have been physically verified by the Management during the year, in accordance with an annual plan of verification, which in our opinion is reasonable having regard to the size of the Company and the nature of the fixed assets. The discrepancies noticed on such verification were not material and have been properly dealt with in the books of account.
- c) The title deeds of immovable properties owned by the Company are held in its name.
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, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, clauses (iii) (a), (b) and (c) 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, the Company has not granted any loans, made any investments or provided any guarantee or security as envisaged under Section 185 and Section 186 of the Companies Act, 2013 respectively.
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 for the Company under Section 148(1) of the Act.
6. i) In our opinion and according to the information and explanations given to us, undisputed statutory dues, including Provident Fund, Employees State Insurance, Income tax, Sales tax, Service tax, value added tax, cess 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, 2017 for a period of more than six months from the date they became payable.
- ii) In our opinion and according to the information and explanations given to us, there are no dues of Income tax, Sales tax and Service tax which have not been deposited on account of any dispute.
7. The Company has not defaulted in the repayment of dues to financial institutions, banks, Government or debenture holders.
8. The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) and the term loans were applied for the purposes for which the loans were obtained.
9. 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 fraud on the Company by its employees or officers were noticed or reported during the course of our audit.
10. The Company has paid/provided for managerial remuneration within the limits of Section 197 read with Schedule V to the Act.
11. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with related parties are in compliance with Section 177 and Section 188 of the Act where applicable and details of such

transactions have been disclosed in the financial statements as required by the applicable accounting standards

12. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

13. In our opinion and according to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with Directors or persons connected with them.

14. The Company has obtained certificate of registration under Section 29A of the National Housing Bank Act, 1987, as required.

15. 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) and clause (xii) of paragraph 3 of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company for the year.

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

L Ravi Sankar
Partner
Membership No.25929

Place: Chennai
Date: 28-04-2017

“Annexure B” to the Auditors’ Report referred to in paragraph 5 of our Report of Even Date

Report on the Internal Financial Controls under Clause (i) of Sub-Section 3 of Section 143 of the Companies, Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of Sundaram BNP Paribas Home Finance Limited (“the Company”) as of 31st March, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (‘ICAI’). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor’s Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both

issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A Company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally

accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of Management and Directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

L Ravi Sankar
Partner

Place: Chennai
Date: 28-04-2017

Membership No.25929

Balance Sheet as at 31st March, 2017

(₹ in lakh)

Particulars	Note	March 31, 2017	March 31, 2016
<u>EQUITY AND LIABILITIES</u>			
Shareholders' Funds			
Share Capital	2	101,25.44	101,25.44
Reserves and Surplus	3	<u>927,18.56</u>	<u>773,53.63</u>
		1028,44.00	874,79.07
Non-Current Liabilities			
Long-Term Borrowings	4	4668,46.60	3983,25.02
Deferred Tax Liabilities (Net)	5	2,98.92	-
Other Long-Term Liabilities	6	71,11.14	82,64.27
Long-Term Provisions	7	<u>164,14.39</u>	<u>151,71.96</u>
		4906,71.05	4217,61.25
Current Liabilities			
Short-Term Borrowings	8	629,20.01	453,74.73
Trade Payables:	9		
i) total outstanding dues of micro and small enterprises		-	-
ii) total outstanding dues of creditors other than micro and small enterprises		29,27.42	32,52.49
Other Current Liabilities	10	1383,56.06	2062,37.58
Short-Term Provisions	11	<u>14,17.51</u>	<u>53,63.03</u>
		2056,21.00	2602,27.83
Total		<u>7991,36.05</u>	<u>7694,68.15</u>
<u>ASSETS</u>			
Non-Current Assets			
Long-Term Loans and Advances	12	6780,51.65	6533,28.86
Fixed Assets			
i) Tangible Assets	13	15,12.91	14,64.40
ii) Intangible Assets	13	6,78.21	5,14.59
Non-Current Investments	14	77,28.15	78,28.76
Deferred Tax Assets (Net)	5	-	1,01.32
Other Non-Current Assets	15	<u>1,09.51</u>	<u>1,34.27</u>
		6880,80.43	6633,72.20
Current Assets			
Short-Term Loans and Advances	16	569,68.71	529,16.40
Current Investments	17	311,46.68	190,21.63
Cash and Bank Balances	18	154,79.51	290,36.96
Other Current Assets	19	<u>74,60.72</u>	<u>51,20.96</u>
		1110,55.62	1060,95.95
Total		<u>7991,36.05</u>	<u>7694,68.15</u>

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

L Ravi Sankar
Partner
Membership No. 25929
Chennai
28th April 2017

S. Viji
Chairman

G. Sundararajan
Chief Financial Officer

V. Swaminathan
Company Secretary

Srinivas Acharya
Managing Director

N. Ganga Ram
Director

Statement of Profit and Loss for the year ended 31st March, 2017

(₹ in lakh)

Particulars	Note	April 2016 - March 2017	April 2015 - March 2016
REVENUE			
Revenue from Operations	20	921,65.94	927,03.23
Other Income	21	1,18.93	23.15
Total Revenue	(A)	<u>922,84.87</u>	<u>927,26.38</u>
EXPENSES			
Finance Costs	22	583,00.98	602,89.89
Employee Benefits Expense	23	43,40.80	38,78.14
Other Expenses	24	39,11.42	34,01.14
Provisions and Write-offs	25	14,85.32	13,71.98
Depreciation and Amortisation Expense	12	4,20.17	3,72.25
Contingent Provision against Standard Assets		1,69.63	83.26
Total Expenses	(B)	<u>686,28.32</u>	<u>693,96.66</u>
Profit before Tax	(A-B)	236,56.55	233,29.72
Tax Expense			
Current Tax		78,91.38	7630.00
Deferred Tax		<u>4,00.24</u>	<u>427.50</u>
		82,91.62	80,57.50
Profit after Tax		<u>153,64.93</u>	<u>152,72.22</u>
Earnings per Equity Share			
Basic and Diluted Earnings per Share of ₹10 each (in ₹)		15.17	15.08
Significant Accounting Policies and Notes to the Accounts	1 to 26		

As per our report of even date attached
 For **Brahmayya & Co.**,
 Chartered Accountants
 FRN 000511S
L Ravi Sankar
 Partner
 Membership No. 25929
 Chennai
 28th April 2017

S. Viji
 Chairman
G. Sundararajan
 Chief Financial Officer
V. Swaminathan
 Company Secretary

Srinivas Acharya
 Managing Director
N. Ganga Ram
 Director

Cash Flow Statement

(₹ in lakh)

Particulars	April 2016 - March 2017	April 2015 - March 2016
Cash Flow From Operating Activities		
Net Profit	153,64.93	152,72.22
Provision for Taxation (Including Deferred Tax)	82,91.62	80,57.50
Add : Financial Costs	583,00.98	602,89.89
Depreciation	4,20.17	3,72.25
Provision against Investments (net)	(14.90)	60.90
Provision against Non-Performing assets (net)	13,79.22	12,83.72
Contingent Provision against Standard Assets	1,69.63	83.25
(Profit)/ Loss on sale of assets	(2.23)	(1.32)
(Profit)/ Loss on sale of Investments	(19,75.02)	(22,06.71)
Interest / Dividend Income	(12,32.98)	(11,40.57)
Operating Profit Before Working Capital Changes	807,01.42	820,71.13
(Increase)Decrease in Long-Term Loans and Advances	(24964.16)	(126,04.66)
(Increase) Decrease in Other Non-Current Asset	24.76	(71.65)
(Increase) Decrease in Bank Deposits	146,18.80	(154,32.30)
(Increase)Decrease in Short-Term Loans and Advances	(40,52.30)	(71,93.26)
(Increase) Decrease in Other Current Asset	(23,30.29)	(11,67.66)
Increase (Decrease) in Long-Term Provisions	2.01	(15.72)
Increase (Decrease) in Short-Term Provisions	11.42	77.69
Increase (Decrease) in Other Long-Term Liabilities	(11,53.14)	7,34.05
Increase (Decrease) in Other Current Liabilities	(667,98.49)	376,57.80
Increase (Decrease) in Trade Payable	(3,25.07)	(6,30.19)
Cash Generated From Operations	(42,65.04)	834,25.23
Financial Costs	(593,88.74)	(539,81.76)
Direct Taxes Paid	(76,50.00)	(82,00.00)
Net Cash From Operating Activities (A)	(713,03.79)	212,43.47

