

Sundaram Finance Holdings Limited

25th Annual Report

2018-19



SUNDARAM FINANCE HOLDINGS

Board of Directors	T T Srinivasaraghavan R Venkatraman S Prasad Shobhana Ramachandhran Srivats Ram Harsha Viji	Chairman
Audit Committee	R. Venkatraman S Prasad Harsha Viji	Chairman
Stakeholders Relationship Committee	R Venkatraman Srivats Ram T T Srinivasaraghavan	Chairman
Nomination & Remuneration Committee	R Venkatraman S Prasad Harsha Viji	Chairman
Corporate Social Responsibility Committee	S Prasad T T Srinivasaraghavan Harsha Viji	Chairman
Investment Committee	T T Srinivasaraghavan R Venkatraman Srivats Ram Harsha Viji	Chairman
Chief Executive Officer	Paramesh Krishnaier	
Chief Financial Officer	V Vaasen	
Secretary & Compliance Officer	P N Srikant	
Registered Office	21, Patullos Road, Chennai - 600 002 Tel: 044 2852 1181, Fax: 044 2858 6641 Email: investorservices@sundaramholdings.in Website: www.sundaramholdings.in	
CIN	L65100TN1993PLC025996	
Auditors	M/s. R.G.N. Price & Co., Chartered Accountants Simpson's Building, 861 Anna Salai, Chennai – 600002	
Subsidiary	Sundaram Business Services Limited	
Bankers	ICICI Bank Limited State Bank of India	

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SUNDARAM FINANCE HOLDINGS

Board's Report

Your directors have pleasure in presenting the 25th Annual Report together with audited accounts for the year ended 31st March 2019. The summarised financial results of the Company are presented hereunder:

FINANCIAL RESULTS:

(₹ in cr.)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Revenue from Portfolio Companies	81.99	57.00
Operating Revenue	36.76	16.96
Other Income	1.96	1.63
Total Revenue	120.71	75.59
Less: Total Expenses	25.22	15.51
Profit before Tax	95.49	60.08
Profit after Tax	84.93	54.40
Consolidated PAT	137.46	129.67

DIVIDEND

Your directors are pleased to recommend a dividend of ₹1.75 per share on the paid-up share capital of ₹75.55 cr. (35% on the face value of ₹5/-), representing a dividend pay-out of 37.53% of profits (including dividend distribution tax).

AMALGAMATION OF SUNDARAM BPO INDIA LIMITED WITH SUNDARAM BUSINESS SERVICES LIMITED

Sundaram BPO India Limited (SBIL), a wholly-owned subsidiary of your Company, was amalgamated with Sundaram Business Services Limited (SBSL), another wholly-owned subsidiary, with effect from the Appointed Date, viz., 1st April 2018, pursuant to the Order of Hon'ble National Company Law Tribunal, Chennai, under Sections 230 to 232 of the Companies Act, 2013. Consequent to the Amalgamation, the consolidated accounts for the financial year ended 31st March 2019 have been prepared after taking into account the transactions of SBIL.

MANAGEMENT DISCUSSION AND ANALYSIS

GLOBAL ECONOMY

The international market narrative in 2018-19 was largely dominated by the US-China trade talks that eventually culminated in a trade war. Globally, macro sentiments remained subdued due to concerns about a slowdown in the US, Euro zone and China. The IMF revised its global growth forecast downward by a cumulative 40 basis points pegging it at 3.5% in 2019 and 3.6% in 2020. The perceived risk of a US slowdown increased, with the 10 year-3-month spread witnessing an inversion for the first time in over 12 years. The pace of economic growth in the Eurozone also remained tepid, with its largest economy, Germany, narrowly avoiding a technical recession in Q4 2018. The UK faced an extended political crisis after the government's Brexit deal was rejected by the British parliament three times. China posted its slowest growth in December 2018 in over three decades.

INDIAN ECONOMY

India's macro-economic indicators remained fairly stable throughout the fiscal year with real GDP growth continuing to hover around 7%. Industry and services growth remained steady at around 7%, while agriculture growth weakened to below 3% during the year. The fiscal deficit has been maintained at 3.5% of GDP. Foreign Direct Investment flows continue to be encouraging and India's foreign exchange reserves as at end March stood at a comfortable level of \$412 billion. The annual average CPI remained stable at 3.5% during the period from April 2018 to February 2019, as compared to 3.6% in 2017-18. India's global ranking on the ease of doing business improved to 77 from 142 in just under five years.

The Government announced various measures to shore up the Rupee including some to reduce non-essential import of goods. In February 2019, the Government presented its interim budget. The Government continued to strive for a balance between fiscal prudence and providing growth stimulus, with specific emphasis on the alleviation of stress in agricultural households. The budget was generally viewed positively with focus on the bottom of the pyramid and the middle class.

AUTOMOTIVE SECTOR

A majority of your Company's investments are in the automotive sector. FY19 started on a strong note for the domestic auto industry and continued that way for the first half of the financial year. However, this came to a sudden halt with five major factors impacting consumer sentiment: (a) Sharp increase in crude oil price in the 2nd quarter, (b) vehicle price increases (including third-party insurance costs) primarily impacting 2-wheelers and 4-wheelers to a lesser extent, (c) NBFC financing pullback due to liquidity tightening, (d) relaxation of axle load norms impacting Commercial Vehicle demand in the second half and (e) floods in Kerala. These factors together led to an abnormally low festive season demand, as a result of which automotive dealers were saddled with high inventory levels across segments. With the rural economy slowing down due to deterioration in farm/non-farm income, rural sales momentum also began to moderate.

Among the various segments of the auto sector, commercial vehicles witnessed robust growth of 38% in the first half of the financial year. However, the demand situation deteriorated, leading to a 2nd half growth of only 3%. Overall, FY19 Commercial Vehicle sales ended 17.5% up. Passenger Vehicles sales grew slowest at 2.7% YoY. 2-wheelers registered 5% YoY growth, primarily led by motorcycles, up 8% YoY, while scooter volumes were flat. Weakness in the urban segment continues to impact the scooter segment.

Looking ahead, the auto sector will have to transition to stricter Bharat Stage 6 emission norms from 1st April 2020. This will inevitably drive up prices of vehicles, across all auto segments. There is an expectation that this could drive some advance purchases or pre-buying. The Government's focus on improving rural incomes through various schemes such as the Prime Minister KISAN Yojna and RBI's concerted efforts to ensure lower interest rate transmission are also expected to increase auto demand. However, on balance, 2019-20 is likely to be a muted year for the auto industry.

OPERATING AND FINANCIAL PERFORMANCE

Your Company earned a revenue of ₹120.71 cr., during the financial year 2018-19, as against ₹75.59 cr. in the previous

year. The profit after tax for the year was ₹84.93 cr., as against ₹54.40 cr. in the previous year. The company's net-worth stood at ₹1769.93 cr. as on 31.03.2019.

There are no significant changes in key financial ratios of the Company for EY. 2018-19 as compared to EY. 2017-18, except for the following:

Ratios	March 2019	March 2018	Variance	Reason for Change
Current Ratio	80.61	62.42	29%	Increase in current investments
RONW (%)	4.80%	2.39%	100%	OCI movements in the Profit & Loss Account

The consolidated profit after tax and net worth for the year stood at ₹137.46 cr. and ₹2365.62 cr. respectively.

BPO BUSINESS

The BPO business of the Company comprises the following:

Type of Business	Turnover (₹ in cr.)
Shared services business managed by the Company	22.74
Sundaram Business Services Limited - for managing outsourced business of domestic and overseas clients (Wholly-owned Subsidiary)	42.25
Total	64.99

• Shared Services Business

The shared services business of the Company encompasses services provided to Sundaram Finance Limited and its group/ associate companies on an arm's length basis. Such services include transaction processing, accounts payable processing, tele-calling, training, learning and development. The revenue earned from the shared services business during the year was ₹22.74 cr. The business had 583 employees as on 31st March 2019.

• Sundaram Business Services Limited

Sundaram Business Services Limited (SBSL) is a global outsourcing company offering a wide range of services to domestic and overseas clients. Pursuant to the amalgamation

of SBIL, the service offerings of SBSL include best in class outsourcing to over 50 clients in India, Australia and the UK.

The accounts of SBSL for the financial year ended 31st March 2019 have been prepared after giving effect to the Scheme of Amalgamation and consequently, the figures relating to

that company for the current financial year are not strictly comparable with those of the previous years. During the year, SBSL earned a revenue of ₹42.25 cr. and reported a profit after tax of ₹3.59 cr. As on date, the company has 712 employees.

INVESTMENT PORTFOLIO

The Company holds investments in 17 portfolio companies as at 31.03.2019. The total carrying cost of these investments is ₹102.62 cr. The performance of the key portfolio companies during 2018-19 was as follows:

(₹ in cr.)

Sl. No.	Portfolio Company	Holding Cost	Holding (%)	Networth	Share of Networth	PAT	Share of PAT
1	Turbo Energy Private Limited	1.88	32.00	1403.69	449.18	167.38	53.56
2	India Motor Parts and Accessories Limited	5.77	18.52	878.56	162.71	26.41	4.89
3	Brakes India Private Limited	0.15	6.67	1999.13	133.34	446.64	29.79
4	Dunes Oman LLC (FZC)	21.56	43.69	192.09	83.92	51.84	22.65
5	Sundaram Clayton Limited	14.28	11.24	688.70	77.41	119.66	13.45
6	Flometallic India Private Limited	32.50	40.63	156.90	63.74	28.65	11.64
7	Wheels India Limited	8.38	11.08	515.35	57.10	55.96	6.20
8	Axles India Limited	10.16	38.81	137.61	53.40	38.06	14.77
9	Lucas-TVS Limited	0.27	5.32	837.42	44.55	75.60	4.02
10	Delphi-TVS Diesel Systems Limited	0.18	3.19	316.84	10.11	44.47	1.42
11	Others	7.47	NA	140.80	24.98	12.65	4.72
	Total	102.62			1160.45		167.11

Note: The figures relating to the companies mentioned under Sl. Nos. 3, 9 and 10 are based on the audited financial results for the year ended 31st March 2018. The figures relating to the companies mentioned under Sl. Nos. 2 and 7 are based on the unaudited financial results for the nine months ended 31st December 2018, which were subjected to Limited Review. The figures relating to the companies mentioned under Sl. Nos. 1,4,5,6 and 8 are based on the audited financial results for the year ended 31st March 2019.

Turbo Energy Private Limited

Turbo Energy Private Limited is the leading manufacturer of turbo chargers and turbo charger parts in the country. Your Company holds 32% stake in Turbo Energy Private Limited and has been categorised as one of the promoters of that company. Borgwarner Turbo Systems (Germany) and Brakes India Private Limited are

the other promoters of the company. During the year, the revenue earned by the company grew by 24.76% from ₹1270.26 cr. to ₹1584.80 cr. The profit after tax for the year was ₹167.38 cr. as against ₹188.27 cr. in the previous year. Your Company received a total dividend of ₹5.12 cr. from Turbo Energy Private Limited during the financial year 2018-19.

India Motor Parts and Accessories Limited

India Motor Parts and Accessories Limited is the largest distributor of automotive spare parts and equipment in the country. Your Company holds 18.52% stake in India Motor Parts and Accessories Limited. For the period ended 31st December 2018, the revenue earned by the company stood at ₹391.12 cr., as against ₹357 cr. for the corresponding period in the previous year. The profit after tax for the nine months ended 31st December 2018 stood at ₹26.41 cr. as against ₹20.79 cr., for the corresponding period in the previous year. The market capitalisation of the company as on 31st March 2019 was ₹758.75 cr. The value of your Company's holding on that basis, was ₹140.52 cr., as on 31st March 2019. Your Company received a total dividend of ₹1.69 cr. from India Motor Parts and Accessories Limited during the financial year 2018-19.

Brakes India Private Limited

Brakes India Private Limited is the market leader in the manufacture of braking systems for cars and commercial vehicles in the country. Your Company holds 6.67% stake in Brakes India Private Limited and has been categorised as one of the promoters of that company. TRW Automotive (since acquired by and now part of ZF Group) and the TVS Group are the other promoters of the company. The revenue earned by the company for the year ended 31st March 2018 grew by 6.88% from ₹4136.48 cr. to ₹4421.27 cr. The profit after tax for the year ended 31st March 2018 was ₹446.64 cr. as against ₹375.94 cr. in the previous year, registering a growth of 18.81%. Your Company received a total dividend of ₹9.04 cr. from Brakes India Private Limited during the financial year 2018-19.

Dunes Oman LLC (FZC)

Dunes Oman LLC (FZC), operating in Salalah, Sultanate of Oman, is engaged in the manufacture of iron castings for the automotive industry. Your Company holds 43.69% stake in Dunes Oman LLC (FZC) and has been categorised as one of the promoters of that company. Dunes Oman was co-promoted with Brakes India Private Limited. During the year, the company reduced its paid-up equity share capital by 20%, consequent to which the holding cost of the shares in Dunes Oman stands reduced from ₹26.95 cr. to ₹21.56 cr. The company's revenue for the year grew by

5.37% from ₹334.84 cr. to ₹352.83 cr., while the profit after tax for the year was ₹51.84 cr. as against ₹66.81 cr. in the previous year. Your Company received a total dividend of ₹26.92 cr. from Dunes Oman LLC (FZC) during the financial year 2018-19.

Sundaram Clayton Limited

Sundaram Clayton Limited is engaged in the manufacture of precision aluminium cast products for both automotive and non-automotive applications. Your Company holds 11.24% stake in Sundaram Clayton Limited and has been categorised as one of the promoters of that company. The TVS Group is the other promoter of the company. During the year the revenue earned by the company grew by 9.41% from ₹1766.74 cr. to ₹1932.94 cr. The profit after tax for the year was ₹119.66 cr. as against ₹54.92 cr. in the previous year. The market capitalisation of the company as on 31st March 2019 was ₹5917.88 cr. The value of your Company's holding on that basis, was ₹664.88 cr. as on 31st March 2019. Your Company received a total dividend of ₹8.18 cr. from Sundaram Clayton Limited during the financial year 2018-19.

Flometallic India Private Limited

Flometallic India Private Limited is engaged in the manufacture of iron castings for the automotive industry. Your Company holds 40.63% stake in Flometallic India Private Limited. During the year the revenue earned by the company grew by 8.47% from ₹305.26 cr. to ₹331.11 cr. The profit after tax for the year was ₹28.65 cr. as against ₹33.64 cr. in the previous year. Your Company received a total dividend of ₹4.88 cr. from Flometallic India Private Limited during the financial year 2018-19.

Wheels India Limited

Wheels India Limited is the leading manufacturer of wheels and air suspension components for cars and commercial vehicles in the country. Your Company holds 11.08% stake in Wheels India Limited and has been categorised as one of the promoters of that company. Titan Limited and the TVS Group are the other promoters of the company. For the period ended 31st December 2018, the revenue earned by the company grew by 28.78% to ₹2333.78 cr., as against ₹1812.24 cr. for the corresponding period in the previous year. The profit after tax for the nine

months ended 31st December 2018 was ₹55.96 cr. as against ₹52.30 cr. for the corresponding period in the previous year, registering a growth of 7%. The market capitalisation of the company as on 31st March 2019 was ₹2240.41 cr. The value of your Company's holding on that basis, was ₹248.34 cr., as on 31st March 2019. Your Company received a total dividend of ₹2.07 cr. from Wheels India Limited during the financial year 2018-19.

Axles India Limited

Axles India Limited is a leading manufacturer of axle housings for medium and heavy commercial vehicles in the country. Your Company holds 38.81% stake in Axles India Limited and has been categorised as one of the promoters of that company. Dana Corporation (USA) and Wheels India Limited are the other promoters of the company. During the year the revenue earned by the company grew by 28.35% from ₹483.86 cr. to ₹621.05 cr. The profit after tax for the year was ₹38.06 cr. as against ₹22.31 cr. in the previous year, registering a growth of 70.60%. Your Company received a total dividend of ₹2.97 cr. from Axles India Limited during the financial year 2018-19.

Lucas-TVS Limited

Lucas-TVS Limited is engaged in the manufacture of auto electrical equipment. Your Company holds 5.32% stake in Lucas-TVS Limited and has been categorised as one of the promoters of that company. The TVS Group is the other promoter of the company. The revenue earned by the company for the year ended 31st March 2018 grew by 12.49% from ₹2065.96 cr. to ₹2324.10 cr. The profit after tax for the year ended 31st March 2018 was ₹75.60 cr. as against ₹47.61 cr. in the previous year, registering a growth of 58.79%. Your Company received a total dividend of ₹1.20 cr. from Lucas-TVS Limited during the financial year 2018-19.

Delphi-TVS Diesel Systems Limited

Delphi TVS Diesel Systems Limited is engaged in the manufacture of diesel fuel injection equipment for passenger vehicles, commercial vehicles and tractors. Your Company holds 3.19% stake in Delphi TVS Diesel Systems Limited and has been categorised as one of the promoters of that company. Delphi Automotive Systems and the TVS Group are the other promoters

of the company. The revenue earned by the company for the year ended 31st March 2018 grew by 19.66% from ₹885.08 cr. to ₹1059.09 cr. The profit after tax for the year ended 31st March 2018 was ₹44.47 cr. as against ₹6.19 cr. in the previous year. Your Company received a total dividend of ₹0.40 cr. from Delphi TVS Diesel Systems Limited during the financial year 2018-19.

CORPORATE GOVERNANCE

A detailed report on corporate governance, together with a certificate from the Secretarial Auditor, in compliance with the relevant provisions of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, is attached as part of this report, vide Annexure I.

Compliance reports in respect of all laws applicable to the Company have been reviewed by the Board of Directors.

RELATED PARTY TRANSACTIONS

All transactions entered into by the Company with related parties were in the ordinary course of business and on an arm's length basis.

The transactions entered into by the Company with Sundaram Finance Limited during the financial year 2018-19 were material in nature (as per the definition provided under Regulation 23(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015), for which, approval of the shareholders was obtained vide ordinary resolution dated 18th July 2018. The Company did not enter into any material transaction with other related parties, during the year.

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 attached as part of this report, vide Annexure II (i). Further, the Company's policy on Related Party Transactions is attached as part of this report, vide Annexure II (ii), as required under Reg. 23(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

As required under Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the details of the related party transactions with Sundaram Finance Limited, Promoter, have been provided under Note 31 – Related Party Transactions, forming part of the notes to the accounts.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Your Company has contributed towards preventive and general health care, as well as education, in consonance with its CSR policy.