(₹ in lakh)

Particulars	April 2016 - March 2017	April 2015 - March 2016
Cash Flow From Investing Activities		
Purchase of Fixed Assets-Tangible	(6,69.68)	(16,02.02)
Sale of Fixed Assets-Tangible	39.61	4.50
Purchase/Sale of Current Investments	(101,36.63)	(7,77.49)
Purchase/Sale of Non Current Investments	1,02.10	(19,13.00)
Interest Received	12,28.24	11,01.83
Net Cash From Investing Activities (B)	(94,36.35)	(31,86.18)
Cash Flow From Financing Activities		
Share Capital-Equity	-	-
Securities Premium received	-	-
Increase (Decrease) in Long-Term Borrowings	685,21.58	(727,63.89)
Increase (Decrease) in Short-Term Borrowings	175,45.28	353,49.32
Dividend paid (including Corporate Dividend Tax)	(42,65.37)	(42,65.37)
Net Cash From Financing Activities (C)	818,01.49	(416,79.94)
Effect of Foreign Exchange rates on Cash and Cash Equivalents, net (D)	-	-
Net Increase in Cash and Cash Equivalents (A)+(B)+(C)+(D)	10,61.35	(236,22.65)
Cash and cash equivalents at the Beginning of the Year	27,84.66	264,07.31
Cash and cash equivalents at the End of the Year	38,46.01	27,84.66
Components of Cash and Cash Equivalents at the end of the year		
Current Account with Banks	2,50.98	78.25
Cheques Drafts on Hand	33,92.64	23,18.91
Cash, Stamps and Stamp Papers on Hand	2,02.39	3,87.50
Cash & Cash equivalents	38,46.01	27,84.66

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
L Ravi Sankar
 Partner
 Membership No. 25929
 Chennai
 28th April 2017

S. Viji
 Chairman
G. Sundararajan
 Chief Financial Officer
V. Swaminathan
 Company Secretary

Srinivas Acharya
 Managing Director
N. Ganga Ram
 Director

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 is recognized over the life of the underlying assets.
- c. 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 lives for the fixed assets as follows:

Computers and Data Processing Units

- | | |
|------------------------|----------|
| - Servers and Networks | 10 Years |
| - End User Devices | 7 Years |

Office Equipment 8 Years

Furniture and Fixtures 10 Years

Electrical installations 15 Years

Vehicles 5 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 recognized 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 behalf 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, every year 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, 2017	March 31, 2016
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 31,2017	No. of Shares	% held as at March 31,2016
Sundaram Finance Limited *	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) Reconciliation of number of shares outstanding at the beginning and at the end of the financial year:

Particulars	April 2016 - March 2017		April 2015 - March 2016	
	No. of Shares	(₹ in lakh)	No. of Shares	(₹ in lakh)
Opening number of shares outstanding	10,12,54,438	101,25.44	10,12,54,438	101,25.44
Add : Shares issued	-	-	-	-
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, 2017	March 31, 2016
Securities Premium Account		
Balance at the beginning of the year	204,74.56	204,74.56
Add: Received during the year	-	-
Balance at the end of the year	204,74.56	204,74.56
General Reserve		
Balance at the beginning of the year	350,00.00	270,00.00
Add: Transferred from Surplus in the Statement of Profit and Loss	120,00.00	80,00.00
Balance at the end of the year	470,00.00	350,00.00
Other Reserves		
Balance at the beginning of the year		
a) Statutory Reserve u/s 29C of the NHB Act, 1987	11,29.90	6,75.46
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.	162,57.00	136,57.00
c) Total	173,86.90	143,32.46
Additions/Appropriations/withdrawal during the year		
Add:		
a) Amount transferred u/s 29C of the NHB Act, 1987	3,73.00	4,54.44
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.	27,00.00	26,00.00
	30,73.00	30,54.44
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, 2017	March 31, 2016
Balance at the end of the year		
a) Statutory Reserve u/s 29C of the NHB Act, 1987	15,02.90	11,29.90
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.	189,57.00	162,57.00
c) Total	<u>204,59.90</u>	<u>173,86.90</u>
Surplus in the Statement of Profit and Loss		
Balance at the beginning of the year	44,92.17	45,39.76
Add : Profit for the year ended March 31, 2017	153,64.93	152,72.22
	<u>198,57.10</u>	<u>198,11.98</u>
Less: Appropriations		
Special Reserve	27,00.00	26,00.00
Statutory Reserve	3,73.00	4,54.44
General Reserve	120,00.00	80,00.00
Dividend		
Final (Proposed)	-	35,43.91
Dividend Tax	-	7,21.46
Balance at the end of the period	<u>47,84.10</u>	<u>44,92.17</u>
	<u>927,18.56</u>	<u>773,53.63</u>

- 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 ₹3,73.00 lakh (March 31,2016 - ₹4,54.44 lakh) to the Statutory Reserve (u/s 29C of NHB Act) and ₹27,00.00 lakh (March 31,2016 - ₹26,00.00 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, 2017	March 31, 2016
Secured Loans		
Non-Convertible Debentures (Redeemable at Par)		
Fellow Subsidiary-Royal Sundaram General Insurance Co. Ltd.	55,00.00	65,00.00
Others	1602,20.44	1075,60.00
Term Loans		
from Scheduled Banks	73,33.33	287,50.00
from National Housing Bank	2045,81.51	1626,21.23
Unsecured Loans		
Fixed Deposits		
From Public	649,97.17	705,83.90
From Companies	26,30.25	6,60.75
From Directors	83.90	1,49.14
	<u>677,11.32</u>	<u>713,93.79</u>
Subordinated Non-Convertible Debentures	215,00.00	215,00.00
	<u>4668,46.60</u>	<u>3983,25.02</u>

- a) The Secured Non-Convertible Debentures are secured by a first mortgage over a specific immovable property belonging to the Company and hypothecation of loan receivables to the extent of ₹23,20.00 lakh as at March 31, 2017 (March 31, 2016 - ₹210,50.00 lakh).
- b) The Secured Non-Convertible Debentures are secured by a first mortgage over a specific immovable property belonging to the Company and negative lien on the loan assets of the Company to the extent of ₹1634,00.44 lakh as at March 31, 2017. (March 31, 2016 - ₹930,10.00 lakh)
- c) The Term Loans from Scheduled Banks are secured by a negative lien on the loan assets of the Company.
- d) The Refinance from NHB is 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 2018 to July 2031.
- e) 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 April 2018 and February 2025.

NOTES TO THE ACCOUNTS (Contd.)

Maturity of Secured Non-Convertible Debentures

(₹ in lakh)

Implicit Interest Rate (%) / Residual Maturity	March 31, 2017			
	< 1 year	1-3 years	3-5 years	Total
>7%-8%	35,00.00 (-)	604,00.44 (-)	11,00.00 (-)	650,00.44 (-)
>8%-9%	46,50.00 (80,50.00)	501,00.00 (303,60.00)	95,00.00 (45,00.00)	642,50.00 (429,10.00)
>9%-10%	267,80.00 (214,30.00)	350,20.00 (44,800.00)	- (170,00.00)	618,00.00 (832,30.00)
>10%-11%	78,00.00 (318,70.00)	96,00.00 (174,00.00)	- (-)	174,00.00 (492,70.00)
Grand Total	427,30.00 (613,50.00)	1551,20.44 (925,60.00)	106,00.00 (215,00.00)	2084,50.44 (1754,10.00)

Previous year's figures are given in brackets

Details of Secured Term Loans from Scheduled Banks

(₹ in lakh)

Repayment /Implicit Interest Rate	March 31, 2017			March 31, 2016		
	< 1 year	1-3 years	Total	< 1 year	1-3 years	Total
At Various Rates	85,83.33	73,33.33	159,16.66	503,33.33	287,50.00	790,83.33

Maturity of Secured Term Loans from Others-NHB

(₹ in lakh)