The Annual Report on CSR Activities undertaken by the Company for the Financial Year 2018-19, is annexed with this report, vide Annexure III.

DISCLOSURE UNDER THE 'PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE POLICY'

The Company has in place a Policy for prevention of Sexual Harassment, in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. An Internal Complaints Committee (ICC) has been set up to redress complaints. All employees (permanent, contractual, temporary, trainees) are covered under this policy. No complaints were received during the financial year. None was pending unresolved as on 31st March 2019.

SECRETARIAL AUDIT

In terms of Section 204 of the Companies Act, 2013 and the rules thereunder, the Company has appointed Mr. A. Kalyana Subramaniam, Practising Company Secretary, as the Secretarial Auditor of the Company. The Secretarial Audit Report as provided by him, is annexed to this Report, vide Annexure IV.

REMUNERATION TO DIRECTORS / KEY MANAGEMENT PERSONNEL

Disclosure pursuant to Rule 5 (1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed, vide Annexure V.

EXTRACT OF ANNUAL RETURN

As required under Section 92 (3) of the Companies Act, 2013 and Rule 12 (1) of the Companies (Management and Administration) Rules, 2014, an extract of the Annual Return in Form No. MGT-9 is annexed as part of this report, vide Annexure VI.

DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS

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.

INFORMATION AS PER SECTION 134(3)(M) OF THE COMPANIES ACT, 2013 READ WITH RULE 8 OF THE COMPANIES (ACCOUNTS) RULES, 2014

Your Company has no activity relating to conservation of energy or technology absorption. During 2018-19, foreign currency earnings amounted to ₹48.96 cr. There was no expenditure in foreign currency.

INTERNAL FINANCIAL CONTROLS

The Company has a well-established internal financial control and risk management framework, with appropriate policies and procedures, to ensure the highest standards of integrity and transparency in its operations and a strong corporate governance structure, while maintaining excellence in services to all its stakeholders. Appropriate controls are in place to ensure: (a) the orderly and efficient conduct of business, including adherence to policies (b) safeguarding of assets (c) prevention and detection of frauds / errors (d) accuracy and completeness of the accounting records and (e) timely preparation of reliable financial information.

RISK MANAGEMENT

Your Company has taken effective steps to build a robust risk management framework. Engaged, as it is, in the business of making investments and business process outsourcing services, the Company has to manage various risks, including investment related risk, business and market risk, operational risk and technology related risk. The Company has established systems and procedures to ensure that these risks are identified, measured and managed effectively. The Audit Committee reviews these risks on a regular basis.

Operational risks arising from inadequate or failed internal processes, people and systems or from external events are adequately addressed by the internal control systems. These systems are continuously reviewed, monitored and modified, as necessary. A stable and experienced management team provides much needed continuity and expertise in managing the dynamic changes in the market environment. Process improvements and quality control are on-going imperatives and are built into the employees' training modules, as well. The Company has well documented Standard Operating Procedures for all processes to ensure better control over transaction processing and regulatory compliance.

INTERNAL AUDIT

As part of the efforts to evaluate the effectiveness of the internal control systems, your Company has employed the services of the Internal Audit Department (IAD) of Sundaram Finance Limited (SFL) to independently evaluate the adequacy of control measures on a periodic basis and recommend improvements, wherever appropriate. The Internal Audit team plays a vital role in continuously monitoring the effectiveness of the Standard Operating Procedures, as a part of risk mitigation.

The IAD of SFL is manned by highly qualified and experienced personnel and reports directly to the Audit Committee of the Board. The Audit Committee regularly reviews the audit findings as well as the adequacy and effectiveness of the internal control measures.

HUMAN RESOURCES

In an environment that is rapidly becoming technology and digital oriented, your Company believes in investing in long term people development, for organisational excellence. Part of the enduring tradition of the Sundaram Finance Group, over the decades, has been the handing down of wisdom to successive generations of employees, using the conventional methods of listening, observing and on the job training. Your Company proposes to continue the tradition along with appropriate technological support to meet the challenges of growth and scale.

INFORMATION TECHNOLOGY

Your Company's operations are supported by a full-fledged Data Centre catering not only to its own needs, but also those of its subsidiaries, with over 99.5% uptime. Your company has a well-planned Business Continuity Plan for all critical applications with near real-time data replication.

The delivery centres meet the Information Security Management System and CIA (Confidentiality, Integrity and Availability) Standards. To cater to the ever changing customer needs, the IT infrastructure is being constantly upgraded with new / enhanced features to facilitate smooth functioning of operations and deliver customer satisfaction.

CONSOLIDATED FINANCIAL STATEMENTS

In accordance with the provisions of Section 129 (3) of the Companies Act, 2013, the Consolidated Financial Statements, drawn up in accordance with the applicable Accounting Standards, form part of the Annual Report. A separate statement containing the salient features of the financial statements of your Company's Subsidiary and Associates in Form AOC-I forms part of the Annual Report.

The annual report of Sundaram Business Services Limited, Subsidiary has been posted on your Company's website – www.sundaramholdings.in. Detailed information, including the annual accounts of the Subsidiary Company will be available for inspection by the members, at the registered office of the Company and will also be made available to the members upon request.

BOARD AND AUDIT COMMITTEE

The details regarding number of Board Meetings held during the financial year and composition of Audit Committee are furnished in the Corporate Governance Report.

DIRECTORS

Sri S. Viji, Chairman, relinquished his office as Director effective 27th August 2018. Your Directors place on record the significant contribution made by him to the deliberations of the Board. The

Board of Directors elected Sri T.T. Srinivasaraghavan, Director, as Chairman of the Board.

Sri Srivats Ram was co-opted as Additional Director on 27th August 2018. Under Section 161 of the Companies Act, 2013, he holds office up to the date of the ensuing Annual General Meeting. Based on the recommendations of Nomination and Remuneration Committee, Sri Srivats Ram is proposed to be appointed as a Director of the Company, subject to the approval of the shareholders. The Company has also received due notice from a member, proposing his appointment as Director of the Company.

Sri T.T. Srinivasaraghavan retires by rotation and being eligible, offers himself for re-election.

Key Managerial Personnel

The following key managerial personnel were appointed / resigned during the year:

Name	Designation	Date of Resignation/ Appointment
T. Kailashapathy	Chief Financial Officer	30.09.2018
V. Vaasen	Chief Financial Officer	22.11.2018

DECLARATION BY INDEPENDENT DIRECTORS

The Company has received necessary declaration from each Independent Director of the Company under Section 149 (7) of the Companies Act, 2013 that the Independent Directors of the Company meet with the criteria of their Independence laid down in Section 149 (6).

ANNUAL EVALUATION BY THE BOARD

The Board has made a formal evaluation of its own performance and that of its committees and individual directors as required under Section 134(3)(p) of the Companies Act, 2013.

DIRECTORS' RESPONSIBILITY STATEMENT

Your directors confirm that:

1. In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;

2. The Company has selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the company for that period;
3. 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;
4. The annual accounts have been prepared on a going concern basis;
5. Adequate internal financial controls have been put in place and they are operating effectively; and
6. Proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

AUDITORS

M/s R.G.N. Price & Co., Chartered Accountants, Chennai, have been appointed as Statutory Auditors of your Company, to hold office for a term of five (5) consecutive years from the conclusion of the 23rd Annual General Meeting until the conclusion of the 28th Annual General Meeting at such remuneration as may be mutually agreed between the Board of Directors of the Company and the Statutory Auditors.

ACKNOWLEDGEMENT

Your directors gratefully acknowledge the support and co-operation extended to your Company by all its customers, shareholders and bankers.

Your directors also place on record their special appreciation of the employees of the Company for their dedication and commitment in delivering the highest quality of service to every one of our valued customers.

For and on behalf of the Board

Chennai 600 002
17.05.2019

T.T. Srinivasaraghavan
Chairman

Report on Corporate Governance

Sundaram Finance Holdings Limited has been following robust governance practices since its inception. The strong edifice of the Company has been built on the foundations of high standards of integrity, dedicated customer service, fair business practices, efficient, safe and trusted financial policies of the Sundaram Finance Group. Your Company would strive to maintain the highest standards of integrity and transparency in operations, excellence in service to all stakeholders and strong Corporate Governance standards.

I. BOARD OF DIRECTORS

All the members of the Board are eminent persons with considerable expertise and experience in general management spanning the automobile, engineering, banking, finance, accounts and audit, information technology, consulting and road transport sectors. The Company is immensely benefited by the range of experience and skills that the Directors bring to the Board.

The composition of the Board is in conformity with the listing requirements as on 31st March 2019.

The details of directors' attendance at Board Meetings and details of other directorships, committee chairmanships / memberships held by the Directors during the year are as follows:

Name of the Director	DIN	Attendance at Board Meetings	Directorships in other public limited companies				Committees in which Chairman/Member of other public limited companies*		Directorship in other listed company	
			Chairman		Director		Chairman	Member	Name of the Company	Category of Directorship
			Listed	Unlisted	Listed	Unlisted				
Promoter Directors										
Sri S. Viji [§] Non-executive Chairman	00139043	3	1	2	1	1	1	1	Sundaram Finance Limited	Non-Executive Chairman
									Wheels India Limited	Non-Executive Director
Sri T.T. Srinivasaraghavan [¶] Non-executive Chairman	00018247	9	-	-	1	7	-	4	Sundaram Finance Limited	Executive Director
Sri Srivats Ram [¶] Non-executive Director	00063415	6	-	2	1	3	-	1	Wheels India Limited	Executive Director
Sri Harsha Viji Non-executive Director	00602484	9	-	-	1	3	1	1	Sundaram Finance Limited	Executive Director
Independent Directors										
Sri R. Venkatraman	07119686	9	-	-	-	4	2	-	-	-
Sri S. Prasad	00063667	9	-	-	3	2	5	1	Sundaram Finance Limited	Independent Director
									Wheels India Limited	
									India Motor Parts & Accessories Limited	
Ms Shobhana Ramachandhran	00273837	7	-	-	2	3	-	2	TWS Srichakra Limited	Executive Director
									Sundaram Finance Limited	Independent Director
									India Motor Parts & Accessories Limited (upto 29.11.2018)	Non-Executive Director

[§]upto 27.08.2018

[¶]w.e.f. 27.08.2018

*Audit Committee and Stakeholders' Relationship Committee considered

The expertise/skills/competencies identified by the Board and available with the Directors are detailed below:

Category	Expertise	Skills / Competencies
Non-Executive Non-Independent Directors	<ul style="list-style-type: none"> • In-depth Industry Knowledge • Wealth Management • Business Policies • Capital Markets • Audit and Financial Management • Legal and Regulatory Framework • Risk Assessment and Management • Strategic Management 	<ul style="list-style-type: none"> • Entrepreneurial • Governance • Leadership • Technical • Analytical • Organisational • Technological • Planning • Resource Management and Utilisation • People Management • Communication • Behavioural
Independent Directors	<ul style="list-style-type: none"> • In-depth Industry Knowledge • Audit and Financial Management • Legal and Regulatory Framework • Risk Assessment and Management • Business Policies • Capital Markets 	<ul style="list-style-type: none"> • Technical/Professional • Analytical • Technological • Behavioural

II. BOARD MEETINGS

The Board of Directors formulates the broad business and operational policies, periodically reviews the performance and engages itself with strategic issues concerning the Company.

During the year under review, 9 meetings of the Board of Directors were held.

24.05.2018	01.11.2018
24.07.2018	21.01.2019
27.08.2018*	15.02.2019
22.10.2018	29.03.2019

* 2 meetings

All the Directors and Chief Executive Officer have re-affirmed compliance with the Code of Conduct approved and adopted by the Board of Directors.

In our opinion, the independent directors fulfill the conditions specified in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and are independent of the management.

A Certificate issued by Sri A. Kalyana Subramaniam, Practicing Company Secretary, under Sch.V.Para C.10(i) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is attached as part of this report vide Annexure I (i).

The Chief Executive Officer, on behalf of the Board, has periodically reviewed compliance reports pertaining to all laws applicable to the Company and submitted his consolidated report indicating therein that the Company was fully compliant with all applicable laws.

III. AUDIT COMMITTEE

The Audit Committee reviews the financial accounting policies, adequacy of internal control systems and interacts with the statutory auditors, internal auditors. Key Managerial Personnel and other functional heads are invitees to the committee meetings. Besides, the terms of reference of the Audit Committee inter alia include the review of audit plans, interim and annual financial results, management discussion and analysis of financial condition and results of operations, related party transactions, observations of the management and internal / external auditors on internal control and follow-up reports of the management.

Composition of the Audit Committee and attendance of the members at Committee meetings are as follows:

Name of the Member		No. of Meetings Attended	Meeting dates
Sri R. Venkatraman	Chairman	5	24.05.2018
Sri S. Prasad	Member	5	27.08.2018 22.10.2018
Sri Harsha Viji	Member	5	21.01.2019 29.03.2019

The Company Secretary is the Secretary to the Committee.

IV. STAKEHOLDERS RELATIONSHIP COMMITTEE

The Stakeholders Relationship Committee

- i) approves and monitors transfers, transmission, splits and consolidation of securities of the Company,
- ii) reviews the redressal of grievances / complaints from shareholders on matters relating to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc., and
- iii) reviews the compliances with various statutory and regulatory requirements.

Composition of the Stakeholders Relationship Committee is as follows:

Name of the Member		No. of Meetings attended	Meeting dates
Sri R. Venkatraman	Chairman	1	21.01.2019
Sri S. Viji (upto 27.08.2018)	Member	–	
Sri Srivats Ram (w.e.f. 27.08.2018)	Member	1	
Sri T.T. Srinivasaraghavan	Member	1	

Transfer of shares were approved by resolutions passed in circulation on 35 occasions.

Sri P.N. Srikant, Secretary, is the Compliance Officer. No investor complaint was received during the year. None was pending unresolved as on 31st March 2019.

V. SEPARATE MEETING OF INDEPENDENT DIRECTORS

A Separate Meeting of Independent Directors was held on 31st January 2019 without the attendance of non-independent directors and members of management. All the Independent Directors attended the meeting and:

- (i) reviewed the performance of non-independent directors and the Board as a whole;
- (ii) reviewed the performance of the Chairman of the company, taking into account the views of the non-executive directors; and
- (iii) assessed the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

VI. FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

The Company has familiarised the Independent Directors with their roles, rights, responsibilities in the company, nature of the industry in which the company operates, business model etc. through familiarisation programmes. Details of the familiarisation programmes have been disclosed on the company's website under the following web link:

<http://www.sundaramholdings.in/csa/csa.aspx>

VII. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Corporate Social Responsibility (CSR) Committee has formulated a Corporate Social Responsibility Policy indicating the CSR activities to be undertaken by the company in accordance with Schedule VII to the Companies Act, 2013. The terms of reference of the CSR Committee include recommending to the Board the amount of expenditure to be incurred on the CSR activities and monitoring the implementation of the CSR Policy from time to time. The CSR Policy of the Company, as approved and adopted by the Board, has been posted on the website.

Composition of the Corporate Social Responsibility Committee and attendance of the members at Committee Meeting are as follows:

Name of the Member		No. of Meetings Attended	Meeting dates
Sri S. Prasad	Chairman	1	24.05.2018
Sri T.T. Srinivasaraghavan	Member	1	
Sri Harsha Viji	Member	1	

The Company Secretary is the Secretary to the Committee.

VIII. NOMINATION & REMUNERATION COMMITTEE

The Nomination and Remuneration Committee has formulated criteria for evaluation of the Board and non-independent directors for the purpose of review of their performance at a separate meeting of the Independent Directors. Further, the Committee has recommended a policy relating to the remuneration of the directors, key managerial personnel, senior management and other employees, which, inter alia, includes the principles for identification of persons who are qualified to become directors.

The criteria laid down for evaluation of the directors and the remuneration policy, as approved and adopted by the Board, are attached as part of this report vide Annexures I (ii) and (iii) respectively.

Composition of the Nomination & Remuneration Committee and attendance of the members at Committee Meeting are as follows:

Name of the Member		No. of Meetings attended	Meeting dates
Sri R. Venkatraman	Chairman	4	24.05.2018
Sri S Prasad	Member	4	27.08.2018
Sri Harsha Viji	Member	4	01.11.2018 29.03.2019

The Company Secretary is the Secretary to the Committee.

IX INVESTMENT COMMITTEE

The Investment Committee was constituted by the Board of Directors on 29th March 2019. The Terms of Reference of the Investment Committee inter-alia include

1. Evaluation of investment opportunities that meet the criteria set by the Committee in various sectors, including, auto ancillaries, financial services, Fintech and such other sectors as deemed appropriate by the Committee and investments in start-up entities.
2. Recommending to the Board, various investment proposals, after completing a thorough due-diligence of the same.
3. Review the performance of the portfolio investments on a periodic basis and submit a performance report to the Board.

Composition of the Investment Committee is as follows:

Name of the Member	
Sri T.T. Srinivasaraghavan	Chairman
Sri R Venkatraman	Member
Sri Srivats Ram	Member
Sri Harsha Viji	Member

X. REMUNERATION OF DIRECTORS

The sitting fee payable to Independent Directors of the Company for attending the meetings of the Board and various Committees are as under:

Board	₹25,000/- for each meeting
Audit Committee	
Nomination and Remuneration Committee	
Investment Committee	
Stakeholders Relationship Committee	₹10,000/- for each meeting
Corporate Social Responsibility Committee	
Separate Meeting of Independent Directors	

The Directors will be remunerated by way of commission for each financial year as decided by the Board of Directors within the ceiling of 1% of the net profits of the Company approved by the shareholders.

At the Board Meeting held on 17th May 2019, the Board of Directors has recommended a commission of ₹5.00 lakhs to Sri R. Venkatraman, Chairman, Audit Committee, for the financial year 2018-19. Under Reg.17(6) (ca) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, approval of shareholders through Special Resolution is required every year, in which the annual remuneration payable to a single non-executive director exceeds 50% of the total annual remuneration payable to all non-executive directors. Accordingly, approval of shareholders through Special Resolution is being sought at the ensuing Annual General Meeting, for making the said payment.