Implicit Interest rate (%) / Maturities	March 31, 2017				
	< 1 year	1-3 years	3-5 years	> 5 years	Total
<=7%	13,56.62 (15,51.85)	22,05.04 (15,57.86)	22,05.04 (13,03.76)	38,61.91 (27,58.70)	96,28.61 (71,72.17)
>7% to 8%	46,52.63 (9,76.80)	96,79.53 (19,12.01)	85,52.15 (10,60.19)	213,50.69 (6,53.04)	442,35.00 (46,02.04)
> 8% to 10%	182,25.10 (183,86.98)	347,75.22 (331,49.48)	319,87.44 (308,09.91)	899,64.49 (894,16.26)	1749,52.25 (1717,62.63)
Grand Total	242,34.35 (209,15.63)	466,59.79 (366,19.35)	427,44.63 (331,73.86)	1151,77.09 (928,28.00)	2288,15.86 (1835,36.84)

Previous year's figures are given in brackets

Maturities of Unsecured Subordinated Non-Convertible Debentures

(₹ in lakh)

Implicit Interest Rate (%) / Maturities	March 31, 2017				
	< 1 year	1-3 years	3-5 years	> 5 years	Total
9%-10%	- (100,00.00)	- (-)	- (-)	105,00.00 (105,00.00)	105,00.00 (205,00.00)
> 10%-11%	- (-)	85,00.00 (-)	- (85,00.00)	25,00.00 (25,00.00)	110,00.00 (110,00.00)
Grand Total	- (100,00.00)	85,00.00 (-)	- (85,00.00)	130,00.00 (130,00.00)	215,00.00 (315,00.00)

Previous year's figures are given in brackets

NOTES TO THE ACCOUNTS (Contd.)
5. Deferred Tax Liabilities (Net)

(₹ in lakh)

Particulars	March 31, 2017	March 31, 2016
Deferred Tax Liability		
- Special Reserve U/s 36(1) (viii) of Income-tax Act, 1961	64,12.36	55,17.92
- Depreciation	76.18	36.11
(A)	<u>64,88.54</u>	<u>55,54.03</u>
Less: Deferred Tax Asset		
- Provision against		
Non-Performing Loans	49,92.36	45,15.03
Standard Housing Loans	6,90.32	6,64.26
Standard Non-Housing Loans	4,46.46	4,13.82
- Others - Employee Benefits	13.35	9.95
- Provision on SLR Investments	47.13	52.29
(B)	<u>61,89.62</u>	<u>56,55.35</u>
(A) - (B)	<u>2,98.92</u>	<u>(1,01.32)</u>

6. Other Long-Term Liabilities

(₹ in lakh)

Particulars	March 31, 2017	March 31, 2016
Creditors for Expenses	2,22.14	2,07.90
Interest accrued but not due-Long-Term Borrowings	68,89.00	80,56.37
	<u>71,11.14</u>	<u>82,64.27</u>

7. Long-Term Provisions

(₹ in lakh)

Particulars	March 31, 2017	March 31, 2016
Employee Benefits	16.84	14.83
Contingent Provision against Standard Assets		
Standard-Housing Loans	19,94.69	19,19.37
Standard Non-Housing Loans	5,64.82	5,70.85
Standard Non-Housing Loans-Commercial	7,25.21	6,24.87
Non-Performing Loans	131,12.83	120,42.04
	<u>164,14.39</u>	<u>151,71.96</u>

8. Short-Term Borrowings

(₹ in lakh)

Particulars	March 31, 2017	March 31, 2016
Secured Loans		
Working capital demand loans and Cash Credit with Scheduled Banks	32,35.13	77,74.77
Unsecured Loans		
Commercial Paper	596,12.80	373,00.60
Credit facilities with Scheduled Banks	72.08	2,99.36
	<u>629,20.01</u>	<u>453,74.73</u>

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

Face Value of commercial paper outstanding as on March 31, 2017 was ₹605,00.00 lakh (March 31, 2016 - ₹341,00.00 lakh). Maximum amount of face value of commercial paper outstanding at any time during the year was ₹799,00.00 lakh (March 31, 2016 - ₹785,00.00 lakh)

NOTES TO THE ACCOUNTS (Contd.)

9. Trade Payables

(₹ in lakh)

Particulars	March 31, 2017	March 31, 2016
i) Total outstanding dues to micro and small enterprises	-	-
ii) Total outstanding dues of creditors other than micro and small enterprises		
Creditors for Expenses * [Includes ₹127.50 lakh (March 31, 2016 - ₹123.75 lakh) payable to Directors]	26,44.81	29,19.04
Other Liabilities	2,82.61	3,33.45
	29,27.42	32,52.49

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

10. Other Current Liabilities

(₹ in lakh)

Particulars	March 31, 2017	March 31, 2016
Secured Loans		
Non-Convertible Debentures (Redeemable at Par)		
- Fellow Subsidiary-Royal Sundaram General Insurance Co. Ltd.	10,00.00	5,00.00
- Others	417,30.00	608,50.00
Term Loans		
From Scheduled Banks	85,83.33	503,33.33
From Others -National Housing Bank	242,34.35	209,15.63
Unsecured Loans		
Fixed Deposits		
From Public	394,46.04	298,82.64
From Companies	11,56.60	1,39.00
From Directors	2,28.76	2,02.24
Unpaid Matured Deposits and Interest accrued thereon	10,46.50	6,66.18
	418,77.90	308,90.06
Commercial Paper	-	119,94.34
Subordinated Non-Convertible Debentures	-	100,00.00
Others		
Interest accrued but not due	203,43.54	203,18.04
Instalments Received in Advance	5,86.94	4,36.18
	1383,56.06	2062,37.58

- The Secured Non-Convertible Debentures are secured by a first mortgage over a specific immovable property belonging to the Company and hypothecation of loan receivables to the extent of ₹187,30.00 lakh as at March 31, 2017 (March 31, 2016 - ₹54,60.00 lakh).
- The Secured Non-Convertible Debentures are secured by first mortgage over a specific immovable property belonging to the Company and a negative lien on its loan assets to the extent of ₹240,00.00 Lakh as at March 31, 2017. (March 31, 2016 - ₹558,90.00 lakh).
- The Term Loans from Scheduled Banks are secured by a negative lien on the loan assets of the Company.

NOTES TO THE ACCOUNTS (Contd.)

- d) The Refinance from NHB is secured by a negative lien on 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 2017 to March 2018.
- e) Face Value of commercial paper outstanding as on March 31, 2017 was ₹605,00.00 lakh (March 31, 2016 - ₹341,00.00 lakh).
- f) Interest accrued but not due includes interest of ₹18.83 lakh (March 31, 2016 - ₹23.89 lakh) on deposits accepted from Directors.

11. Short-Term Provisions

(₹ in lakh)

Particulars	March 31, 2017	March 31, 2016
Employee Benefits	1,04.90	93.48
Non-Performing Loans	13,12.61	10,04.18
Proposed Dividend	-	35,43.91
Dividend Tax	-	7,21.46
	14,17.51	53,63.03

12. Long-Term Loans and Advances

(₹ in lakh)

Particulars	March 31, 2017	March 31, 2016
Secured, Considered Good		
Housing Loans		
Individuals	4626,40.53	4492,19.15
Others	55,96.90	30,60.38
	4682,37.43	4522,79.53
Non-Housing Loans		
Individuals	1834,04.44	1782,40.09
Others	196,27.14	162,65.03
	2030,31.58	1945,05.12
Amount retained on Loans assigned	15,91.76	22,50.17
Unsecured, Considered Good :		
Advances and Deposits recoverable in cash or in kind or for value to be received	14,83.68	6,02.81
Other Loans and Advances		
Advance Income-tax and TDS (Net) [Includes ₹55.29 lakh towards income tax paid under dispute]	37,07.20	36,91.23
	6780,51.65	6533,28.86

- a) Housing / Non-Housing Loans granted by the Company are secured by mortgage of properties/hypothecation of loan receivables.
- b) ₹1,50.00 lakh (March 31, 2016 - ₹1,81.75 lakh) due from the Managing Director of the Company.
- c) ₹95.41 lakh (March 31, 2016 - ₹1,01.46 lakh) due from the Officers of the Company.
- d) In accordance with the NHB Directions, the Company has identified Non-Performing Loans amounting to ₹195,14.33 lakh as on March 31, 2017 (March 31, 2016 - ₹182,62.68 lakh).
- e) Insurance on Housing Loans to the extent of ₹44,19.84 lakh (March 31, 2016 - ₹43,36.16) are regrouped under Non-Housing Loans.
- f) Advance Income-tax and Tax Deducted at Source is net of provision for taxation of ₹445,82.10 lakh (March 31, 2016 - ₹404,15.00 lakh)

NOTES TO THE ACCOUNTS (Contd.)