The details of remuneration paid/recommended to the Directors and number of shares held by them are as follows:

Name of the Director	Sitting Fee (₹ in lakhs)	Commission (₹ in lakhs)	Number of Shares held individually (as on 31.03.2019)	Relationship with other Directors
Sri S. Viji*	–	–	9,09,780 ⁽¹⁾	Father of Sri Harsha Viji
Sri T.T. Srinivasaraghavan	–	–	– ^{(2)#}	–
Sri R. Venkatraman	4.70	5.00 [@]	–	–
Sri S. Prasad	4.70	–	12,600	–
Ms Shobhana Ramachandhran	1.85	–	3,44,720	–
Sri Srivats Ram [§]	–	–	17,01,322 ⁽³⁾	–
Sri Harsha Viji	–	–	16,72,358 ⁽⁴⁾	Son of Sri S. Viji

*upto 27.08.2018 § w.e.f 27.08.2018

[@] Subject to approval of the shareholders at the ensuing Annual General Meeting

Note:

- Number of shares held jointly with others: ⁽¹⁾8,684 ; ⁽²⁾3,26,376 ; ⁽⁴⁾3156
- Number of shares held as Karta of HUF: ⁽¹⁾4,79,912 ; ⁽²⁾123192 ; ⁽³⁾77,200
- 1,10,000 shares# held as trustee

XI. GENERAL BODY MEETINGS

Details relating to last three Annual General Meetings:

Year	Date	Time	Location	No. of Special Resolutions Passed
2018	18th July 2018	10.00 A.M.	“Kasturi Srinivasan Building” (Mini Hall – The Music Academy), New No.168, Old No.306, TTK Road, Chennai 600 014	Nil
2017	18th July 2017	1.00 P.M.	21 Patullos Road, Chennai – 600002	Nil
2016	1st July 2016	10.00 A.M.	21 Patullos Road, Chennai – 600002	Nil

No special resolution is proposed to be passed through postal ballot.

XII. VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Company has established necessary vigil mechanism and adopted a Whistle Blower Policy for Directors and Employees to report concerns about unethical behavior. The mechanism provides for adequate safeguards against victimisation. Further, no person has been denied access to the Audit Committee.

The Whistle Blower Policy is available under the following web link: <http://www.sundaramholdings.in/csa/csa.aspx>

XIII. DISCLOSURES

- There were no materially significant related party transactions having potential conflict with the interests of the company at large.
- All the mandatory requirements specified in Regulations 17 to 27 and Regulation 46 (2) (b) to (i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 have been complied with.
- The Company will continue to adopt other non-mandatory requirements as appropriate.
- The Company has a record of unqualified financial statements since inception.

XIV. POLICIES ON MATERIAL SUBSIDIARIES AND RELATED PARTY TRANSACTIONS

The Company's policies on Material Subsidiaries and Related Party Transactions are available on the website under the following web link: <http://www.sundaramholdings.in/csa/csa.aspx>

XV. MEANS OF COMMUNICATION

- The annual audited results of the Company will be published in "Financial Express" (English) and "Makkal Kural" (Tamil).
- The results will be displayed on the Company's website at www.sundaramholdings.in.
- Shareholders have been provided with an opportunity to provide their email id for receiving correspondence and annual report in electronic form.
- The annual report has been sent in electronic form to shareholders who have provided their email id. Physical copies of the annual report have been provided to such shareholders based on a request received from them for this purpose.

XVI. GENERAL SHAREHOLDER INFORMATION

Annual General Meeting

Date	Time	Venue
15th July 2019 (Monday)	10.00 AM	"Kasturi Srinivasan Building" (Mini Hall - The Music Academy), New No.168, Old No.306, TTK Road, Chennai 600 014

- Financial Year – 1st April 2019 to 31st March 2020
- Book Closure dates – 2nd July 2019 to 15th July 2019 (both days inclusive)
- Date of payment of dividend

Dividend	16th July 2019	₹ 1.75 per share (35%)
----------	----------------	------------------------

- The company's shares are listed on:
National Stock Exchange of India Limited
Exchange Plaza, 5th Floor, Plot No. C/1, G Block
Bandra-Kurla Complex, Bandra (E), Mumbai 400 051
- The Company has paid the listing fees for the financial years 2018-19 & 2019-20 to the above stock exchange.
- NSE Stock Code: SUNDARMHLD
- ISIN : INE202Z01029
- In respect of share certificates that were issued pursuant to the allotment on 12th February 2018 and returned undelivered by the postal authorities, the Company has sent three reminder letters by registered post to the registered address of the respective shareholders and is in the process of transferring the shares to the unclaimed suspense account to be opened for this purpose.
- Following dividend is transferable to the Investor Education and Protection Fund (IEPF), as under, in accordance with the provisions of Section 124 (5) of the Companies Act, 2013

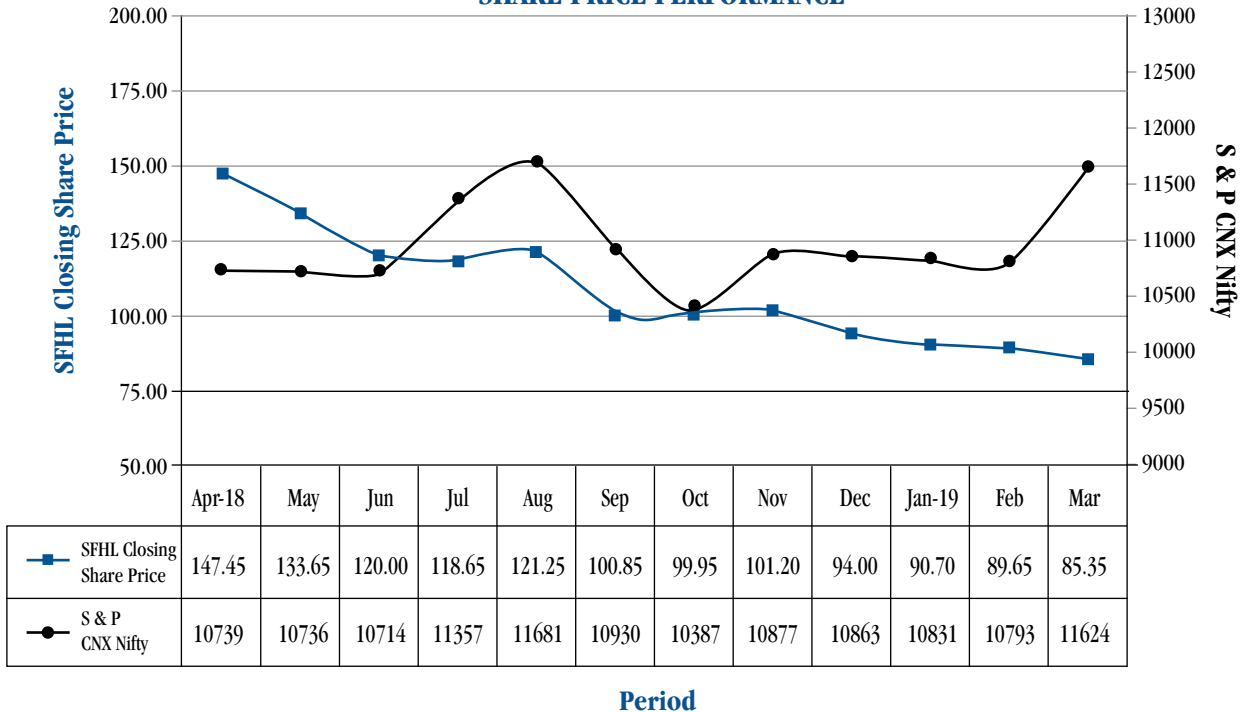
Nature of Dividend	Transferable to IEPF on
Dividend 2017-18	20th August 2025

- For the financial year 2018-19, the aggregate amount paid/payable to the Statutory Auditors, M/s. R.G.N. Price & Co., Chartered Accountants, towards fees for all services rendered by them to the Company (excluding taxes and out of pocket expenses) is ₹14.10 lakhs. No fee has been paid by the subsidiary companies to M/s. R.G.N. Price & Co.
- Disclosure in relation to Prevention of Sexual Harassment at Workplace forms part of the Board's Report.

MARKET PRICE DATA ON THE NATIONAL STOCK EXCHANGE

Month	April 18	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan 19	Feb	Mar	
NSE	High	295.00	160.00	139.50	127.90	139.00	124.90	105.50	116.00	103.00	105.00	96.30	100.50
	Low	138.10	126.35	111.05	101.10	116.00	99.30	94.00	98.85	92.55	85.10	78.50	83.75

SHARE PRICE PERFORMANCE



- Share transfers were processed and share certificates despatched within fifteen days from lodgement in accordance with the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015. Dematerialisation requests have been confirmed within the specified time limit.
- M/s Cameo Corporate Services Ltd, Registrars and Share Transfer Agents of the company have attended to the share transfer formalities regularly. The Registrar and Share Transfer Agents can be contacted by the investors at the following address:

M/s Cameo Corporate Services Limited	
'Subramanian Building', No 1 Club House Road, Chennai 600 002	
Phone	044 2846 0390 to 0395
Fax	044 2846 0129
Email	investor@cameoindia.com
Contact Persons	Mr. R.D. Ramasamy, Director Mr. D. Narasimhan, Joint Manager

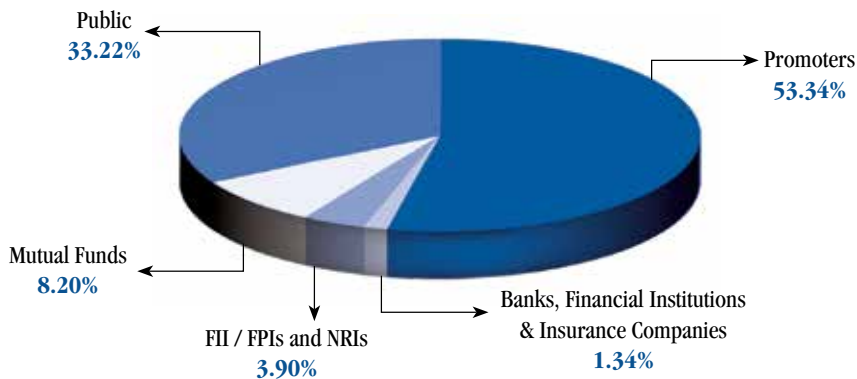
DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH 2019

No. of Equity Shares Held	Total Shareholders	Total Shares	Total % to Capital
Upto 250	17,320	10,39,113	0.69
251 to 500	2,693	10,51,532	0.70
501 to 1000	2,103	16,51,765	1.09
1001 to 5000	2,620	63,73,574	4.22
5001 to 10000	469	35,51,631	2.35
10001 to 50000	470	106,98,259	7.08
50001 to 100000	125	90,41,932	5.98
100001 and above	183	11,76,96,054	77.89
Total	25,983	15,11,03,860	100.00

Total shares held in dematerialised form 97.24%

Public shareholding in dematerialised form 94.23%

SHAREHOLDING PATTERN AS ON 31.03.2019



For your queries / grievances / complaints, please contact:

Sri P.N. Srikant

Secretary & Compliance Officer

Sundaram Finance Holdings Limited

21 Patullus Road, Chennai 600 002

Phone : 044-2888 1311

Fax : 044-2855 0290

Mobile : 9444071183

E mail : investorservices@sundaramholdings.in

Paramesh Krishnaier

Chief Executive Officer

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(pursuant to Regulation 34(3) and Schedule V Para C clause (10) (i) of the SEBI
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members of
Sundaram Finance Holdings Limited
CIN-L65100TN1993PLC025996
21, Patullos Road, Chennai – 600002.

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Sundaram Finance Holdings Limited having CIN L65100TN1993PLC025996 and having registered office at 21 Patullos Road, Chennai - 600 002 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2019 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in Company
1	Santhanam Viji	00139043	**
2	Thiruvallur Thattai Srinivasaraghavan	00018247	16/02/2017
3	Ramachandran Venkatraman	07119686	16/02/2017
4	Sreenivasan Prasad	00063667	16/02/2017
5	Shobhana Ramachandhran	00273837	16/02/2017
6	Srivats Ram	00063415	27/08/2018
7	Harsha Viji	00602484	25/01/2017

** Relinquished his office w.e.f. 27/08/2018.

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: Chennai
Date : 17th May 2019

Name : A Kalyana Subramaniam
Membership No : 11400
CP No : 16345

CRITERIA FOR EVALUATION

(as amended on 29th March 2019)

**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 of Directors with sufficient qualifications and experience in diverse fields to make SFHL a versatile institution.
 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 all its dealings with the stake holders.
 3. Adherence to Regulatory Compliance
Whether the company adheres to the various Government regulations.....Local, State and Central, in time.
 4. Track record of financial performance
Whether the Company has been consistently recording satisfactory and profitable financial performance year on year adding to shareholder value.
Whether the Company is transparent in all its disclosures on financial data.
 5. Grievance redressal mechanism
Whether a proper system is in place to attend to the complaints / grievances from the shareholders, 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 cover the business risks.
 7. Use of Modern technology
Whether the Company has an Integrated IT strategy and whether there is any system for periodical technology upgradation covering both hardware and software.
 8. Commitment to CSR
Whether the Company is committed to social causes and CSR and whether there is a system to identify, finance and monitor such social activities.
- Criteria for evaluation of Chairman at separate meeting of Independent Directors:
1. Leadership qualities
 2. Standard of Integrity
 3. Understanding of Macro economic trends and Micro industry trends.
 4. Public Relations
 5. Future Vision and Innovation

Criteria for evaluation of Independent Directors by the entire Board:

1. Qualifications & Experience
2. Standard of Integrity
3. Attendance in Board Meetings/AGM
4. Understanding of Company's business
5. Value addition in Board Meetings
6. Fulfillment of Independence Criteria

Criteria for evaluation of Committees by the Board with reference to the respective terms of reference:

1. Qualification & Experience of members
2. Depth of review of various matters, including financial performance
3. Review of regulatory compliance

SUNDARAM FINANCE HOLDINGS LIMITED
REMUNERATION POLICY
(as amended on 29th March 2019)

Sundaram Finance Holdings Limited (hereinafter referred to as 'the Company') has, since inception, formulated performance based remuneration structures for its employees at all levels, so as to provide ample opportunity for inclusive growth, supported with adequate learning. Accordingly, the remuneration structure is based on the qualification and skill levels at the time of joining the organisation and reviewed on a yearly basis by way of an assessment of their actual performance, through a robust "Performance Management System".

The components forming part of the compensation structure for each grade are designed to reward performance as well as to mitigate some of the location based hardships faced by the employees.

Section 178 (2), (3) and (4) of the Companies Act, 2013 read with the applicable rules thereto provide that the Nomination and Remuneration Committee (NRC) shall identify persons who are qualified to become Directors and shall also recommend to the Board a policy, relating to the remuneration for Directors, Key Managerial Personnel, Senior Management and other employees.

Accordingly, the NRC recommends the following Remuneration Policy of the Company so as to ensure that:

- a) the level and composition of remuneration to non-executive directors is reasonable and appropriate to attract the right talent.
- b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- c) remuneration to 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 following policy shall be hereinafter referred to as "Remuneration Policy of Sundaram Finance Holdings Limited".

I Definitions

- a) "Remuneration" means any monetary benefit or its equivalent extended to any person for services rendered by him/her and includes perquisites as defined under the Income-tax Act, 1961.
- b) "Key Managerial Personnel" means,
 - i) Managing Director, Chief Executive Officer or Manager;
 - ii) Whole-time Director;
 - iii) Chief Financial Officer;
 - iv) Company Secretary.
- c) "Senior Management" means all executives one level below the Chief Executive Officer, and shall include the Chief Financial Officer and Company Secretary.
- d) "Employee" will mean an employee who has been appointed on the rolls of Sundaram Finance Holdings Limited (hereinafter referred to as 'the Company') and has been issued an appointment order by the Company.

II Board Diversity

It will be the endeavour of the Company to attract people to be on the Board of our Company as Directors from variety of backgrounds which are appropriate to the business interests of the Company. To this end, our Directors over the past decades have come from backgrounds as varied as automobile and allied industry, banking and other financial services including insurance and accounting.

III Remuneration Pattern

The NRC lays down the following remuneration pattern for Non-executive Directors and Independent Directors, Key Managerial Personnel, Senior Management and other employees under the Remuneration Policy:

1. The remuneration payable to Non-Executive Directors and Independent Directors shall consist of:
 - (a) Sitting fees for attending the meetings of the Board and sub-committees of the Board, within the limit prescribed under the Companies Act, 2013;
 - (b) Commission for each financial year, within the limits specified under the Companies Act, 2013, as may be decided by the Board of Directors;
 - (c) Reimbursement of expenses for attending meetings of the Board and sub-committees of the Board.
2. The remuneration payable to Whole-time Directors, who may be appointed based on Shareholders' approval, shall consist of:
 - (a) Salary, allowances, commission and perquisites;
 - (b) Commission for each financial year, as may be decided by the Board of Directors, based on the recommendations of the NRC;
 - (c) Minimum Remuneration in any financial year, when the Company has no profits or its profits are inadequate, by way of salary, allowances, commission and perquisites not exceeding the limits specified in Part II. Section II of Schedule V to the Companies Act, 2013 or such other limits as may be prescribed by the Government from time to time as minimum remuneration.

The overall remuneration payable to Directors, including Executive Directors, shall be within the limits prescribed under Section 197 of the Companies Act, 2013 read with Schedule V.

The remuneration payable to Key Managerial Personnel, Senior Management and other employees of the company shall consist of salary, allowances, perquisites and variable components reflecting the short and long term performance objectives appropriate to the working of the Company, which are aligned to industry standards.

IV Implementation of the Remuneration Policy

The remuneration payable to Non-executive Directors and Independent Directors shall be determined by the Board of Directors, after taking into account their performance and contribution.

The Remuneration payable to Key Managerial Personnel and Senior Management shall be determined by the NRC and recommended to the Board, after taking into account their experience, qualification, responsibilities, contributions, performance and industry standards.

The implementation of the Remuneration Policy of the Company, in respect of all other employees shall be the responsibility of the Chief Executive Officer.

The NRC shall take suitable steps to issue guidelines, procedures and such other steps as may be considered appropriate from time to time, for effective implementation of the Remuneration Policy.

Auditor's Certificate on Corporate Governance

The Members of SUNDARAM FINANCE HOLDINGS LIMITED, Chennai.

I have examined the compliance of the conditions of Corporate Governance by Sundaram Finance Holdings Limited, Chennai for the year ended on 31st March, 2019, as stipulated in Regulations 17 to 27 of Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The compliance of the conditions of corporate governance is the responsibility of the management. My examination was limited to a review of the procedures and implementation thereof, adopted by the company for ensuring the compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

In my opinion and to the best of my information and according to the explanations given to me, I certify that the company has complied with the conditions of Corporate Governance stipulated in the above mentioned SEBI Regulations.

I state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

A Kalyana Subramaniam
Practising Company Secretary
ACS No. 11400
CP No. 16345

Place: Chennai

Date: 17th May 2019

Annexure - II (i)

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 arms 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 on an arm's length basis with Sundaram Finance Limited, company having significant influence, aggregating to ₹12.00 cr., were material in nature in accordance with the definition as provided under Regulation 23(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Approval of the shareholders was obtained for the said transactions vide ordinary resolution dated 18th July 2018.

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

Chennai
17th May 2019

T.T. Srinivasaraghavan
Chairman

Annexure - II (ii)

SFHL Policy on Related Party Transactions

(as per Regulations 23 (1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)
(as amended on 29th March 2019)

The Company shall enter into transactions with related parties only on an arm's length basis, supported by agreement or formal letter. If the transaction is not on arm's length basis, then, necessary compliances under Companies Act, 2013 and / or the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 will be adhered to.

For this purpose, transaction(s) with a related party shall be considered material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceed 10% of the annual consolidated turnover of the company as per the last audited financial statements of the company.

However, transaction(s) involving payment(s) made to a related party with respect to brand usage or royalty, shall be considered material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceed 2% of the annual consolidated turnover of the company as per the last audited financial statements of the company.

Annual Report on CSR Activities for The Financial Year 2018-19

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:

CSR Policy of the Company is available in our website under the following link:

<http://www.sundaramholdings.in/csa/csa.aspx>

2. The Composition of the CSR Committee:

Sri S. Prasad, Chairman

Sri T.T. Srinivasaraghavan

Sri Harsha Viji

3. Average net profit of the company for last three financial years:

₹1854.38 lakhs

4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above):

₹37.09 lakhs

5. Details of CSR spent during the financial year:

(a) Total amount to be spent for the financial year: ₹37.09 lakhs

(b) Amount unspent, if any – Nil

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

(₹in lakhs)

1	2	3	4	5	6	7	8
Sr 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) Overheads:	Cumulative expenditure up to the reporting period	Amount spent: Direct or through implementing agency
1	Promoting preventive and general health care (2 institutions)	Health	Tamil Nadu - Chennai	20.00	20.00	20.00	20.00
			Tamil Nadu - Erode Dist.	5.00	5.00	25.00	5.00
2	Promoting education (3 institutions)	Education	Tamil Nadu- Chennai	7.00	7.00	32.00	7.00
			Tamil Nadu - Villupuram Dist.	5.00	5.00	37.00	5.00
3	Administrative Expenses			0.28	0.28	37.28	0.28
	TOTAL			37.28	37.28		37.28

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

Not applicable

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:

We hereby state that implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company.

Paramesh Krishnaier
Chief Executive Officer

S. Prasad
Chairman - CSR Committee

Form No. MR-3**Secretarial Audit Report For the Financial Year Ended 31.03.2019**

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

To,

The Members

Sundaram Finance Holdings Limited

CIN-L65100TN1993PLC025996

21, Patullos Road, Chennai – 600002.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. Sundaram Finance Holdings 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 M/s. Sundaram Finance Holdings 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 authorised representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period ended on 31.03.2019 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:

- 1. I have examined the books, papers, minute books, forms and returns filed and other records maintained by M/s. Sundaram Finance Holdings Limited for the period ended on 31.03.2019 according to the provisions of:**
 - I. The Companies Act, 2013 (the Act) and the Rules made thereunder and the Applicable provisions of the Companies Act, 1956;
 - II. The Companies (Amendment) Act, 2017;
 - III. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
 - IV. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
 - V. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
 - VI. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable to the Company :-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; and
 - VII. The Memorandum and Articles of Association of the company.

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

- i. Listing Agreements entered into by the Company with the National Stock Exchange of India Limited as per the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as amended till date; and
- ii. 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.

3. I further report that:

- i. 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.
- ii. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least 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.
- iii. While majority decision is carried out, the dissenting members' views are captured and recorded as part of the minutes.
- iv. The Company has obtained all necessary approvals under the various provisions of the Act; and
- v. There was no prosecution initiated and no fines or penalties were imposed during the year under review under the Act, SEBI Act, SCRA, Depositories Act, Listing Agreement and Rules, Regulations and Guidelines framed under these Acts against / on the Company, its Directors and Officers.
- vi. The Directors have complied with the disclosure requirements in respect of their eligibility of appointment, their being independent and compliance with the Code of Business Conduct & Ethics for Directors and Management Personnel;

4. The Company has complied with the provisions of the FEMA, 1999 and the Rules and Regulations made under that Act to the extent applicable.

I further report that:

- a. the Company has complied with the provisions of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 including the provisions with regard to disclosures and maintenance of records required under the said Regulations;
- b. the Company has complied with the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 including the provisions with regard to disclosures and maintenance of records required under the said Regulations;

I further report that based on the information received and records maintained 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 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.

A Kalyana Subramaniam

(ACS No.11400)

(C.P No. 16345)

Place: Chennai

Date:17-May-2019

**Secretarial Compliance Report of
SUNDARAM FINANCE HOLDINGS LIMITED**

(CIN L65100TN1993PLC025996)

for the year ended 31st March 2019

I A Kalyana Subramaniam have examined:

- all the documents and records made available to us and explanation provided by SUNDARAM FINANCE HOLDINGS LIMITED (“the listed entity”),
- the filings/ submissions made by the listed entity to the stock exchanges,
- website of the listed entity,
- any other document/ filing, as may be relevant, which has been relied upon to make this certification, for the year ended 31st March 2019 (“Review Period”) in respect of compliance with the provisions of :
 - the Securities and Exchange Board of India Act, 1992 (“SEBI Act”) and the Regulations, circulars, guidelines issued thereunder; and
 - the Securities Contracts (Regulation) Act, 1956 (“SCRA”), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India (“SEBI”);

The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, include:-

- Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
 - Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; - Not applicable
 - Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; - Not applicable
 - Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013; - Not applicable
 - Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- and circulars/ guidelines issued thereunder;
- and based on the above examination, I/We hereby report that, during the Review Period:

- The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder, except in respect of matters specified below:-

Sr. No	Compliance Requirement (Regulations/ circulars / guidelines including specific clause)	Deviations	Observations/ Remarks of the Practicing Company Secretary
	NIL	NIL	NIL

- The listed entity has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued thereunder insofar as it appears from my examination of those records.
- The following are the details of actions taken against the listed entity/ its promoters/ directors/ material subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under the aforesaid Acts / Regulations and circulars/ guidelines issued thereunder:

Sr. No.	Action taken by	Details of violation	Details of action taken E.g. fines, warning letter, debarment, etc.	Observations/ remarks of the Practicing Company Secretary, if any.
	NIL	NIL	NIL	Refer Note below

Note: NSE had sent a letter bearing no. NSE/LIST/FR/11348 dated 28th January 2019, wherein, the subject was mentioned as ‘Non-Compliance as per Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015’. However, the letter only sought additional information relating to segment reporting, which was promptly complied with by the Company.

- The listed entity has taken the following actions to comply with the observations made in previous reports:

Sr. No.	Observations of the Practicing Company Secretary in the previous reports	Observations made in the secretarial compliance report for the year ended. (The years are to be mentioned)	Actions taken by the listed entity, if any	Comments of the Practicing Company Secretary on the actions taken by the listed entity
	NA	NA	NA	NA

A Kalyana Subramaniam

(ACS No.11400)

(C.P No. 16345)

Place: Chennai

Date:17-May-2019

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

- (i) The ratio of the remuneration of each Director to the median remuneration of the employees of the company for the financial year:

Names of the Directors	Ratio to Median Remuneration (times)
S Viji, Chairman (upto 27.08.2018)	NA
T.T. Srinivasaraghavan, Chairman (w.e.f. 27.08.2018)	NA
R. Venkatraman	5.45
S. Prasad	2.64
Shobhana Ramachandhran	1.04
Srivats Ram (w.e.f. 27.08.2018)	NA
Harsha Viji	NA
Paramesh Krishnaier, Chief Executive Officer	28.09
V. Vaasen, Chief Financial Officer (w.e.f. 22.11.2018)	6.07
P.N. Srikant, Secretary & Compliance Officer	15.84
T. Kailashpathy, Chief Financial Officer (upto 30.09.2018)	NA

- (ii) The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year: Not Applicable

During the financial year 2017-18, sitting fees was paid only to the Independent Directors, for attending the meetings of the Board and its Committees. No other form of remuneration was paid to any of the Directors.

The Key Managerial Personnel, viz., the Chief Executive Officer, Chief Financial Officer and Secretary & Compliance Officer were appointed during the financial year 2017-18 and therefore, employed for part of that year.

Hence the remuneration paid for the financial year 2018-19 is not comparable with remuneration paid for the financial year 2017-18.

- (iii) The percentage increase in the median remuneration of employees in the financial year: Not Applicable

The employees of the Company were transferred pursuant to the demerger, on and from 18th January, 2018, i.e. the Effective Date from which the demerger became operative. Hence, the median remuneration for the current year and previous year are not comparable.

- (iv) The number of permanent employees on the rolls of the Company: 612
- (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: Not Applicable
- (vi) 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.

vii) The Company does not have any employee who has been in receipt of annual remuneration of not less than ₹1.02 cr. for the year or monthly remuneration of ₹8.50 lakhs.
viii) The top ten employees in terms of remuneration drawn were appointed by the Company/transferred from the demerged company during the year. The details are as follows.

Sl. No.	Name of the Employee	Designation	Remuneration (₹ in lakhs)	Nature of Employment	Qualification and Experience	Date of Commencement of Employment	Age	Last employment	Relative of any director
1	Sri Paramesh Krishnaier	Chief Executive Officer	50.00	Contractual	B.A., ML, MBA Has over 4 decades of experience in banking and financial services industry.	12.02.2018	70	Sundaram Finance Limited	-
2	Sri V. Narasimhan	General Manager & Head - Learning & Development	46.97	Others	B.A. (Eco) & Msc (Physics) Has over 3 decades experience in marketing and learning & development.	18.01.2018	58	Sundaram Finance Limited	-
3	Sri V. Vaasen	Chief Financial Officer	10.80	Others	B.Com, ACA, PGDPM Has over 2 decades of post-qualification experience in finance, accounts, business process outsourcing and related areas.	22.11.2018	50	Matrimony.com Limited	-
4	Sri P.N. Srikant	Secretary & Compliance Officer	28.19	Others	B.Com(H), ACS & MBA Has over 2 decades of experience in financial services industry.	01.08.2017	47	Sundaram Finance Limited	-
5	Sri T. Kailashapathy (upto 30.09.2018)	Chief Financial Officer	12.20	Others	B.Sc. (Maths), ACA Nearly 2 decades of experience in financial services industry.	12.12.2017	48	Sundaram BNP Paribas Home Finance Limited	-
6	Sri S. Chandrasekharan	Dy. General Manager - Learning & Development	24.27	Others	B.Sc. (Physics) Nearly 4 decades of experience in the fields of HR and training.		59	Sundaram Finance Limited	-
7	Sri Rajesh Singh	Assistant General Manager - Operations	21.15	Others	B.Com Over a decade of experience in BPO industry.		36	Sundaram BPO India Limited	-
8	Sri P. Padmanabhan	Sr. Assistant General Manager	21.34	Others	B.Com Has over 3 decades of experience in financial services industry.		61	Sundaram Finance Limited	-
9	Sri S. Rajkumar	Sr. Assistant General Manager - Learning & Development	19.93	Others	B.Sc. (Maths), PGDM and MBA Has over 2 decades of experience in financial services industry.	18.01.2018	48	Sundaram Finance Limited	-
10	Sri V. Kumar	Sr. Manager - Credit Processing Services	14.82	Others	B.A. (Economics) Has over 3 decades of experience in financial services industry.		57	Sundaram Finance Limited	-
11	Sri T.R. Ramakrishnan	Sr. Manager - Credit Processing Services	14.08	Others	B.Sc. (Botany) Has over 3 decades of experience in financial services industry.		54	Sundaram Finance Limited	-

Form No. MGT-9

Extract of Annual Return as on the financial year ended on 31st March 2019

[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	U65100TN1993PLC025996
(ii)	Registration Date	13-10-1993
(iii)	Name of the Company	Sundaram Finance Holdings Limited
(iv)	Category / Sub-Category of the Company	Limited by Shares, Indian Non-Government Company
(v)	Address of the Registered Office and contact details	No. 21, Patullos Road, Chennai 600002 Tel: 044 28521181 Fax: 044 28586641 www.sundaramholdings.in investorservices@sundaramholdings.in
(vi)	Whether Listed Company Yes / No	Yes
(vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	M/s. Cameo Corporate Services Ltd. 'Subramanian Building' No.1, Club House Road, Chennai 600 002 Ph: 044 2846 0390 to 0395 Email: investor@cameoindia.com

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	Non-deposit accepting Core Investment Company, i.e. financial service activities, except insurance and pension funding.	As per National Industrial Classification - 2008: Section K - Financial and Insurance Activities Division 64 - Financial service activities, except insurance and pension funding.	76.26%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	NAME AND ADDRESS OF THE COMPANY	ADDRESS	CIN / GLN	HOLDING/ SUBSIDIARY / ASSOCIATE	% of shares held	Applicable Section
1	Sundaram Business Services Limited	Regd. Office: 21, Patullos Road, Chennai - 600002	U74140TN2005PLC057179	Subsidiary	100.00	2(87)(ii)
2	Sundaram Finance Limited		L65191TN1954PLC002429	Associate	—	2(6)
3	Axles India Limited		U27209TN1981PLC008630	Associate	38.81	2(6)
4	Sundaram Hydraulics Limited		U71290TN2007PLC065658	Associate	27.44	2(6)
5	Turbo Energy Private Limited	Regd. Office: No.67, Chamiers Road, Chennai 600 028	U40107TN1982PTC009363	Associate	32.00	2(6)
6	Transenergy Limited		U40107TN1981PLC008903	Associate	42.31	2(6)
7	Flometallic India Private Limited		U28113TN2010PTC075244	Associate	40.63	2(6)
8	Sundaram Dynacast Private Limited	Regd. Office: Plot No.25A/2, SIDCO Industrial Estate, North Phase, Ambattur, Chennai 600 098	U28920TN1993PTC025794	Associate	26.00	2(6)
9	The Dunes Oman LLC (FZC)	P.O. Box: 526, Postal Code: 322, Falaj Al Qabail, Sohar, Sultanate of Oman	Not Applicable	Associate	43.69	2(6)

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

(i) Category-wise Share Holding

	Category of Shareholders	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A.	Promoters									
(1)	Indian									
(a)	Individual/HUF	2,75,65,708	97,292	2,76,63,000	18.31	2,81,72,948	97,292	2,82,70,240	18.71	0.40
(b)	Central Govt	-	-	-	-	-	-	-	-	-
(c)	State Govt(s)	-	-	-	-	-	-	-	-	-
(d)	Bodies Corp	5,11,85,738	-	5,11,85,738	33.87	5,11,85,738	-	5,11,85,738	33.87	0.00
(e)	Banks / FI	-	-	-	-	-	-	-	-	-
(f)	Any Other	-	-	-	-	-	-	-	-	-
	Sub-Total (A)(1)	7,87,51,446	97,292	7,88,48,738	52.18	7,93,58,686	97,292	7,94,55,978	52.58	0.40
(2)	Foreign									
(a)	NRIs - Individuals	10,95,856	-	10,95,856	0.73	11,46,904	-	11,46,904	0.76	0.03
(b)	Other - Individuals	-	-	-	-	-	-	-	-	-
(c)	Bodies Corp.	-	-	-	-	-	-	-	-	-
(d)	Banks / FI	-	-	-	-	-	-	-	-	-
(e)	Any Other	-	-	-	-	-	-	-	-	-
	Sub-Total (A)(2)	10,95,856	-	10,95,856	0.73	11,46,904	-	11,46,904	0.76	0.03
	Total shareholding of Promoter (A)= (A) (1)+(A)(2)	7,98,47,302	97,292	7,99,44,594	52.91	8,05,05,590	97,292	8,06,02,882	53.34	0.43
B.	Public Shareholding									
(1)	Institutions									
(a)	Mutual Funds	1,12,08,144	500	1,12,08,644	7.42	1,23,85,541	500	1,23,86,041	8.20	0.78
(b)	Banks / FI	2,200	800	3,000	-	38,611	800	39,411	0.03	0.03
(c)	Central Govt	-	-	-	-	-	-	-	-	-
(d)	State Govt(s)	-	-	-	-	-	-	-	-	-
(e)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
(f)	Alternate Investment Funds	44,137	-	44,137	0.03	-	-	-	-	-0.03
(f)	Insurance Companies	19,80,700	-	19,80,700	1.31	19,80,700	-	19,80,700	1.31	0.00
(g)	FPIs	65,32,686	250	65,32,936	4.32	8,34,507	250	8,34,757	0.55	-3.77
(h)	Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
(i)	Any Other	-	-	-	-	-	-	-	-	-
	Sub-Total (B)(1)	1,97,67,867	1,550	1,97,69,417	13.08	1,52,39,359	1,550	1,52,40,909	10.09	-2.99