(₹ in lakh)

Description	Gross Block at Cost				Depreciation			Net Block		
	As at 01.04.2016	Additions	Deductions	As at 31.03.2017	Up to 31.03.2016	For the Year	Deductions	Up to 31.03.2017	31.03.2017	31.03.2016
Tangible Assets										
Free hold Land and Buildings	8,41.44 (1.92)	46.25 (8,39.52)	- (-)	8,87.69 (8,41.44)	0.37 (-)	6.09 (0.37)	- (-)	6.46 (0.37)	8,81.23 (8,41.07)	8,41.07 (1.92)
Electrical Installations and Equipments	78.63 (72.93)	34.00 (7.47)	2.84 (1.77)	1,09.79 (78.63)	33.47 (28.31)	8.67 (6.57)	2.19 (1.41)	39.95 (33.47)	69.84 (45.16)	45.16 (44.62)
Vehicles	5,38.26 (4,59.97)	11.44 (85.94)	1,02.99 (7.65)	4,46.71 (5,38.26)	2,91.07 (2,25.96)	58.45 (71.04)	68.29 (5.93)	2,81.23 (2,91.07)	1,65.48 (2,47.19)	2,47.19 (2,34.01)
Furniture and Fixtures	2,26.21 (1,96.38)	37.29 (32.07)	10.24 (2.24)	2,53.26 (2,26.21)	1,47.32 (1,27.51)	23.37 (21.87)	9.09 (2.06)	1,61.60 (1,47.32)	91.66 (78.89)	78.89 (68.87)
Computers and Data Processing Units - Networks & Servers	3,24.12 (3,27.18)	26.88 (-)	- (3.06)	3,51.00 (3,24.12)	2,75.16 (2,54.12)	19.03 (24.05)	- (3.01)	2,94.19 (2,75.16)	56.82 (48.96)	48.96 (73.06)
Computers and Data Processing Units - End user devices	3,79.37 (3,25.22)	54.48 (59.40)	9.79 (5.25)	4,24.06 (3,79.37)	2,58.86 (2,04.43)	57.45 (59.27)	9.22 (4.84)	3,07.09 (2,58.86)	1,16.97 (1,20.51)	1,20.51 (1,20.79)
Office Equipment	2,12.87 (2,08.76)	81.81 (5.90)	2.41 (1.79)	2,92.27 (2,12.87)	1,30.25 (1,05.09)	33.20 (26.25)	1.99 (1.09)	1,61.36 (1,30.25)	1,30.91 (82.62)	82.62 (1,03.67)
Total	26,00.90	2,92.15	1,28.27	27,64.78	11,36.50	2,06.26	90.78	12,51.88	15,12.91	14,64.40
Intangible Assets										
Computer Software	12,45.58 (6,73.62)	3,77.53 (5,71.96)	- (-)	16,23.11 (12,45.58)	7,30.99 (5,68.16)	213.91 (1,62.83)	- (-)	9,44.90 (7,30.99)	6,78.21 (5,14.59)	5,14.59 (1,05.46)
Total	12,45.58	3,77.53	-	16,23.11	7,30.99	2,13.91	0.00	9,44.90	6,78.21	5,14.59
Grand Total	38,46.48	6,69.68	1,28.27	43,87.89	18,67.49	4,20.17	90.78	21,96.78	21,91.12	19,78.99
Previous year	(22,65.98)	(16,02.26)	(21.76)	(38,46.48)	(15,13.58)	(3,72.25)	(18.34)	(18,67.49)	(19,78.99)	(7,52.40)

Figures in brackets pertain to March 31, 2016

Freehold Land and Buildings include Land to the extent of ₹7,52.67 Lakh.

Intangible Assets: In accordance with Accounting Standard AS 26-Intangible Assets, Software purchased amounting to ₹3,77.53 lakh (March 31, 2016 - ₹5,71.96 lakh) is amortised over a period of 5 years.

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

(₹ in lakh)

Particulars	March 31, 2017		March 31, 2016	
	Face Value	Amount	Face Value	Amount
Investment in Government Securities				
Central Government Loans	31,70.00	30,86.25	23,65.00	22,90.42
State Development Loans	35,83.60	36,84.27	38,12.60	39,18.99
Investment in Trust Securities				
in Mortgage Backed Securities (On Securitisation)				
Investments in Senior Pass Through Certificate (PTC) Securities				
- SINANN IFMR Capital (A1 Certificates)		3,86.99		6,28.07
- Santhanam Trust Series I (A2 Certificates)		2,71.83		3,37.32
- Ariel SBL IFMR Capital (A1 Certificates)		4,35.00		8,05.05
Less: Aggregate provision for diminution in value of investment in Government Securities		(1,36.19)		(1,51.09)
		77,28.15		78,28.76

(₹ in lakh)

Particulars	Cost	Market Value
Aggregate amount of Quoted Investments	66,34.33	73,22.07
Aggregate amount of Unquoted Investments	10,93.82	-
Total	77,28.15	

(₹ in lakh)

Particulars	Face Value	March 31, 2017	March 31, 2016
		Cost	Cost
Quoted			
Investment in Government Securities			
Central Government Loans	31,70.00	30,52.10	22,47.10
State Development Loans	35,83.60	35,82.23	38,11.23
		66,34.33	60,58.33

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 ₹67,53.60 lakh (Cost ₹67,70.52 lakh) and bank deposits of ₹71,43.00 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.)

15. Other Non-Current Assets (₹ in lakh)

Particulars	March 31, 2017	March 31, 2016
Secured, Considered Good		
Loan Against Deposits	1,09.51	1,34.27
	<u>1,09.51</u>	<u>1,34.27</u>

16. Short-Term Loans and Advances (₹ in lakh)

Particulars	March 31, 2017	March 31, 2016
Secured, Considered Good		
Housing Loans		
Individuals	314,85.62	291,75.29
Others	11,81.96	5,57.13
	326,67.58	297,32.42
Non-Housing Loans		
Individuals	212,88.42	193,72.26
Others	25,35.78	32,09.66
	238,24.20	225,81.92
Amount retained on Loans assigned	2,70.34	3,10.42
Loan Against Deposits	40.37	1,17.06
Unsecured, Considered Good:		
Advances and Deposits recoverable in cash or in kind or for value to be received	-	-
Others	1,66.22	1,74.58
	<u>569,68.71</u>	<u>529,16.40</u>

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

b) ₹20.00 lakh (March 31, 2016 - ₹18.25 lakh) due from the Managing Director of the Company.

c) ₹7.61 lakh (March 31, 2016 - ₹9.01 lakh) due from the Officers of the Company.

d) In accordance with the NHB Directions, the Company has identified Non-Performing Loans amounting to ₹19,53.41 lakh as on March 31, 2017 (March 31, 2016 - ₹15,22.92 lakh).

e) Insurance on Housing Loans to the extent of ₹2,61.61 lakh (March 31, 2016 - ₹2,01.20 lakh) is regrouped under Non-Housing Loans.

17. Current Investments (₹ in lakh)

Particulars	March 31, 2017 Amount	March 31, 2016 Amount
Un-quoted		
Investment in Trust Securities		
- Mutual Funds	308,00.00	187,00.00
- SINANN IFMR Capital A1 Certificates	84.03	71.39
- Santhanam Trust Series I A2 Certificates	27.36	29.48
- Ariel SBL IFMR Capital A1 Certificates	2,35.29	2,20.76
	<u>311,46.68</u>	<u>190,21.63</u>

NOTES TO THE ACCOUNTS (Contd.)