	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	1,02,08,066	8,400	1,02,16,466	6.76	1,01,40,000	6,800	1,01,46,800	6.72	-0.04
(ii)	Overseas	-	-	-	-	-	-	-	-	-
(b)	Individuals									
i	Individual shareholders holding nominal shares capital up to ₹1 lakh	1,10,11,951	22,22,106	1,32,34,057	8.76	1,37,64,304	14,95,720	1,52,60,024	10.10	1.34
ii	Individual shareholders holding nominal shares capital in excess of ₹1 lakh	2,07,05,048	26,85,636	2,33,90,684	15.48	2,07,98,268	22,96,218	2,30,94,486	15.28	-0.20
	Non-Resident Indians	27,02,130	2,96,989	29,99,119	1.98	47,85,821	2,52,615	50,38,436	3.33	1.35
	Hindu Undivided Family (HUF)	513879	2	5,13,881	0.34	6,22,834	14,002	6,36,836	0.42	0.08
	Foreign National	18,720	-	18,720	0.01	18,720	-	18,720	0.01	0.00
	Trust - Sundaram Finance Employees Welfare Trust	9,79,510	-	9,79,510	0.65	9,60,960	-	9,60,960	0.64	-0.01
	Other Trusts	5,818	-	5,818	-	5,600	-	5,600	-	0.00
	Clearing Members	5,030	-	5,030	-	71,643	-	71,643	0.05	0.05
	IEPF	26,564	-	26,564	0.02	26,564	-	26,564	0.02	0.00
(c)	Others (specify)	-	-	-	-	-	-	-	-	-
	Sub-Total (B)(2)	4,61,76,716	52,13,133	5,13,89,849	34.01	5,11,94,714	40,65,355	5,52,60,069	36.57	2.56
	Total Public Shareholding (B)= (B)(1)+(B)(2)	6,59,44,583	52,14,683	7,11,59,266	47.09	6,64,34,073	40,66,905	7,05,00,978	46.66	-0.43
(C)	Shares held by Custodian for GDRs and ADRs	-	-	-	-	-	-	-	-	-
	GRAND TOTAL (A)+(B)+(C)	14,57,91,885	53,11,975	15,11,03,860	100.00	14,69,39,663	41,64,197	15,11,03,860	100.00	-

ii) Shareholding of Promoter & Promoter Group

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	4,00,00,000	26.47	–	4,00,00,000	26.47	–	0.00
2	Mr Ashwathanarayan Ramji & Mr Narayanan Ramji	600	0.00	–	600	0.00	–	0.00
3	Mr Narayanan Ramji & Mr Ashwathanarayan Ramji	56,520	0.04	–	56,520	0.04	–	0.00
4	Mr Narayanan Ramji & Mr Ashwathanarayan Ramji	6,884	0.00	–	6,884	0.00	–	0.00
5	Mr Narayanan Ramji & Ms Aishwarya Ramji	6,884	0.00	–	6,884	0.00	–	0.00
6	Mr Narayanan Ramji & Mr Ashwathanarayan Ramji	1,008	0.00	–	1,008	0.00	–	0.00
7	Mr Narayanan Ramji & Ms Aishwarya Ramji	1,008	0.00	–	1,008	0.00	–	0.00
8	Mr N Ramji & Mrs Sharmila Ramji	788	0.00	–	788	0.00	–	0.00
9	Mr Narayanan Ramji & Mr Ashwathanarayan Ramji	23,600	0.02	–	23,600	0.02	–	0.00
10	Mr Srinivas Raghavan	27,040	0.02	–	27,040	0.02	–	0.00
11	Mr Akshay Krishnan	2,00,300	0.13	–	2,00,300	0.13	–	0.00
12	Mr Jaideep Chakravarthy	3,80,756	0.25	–	3,80,756	0.25	–	0.00
13	Mr Pradeep Chakravarthy	3,63,544	0.24	–	3,63,544	0.24	–	0.00
14	Mr S Chakravarthy	6,08,884	0.40	–	6,08,884	0.40	–	0.00
15	Mrs Anuradha Raghavan	3,97,264	0.26	–	3,97,264	0.26	–	0.00
16	Mr S Raghavan	1,03,492	0.07	–	1,03,492	0.07	–	0.00
17	Mrs Usha Raghavan	5,89,992	0.39	–	5,89,992	0.39	–	0.00
18	Mr Barath Rengarajan	4,68,259	0.31	–	4,68,259	0.31	–	0.00
19	Mrs Saraswathi Srinivasan	3,04,320	0.20	–	–	–	–	-0.20
20	Miss Tulsi S Ramanujam	2,19,382	0.15	–	270431	0.18	–	0.03
21	Mr S Ram & Mr S Viji	12,25,160	0.81	–	–	–	–	-0.81
22	Mr Sumanth Ramanujam	8,862	0.01	–	110959	0.07	–	0.06
23	Mr K Vasudevan	2,87,492	0.19	–	2,87,492	0.19	–	0.00
24	Mrs Lily Vijayaraghavan & Mrs Sashi Parthasarathy	3,53,312	0.23	–	3,53,312	0.23	–	0.00
25	Mr K Vasudevan & Mrs Lakshmi Vasudevan	46,392	0.03	–	46,392	0.03	–	0.00
26	Mrs Lakshmi Vasudevan	2,74,816	0.18	–	2,74,816	0.18	–	0.00
27	Mr Sharath Vijayaraghavan (HUF)	2,09,000	0.14	–	2,09,000	0.14	–	0.00
28	Mrs Lily Vijayaraghavan	6,35,436	0.42	–	6,35,436	0.42	–	0.00
29	Mrs Lily Vijayaraghavan & Mr Badri Vijayaraghavan	1,97,776	0.13	–	1,97,776	0.13	–	0.00

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	
30	Mrs Lily Vijayaraghavan & Mr Sharath Vijayaraghavan	1,97,776	0.13	–	1,97,776	0.13	–	0.00
31	Mrs Rama Sridharan	55,920	0.04	–	55,920	0.04	–	0.00
32	Mr N Krishnan	1,01,592	0.07	–	1,01,592	0.07	–	0.00
33	Mr N Krishnan (HUF)	1,01,592	0.07	–	1,01,592	0.07	–	0.00
34	Mr Ananth Krishnan	2,00,300	0.13	–	2,00,300	0.13	–	0.00
35	Mr Shreen Raghavan	94,892	0.06	–	94,892	0.06	–	0.00
36	Mrs Dangety Krishnakumari	20,412	0.01	–	20,412	0.01	–	0.00
37	Mr Dangety Satyanarayanamurty	2,912	0.00	–	2,912	0.00	–	0.00
38	M/s. Rohini Holdings Private Limited	12,94,362	0.86	–	12,94,362	0.86	–	0.00
39	M/s. Allegro Holdings Private Limited	12,47,100	0.83	–	12,47,100	0.83	–	0.00
40	M/s. Silver Oak Holdings Private Limited	14,36,914	0.95	–	14,36,914	0.95	–	0.00
41	M/s. Azorious Holdings Private Limited	8,50,156	0.56	–	8,50,156	0.56	–	0.00
42	M/s. Uthirattathi Sriram Holdings Private Limited	14,79,560	0.98	–	14,79,560	0.98	–	0.00
43	M/s. Maham Holdings Limited	5,12,720	0.34	–	5,12,720	0.34	–	0.00
44	M/s. Revathi Holdings Private Limited	12,20,460	0.81	–	12,20,460	0.81	–	0.00
45	M/s. Padmalakshmi Holdings Private Limited	12,92,832	0.86	–	12,92,832	0.86	–	0.00
46	M/s. Raghuvamsa Holdings Private Limited	18,51,634	1.23	–	18,51,634	1.23	–	0.00
47	Mrs Indira Krishnaswami	1,62,180	0.11	–	1,62,180	0.11	–	0.00
48	Mr Narayanan Ramji	1,06,760	0.07	–	1,06,760	0.07	–	0.00
49	Mr R. Ramanujam & Mr R. Srikanth	1,77,088	0.12	–	1,77,088	0.12	–	0.00
50	Mr Ananth Ramanujam	5,69,892	0.38	–	6,20,940	0.41	–	0.03
51	Mr T.T. Rangaswamy, Mr T.T. Venkatraghavan & Mr T.T. Srinivasaraghavan	48,628	0.03	–	48,628	0.03	–	0.00
52	Mr T.T. Rangaswamy, Mr T.T. Narendran & Mr T.T. Hayagreevan	49,200	0.03	–	49,200	0.03	–	0.00
53	Mr T T Srinivasaraghavan Mrs Vimala Rangaswamy & Mrs Bagyam Raghavan	85,084	0.06	–	85,084	0.06	–	0.00
54	Mrs Bagyam Raghavan & Mr T T Venkatraghavan	1,13,308	0.07	–	1,13,308	0.07	–	0.00
55	Mr T T Narendran, Mrs Vimala Rangaswamy & Mrs Padmini Narendran	1,62,988	0.11	–	1,62,988	0.11	–	0.00
56	Mrs Padmini Narendran & Mr T T Hayagreevan	1,06,044	0.07	–	1,06,044	0.07	–	0.00
57	Mrs Vimala Rangaswamy, Mr T T Narendran & Mrs Padmini Narendran	95,024	0.06	–	95,024	0.06	–	0.00
58	Mr Srivats Ram	17,01,322	1.13	–	17,01,322	1.13	–	0.00

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	
59	Mr Srikanth Ramanujam	9,14,052	0.60	–	9,14,052	0.60	–	0.00
60	Mr Sriram Viji	12,78,620	0.85	–	12,78,620	0.85	–	0.00
61	Mr R. Ramanujam	2,32,534	0.15	–	2,32,534	0.15	–	0.00
62	Mrs Rupa Srikanth	70,188	0.05	–	70,188	0.05	–	0.00
63	Mr Srikanth Ramanujam & Mrs Rupa Srikanth	4,472	0.00	–	4,472	0.00	–	0.00
64	Mrs Choodamani Narayanan	5,03,094	0.33	–	5,03,094	0.33	–	0.00
65	Mrs Prema Ramanujam	6,43,412	0.43	–	6,43,412	0.43	–	0.00
66	Mrs Aruna Sankaranarayanan	56,840	0.04	–	56,840	0.04	–	0.00
67	Mr S Ram	5,06,788	0.34	–	5,06,788	0.34	–	0.00
68	Mr Harsha Viji	13,66,068	0.90	–	16,72,358	1.11	–	0.21
69	Mr Aditya S. Ramanujam	2,21,882	0.15	–	2,72,930	0.18	–	0.03
70	Mr S Viji	9,09,780	0.60	–	9,09,780	0.60	–	0.00
71	Mrs Vijaya Rangarajan	9,03,564	0.60	–	12,09,854	0.80	–	0.20
72	Mr Sriram Viji & Mrs Chitra Viji	3,156	0.00	–	3,156	0.00	–	0.00
73	Mr R. Ramanujam & Mr Ananth Ramanujam	25,600	0.02	–	25,600	0.02	–	0.00
74	Mr Harsha Viji & Mrs Chitra Viji	3,156	0.00	–	3,156	0.00	–	0.00
75	Mrs Nivedita Ram	16,49,516	1.09	–	16,49,516	1.09	–	0.00
76	Mrs Chitra Viji	8,34,034	0.55	–	8,34,034	0.55	–	0.00
77	Mrs Gita Ram	11,39,680	0.75	–	11,39,680	0.75	–	0.00
78	Mr S Viji & Mrs Chitra Viji	8,684	0.01	–	8,684	0.01	–	0.00
79	Mr Arjun Rangarajan	13,08,270	0.87	–	13,08,270	0.87	–	0.00
80	Mr R. Ramanujam (HUF)	9,992	0.01	–	9,992	0.01	–	0.00
81	Mr Srikanth Ramanujam (HUF)	8,000	0.01	–	8,000	0.01	–	0.00
82	Mr Srivats Ram (HUF)	77,200	0.05	–	77,200	0.05	–	0.00
83	Mr S Viji (HUF)	1,13,988	0.08	–	1,13,988	0.08	–	0.00
84	Mr S Viji (HUF)	3,65,924	0.24	–	3,65,924	0.24	–	0.00
85	Miss Anupama Lakshmi Rangarajan	6,09,896	0.40	–	0	0.00	–	-0.40
86	Mrs Vijaya Rangarajan & Mr S Ram	0	0.00	–	6,09,896	0.40	–	0.40
87	Mr S Narayanan	4,600	0.00	–	4,600	0.00	–	0.00
88	Mr Narayanan Ramji (HUF)	4,08,480	0.27	–	136160	0.09	–	-0.18
89	Mr Srinivasaraghavan Sundaram	4,000	0.00	–	4,000	0.00	–	0.00
90	Mr A.m. Srinivasan & Mr S Kishore	452	0.00	–	452	0.00	–	0.00
91	Mr S Kishore & Mr A.M. Srinivasan	1,13,612	0.08	–	1,13,612	0.08	–	0.00
92	Mr Srikanth Ramanujam & Mr Ananth Ramanujam	8,30,215	0.55	–	8,30,215	0.55	–	0.00
93	Miss Tarika Ram (Minor)	13,490	0.01	–	1,15,586	0.08	–	0.07
94	Mr Daya Ambirajan	1,19,650	0.08	–	2,21,747	0.15	–	0.07

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	
95	Master Ranjan Ambirajan	6,744	0.00	–	1,08,841	0.07	–	0.07
96	Mr R. Ramanujam & Mrs Prema Ramanujam	9,736	0.01	–	9,736	0.01	–	0.00
97	Mr T T Rangaswamy (HUF)	49,324	0.03	–	49,324	0.03	–	0.00
98	Mr T T Srinivasa Raghavan (HUF)	1,23,192	0.08	–	1,23,192	0.08	–	0.00
99	Mr T T Rangaswamy (HUF)	19,368	0.01	–	19,368	0.01	–	0.00
100	Mr T T Narendran (HUF)	95,068	0.06	–	95,068	0.06	–	0.00
101	Mr T T Srinivasaraghavan & Mr T T Narendran	1,10,000	0.07	–	1,10,000	0.07	–	0.00
102	Mr T T Srinivasaraghavan & Mrs Bagyam Raghavan	1,10,000	0.07	–	1,10,000	0.07	–	0.00
103	Mr T T Narendran & Mrs Padmini Narendran	90,000	0.06	–	90,000	0.06	–	0.00
104	Mr T T Narendran & Mrs Padmini Narendran	90,000	0.06	–	90,000	0.06	–	0.00
105	Mrs Vimala Rangaswamy, Mr T T Srinivasaraghavan & Mr T T Venkatraghavan	82,664	0.05	–	82,664	0.05	–	0.00
106	Mr A M Srinivasan	120	0.00	–	120	0.00	–	0.00
107	Mr Vishnu Vijayaraghavan	75,984	0.05	–	75,984	0.05	–	0.00
108	Mrs Lakshmi Vijayaraghavan	41,155	0.03	–	41,155	0.03	–	0.00
109	Mr Sharath Vijayaraghavan	1,74,844	0.12	–	1,74,844	0.12	–	0.00
110	Miss Gitanjali Jeevan Jose, Rep By M/G Mrs Divya Jeevan Jose	10,000	0.01	–	10,000	0.01	–	0.00
111	Master P Siddhartha Jeevan, Rep By M/G Mrs Divya Jeevan Jose	10,000	0.01	–	10,000	0.01	–	0.00
112	Mr N Krishnan & Mr Akshay Krishnan	3,000	0.00	–	3,000	0.00	–	0.00
113	Mr N Krishnan & Mr Ananth Krishnan	3,000	0.00	–	3,000	0.00	–	0.00
114	Ms Veena Raghavan	75,000	0.05	–	75,000	0.05	–	0.00
115	Mr Shreen Raghavan (HUF)	5,115	0.00	–	5,115	0.00	–	0.00
116	Mrs S Hema	10,34,968	0.68	–	10,34,968	0.68	–	0.00
117	Mrs Kavitha Gorur Keshav & Mr T T Hayagreevan	10,000	0.01	–	10,000	0.01	–	0.00
118	Miss Nakshatra Hayareevan (Minor)	10,000	0.01	–	10,000	0.01	–	0.00
119	Mr Shriram Vijayaraghavan (HUF)	1,05,000	0.07	–	1,05,000	0.07	–	0.00
120	Mr S Ravindran	0	0.00	–	4,91,360	0.33	–	0.33
121	Mrs Thanjam Ravindran	0	0.00	–	5,74,470	0.38	–	0.38
122	Mr Shreyas Ravindran & Mr Srinivasan Ravindran	0	0.00	–	1,36,342	0.09	–	0.09
123	Mr C B Srinivasan	0	0.00	–	9,600	0.01	–	0.01
124	Ms Sanjana Tara Ramanujam	0	0.00	–	74,204	0.05	–	0.05
	Total	7,99,44,594	52.91	–	8,06,02,882	53.34	–	0.43

(iii) Change in Shareholding of Promoter and Promoter Group

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Mr Narayanan Ramji (HUF)				
	At the beginning of the year	4,08,480	0.27		
	Transfer pursuant to Family Settlement Order 3rd August 2018	-2,72,320	-0.18	1,36,160	0.09
	At the end of the year			1,36,160	0.09
2	Mrs Saraswathi Srinivasan				
	At the beginning of the year	3,04,320	0.20		
	Transmission of shares - 29th June 2018	-3,04,320	-0.20	—	—
	At the end of the year			—	—
3	Mr. S. Ravindran*				
	At the beginning of the year	3,89,920	0.26		
	Transmission of shares held by Late Mrs Saraswathi Srinivasan - 29th June 2018	3,04,320	0.20	6,94,240	0.46
	Inter-se transfer - 26th September 2018	-2,02,880	-0.13	4,91,360	0.33
	At the end of the year			4,91,360	0.33
3	Mrs Thanjam Ravindran*				
	At the beginning of the year	4,22,310	0.28		
	Inter-se transfer - 26th September 2018	1,52,160	0.10	5,74,470	0.38
	At the end of the year			5,74,470	0.38
4	Mr Shreyas Ravindran & Mr S Ravindran*				
	At the beginning of the year	85,622	0.06		
	Inter-se transfer - 26th September 2018	50,720	0.03	1,36,342	0.09
	At the end of the year			1,36,342	0.09
5	Mr C B Srinivasan*				
	At the beginning of the year	9,600	0.01		
	At the end of the year			9,600	0.01
6	Ms Anupama Lakshmi Rangarajan	6,09,896	0.40		
	At the beginning of the year				
	Inter-se transfer - 7th January 2019	-6,09,896	-0.40	—	—
	At the end of the year			—	—
7	Mrs Vijaya Rangarajan & Mr S Ram				
	At the beginning of the year	—	—		
	Inter-se transfer - 7th January 2019	6,09,896	0.40	6,09,896	0.40
	At the end of the year			6,09,896	0.40
8	Mr S Ram & Mr S Viji				
	At the beginning of the year	12,25,160	0.81		
	Transfer - 26.02.2019*	-12,25,160	-0.81	—	—
	At the end of the year			—	—

* became a member of the promoter group w.e.f. 29.06.2018

Distribution of shares to beneficiaries pursuant to dissolution of Sri T.S. Santhanam Testamentary Trust