(₹ in lakh)

Particulars	Cost	Market Value
Aggregate amount of Quoted Investments	-	-
Aggregate amount of Unquoted Investments	311,46.68	
Total	311,46.68	

Particulars	Face Value (₹)	March 31, 2017		March 31, 2016	
		Holding (Number)	Cost (₹ in lakh)	Holding (Number)	Cost (₹ in lakh)
Quoted		-	-	-	-
Unquoted					
Investment in Mutual Funds					
Sundaram Money Fund-Direct- Growth	10	4,66,95,899.862	160,00.00	438589,23.146	140,00.00
HDFC Liquid Fund-Direct-Growth	1000	77,959.657	25,00.00	535,53.615	16,00.00
ICICI Prudential Liquid Fund-Direct- Growth	100	12,47,112.418	30,00.00	7139,92.149	16,00.00
Axis Liquid Fund-Direct- Growth	1000	55,481.778	10,00.00	-	-
Birla Sun Life FRF- Short Term Plan -Direct- Growth	100	11,53,519.622	25,00.00	-	-
HSBC Cash Fund-Direct-Growth	1000	1,54,401.666	25,00.00	-	-
Kotak Floater ST-Direct -Growth	1000	37,480.609	10,00.00	-	-
IDFC Cash Fund-Direct-Growth	1000	25,313.592	5,00.00	-	-
SBI Premier Liquid Fund-Direct-Growth	1000	39,198.089	10,00.00	-	-
Tata Money Market Fund-Direct- Growth	1000	31,227.567	8,00.00	-	-
Templeton India TMA-Direct- Growth	1000	-	-	662,78.396	15,00.00
			308,00.00		187,00.00

18. Cash and Bank Balances

(₹ in lakh)

Particulars	March 31, 2017	March 31, 2016
Cash and Cash Equivalents		
Cash on Hand	2,02.39	3,87.50
Balances with Scheduled Banks in Current Accounts	2,50.98	78.25
Cheques, Drafts on hand	33,92.64	23,18.91
	36,43.62	23,97.16
Bank Deposit		
Upto 12 months maturity	113,36.50	216,05.30
More than 12 months maturity	2,97.00	46,47.00
	154,79.51	290,36.96

Bank Deposit accounts include ₹44,90.50 lakh (31.03.2016 - ₹45,84.50 lakh) provided as collateral for assets securitised / assigned.

NOTES TO THE ACCOUNTS (Contd.)

19. Other Current Assets

(₹ in lakh)

Particulars	March 31, 2017	March 31, 2016
Secured, Considered Good:		
Instalments due from Borrowers	71,57.05	48,47.79
Income Receivable	1,52.73	1,26.13
Interest Accrued on Investments	1,50.94	1,47.04
	74,60.72	51,20.96

20. Revenue from Operations

(₹ in lakh)

Particulars	April 2016 - March 2017	April 2015 - March 2016
Interest on Loans	858,50.53	853,60.70
Loan Processing and Other Fees	6,06.27	8,16.40
Investment Income	17,65.16	18,15.56
Profit on Sale of Current Investments	19,73.52	22,05.22
Profit on Sale of Non-Current Investments	14.17	1.50
Other Operating Income	19,56.29	25,03.85
	921,65.94	927,03.23

- a) Investment Income includes ₹1,82.05 lakh (April 2015 - March 2016 ₹1,20.20 lakh) from investment in Mortgage-Backed Securities.
- b) Loan Processing and Other Fees are net of amount paid to Business sourcing agents aggregating ₹6,61.63 lakh (April 2015 - March 2016 ₹6,32.82 lakh)

21. Other Income

(₹ in lakh)

Particulars	April 2016 - March 2017	April 2015 - March 2016
Interest Receipts	89.54	19.44
Profit on Sale of Fixed Assets	3.45	2.05
Miscellaneous Income	25.94	1.66
	1,18.93	23.15

22. Financial Costs

(₹ in lakh)

Particulars	April 2016 - March 2017	April 2015 - March 2016
Interest Expense		
-Non-Convertible Debentures	206,51.27	201,55.67
-Term Loans	222,63.28	253,58.91
-Fixed Deposits	100,98.45	96,86.58
-Commercial Paper	48,59.24	46,92.77
-Others	53.01	24.71
Other borrowing cost	3,75.73	3,71.25
	583,00.98	602,89.89

NOTES TO THE ACCOUNTS (Contd.)
23. Employee Benefits

(₹ in lakh)

Particulars	April 2016 - March 2017	April 2015 - March 2016
Salaries, Bonus and Commission	39,53.01	35,13.61
Contribution to Provident and Other Funds	1,90.81	1,86.59
Staff Welfare Expenses	1,96.98	1,77.94
	43,40.80	38,78.14

24. Administrative and Other Expenses

(₹ in lakh)

Particulars	April 2016 - March 2017	April 2015 - March 2016
Rent	5,54.10	5,08.76
Rates and Taxes	7.23	18.84
Communication Expenses	1,86.33	1,76.43
Electricity Expenses	96.20	97.62
Travelling and Conveyance	1,89.91	1,57.66
Advertisement and Publicity	3,56.40	4,08.17
Outsourcing Cost	3,89.05	3,42.89
Directors' Sitting Fees	12.18	8.61
Insurance	25.58	27.97
Repairs and Maintenance		
-Buildings	1,00.98	53.58
-Others	3,41.00	278.69
	4,41.98	3,32.27
Software Charges	5,18.61	4,41.99
Database and Networking Expenses	4,11.80	3,67.15
CSR Contributions	3,92.95	2,54.55
Miscellaneous Expenses (Net)	3,29.10	2,58.23
	39,11.42	34,01.14

Miscellaneous Expenses (Net) include remuneration to Statutory Auditors towards:

(₹ in lakh)

Particulars	April 2016 - March 2017	April 2015 - March 2016
Statutory Audit	22.50	18.00
Tax Audit	5.50	4.50
Certification	8.60	8.35

NOTES TO THE ACCOUNTS (Contd.)

25. Provisions and Write offs

(₹ in lakh)

Particulars	April 2016 - March 2017	April 2015 - March 2016
Provision against		
- Non-Performing Loans	13,79.23	12,83.72
- Investments	(14.90)	60.90
Bad Debts	107.09	26.63
Loss on Fixed Assets Sold / Written off	1.22	0.73
Loss on Sale of Investments	12.68	-
	14,85.32	13,71.98

26. General

26.1 The main business of the Company is to provide long-term finance for acquisition /construction of residential properties 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, 2017 are as follows

Pass Through Certificates subscribed by the Company:	₹14,40.50 lakh
Bank Deposits provided as collateral:	₹12,79.00 lakh

26.3 Expenditure in Foreign Currency (on payment basis)

On account of Others- Membership fees- ₹0.52 lakh (March 31, 2016 - ₹1.14 lakh)

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

26.5 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	2016-17	2015-16	2014-15	2013-14	2012-13
Provident Fund	1,54.66	1,42.03	1,27.59	91.76	75.59
Employees State Insurance Scheme	5.90	11.32	9.16	7.02	6.11
Superannuation Fund	7.25	7.93	8.80	9.58	14.05

ii) Defined Benefit Plan: Gratuity

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

(₹ in lakh)

	April 2016- March 2017	April 2015- March 2016
Present value of obligations as at the beginning of the year	2,80.99	2,49.74
Interest cost	21.51	19.98
Current service cost	33.52	30.82
Benefits paid	(24.30)	(17.83)
Actuarial (gain)/loss on obligation	(0.92)	(1.71)
Present value of obligations as at the end of the year	3,10.80	2,80.99

NOTES TO THE ACCOUNTS (Contd.)
B. Reconciliation of opening and closing balances of fair value of plan assets

Fund Maintained by Life Insurance Corporation of India

(₹ in lakh)

	April 2016- March 2017	April 2015- March 2016
Fair value of plan assets as at beginning of the year	3,14.92	2,89.16
Expected return on plan assets	25.29	24.75
Contributions	26.66	18.84
Benefits paid	(24.30)	(17.83)
Actuarial gain / loss on plan assets	3.05	-
Fair value of plan assets as at the end of the year	3,45.62	3,14.92

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

(₹ in lakh)

	April 2016- March 2017	April 2015- March 2016
Present value of obligations as at the end of the year	3,10.80	2,80.99
Fair value of plan assets as at the end of the year	3,45.62	3,14.92
Net asset/(liability) recognised in the Balance Sheet	34.82	33.93

D. Expenses recognised in the Statement of Profit and Loss

(₹ in lakh)

	April 2016- March 2017	April 2015- March 2016
Current Service Cost	33.52	30.82
Interest Cost	21.51	19.98
Expected return on plan assets	(25.29)	(24.75)
Actuarial (gain)/loss on obligation	(0.92)	(1.71)
Expenses recognized in the Statement of Profit and Loss	28.82	24.33

E. Details showing fair value of plan assets

(₹ in lakh)

	April 2016- March 2017	April 2015- March 2016
Fair value of plan assets as at the beginning of the year	3,14.92	2,89.16
Actual return on plan assets	25.29	24.75
Contributions	26.66	18.84
Benefits Paid	(24.30)	(17.83)
Actuarial gain / loss on plan assets	3.05	-
Fair value of plan assets as at the end of the year	3,45.62	3,14.92

NOTES TO THE ACCOUNTS (Contd.)