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
9	Mr Sumanth Ramanujam				
	At the beginning of the year	8,862	0.01		
	Acquisition - 26.02.2019 [®]	1,02,097	0.07	1,10,959	0.07
	At the end of the year			1,10,959	0.07
10	Mr Ananth Ramanujam				
	At the beginning of the year	5,69,892	0.38		
	Acquisition - 26.02.2019 [®]	51,048	0.03	6,20,940	0.41
	At the end of the year			6,20,940	0.41
11	Ms Tulsi S Ramanujam				
	At the beginning of the year	2,19,382	0.15		
	Acquisition - 26.02.2019 [®]	51,049	0.03	2,70,431	0.18
	At the end of the year			2,70,431	0.18
12	Mr Aditya S Ramanujam				
	At the beginning of the year	2,21,882	0.15		
	Acquisition - 26.02.2019 [®]	51,048	0.03	2,72,930	0.18
	At the end of the year			2,72,930	0.18
13	Mrs Vijaya Rangarajan				
	At the beginning of the year	9,03,564	0.60		
	Acquisition - 26.02.2019 [®]	3,06,290	0.20	12,09,854	0.80
	At the end of the year			12,09,854	0.80
14	Mr Harsha Viji				
	At the beginning of the year	13,69,224	0.91		
	Acquisition - 26.02.2019 [®]	3,06,290	0.20	16,75,514	1.11
	At the end of the year			16,75,514	1.11
15	Ms Tarika Ram (Minor)				
	At the beginning of the year	13,490	0.01		
	Acquisition - 26.02.2019 [®]	1,02,096	0.07	1,15,586	0.08
	At the end of the year			1,15,586	0.08
16	Master Ranjan Ambirajan				
	At the beginning of the year	6,744	0.00		
	Acquisition - 26.02.2019 [®]	1,02,097	0.07	1,08,841	0.07
	At the end of the year			1,08,841	0.07
17	Ms Daya Ambirajan				
	At the beginning of the year	1,19,650	0.08		
	Acquisition - 26.02.2019 [®]	1,02,097	0.07	2,21,747	0.15
	At the end of the year			2,21,747	0.15
18	Ms Sanjana Tara Ramanujam [§]				
	At the beginning of the year	23,156	0.02		
	Acquisition - 26.02.2019 [®]	51,048	0.03	74,204	0.05
	At the end of the year			74,204	0.05

[®] Acquisition of shares pursuant to dissolution of Sri T.S. Santhanam Testamentary Trust

[§] became a member of the promoter group w.e.f. 26.02.2019

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

Sl. No.	Name of the Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Reliance Capital Trustee Company Limited				
	At the beginning of the year	2,45,445	0.16	–	–
	Sale:				
	13-Apr-18	-3,287	0.00	2,42,158	0.16
	20-Apr-18	-2,42,158	-0.16	0	0.00
	Purchase:				
	27-Apr-18	38,29,609	2.53	38,29,609	2.53
	01-Jun-18	6,922	0.00	38,36,531	2.54
	15-Jun-18	5,21,700	0.35	43,58,231	2.88
	28-Sep-18	15,000	0.01	43,73,231	2.89
	26-Oct-18	10,400	0.01	43,83,631	2.90
	01-Feb-19	2,000	0.00	43,85,631	2.90
At the end of the Year			43,85,631	2.90	
2	Axis Mutual Fund Trustee Limited A/C				
	At the beginning of the year	36,74,424	2.43		
	Sale:				
	18-May-18	-13,667	-0.01	36,60,757	2.42
	25-May-18	-1,01,814	-0.07	35,58,943	2.36
	01-Jun-18	-2,09,519	-0.14	33,49,424	2.22
	08-Jun-18	-2,771	0.00	33,46,653	2.21
	22-Jun-18	-28,650	-0.02	33,18,003	2.20
	29-Jun-18	-13,579	-0.01	33,04,424	2.19
	05-Jul-18	-9,533	-0.01	32,94,891	2.18
	21-Sep-18	-744	0.00	32,94,147	2.18
	14-Dec-18	-6,352	0.00	32,87,795	2.18
	25-Jan-19	-42	0.00	32,87,753	2.18
	Purchase:				
	15-Mar-19	6,679	0.00	32,94,432	2.18
At the end of the Year			32,94,432	2.18	
3	India Motor Parts & Accessories Limited				
	At the beginning of the year	28,53,600	1.89		
	Date wise Increase/Decrease				
At the end of the Year			28,53,600	1.89	
4	Bright Star Investments Pvt. Ltd.				
	At the beginning of the year	26,30,434	1.74		
	Date wise Increase/Decrease				
At the end of the Year			26,30,434	1.74	
5	SBI Magnum Fund				
	At the beginning of the year	19,09,633	1.26		
	15-Jun-18	-13,652	-0.01	18,95,981	1.25
	10-Aug-18	-8,155	-0.01	18,87,826	1.25
	31-Aug-18	-50,500	-0.03	18,37,326	1.22
	07-Sep-18	-1,266	0.00	18,36,060	1.22
At the end of the Year			18,36,060	1.22	
6	United India Insurance Company Limited				
	At the beginning of the year	15,69,561	1.04		
	Date wise Increase/Decrease				
At the end of the Year			15,69,561	1.04	

Sl. No.	Name of the Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year		
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company	
7	Damani Estate And Finance Pvt Ltd					
	At the beginning of the year	10,32,912	0.68			
	Purchase:					
	17-Aug-18	2,28,005	0.15	12,60,917	0.83	
	Sale:					
	17-Aug-18	-2,28,005	-0.15	10,32,912	0.68	
	Purchase:					
	21-Dec-18	1,20,000	0.08	11,52,912	0.76	
	Sale:					
21-Dec-18	-1,20,000	-0.08	10,32,912	0.68		
	At the end of the Year			10,32,912	0.68	
8	ICICI Prudential Fund					
	At the beginning of the year	30,92,403	2.05			
	Sale:					
	27-Apr-18	-4,13,650	-0.27	26,78,753	1.77	
	04-May-18	-7,13,349	-0.47	19,65,404	1.30	
	11-May-18	-2,01,208	-0.13	17,64,196	1.17	
	18-May-18	-2,06,623	-0.14	15,57,573	1.03	
	25-May-18	-1,091	0.00	15,56,482	1.03	
	01-Jun-18	-34,577	-0.02	15,21,905	1.01	
	15-Jun-18	-63,284	-0.04	14,58,621	0.97	
	22-Jun-18	-59,251	-0.04	13,99,370	0.93	
	29-Jun-18	-30,375	-0.02	13,68,995	0.91	
	20-Jul-18	-8,607	-0.01	13,60,388	0.90	
	27-Jul-18	-7,145	0.00	13,53,243	0.90	
	23-Nov-18	-6,139	0.00	13,47,104	0.89	
	30-Nov-18	-23,829	-0.02	13,23,275	0.88	
	07-Dec-18	-25,241	-0.02	12,98,034	0.86	
	14-Dec-18	-68,427	-0.05	12,29,607	0.81	
		21-Dec-18	-67,121	-0.04	11,62,486	0.77
		28-Dec-18	-23,870	-0.02	11,38,616	0.75
		31-Dec-18	-12,730	-0.01	11,25,886	0.75
	04-Jan-19	-46,886	-0.03	10,79,000	0.71	
	11-Jan-19	-20,712	-0.01	10,58,288	0.70	
	18-Jan-19	-30,438	-0.02	10,27,850	0.68	
	At the end of the Year			10,27,850	0.68	
9	Sundaram Finance Employees Welfare Trust					
	At the beginning of the year	9,79,510	0.65			
	15-Jun-18	-18,550	-0.01	9,60,960	0.64	
	At the end of the Year			9,60,960	0.64	
10	HDFC Standard Life Insurance Company Limited					
	At the beginning of the year	9,32,673	0.62		0.00	
	Purchase:					
	11-May-18	166	0.00	9,32,839	0.62	
	18-May-18	12,553	0.01	9,45,392	0.63	
	29-Jun-18	13,320	0.01	9,58,712	0.63	
	Sale:					
	08-Feb-19	-3,581	0.00	9,55,131	0.63	
	15-Feb-19	-3,193	0.00	9,51,938	0.63	
	22-Feb-19	-10,017	-0.01	9,41,921	0.62	
	08-Mar-19	-2,645	0.00	9,39,276	0.62	
	15-Mar-19	-1,602	0.00	9,37,674	0.62	
		At the end of the Year			9,37,674	0.62

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Name of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Sri S Viji, Chairman (upto 27.08.2018) At the beginning of the year (i) held individually (ii) held as Karta of HUF (iii) held jointly with others Date wise Increase / Decrease At the end of the Year (i) held individually (ii) held as Karta of HUF (iii) held jointly with others	9,09,780 4,79,912 8,684	0.60 0.32 0.01	9,09,780 4,79,912 8,684	0.60 0.32 0.01
2	Sri T T Srinivasaraghavan At the beginning of the year (i) held as Karta of HUF (ii) held jointly with others (iii) held as Trustee Date wise Increase / Decrease At the end of the Year (i) held as Karta of HUF (ii) held jointly with others (iii) held as Trustee	1,23,192 3,26,376 1,10,000	0.08 0.22 0.07	1,23,192 3,26,376 1,10,000	0.08 0.22 0.07
3	Sri R. Venkatraman At the beginning of the year Increase / Decrease in Share holding during the year At the end of the Year	— —	— —	—	—
4	Sri S Prasad At the beginning of the year - held jointly with others Date wise Increase / Decrease Transmission - 14.09.2018 At the end of the Year - held individually	12,600	0.01	12,600	0.01
5	Ms. Shobhana Ramachandhran At the beginning of the year - held individually Date wise Increase / Decrease At the end of the Year - held individually	3,44,720	0.23	3,44,720	0.23

Sl. No.	Name of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year		
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company	
6	Sri Srivats Ram (w.e.f. 27.08.2018)					
	At the beginning of the year					
	(i) held individually	17,01,332	1.13			
	(ii) held as Karta of HUF	77,200	0.05			
	Date wise Increase / Decrease	–	–			
	At the end of the Year					
7	Sri Harsha Viji					
	At the beginning of the year					
	(i) held individually	13,66,068	0.90			
	(ii) held jointly with others	3,156	0.00			
	Date wise Increase / Decrease	–	–			
	Acquisition of shares pursuant to dissolution of Sri T.S. Santhanam Testamentary Trust - 26.02.2019	3,06,290	0.20			
8	Sri Paramesh Krishanier, Chief Executive Officer					
	At the beginning of the year					
	(i) held individually	400	0.00			
	(ii) held jointly with others	6,000	0.00			
	Date wise Increase / Decrease					
	At the end of the Year					
9	Sri P N Srikant, Secretary & Compliance Officer					
	At the beginning of the year	25	0.00			
	Date wise Increase / Decrease					
	At the end of the Year			25	0.00	
	10	Sri T Kailashapathy, Chief Financial Officer (upto 30.09.2018)				
	At the beginning of the year					
Date wise Increase / Decrease	–	–				
At the end of the Year			–	–		
11	Sri V. Vaasen, Chief Financial Officer (w.e.f. 22.11.2018)					
	At the beginning of the year	–	–			
	Date wise Increase / Decrease	–	–			
	At the end of the Year			–	–	

V. INDEBTEDNESS

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

(₹ in lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year	NIL			
(i) Principal Amount				
(ii) Interest due but not paid				
(iii) Interest accrued but not due				
Total (i + ii + iii)				
Change in Indebtedness during the financial year				
Addition				
Reduction				
Net Change				
Indebtedness at the end of the financial year				
(i) Principal Amount				
(ii) Interest due but not paid				
(iii) Interest accrued but not due				
Total (i + ii + iii)				

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(₹ in lakhs)

Sl. No.	Particulars of Remuneration	Name of the MD/AJTD/Manager	Total Amount
		Sri Paramesh Krishnaier Chief Executive Officer	
1	Gross Salary		
	a) Salary as per provisions contained in Section 17 (1) of the Income-tax Act, 1961	37.80	37.80
	b) Value of perquisites u/s 17 (2) of the Income-tax Act, 1961	2.20	2.20
	c) Profits in lieu of salary under section 17 (3) of the Income-tax Act, 1961	Nil	Nil
2	Stock Option	Nil	Nil
3	Sweat Equity	Nil	Nil
4	Commission	10.00	10.00
	- as % of profit	0.13	0.13
	- others, specify	–	–
5	Contributions to Provident, Superannuation and Gratuity Funds	–	–
	Total (A)	50.00	50.00
	Ceiling as per the Act (5% of Net Profit)		3,88.70

B. Remuneration to Other Directors

(₹ in lakhs)

Name of Directors	Particulars of Remuneration			Total Amount
	Fee for attending board / committee meetings (in ₹)	Commission	Others, please specify	
Independent Directors				
Sri R Venkatraman	4.70	5.00 [©]	–	9.70
Sri S Prasad	4.70	–	–	4.70
Ms Shobhana Ramachandhran	1.85	–	–	1.85
Total (1)	11.25	–	–	16.25
Other Non-Executive Directors				
Sri S Viji (upto 27.08.2018)	–	–	–	–
Sri T T Srinivasaraghavan	–	–	–	–
Sri Harsha Viji	–	–	–	–
Sri Srivats Ram (w.e.f. 27.08.2018)	–	–	–	–
Total (2)	–	–	–	–
Total (B) = (1+2)	11.25	5.00	–	16.25
Total Managerial Remuneration (A)+(B)				66.25
Overall Ceiling as per the Act (6% of the Net Profits)				466.44

[©] Subject to approval of the Shareholders at the ensuing Annual General Meeting

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

(₹ in lakhs)

Sl. No.	Particulars of Remuneration	Sri P.N. Srikant Company Secretary	Sri T. Kailashapathy CFO (upto 30.09.2018)	Sri V. Vaasen CFO (w.e.f. 22.11.2018)	Total Amount
1	Gross Salary				
	a) Salary as per provisions contained in Section 17 (1) of the Income-tax Act, 1961	25.77	11.66	10.23	47.65
	b) Value of perquisites u/s 17 (2) of the Income-tax Act, 1961	0.24	–	0.09	0.33
	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	Contribution to Provident, Superannuation and Gratuity Funds	2.19	0.54	0.49	3.21
	Total (A)	28.19	12.20	10.80	51.19

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

There were no penalties / punishment / compounding of offences against the Company, Directors and other Officers in Default during the year ended 31st March 2019.

INDEPENDENT AUDITOR'S REPORT

Report on the Audit of the Standalone Financial Statements To the Members of Sundaram Finance Holdings Limited

Opinion

We have audited the accompanying standalone financial statements of Sundaram Finance Holdings Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2019, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with Indian Accounting Standards prescribed under Section 133 of the Act (Ind AS) and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and profit and

total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the financial statements section of our report. We are independent of the Company in accordance with Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, are of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matter to be communicated in our report.

Key Audit Matter	Our audit procedures with regards to key audit matter
<p><i>Valuation of Unquoted investments fair valued through OCI</i> Refer Note 2.2 "Fair value measurement", and Note 2.4 "Financial Assets" for relevant accounting policies and significant accounting estimates used by the Company.</p> <p>The investment portfolio is valued at ₹1,84,738.90 lakhs which represents almost 100% of the total assets, where unquoted equity investments fair valued through OCI amounts to ₹37,471 lakhs ("Investment") covering about 20% of investment value as at 31st March 2019. As the above investment are not traded in the active market, fair value of these investments involved significant management judgement and estimate and were based on the valuation methodology recommended by a valuation expert in the Group.</p> <p>For determination of Fair Value, the market approach has been considered according to which the earnings and book value based market multiples of listed peer companies in the same sector as that of the investments have been used to determine the fair value of unquoted equity investments after adjusting for illiquidity discount.</p> <p>This valuation is a Level 3 type of valuation in accordance of Ind AS 113 Fair Value Measurement where one or more significant inputs to the fair value measurement is unobservable. Accordingly, the valuation of unquoted investment was considered to be a Key Audit Matter, due to significant judgments associated with determining the fair value of investment.</p>	<p>(i) Reviewed the Accounting Policies used by the Company for accounting and disclosing Investments for compliance with the accounting framework.</p> <p>(ii) Evaluating the valuation methodology recommended by the valuation expert in the Group.</p> <p>(iii) Verified the correctness of market inputs used and mathematical accuracy of the valuation analysis.</p> <p>(iv) Assessed the adequacy of internal controls, evaluated the design and tested the operating effectiveness of such controls for initial recognition, subsequent measurement and disclosure of investments as on the reporting date as per applicable regulations.</p> <p>(v) Our team was supported by our in-house valuation specialist, especially in determining whether such valuation methodology is consistent with the market practice.</p> <p>(vi) We also assessed whether the disclosures in relation to investments are compliant with the relevant Indian accounting requirements and appropriately present the sensitivities in the valuations based on alternative outcome.</p>

Information Other than the Standalone Financial Statements and Auditor's Report thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in Management Discussion and Analysis; Board's Report including Annexure and Corporate Governance Report but does not include the financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Managements Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. Their responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless

management either intends to liquidate the Company or to cease operations, or had no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are

required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. 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 Companies Act 2013, we give in the ANNEXURE "A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - i) We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - ii) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.

iii) The Balance Sheet, the Statement of Profit and Loss Account (including Other Comprehensive Income), Statement of Changes in Equity and the Statement of Cash Flow dealt with in this report are in agreement with the books of account.

iv) In our opinion, the financial statements comply with the Ind AS specified under section 133 of the Act.

v) On the basis of the written representations received from the directors as on 1st April 2019 taken on records by the Board of Directors, none of the directors is disqualified from being appointed as a director under sub-section (2) of section 164 of the Act.

vi) 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". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

vii) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with provisions of Section 197 of the Act.

viii) With respect to other matters to be included in the auditor's report in accordance with Rule 11 of the Companies (Audit and Auditors) Rule, 2014, in our opinion and to the best of our information and according to the explanations gives to us

- i. The Company does not have any pending litigations which would impact its financial position;
- ii. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses;
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For R.G.N. Price & Co.