F. Actuarial Gain / Loss recognized

(₹ in lakh)

	April 2016- March 2017	April 2015- March 2016
Actuarial (gain)/ loss on obligation	(0.92)	(1.71)
Actuarial gain / loss on plan assets	-	-
Total (gain) / loss for the year	(0.92)	(1.71)
Actuarial (gain) / loss recognized in the year	(0.92)	(1.71)

G. Actual return on plan assets

(₹ in lakh)

	April 2016- March 2017	April 2015- March 2016
Expected return on plan assets	25.29	24.75
Actuarial gain / loss on plan assets	3.05	-
Actual return on plan assets	28.34	24.75

H. Actuarial assumption*

	March 31, 2017	March 31, 2016
Discount Rate	7.25%	8.00%
Rate of Increase in Compensation levels	7.00%	6.00%
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.

Amounts for the current and previous four years are as follows:

(₹ in lakh)

Particulars	2016-17	2015-16	2014-15	2013-14	2012-13
Defined Benefit Obligations	3,10.80	2,80.99	2,46.31	2,54.57	2,11.59
Plan Assets	3,45.62	3,14.92	2,87.74	2,31.15	2,26.48
Surplus (Deficit)	34.82	33.93	41.43	(23.42)	14.89
Experience adjustments on plan liabilities	0.92	(1.71)	(37.54)	23.16	(36.89)
Experience adjustments on plan assets	-	-	-	-	-

iii) The actuarial present value of obligations towards compensated absences, as per actuarial certificate, as on March 31, 2017 is ₹73.40 lakh (March 31, 2016- ₹62.65 lakh) and is recognised in the books of account.

iv) The actuarial value of reimbursement of medical expenses as on March 31, 2017 is ₹50.51 lakh (March 31, 2016- ₹44.49 lakh) and is provided in the books of account.

NOTES TO THE ACCOUNTS (Contd.)

26.6 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 Holdings Ltd.
 (Formerly known as Sundaram Finance Distribution Ltd.)
 Sundaram Infotech Solutions Ltd.
 Sundaram Insurance Broking Services Ltd.
 Sundaram Trustee Company Ltd.
 Royal Sundaram General Insurance Co. Ltd.

Key Management Personnel:

Mr. Srinivas Acharya - Managing Director

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

Mrs. Revathi Srinivas - Wife of Mr. Srinivas Acharya

NOTES TO THE ACCOUNTS (Contd.)

Details of Related Party Transactions for the year ended 31st March 2017

(₹ in lakh)

	Joint Venture Promoters	Fellow Subsidiaries / Associates	Key Management Personnel	Relative of Key Management Personnel	April 2016- March 2017	April 2015- March 2016
Income						
Interest on Housing Loan	-	-	3.70	-	3.70	2.08
Rent						
Sundaram Finance Ltd.	1.14	-	-	-	1.14	0.69
Expenses						
Rent						
Sundaram Finance Ltd.	2,14.15	-	-	-	2,14.15	2,10.74
Brokerage, Commission, Deposit, Payroll Processing Services and Tele calling Services						
Sundaram Finance Ltd.	4,94.92	-	-	-	4,94.92	5,22.22
Sundaram BPO India Ltd.	-	50.69	-	-	50.69	29.35
Intranet/ Web Maintenance, Scanning Image Charges						
Sundaram Finance Ltd.	16.56	-	-	-	16.56	13.39
Inspection fees and Docket Verification fees						
Sundaram Finance Ltd.	71.33	-	-	-	71.33	48.87
Connectivity and Other Charges						
Sundaram Finance Ltd.	4,42.74	-	-	-	4,42.74	4,18.86
Sundaram Infotech Solutions Ltd.	-	39.18	-	-	39.18	45.49
Interest On NCDs						
Royal Sundaram General Insurance Co. Ltd.	-	6,63.74	-	-	6,63.74	5,03.80
Interest On Public Deposits						
	-	-	-	6.61	6.61	3.30
Training Expenses						
Sundaram Finance Ltd.	2.21	-	-	-	2.21	0.45
Insurance Premium						
Royal Sundaram General Insurance Co. Ltd.	-	18.02	-	-	18.02	6.24
Remuneration						
	-	-	2,17.35	-	217.35	203.45
Dividend Paid						
Sundaram Finance Ltd.	17,75.50	-	-	-	17,75.50	17,75.50
BNP Paribas Personal Finance S.A.	17,68.41	-	-	-	17,68.41	17,68.41

* 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 2017

(₹ in lakh)

	Joint Venture Promoters	Fellow Subsidiaries / Associates	Key Management Personnel	Relative of Key Management Personnel	April 2016-March 2017	April 2015-March 2016
Assets						
Purchase of Asset						
Sundaram Finance Ltd.	3,75.60	-	-	-	3,75.60	3,98.98
Sundaram Infotech Solutions Ltd.	-	-	-	-	-	-
Advances towards Software						
Sundaram Finance Ltd.	1.25	-	-	-	1.25	221.15
Other Deposits						
Sundaram Finance Ltd.	1,43.44	-	-	-	1,43.44	1,43.44
Royal Sundaram General Insurance Co. Ltd.	-	10.22	-	-	10.22	10.00
Receivables						
Sundaram Finance Ltd.	0.51	-	-	-	0.51	-
Housing Loan - at the end of the year	-	-	1,70.00	-	1,70.00	2,00.00
Insurance Premium Prepaid						
Royal Sundaram General Insurance Co. Ltd.	-	11.67	-	-	11.67	7.08
Liabilities						
Deposits						
	-	-	-	35.00	35.00	35.00
Interest Accrued on Deposits						
	-	-	-	6.61	6.61	3.30
Issue of Non-Convertible Debentures						
Royal Sundaram General Insurance Co. Ltd.	-	65,00.00	-	-	65,00.00	70,00.00
Interest Accrued on NCDs						
Royal Sundaram General Insurance Co. Ltd.	-	2,66.20	-	-	2,66.20	3,38.07
Commission Payable	-	-	1,00.00	-	1,00.00	1,00.00
Other Liabilities						
Sundaram Finance Ltd.	34.20	-	-	-	34.20	53.24
Sundaram Infotech Solutions Ltd.	-	-	-	-	-	0.38
Sundaram BPO India Ltd.	-	2.13	-	-	2.13	-
Dividend						
Sundaram Finance Ltd.	-	-	-	-	-	17,75.50
BNP Paribas Personal Finance S.A.	-	-	-	-	-	17,68.41

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

NOTES TO THE ACCOUNTS (Contd.)

26.7 Earnings per Share (Basic and Diluted)

Particulars	2016-17	2015-16
Profit for the year after taxation (₹ in lakh)	153,64.93	152,72.22
Weighted average number of Equity Shares	10,12,54,438	10,12,54,438
Basic and Diluted earnings per share (₹)	15.17	15.08
Dividend Proposed to be distributed (₹ in lakh)	- @	35,43.91
Dividend per share (₹)	- @	3.50

@ No appropriation proposed, pending approval of Dividend by the Members at the ensuing Annual General Meeting.

26.8 Details of Dividend remitted in foreign currency

Particulars	2016-17	2015-16
Number of Non Resident Shareholders	One	One
Number of Shares	5,05,25,965	5,05,25,965
Amount of Dividend remitted (₹ in lakh)	17,68.41	17,68.41
Financial year to which the dividend relates	2015-16	2014-15

26.9 Dividend of 35% (₹3.50 per share) for the Financial Year 2016-17 on the total paid-up capital of ₹101.25 crore has been recommended by the Board. In terms of the Companies (Accounting Standard) Rules, 2006, as amended, the proposed dividend including dividend distribution tax of ₹42.65 crore is not recorded as a liability as on 31st March, 2017 and it will be recognised when Dividend is approved by the Members in the ensuing Annual General Meeting.