Chartered Accountants

Firm Registration No: 002785S

K. Venkatakrishnan

Partner

Place : Chennai

Date: 17th May, 2019

Membership No. : 208591

Annexure – “A” referred to in paragraph 1 under ‘Report on Other Legal and Regulatory Requirements’ section of our audit report of even date to the members of Sundaram Finance Holdings Limited (“the Company”) on the financial statements of the Company for the year ended 31st March, 2019

I	a.	The Company has maintained proper records for its property plant and equipment showing full particulars including quantitative details and situation of those assets.
	b.	The Company has conducted physical verification of property plant and equipment during the year and no material discrepancies were observed during such verification.
	c.	The Company has got certain immovable properties transferred from the transferor company vide composite scheme of arrangement approved by the Hon’ble National Company Law Tribunal vide its order dated 12th January 2018. Accordingly, title deeds of all the properties have been transferred in the name of the Company except the title deed of one property, which we were informed, is in the process of getting transferred in the name of the Company.
II		Considering the nature of business of the Company, Clause 3(ii) of the Order relating to inventories is not applicable.
III		According to information and explanations given to us, the Company has not granted any loan, secured or unsecured, to companies, firms or other parties covered in the Register maintained under Section 189 of the Act.
IV		The Company has complied with the provisions of Sections 185 and 186 of the Act in respect of investments made during the year. According to information and explanations given to us, the Company has not granted any loans or guarantees or securities during the year as envisaged under Section 185 and 186 of the Act.
V		The Company has not accepted any deposits; Hence the provisions of Section 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder are not applicable to the Company.
VI		The Central Government has not prescribed maintenance of cost records under Section 148(1) of the Act.
VII	a.	According to the information and explanations given to us, and records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues including Provident Fund, Employees’ State Insurance, Income Tax, Goods and Services Tax, Cess and any other statutory dues applicable to it with appropriate authorities. There are no arrears of undisputed statutory dues outstanding as at 31st March 2019 for a period of more than six months from the date they became payable.
	b.	According to the information and explanations given to us, and records of the Company examined by us, in our opinion, there are no dues of Income Tax, Service Tax, Goods and Services Tax or Cess pending on account of any dispute as at 31st March 2019.
VIII		The Company has not obtained any loans or borrowings from financial institutions, banks, Government nor has issued any debentures during the year. Accordingly, Clause 3(viii) of the Order is not applicable.
IX		The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) or term loans during the year.
X		During the course of our examination of books and records of the Company carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither observed any instances of fraud by the Company or any fraud on the Company, by its officers or employees, nor have we been informed of such case by the Management during the year.
XI		The managerial remuneration has been paid in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act.

XII	The Company is not a Nidhi Company and hence Clause 3(xii) of the Order is not applicable.
XIII	In our opinion and according to information and explanations given to us, all transactions with related parties are in compliance with Sections 177 and 188 of the Act and the details have been disclosed in the Standalone Financial Statements as required by the applicable Accounting Standards.
XIV	The Company has not made any preferential allotment or private placement of shares or fully convertible or partly convertible debentures during the year under review.
XV	According to the information and explanations given to us and based on our examination of records, the Company has not entered into any non- cash transactions with the directors or persons connected with them contravening Section 192 of the Act.
XVI	As informed to us, the Company being an exempted Core Investment Company, is not required to be registered under Section 45 – IA of the Reserve Bank of India Act, 1934.

For R.G.N. Price & Co.
Chartered Accountants
Firm Registration No: 002785S
K. Venkatakrishnan
Partner
Membership No. : 208591

Place : Chennai
Date: 17th May, 2019

Annexure – “B” referred to in paragraph 2 Clause (vi) under ‘Report on Other Legal and Regulatory Requirements’ section of our audit report of even date to the members of Sundaram Finance Holdings Limited (“the Company”) on the financial statements of the Company for the year ended 31st March, 2019

We have audited the internal financial controls over the financial reporting of Sundaram Finance Holdings Limited (“the Company”) as on March 31, 2019 in conjunction with our audit of the 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. 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 and the Standards on Auditing prescribed under sections 143(10) of the Act to the extent applicable to an audit of internal financial controls. The Guidance Note and those standards 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 whether material weakness exists, and testing and evaluating the design and operating effectiveness of internal controls 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 controls 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 authorizations of management and directors of the Company; and

3. Provide reasonable assurance regarding prevention or timely detection of unauthorized 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, to the best of our information and according to the explanations given to us, 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 March 31, 2019 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 ICAI.

For **R.G.N. Price & Co.**
Chartered Accountants
Firm Registration No: 002785S
K. Venkatakrisnan
Partner
Membership No. : 208591

Place : Chennai
Date: 17th May, 2019

Balance Sheet

as at 31st March, 2019

(₹ in lakhs)

Particulars	Notes	March 31, 2019	March 31, 2018	April 1, 2017
ASSETS				
(1) Financial Assets				
(a) Cash and cash equivalents	1	20.94	1,86.95	7.40
(b) Receivables	2	3,52.04	3,42.95	22.25
(c) Loans	3	29.70	34.53	1.52
(d) Investments	4	1847,38.90	2397,69.21	1534,05.50
(e) Other financial assets	5	19.97	35.18	97,70.40
(2) Non-financial Assets				
(a) Current tax assets (Net)	6	–	44.05	1,84.72
(b) Investment property	7	1,64.25	1,67.90	1,71.94
(c) Property, plant and equipment	8	1,00.47	93.21	87.59
(d) Intangible assets	8	16.76	21.83	15.50
(e) Other non-financial assets	9	63.03	67.40	42.86
Total Assets		1855,06.06	2407,63.21	1637,09.68
LIABILITIES AND EQUITY				
LIABILITIES				
(1) Financial liabilities				
(a) Payables	10			
Trade Payables				
(i) Total outstanding dues of micro enterprises and small enterprises		–	–	–
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		12.76	1,04.63	9.36
(b) Other financial liabilities	11	25.06	12.36	–
(2) Non-Financial liabilities				
(a) Current tax Liabilities (Net)	12	30.66	–	–
(b) Provisions	13	1,36.02	83.33	21.78
(c) Deferred tax liabilities (Net)	14	82,25.60	125,04.98	92,09.00
(d) Other non-financial liabilities	15	83.31	69.95	1,02.31
(3) Equity				
(a) Equity share capital	16	75,55.19	75,55.19	20,00.00
(b) Other equity	17	1694,37.45	2204,32.77	1523,67.23
Total Liabilities and Equity		1855,06.06	2407,63.21	1637,09.68

This is the Balance sheet referred to in our report of even date attached.

For and on behalf of the Board of Directors of
Sundaram Finance Holdings Limited

For **R.G.N. Price & Co.**

Chartered Accountants

ER No: 002785S

K. Venkatakrishnan

Partner

M.No : 208591

Date : 17-05-2019

Place : Chennai

T.T. Srinivasaraghavan

Chairman

Paramesh Krishnaier

Chief Executive Officer

R. Venkatraman

Director

V Vaasen

Chief Financial Officer

Harsha Viji

Director

P.N. Srikant

Secretary & Compliance Officer

Statement of Profit and Loss

for the Year Ended 31st March, 2019

(₹ in lakhs)

Particulars	Notes	For the year ended 31st March 2019	For the year ended 31st March 2018
Revenue from operations			
Interest Income	18	3,54.47	1.74
Dividend Income		65,31.80	56,99.76
Net gain on sale of Current investments		9,01.69	2,64.69
Net gain on sale of Non-Current investments		16,66.53	–
Net gain on fair value changes	19	1,46.31	79.87
Sale of services		22,73.74	13,49.77
Total Revenue from operations		118,74.53	73,95.83
Other Income	20	1,96.07	1,63.02
Total Income		120,70.60	75,58.85
Expenses			
Finance cost	21	19.29	7.21
Impairment on financial instrument		–	98.18
Employee benefit expenses	22	17,63.07	9,77.62
Depreciation and Amortisation		29.04	27.83
Administrative and Other Expenses	23	7,10.52	4,39.81
Total expenses		25,21.92	15,50.65
Profit before exceptional items and tax		95,48.68	60,08.20
Exceptional items		–	–
Profit before tax		95,48.68	60,08.20
Tax expense	24		
1. Current tax		10,74.77	5,72.37
2. Deferred tax		(19.36)	(3.87)
Total tax		10,55.41	5,68.50
Profit for the period		84,93.27	54,39.70
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Remeasurements of the defined benefit plans		(17.44)	(6.12)
Income tax on above		5.08	1.76
Remeasurements of the defined benefit plans (Net of Income tax)		(12.36)	(4.36)
Change in Fair value of equity instruments		(608,70.32)	715,80.30
Income tax on above		41,26.60	(33,49.75)
Change in Fair value of equity instruments (Net of tax)		(567,43.72)	682,30.55
Other Comprehensive Income Net of Tax		(567,56.08)	682,26.19
Total Comprehensive Income for the period		(482,62.81)	736,65.89
Basic and Diluted Earnings per Equity Share of ₹5 each	33a	5.62	3.60

This is the Statement of Profit and Loss referred to in our report of even date attached.

For and on behalf of the Board of Directors of
Sundaram Finance Holdings Limited

For **R.G.N. Price & Co.**

Chartered Accountants

ER No: 002785S

K. Venkatakrishnan

Partner

M.No : 208591

Date : 17-05-2019

Place : Chennai

T.T. Srinivasaraghavan

Chairman

Paramesh Krishnaier

Chief Executive Officer

R. Venkatraman

Director

V Vaasen

Chief Financial Officer

Harsha Viji

Director

P.N. Srikant

Secretary & Compliance Officer

Cash Flow Statement

(₹ in lakhs)

Particulars	March 31, 2019	March 31, 2018
Cash flow from operating activities		
Profit before tax	95,48.68	60,08.20
Adjustments to reconcile profit before tax to net cash used in operating activities		
Depreciation and Amortisation of property, plant and equipment	29.03	27.83
Fair value change in financial instruments	(1,59.59)	(1,09.31)
(Gain)/loss on sale of current investment	(12,56.16)	(2,64.69)
(Gain)/loss on sale of property, plant and equipment	0.07	-
(Gain)/loss on sale of Non current Investment	(16,66.53)	-
Finance costs paid	19.29	7.21
Impairment on financial instrument	-	98.18
Net Actuarial gain/(loss) on defined benefit plan	(17.44)	(6.12)
	<u>64,97.37</u>	<u>57,61.29</u>
Working capital adjustments		
(Increase)/ Decrease in trade and other receivables	(9.10)	(3,20.70)
(Increase)/ Decrease in Loans	4.83	(33.01)
(Increase)/ Decrease in Other financial assets	15.21	97,35.22
(Increase)/ Decrease in Other non-financial assets	4.36	1,16.13
Increase/ (Decrease) in trade and other payables	(91.87)	95.27
Increase/(Decrease) in financial liabilities	12.70	12.36
Increase/(Decrease) in other non-financial liabilities and provisions	66.05	(31.29)
	<u>64,99.57</u>	<u>153,35.27</u>
Income Tax paid	(11,28.42)	(5,60.00)
Net cash flows from operating activities	<u>53,71.15</u>	<u>147,75.27</u>
Cash flow from investing activities		
Purchase and construction of property, plant and equipment	(24.82)	(18.70)
Payment for purchase and development of intangible assets	(2.98)	(17.04)
(Purchase) / sale of other investments	(49,64.96)	(145,07.61)
Proceeds from Capital Reduction by Associates	22,05.50	-
Proceeds from sale of property, plant and equipment	0.16	-
Interest received	1.74	-
Net cash flows from investing activities	<u>(27,85.36)</u>	<u>(145,43.35)</u>
Cash flow from financing activities		
Dividend Paid (including Dividend distribution tax)	(27,32.49)	(45.13)
Finance costs paid	(19.29)	(7.21)
Net cash flows from financing activities	<u>(27,51.78)</u>	<u>(52.34)</u>
Net increase / (decrease) in cash and cash equivalents	(1,66.01)	1,79.55
Cash and cash equivalents at the beginning of the year	1,86.95	7.40
Cash and cash equivalents at the end of the year (Refer Note 1)	<u>20.94</u>	<u>1,86.95</u>

This is the Cash Flow Statement referred to in our report of even date attached.

For and on behalf of the Board of Directors of
Sundaram Finance Holdings Limited

For **R.G.N. Price & Co.**

Chartered Accountants

ER No: 002785S

K. Venkatakrishnan

Partner

M.No : 208591

Date : 17-05-2019

Place : Chennai

T.T. Srinivasaraghavan

Chairman

Paramesh Krishnaier

Chief Executive Officer

R. Venkatraman

Director

V Vaasen

Chief Financial Officer

Harsha Viji

Director

P.N. Srikant

Secretary & Compliance Officer

STATEMENT OF CHANGES IN EQUITY
(a) Equity Share Capital

(₹in lakhs)

Particulars	Amount
As at April 1, 2017	20,00.00
Changes in equity share capital	55,55.19
As at March 31, 2018	75,55.19
Changes in equity share capital	–
As at March 31, 2019	75,55.19

(b) Other equity

(₹in lakhs)

Particulars	Reserves and Surplus			Gains / (losses) from equity investments through OCI	Total
	Capital Reserve	General Reserve	Retained Earnings		
Balance as at 1st April, 2017*	25,83.78	175,47.11	51,45.23	1270,91.12	1523,67.23
Less: Shares issued during the year	(7,09.10)	(44,39.09)	(4,07.00)		(55,55.19)
Add: Profit or loss for the period			54,39.70		54,39.70
Add: Other comprehensive income			(4.36)	682,30.54	682,26.18
Less: Final Dividend for FY 2016-17 paid			(37.50)		(37.50)
Less: Dividend Tax			(7.63)		(7.63)
Balance as at 1st April, 2018	18,74.68	131,08.02	101,28.43	1953,21.66	2204,32.77
Add: Profit or loss for the period			84,93.27		84,93.27
Add: Other comprehensive income			(12.36)	(567,43.72)	(567,56.08)
Less: Final Dividend for FY 2017-18 paid			(22,66.59)		(22,66.59)
Less: Dividend Tax			(4,65.90)		(4,65.90)
Balance as at 31st March 2019	18,74.68	131,08.02	158,76.85	1385,77.94	1694,37.45

* Includes impact on Scheme of Arrangement (Refer Note 30)

As per our report of even date attached.

 For and on behalf of the Board of Directors of
Sundaram Finance Holdings Limited

 For **R.G.N. Price & Co.**

Chartered Accountants

ER No: 002785S

K. Venkatakrishnan

Partner

M.No : 208591

Date : 17-05-2019

Place : Chennai

T.T. Srinivasaraghavan
Chairman

Paramesh Krishnaier
Chief Executive Officer

R. Venkatraman
Director

V Vaasen
Chief Financial Officer

Harsha Viji
Director

P.N. Srikant
Secretary & Compliance Officer

NOTES TO THE FINANCIAL STATEMENTS

1. COMPANY OVERVIEW

Sundaram Finance Holdings Limited ('the Company') is a Public Limited Company incorporated in India with its registered office located at No.21, Patullos Road, Chennai – 600002. The Company comes under the category of exempted Core Investment Company (CIC) and is not required to register with the Reserve Bank of India (RBI) as a Non Banking Financial Company (NBFC). The Company is primarily engaged in the business of Investments, business processing and support services.

The equity shares of the Company are listed on the National Stock Exchange of India Limited.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Preparation

The financial statements are prepared in accordance with the Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

For periods up to and including the year ended March 31, 2018, the Company presented its financial statements under the historical cost convention and accrual basis of accounting complying with the provisions of the Companies Act 2013, and in accordance with generally accepted accounting principles in India ('Indian GAAP' or 'previous GAAP').

The date of transition to Ind AS is 1st April 2017. These financial statements are the first financial statements of the company under Ind AS. Refer note 25 for an explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows.

Company's financial statements are prepared in Indian Rupees (₹), which is also its functional currency.

The Financial Statements have been prepared on a historical cost basis, except for certain financial instruments that are measured at fair values at the end of each reporting period.

2.2 Measurement of fair values

The Company's accounting policies and disclosures require the measurement of financial assets and liabilities at fair values. The Company has established policies and procedures with respect to measurement of fair values.

The Company classifies the fair value of its financial instruments in the following hierarchy, based on the inputs used in their valuation:

Level 1 - The fair value of financial instruments traded in active markets is based on quoted (unadjusted) market prices at the end of the reporting period.

Level 2 - The fair valuation of instruments not traded in active markets is determined based on observable market data and by using valuation techniques.

Level 3 - Where one or more of the significant inputs are not from observable market data.

2.3 Revenue Recognition:

Revenue is recognised when control of services are transferred to the customer at an amount that reflects the consideration to which the Company is entitled in exchange for those services, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment.

Revenue from rendering of services is recognised with reference to the stage of completion determined based on estimate of work performed, and when the outcome of the transaction can be estimated reliably.

Dividends:

Dividend income is accounted for when the right to receive it is established.

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

Interest Income:

For all debt instruments measured at amortised cost, interest income is recognised on time proportion basis, taking into account the amount outstanding and effective interest rate.

Rental Income:

Rental income arising from operating leases is accounted for on a straight-line basis over the lease term and is included in revenue in the statement of profit and loss due to its operating nature.

2.4. Financial Assets

Initial Recognition

All financial assets are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets, which are not at fair value through profit or loss, are adjusted to the fair value on initial recognition.

Subsequent Measurement

Financial Asset measured at Amortised Cost (AC)

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method.

Financial assets at fair value through other comprehensive income: (FVTOCI)

Financial assets are subsequently measured at fair value through other comprehensive income if these financial assets are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on principal and the interest on the principal outstanding.

Financial assets at Fair value through profit or loss: (FVTPL)

Any financial asset not subsequently measured at amortized cost or at fair value through other comprehensive income, is subsequently measured at fair value through profit or loss. Financial assets falling in this category are measured at fair value and all changes are recognized in the Statement of Profit and Loss.

Investments in Subsidiary and Associates

The Company has accounted for its investments in Subsidiary and Associates at cost.

All other equity investments are measured at fair value, with value changes on these instruments, excluding dividends, are recognized in the Other Comprehensive Income (OCI). There is no recycling of the amounts from OCI to profit and loss on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

2.5. Financial Liabilities

Initial Recognition

All financial liabilities are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial liabilities, which are not at fair value through profit or loss, are adjusted to the fair value on initial recognition.

Subsequent Measurement

Financial liabilities are subsequently carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

De-Recognition

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset.

A financial liability (or a part of a financial liability) is derecognised when the obligation specified in the contract is discharged or cancelled or expires.

Impairment of Financial Assets

The Group applies the Expected Credit Loss (ECL) model for recognizing impairment losses if any on financial assets.

12 months ECL represents the expected default events on the financial asset that are possible within 12 months after the reporting date.

Where the credit risk on the financial assets has not increased significantly since initial recognition, the loss is measured at an amount equal to 12 months ECL.