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

26.11 Contingent Liabilities in respect of

- Sanctioned and Undisbursed loans as at March 31, 2017: ₹262,90.05 lakh. (March 31, 2016 - ₹207,29.14 lakh).
- Partly undisbursed amounts of loans sanctioned as at March 31, 2017 : ₹140,48.39 lakh. (March 31, 2016 - ₹113,78.82 lakh).
- Others - ₹20 lakh (March 31, 2016 - ₹20 lakh).

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

26.13 The pending litigations as on March 31, 2017 have been estimated 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.

26.14 During the year, Sundaram Finance Limited, the holding company has incurred ₹28.91 lakh (March 31, 2016 - ₹31.34 lakh) towards the cost of Employee Stock Option Scheme issued under Sundaram Finance Employee Stock Option Scheme 2008 to the Managing Director and two Senior executives of the Company.

26.15 Estimated amount of contracts remaining to be executed on capital account - ₹29.00 lakh. (March 31, 2016 - ₹48.00 lakh).

26.16 Disclosure as per Housing Finance Companies-Corporate Governance (National Housing Bank) Directions, 2016.

26.16.01 Capital to Risk (Weighted) Assets Ratio

Particulars	March 31, 2017	March 31, 2016
i CRAR (%)	24.78%	23.94%
ii CRAR-Tier I Capital (%)	20.88%	19.34%
iii CRAR-Tier II Capital (%)	3.90%	4.60%
iv Amount of subordinated debt raised as Tier-II Capital	-	-
v Amount raised by issue of Perpetual Debt Instruments	-	-

26.16.02 Reserve Fund u/s 29C, of NHB Act 1987: Disclosed separately under Note 3 - Page 55 & 56

26.16.03 Investments

(₹ in crore)

Particulars	March 31, 2017	March 31, 2016
i. Gross value of Investments		
a) In India	390.11	270.01
b) Outside India	Nil	Nil
ii. Provisions for Depreciation		
a) In India	(1.36)	(1.51)
b) Outside India		
iii. Net value of Investments		
a) In India	388.75	268.50
b) Outside India		
Movement of provisions held towards-depreciation on investments		
i. Opening balance	1.51	0.90
ii. Add: Provisions made during the year	Nil	0.61
iii. Less: Write-off / Write-back of excess provisions during the year	0.15	Nil
iv. Closing Balance	1.36	1.51

26.16.04 Derivatives: NIL

Forward Rate Agreement (FRA) / Interest Rate Swap (IRS)	: NIL
Exchange Traded Interest Rate (IR) Derivative	: NIL
Disclosures on Risk Exposure in Derivatives	: NA

26.16.05.01 Securitisation

(₹ in crore)

	Particulars	March 31, 2017	March 31, 2016
1.	No of SPVs sponsored by the HFC for Securitisation transactions*	1	1
2.	Total amount of securitised assets as per books of the SPVs Sponsored	99.33	121.78
3.	Total amount of exposures retained by the HFC towards the MRR as on the date of balance sheet		
	I) Off-balance sheet exposures towards Credit Concentration		
	II) On-balance sheet exposures towards Credit Concentration		
	a) Cash Collateral	12.79	12.79
	b) Others	2.99	3.67
4.	Amount of exposures to securitisation transactions other than MRR	Nil	Nil
	I) Off-balance sheet exposures towards Credit Concentration	Nil	Nil
	II) On-balance sheet exposures towards Credit Concentration	Nil	Nil
	*Only the SPVs relating to outstanding securitisation transactions may be reported here		

Details of Financial Assets sold to Securitisation / Reconstruction Company for Asset Reconstruction: Nil

Details of Assignment transactions undertaken by HFCs: Nil

Details of non-performing financial assets purchased / sold: Nil

26.16.06 Assets Liability Management (Maturity pattern of certain items of Assets Liabilities)

(₹ in crore)

	1 day to 30-31 days (one month)	Over one month to 2 months	Over 2 months upto 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 to 5 years	Over 5 to 7 years	Over 7 to 10 years	Over 10 years	Total
Liabilities											
Deposits	34.24	25.05	25.35	100.42	232.54	662.64	14.48	-	-	-	1094.72
Borrowings from Banks*	62.39	-	12.50	97.04	189.31	539.93	427.45	394.56	450.85	306.37	2480.40
Market Borrowings	133.50	215.60	320.24	199.09	155.00	1636.20	106.00	65.00	65.00	-	2895.63
Foreign Currency Liabilities	-	-	-	-	-	-	-	-	-	-	-
Assets											
Advances	45.89	46.07	46.97	140.82	287.87	1255.06	1364.34	1240.45	1397.41	1471.32	7296.20
Investments [#]	308.29	0.35	0.29	65.08	50.82	9.99	2.47	21.26	29.99	16.54	505.08
Foreign Currency Assets	-	-	-	-	-	-	-	-	-	-	-

* Includes Borrowings from NHB.

Breakup: (₹ in crore)

Investments	
Investments as per Note 13	77.28
Investments as per Note 17	311.47
Total (A)	388.75
Cash & Bank balances-Note 18	
Bank Deposits	-
SLR Bank Deposits	71.43
Bank deposits held as Collateral for assets assigned	44.90
Total (B)	116.33
Total (A)+(B)	505.08

26.16.07 Exposure

26.16.07.01 Exposure to Real Estate Sector

Category		March 31, 2017	March 31, 2016
a)	Direct exposure #	(₹ in crore)	(₹ in crore)
	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	1406.26	1478.06
	• Others	5239.94	4973.08
	Total	6646.20	6451.14
	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;	645.07	574.82
	iii) Investments in Mortgage Backed Securities (MBS) and other securitised exposures -		
	a. Residential	14.41	20.92
	b. Commercial Real Estate	-	-
b)	Indirect Exposure		
	Fund Based and Non-Fund Based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	47.38	22.33

Notes:

Consists of future Principal and Principal component of EMI outstanding.

* Includes exposures to Non-Housing loans secured by residential mortgages amounting to ₹1424.76 crore (Previous year - ₹1491.96 crore)

Exposure to Capital Market	:	NIL
Details of financing of Parent Company products	:	NIL
Details of Single Borrower Limit (SGL)/ Group Borrower Limit (GBL) exceeded by HFC	:	NIL
Unsecured Advances	:	NIL

Additional Disclosures

26.16.08.01 Provisions and Contingencies

(₹ in crore)

Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account		2016-17	2015-16
1.	Provision for depreciation on Investment	(0.15)	0.61
2.	Provision made towards Income tax	82.92	80.57
3.	Provision towards NPA	13.79	12.84
4.	Provision for Standard Assets (with details like teaser loan, CRE, CRE-RH etc.)	1.70	0.83
	Housing (Including LOC)	0.75	0.50
	Non- Housing (Others)	(0.05)	0.12
	Non-Housing Commercial Real Estate	1.00	0.21
5.	Other Provision and Contingencies (with details)	-	-

(₹ in crore)

Break up of Loan & Advances and Provisions thereon	Housing		Non-Housing	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
Standard Assets				
a) Total Outstanding Amount	4993.28	4804.46	2146.35	2062.46
b) Provisions made	19.95	19.19	12.90	11.96
Sub-Standard Assets				
a) Total Outstanding Amount	24.22	36.91	41.84	38.73
b) Provisions made	5.46	13.01	9.65	12.94
Doubtful Assets-Category-I				
a) Total Outstanding Amount	27.19	33.41	28.39	47.10
b) Provisions made	19.61	25.62	18.96	37.19
Doubtful Assets-Category-II				
a) Total Outstanding Amount	34.00	14.38	50.59	23.53
b) Provisions made	33.26	14.38	48.87	23.53
Doubtful Assets-Category-III				
a) Total Outstanding Amount	4.04	1.67	4.40	1.82
b) Provisions made	4.04	1.67	4.40	1.82
Loss Assets				
a) Total Outstanding Amount	-	0.30	-	-
b) Provisions made	-	0.30	-	-
TOTAL				
a) Total Outstanding Amount	5082.73	4891.13	2271.58	2173.64
b) Provisions made	82.32	74.17	94.78	87.44

Note:

1. The total outstanding amount means principal + accrued interest + other charges pertaining to loans without netting off.
2. The Category of Doubtful Assets will be as under:

Period for which the assets have been considered as doubtful	Category
Up to one year	Category-I
One to three years	Category-II
More than three years	Category-III

26.16.08.02 Draw Down from Reserves : NIL

Concentration of Public Deposits, Advances, Exposures and NPAs

26.16.09.01 Concentration of Public Deposits (for Public Deposit taking/holding HFCs)

(₹ in crore)

Particulars	March 31, 2017	March 31, 2016
Total Deposits of twenty largest depositors	438.74	401.92
Percentage of Deposits of twenty largest depositors to Total Deposits of the HFC	40.08%	39.31%

26.16.09.02 Concentration of Loans & Advances

(₹ in crore)

Particulars	March 31, 2017	March 31, 2016
Total Loans & Advances to twenty largest borrowers	251.59	197.51
Percentage of Loans & Advances to twenty largest borrowers to Total Advances of the HFC	3.43%	2.80%

26.16.09.03 Concentration of all Exposure (including off-balance sheet exposure)

(₹ in crore)

Particulars	March 31, 2017	March 31, 2016
Total Exposure to twenty largest borrowers /customers	254.14	200.53
Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the HFC on borrowers / customers	3.30%	2.66%

26.16.09.04 Concentration of NPAs

(₹ in crore)

Particulars	March 31, 2017	March 31, 2016
Total Exposure to top ten NPA accounts	33.51	35.91

26.16.09.05 Sector-wise NPA

Sl. No.	Sector	Percentage of NPAs to Total Advances in that sector
A.	Housing Loans:	
1.	Individuals	1.77%
2.	Builders/Project Loans	-
3.	Corporates	-
4.	Others (specify)	-
B.	Non-Housing Loans:	
1.	Individuals	5.61%
2.	Builders/Project Loans	-
3.	Corporates	-
4.	Others (specify)	-

26.16.10.01 Movement of NPAs

(₹ in crore)

Particulars		March 31, 2017	March 31, 2016
I)	Net NPAs to Net Advances (%)	0.98%	0.98%
II)	Movement of NPAs (Gross)		
	a) Opening balance	197.86	168.03
	b) Additions during the year	67.38	76.67
	c) Reductions during the year	50.56	46.84
	d) Closing balance	214.68	197.86
III)	Movement of Net NPAs		
	a) Opening balance	67.40	50.41
	b) Additions during the year	23.70	32.70
	c) Reductions during the year	20.67	15.71
	d) Closing balance	70.43	67.40
IV)	Movement of provisions for NPAs (excluding provisions on standard assets)		
	a) Opening balance	130.46	117.62
	b) Provisions made during the year	43.68	43.97
	c) Write-off/write-back of excess provisions	29.89	31.13
	d) Closing balance	144.25	130.46

26.16.10.02 Overseas Assets- Nil

26.16.10.03 Off-balance Sheet SPVs sponsored (which are required to be consolidated as per accounting Norms)- Nil

26.16.11 Disclosure of Complaints

26.16.11.01 Customers Complaints

Particulars	March 31, 2017	March 31, 2016
a) No. of complaints pending at the beginning of the year	0	0
b) No. of complaints received during the year	41	43
c) No. of complaints redressed during the year	41	43
d) No. of complaints pending at the end of the year	0	0

26.17 Disclosure On Specified Bank Notes-Pursuant To Ministry Of Corporate Affairs Notification G.S.R. 308(E) Dated 30th March, 2017

Reconciliation of Cash Balance

(₹ in lakh)

Particulars	SBNs	Other Denomination notes	Total
Closing Balance as at 8th November 2016	22.81	1.15	23.96
Transactions between 9th November 2016 and 30th December 2016			
Add: Receipts for permitted transactions	-	560.88	560.88
Less : Paid for permitted transactions	-	4.66	4.66
Less: Deposited in bank accounts	22.81	521.16	543.97
Closing balance as at 30th December 2016	-	36.21	36.21

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

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

I Ravi Sankar
Partner
Membership No. 25929
Chennai
28th April 2017

S. Viji
Chairman
G. Sundararajan
Chief Financial Officer
V. Swaminathan
Company Secretary

Srinivas Acharya
Managing Director
N. Ganga Ram
Director



SUNDARAM BNP PARIBAS
— HOME FINANCE —

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

Corporate Office : 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

Anantapur : 08554 243717, Bhimavaram : 08816 226119, Cuddappah : 08562 253366, Eluru : 08812 233432, Gajuwaka : 0891 2573077
Gudivada : 08674 248007, Guntur : 0863 2331469, Kakinada : 0884 2351618, Kurnool : 08518 225146, Nellore : 0861 2322269, Ongole : 08592 283959,
Rajahmundry : 0883 2468579, Srikakulam : 08942 229123, Tanuku : 08819 227667,
Tirupathi : 0877 2237378, Vijayawada : 0866 2471717 Visakhapatnam : 0891 2575522, Vizianagaram : 08922 237778

Telangana

Hyderabad - Secunderabad : 040 27806002, Hyderabad - Kukkatpally : 040 23162224, Hyderabad - LB Nagar : 040 24126456, Karimnagar : 0878 2237676,
Khammam : 08742 242160, Mancheril : 08736 255456, Nizamabad : 08462 220224, Warrangal : 0870 2441244

Karnataka

Bengaluru – Seshadripuram: 080 23567911, Bengaluru – Jayanagar: 080 26493737, Bengaluru – Kengeri : 080 28488077, Bengaluru - Whitefield: 080 28450035,
Bengaluru – Yelahanka : 080 2362 0310, Belgaum: 0831 2471019, Bellary : 0839 2276437, Devanagere : 0819 2297075, Gulbarga : 0847 2244419, Hubli: 0836 2251954,
Mangalore : 0824 2451517, Mysuru : 0821 2425007, Raichur: 08532 225009, Shimoga: 08182 275719

Kerala

Aluva : 0484 2606577, Calicut : 0495 2722066, Kannur : 0497 2761917,
Kayamkulam : 0479 244 1147, Kochi : 0484 2350341,
Kollam : 0474 2742490, Kottayam : 0481 2561549, Manjeri: 0483 2760037,
Muvattupuzha : 0485 2812906, Palakkad : 0491 2503610, Pathanamthitta: 0468 2224289,
Trichur : 0487 2324077, Thirupunithura: 0484 2779170
Thiruvalla : 0469 2600342, Thiruvananthapuram : 0471 2346086

Puducherry : 0413 2330509

Tamil Nadu

Attur: 04282 253354, Chengalpet: 044 27432929,

Chennai - Ambattur: 044 26521656, Chennai - Chromepet: 044 22210244, Chennai - Parrys: 044 25241099,

Chennai - Porur: 044 65624038, Chennai - T Nagar: 044 28155151, Chennai - Thiruvannamiyur: 044 24430030,

Coimbatore - P.N. Palayam : 0422 2246655, Coimbatore - R S Puram: 0422 2545333, Dharmapuri : 04342 230244, Dindigul : 0451 2422001, Erode : 0424 2262999,
Gobichettipalayam: 04285 227737, Hosur : 04344 223318, Kancheepuram: 044 27233660, Karaikudi : 04565 233202, Karur: 04324 231235, Kumbakonam : 0435 2433216,

Madurai : 0452 4380202, Mettupalayam: 04254 221125, Namakkal : 04286 233454, Neyveli: 04142 254577, Palani : 0454 5250252., Perambalur: 04328 275563,

Pollachi: 04259 223552, Pudukottai: 04322 232455, Ranipet: 04172 271979, 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 2474450, Trichy : 0431 2769200, Tuticorin : 0461 2328827, Vellore : 0416 2224884

Rest of India

Ahmedabad: 079 66168910, Aurangabad: 0240 235 0005,

Bhopal: 0755 2550240, Bhubaneswar: 0674 2544677,

Durgapur : 0343 2542805, Indore: 0731 2522236, Jaipur: 0141 2359577,

Kolhapur: 0231 2667381, Kolkata: 033 22837877, Kolkata – Lake Town : 90070 48512,

Nagpur: 0712 255 8017, Nasik: 0253 2501766, Pune: 020 2543 8065, Vadodara: 0265 2355070