Where the credit risk on the financial assets has increased significantly since initial recognition, the loss is measured at an amount equal to the lifetime expected credit loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet when the Company has a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

2.6. Leases

The Company as lessee

Rental expense from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

2.7. Employee Benefits

SHORT TERM EMPLOYEE BENEFITS

As per the employment policy of the Company, short term employee benefits for services rendered by employees are recognized during the period when the services are rendered.

POST EMPLOYMENT BENEFITS

a. Defined Contribution plans

i. Superannuation

The Company contributes to the Superannuation fund, which is managed by the Life Insurance Corporation of India (LIC). The contributions are charged to the Statement of Profit and Loss.

ii. Provident Fund

The Provident Fund contributions are made to the government administered Provident Fund and Employees' Pension Scheme under the Employees Provident Fund Act and to Employees' State Insurance Schemes on behalf of its employees. The contributions are charged to Statement of Profit and Loss.

b. Defined benefit plans

i. Gratuity

The Company provides a lump sum payment to eligible employees, at retirement or resignation of employment based on the last drawn salary and years of employment with the Company as per the provisions of the Payment of Gratuity

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

Act, 1972. The Company makes contributions to a gratuity fund administered by trustees and managed by LIC of India. The liability or asset recognized in the Balance Sheet in respect of a defined gratuity plan is the present value of defined benefit obligation at the end of the reporting period less the fair value of plan assets. Gratuity liability is a defined benefit obligation and is recorded based on actuarial valuation using the projected unit credit method made at the end of the year.

The present value of defined benefit obligation is determined by discounting the estimated future cash out flows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. The gratuity liability and net periodic gratuity cost is actuarially determined after considering discount rates, expected long term return on plan assets and increase in compensation levels. Re-measurement gains or losses arising from Experience Adjustments and changes in actuarial assumptions are recognized in the period they occur, directly in the Other Comprehensive Income. They are included in the statement of changes in equity and in the Balance Sheet. Re-measurements comprising actuarial gains or losses and return on plan assets (excluding amounts included in net interest on the net defined benefit liability) are not reclassified to Statement of Profit or Loss in subsequent periods.

Changes in present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in the Statement of Profit and Loss.

c. Other Long Term Employee Benefits

- i) The estimated liability in respect of other long term benefits like Employee Assured Bonus Scheme has been provided on the basis of actuarial valuation.
- 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, using the Projected Unit Credit method.

2.8 Income Taxes

Income-tax expense comprises current tax (amount of tax for the period determined in accordance with The Income Tax law) and deferred tax charge or credit (reflecting the tax effects of temporary differences between tax bases of assets and liabilities and their carrying amounts in the financial statements). Taxes are recognized in the Statement of Profit and Loss except to the extent it relates to items directly recognized in equity or in the Other Comprehensive Income.

Current tax

Current tax is measured at the amount expected to be paid in respect of taxable income for the year in accordance with the Income Tax Act, 1961. Current tax comprises the tax payable on the taxable income or loss for the year and any adjustment to the tax payable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date.

Current tax assets and liabilities are offset only if, the Company:

- a) has a legally enforceable right to set off the recognized amounts; and
- b) intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Deferred Tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable income.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. It is measured using tax rates enacted or substantively enacted at the reporting date.

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences can be utilized. Deferred tax assets are reviewed at each reporting date and based on management's judgement, are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax assets and liabilities are offset only if the Company:

- a) has a legally enforceable right to set off current tax assets against current tax liabilities; and
- b) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority.

Current and Deferred tax for the year - OCI

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

2.9. Property, plant and equipment

The property plant and equipment are the assets held for the use in the supply of services.

Property, plant and equipment's are stated in the balance sheet at cost (net of duty/ tax credit availed) less accumulated depreciation and accumulated impairment losses.

Cost of acquisition is inclusive of freight, non-refundable duties & taxes and other directly attributable cost of bringing the asset to its working condition for the intended use.

Freehold land is not depreciated.

An item is recognised as property plant and equipment if and only if it is probable that future economic benefits associated with the item will flow to the Company and its costs can be measured reliably.

Subsequent expenditure is added to the carrying amount or recognised as separate asset only when it is probable that future economic benefits associated with the item will flow to the Company and the cost can be measured reliably.

Depreciation commences when the assets are ready for their intended use. Where the property plant and equipment is not ready for its intended use as on the balance sheet date it is disclosed as capital work in progress

Depreciation is recognised to write off the cost of assets less their residual values over their useful lives, using the written down value method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Estimated useful lives of the assets, based on technical assessment, which are different in certain cases from those prescribed in Schedule II to the Act, are as follows:

Assets (Own)	(in years)
Office equipment	8
Computer (included in Plant & Equipment)	
End user services	7
Servers and network	10
Vehicles	5

The property plant and equipment with definite life are reviewed for impairment whenever the events or changes indicate that their carrying value may not be recoverable.

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

Depreciation charge for impaired assets is adjusted in future periods in such a manner that the revised carrying amount of the asset is allocated over its remaining useful life.

An item of the property plant equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of asset. Any gain or loss arising on the disposal or retirement of the item of property plant equipment is determined as the difference between the sale proceeds and carrying amount of the asset and is recognised in profit and loss.

2.10 Investment Property

Properties held to earn rental income or for capital appreciation or both and that is not occupied by the Company is classified as Investment Property.

It is measured initially at cost of acquisition including transaction costs, borrowing cost and other directly attributable cost in bringing the asset to its working condition for its intended use.

Subsequent expenditure is capitalized to the asset carrying amount only when it is probable that the future economic benefit associated with the expenditure will flow to the company.

Depreciation is provided on written down value method by adopting useful life prescribed under schedule II to the Companies Act, 2013 after retaining 5% of Original cost as residual value for Buildings.

Though the Company measures investment property using cost-based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined by property valuer, having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued.

Investment properties are derecognised either when they have been disposed off or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the statement of profit and loss in the period of derecognition.

2.11. Intangible assets

Intangible assets are identified non-monetary assets without physical existence. Intangible assets represent Computer software whose cost is amortised over their expected useful life on a straight-line basis.

Intangible assets with finite useful lives that are acquired separately are capitalised and carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over the estimated useful life of the asset.

Intangible assets are recognised in books only when it is probable that future economic benefits associated with the asset will flow to the company and the cost can be measured reliably.

The cost of the intangible asset shall include the purchase price, including non-refundable duties and taxes, all the directly attributable costs to bring the intangible to the present location, working condition and intended use.

2.12. Impairment of Assets

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

The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

2.13. Foreign Currency Transactions

Transactions in foreign currency are accounted at the exchange rates prevailing on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency closing rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in Statement of Profit and Loss except to the extent of exchange differences which are regarded as an adjustment to interest costs on foreign currency borrowings that are directly attributable to the acquisition or construction of qualifying assets, are capitalized as cost of assets.

Non-monetary items that are measured in terms of historical cost in a foreign currency are recorded using the exchange rates at the date of the transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or Statement of Profit and Loss are also recognised in OCI or Statement of Profit and Loss, respectively).

2.14. Dividend

The final Dividend on shares is recorded as a liability on the date of approval by the Shareholders and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

2.15. Cash Flow Statement

Statement of cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

2.16. Provisions and Contingent Liabilities

Provisions are recognized when the Company, as a result of a past event, has a present obligation and it is probable that the Company will be required to settle the obligation for which a reliable estimate can be made.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material). When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities are disclosed when

- (i) there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company (or)
- (ii) there is a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

2.17 Earnings Per Share

The basic earnings per share has been computed by dividing the net income attributable to equity shareholders by weighted average number of equity shares outstanding during the year.

The diluted earnings per share has been computed using weighted average number of shares adjusted for effects of all potentially dilutive equity shares.

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

3. Approach on exemptions under Ind AS 101 First Time Adoption of Indian Accounting Standards (Ind AS)

The Company has elected to take the following exemptions as per Ind AS 101 to facilitate transition from Indian GAAP ('previous GAAP') to Ind AS.

3.1 Deemed cost for property, plant and equipment, intangible assets and investment property:

The Company has opted to adopt the carrying amount determined in accordance with the previous GAAP for property plant and equipment, intangible assets and investment property as deemed cost on transition.

3.2 Derecognition of financial assets and financial liabilities:

The Company has opted to apply derecognition requirements as per Ind AS 109 prospectively for transactions on or after 1st April 2017.

3.3 Deemed cost for investments in Subsidiaries and Associates:

The Company has opted to apply the exemption of considering previous GAAP carrying amounts as deemed cost under Ind AS for its investments in Subsidiaries and Associates.

3.4 Past Business Combinations:

The Company has elected not to apply Ind AS 103 – Business Combinations retrospectively to past business combinations that occurred before the transition date.

3.5 Estimates:

On assessment of the estimates made under the Previous GAAP financial statements, the Company has concluded that there is no necessity to revise the estimates under Ind AS, as there is no objective evidence of an error in those estimates. However, estimates that were required under Ind AS but not required under Previous GAAP are made by the Company for the relevant reporting dates reflecting conditions existing as at that date.

3.6 Previous GAAP figures have been reclassified / regrouped wherever necessary to confirm with financial statements prepared under Ind AS.

4. Critical accounting judgments and key sources of estimation uncertainty

The preparation of financial statements in accordance with Ind AS requires use of estimates and assumptions for some items, which might have an effect on their recognition and measurement in the balance sheet and statement of profit and loss. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. The actual results may differ from these estimates. The Company's management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Any revision to the accounting estimates is recognised prospectively in the current and future periods.

Useful lives of Property Plant and Equipment / Intangible Assets

Property, Plant and Equipment / Intangible Assets are depreciated / amortised over their estimated useful lives, after taking into account estimated residual value. Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation / amortisation to be recorded during any reporting period. The useful lives and residual values are based on the Company's historical experience with similar assets and take into account anticipated technological changes. The depreciation / amortisation for future periods is revised if there are significant changes from previous estimates.

Impairment of Financial Assets

The impairment provisions for Financial Assets are based on assumptions about risk of default and expected cash loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

NOTES TO THE ACCOUNTS

Note 1: Cash and cash equivalents

(₹ in lakhs)

Particulars	March 31, 2019	March 31, 2018	April 1, 2017
Cash on hand	0.15	0.12	–
Balances with Banks in Current Accounts	13.34	1,86.83	7.40
Earmarked balances with banks (For Unpaid dividend)	7.46	–	–
	<u>20.94</u>	<u>1,86.95</u>	<u>7.40</u>

Note 2: Receivables

(₹ in lakhs)

Particulars	March 31, 2019	March 31, 2018	April 1, 2017
Trade receivables			
- Considered good-Secured			
- Considered good-Unsecured*	3,52.04	3,42.95	22.25
- Receivables having significant increase in credit risk	–	–	–
- Credit Impaired	–	–	–
Less : Allowance for impairment loss	–	–	–
Debts due by Directors and others	–	–	–
	<u>3,52.04</u>	<u>3,42.95</u>	<u>22.25</u>

* Refer Note 31 for related party transactions

Note 3: Loans

(₹ in lakhs)

Loans	31st March 2019				31st March 2018				1st April 2017			
	Amortised cost	At Fair value		Total	Amortised cost	At Fair value		Total	Amortised cost	At Fair value		Total
		Through other comprehensive income	Through profit or loss			Through other comprehensive income	Through profit or loss			Through other comprehensive income	Through profit or loss	
Loans (Unsecured)												
Staff advance	29.70	–	–	29.70	34.53	–	–	34.53	1.52	–	–	1.52
Gross Loans	29.70	–	–	29.70	34.53	–	–	34.53	1.52	–	–	1.52
Less: Impairment Loss allowance	–	–	–	–	–	–	–	–	–	–	–	–
Net Loans	29.70	–	–	29.70	34.53	–	–	34.53	1.52	–	–	1.52

NOTES TO THE ACCOUNTS (Contd.)
Note 4: Investments

(₹ in lakhs)

Particulars	Note No.	Face Value (₹)	As at 31.03.2019		As at 31.03.2018		As at 01.04.2017	
			Holding (Number)	Carrying Amount	Holding (Number)	Carrying Amount	Holding (Number)	Carrying Amount
At Cost:								
Equity Instruments								
Subsidiaries								
- Sundaram business services Limited	(i)	10	1,50,00,000	29,12.79	1,50,00,000	15,00.00	1,50,00,000	15,00.00
- Sundaram BPO India Limited	(i)		–	–	89,51,259	14,12.79	89,51,259	14,12.79
				29,12.79		29,12.79		29,12.79
Associates								
- Flometallic India Private Limited		100000	3,800	32,50.00	3,800	32,50.00	3,800	32,50.00
- The Dunes Oman LLC (FZC)	(ii)&(iii)	1	18,34,980	21,55.89	22,93,725	26,94.86	22,93,725	26,94.86
- Sundaram Hydraulics Limited		10	1,12,50,000	1,05.77	1,12,50,000	1,05.77	1,12,50,000	1,05.77
- Axles India Limited		10	98,91,754	10,15.70	98,91,754	10,15.70	98,91,754	10,15.70
- Turbo Energy Private Limited		10	25,60,000	1,88.41	25,60,000	1,88.41	25,60,000	1,88.41
- Transenergy Limited		100	1,20,000	1,87.50	1,20,000	1,87.50	1,20,000	1,87.50
- Sundaram Dynacast Private Limited		10	11,70,000	1,17.00	11,70,000	1,17.00	11,70,000	1,17.00
				70,20.27		75,59.24		75,59.24
Total - A				99,33.06		104,72.03		104,72.03
At fair value through other comprehensive income:								
Equity Instruments								
- Wheels India Limited		10	26,67,482	249,22.39	13,33,741	258,29.10	13,33,741	164,32.49
- Brakes India Private Limited		100	1,59,460	273,49.69	1,59,460	382,51.13	1,59,460	318,88.63
- India Motor Parts & Accessories Limited		10	15,40,784	135,93.51	15,40,784	160,53.58	15,40,784	120,77.90
- Sundaram Clayton Limited		5	22,73,081	744,66.64	22,73,081	1184,68.68	22,73,081	700,47.72
- TVS Investments Private Limited		5	22,73,085	22,15.57	22,73,085	22,15.57	22,73,085	19,83.81
- Lucas-TVS Limited		100	63,224	66,78.49	63,224	93,88.60	63,224	62,83.89
- Delphi TVS Diesel Systems Limited		10	2,52,896	11,21.84	2,52,896	10,11.71	2,52,896	9,16.43
- Techtran Polylenses Limited		10	2,50,000	–	2,50,000	–	2,50,000	8.80
- Vishnu Forge Industries Limited		10	2,97,110	1,05.84	2,97,110	1,05.84	2,97,110	1,02.59
- UMW Industries Limited		10	–	–	–	–	78,000	0.02
- Senbonzakura Consultancy Private Limited		10	10	–	10	0.10	–	–
Total - B				1504,53.96		2113,24.30		1397,42.28

NOTES TO THE ACCOUNTS (Contd.)

(₹ in lakhs)

Particulars	Note No.	Face Value (₹)	As at 31.03.2019		As at 31.03.2018		As at 01.04.2017	
			Holding (Number)	Carrying Amount	Holding (Number)	Carrying Amount	Holding (Number)	Carrying Amount
At fair value through profit or loss:								
Mutual Funds								
- Sundaram Money Fund-Growth			30,69,054.26	12,09.54	2,12,71,607	77,92.89	83,91,732	28,77.96
- Sundaram Ultra Short term Fund-Growth			4,83,54,743.93	127,23.73	1,83,92,103.95	44,77.98		
- ICICI Prudential Fixed Maturity Plan					4,00,00,000	40,26.00		
- Axis Fixed Tenure Plan - Series 94								
- Sundaram FMP								
- Sundaram Money market fund			3,97,23,282.35	41,45.60				
				180,78.87		162,96.87		28,77.96
Total - C				180,78.87		162,96.87		28,77.96
At amortised cost:								
Preference Shares								
Sundaram Hydraulics Limited - 9% Redeemable Cumulative Non-Convertible Preference Shares		100			1,66,667	1,53.39	3,33,333	2,90.61
Sundaram Asset Management Company-6.75% Redeemable Cumulative Non-Convertible Preference Shares		100	15,00,000	15,00.00	15,00,000	15,00.00		
Government securities								
- IRFC Tax Free Bonds		1000	2,175	22.62	2,175	22.62	2,175	22.62
Commercial Paper								
- Cholamandalam Investment and Finance Company Limited				23,70.16				
- HDB Financial Services Limited				23,80.24				
Total - D				62,73.02		16,76.01		3,13.23
Total Investments A+B+C+D				1847,38.90		2397,69.21		1534,05.50
Less: Allowance for Impairment loss								
Total Investments				1847,38.90		2397,69.21		1534,05.50
Investment outside India				21,55.89		26,94.86		26,94.86
Investment in India				1825,83.02		2370,74.35		1507,10.64

NOTES TO THE ACCOUNTS (Contd.)
Investments - Categorywise

(₹ in lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
Aggregate amount of Quoted Investments	1130,05.15	1603,73.98	985,80.73
Aggregate amount of Unquoted Investments (Net of allowance for Impairment loss)	717,33.75	793,95.23	548,24.77
Total	1847,38.90	2397,69.21	1534,05.50

Note

- (i) The National Company Law Tribunal, Division Bench, Chennai vide Order No. CP/403/CAA/2019 dated 22nd April 2019 approved the scheme of Amalgamation (Scheme) between Sundaram Business Services Limited(SBSL) and Sundaram BPO India Limited (SBIL) effective 1st April 2018.

Pursuant to the above scheme, the company will be allotted one fully paid up equity share of ₹10/- each in SBSL for every 1.215 share held in SBIL. The company has recorded the equity shares of SBSL as Investment in SBSL by reducing the cost of investment in SBIL.

- (ii) Reduction in cost of investment of M/s Dunes Oman LLC (FZC) is due to capital reduction in March 2019, leading to reduction of 4,58,725 shares from 22,93,725 shares. Amount received over and above the face value of reduced share has been recognised as gain on sale of non current investment.
- (iii) Face value in Omani Riyal

Dividends recognised during the period from Investments in equity instruments designated at fair value through OCI

(₹ in lakhs)

Investments held during/at the end of reporting period	2018-19	2017-18
- Brakes India Private Limited	9,04.14	8,77.03
- Lucas TVS Limited	1,20.12	1,07.47
- Delphi TVS Diesel Systems Limited	40.46	35.41
- Sundaram Clayton Limited	8,18.32	3,40.96
- Wheels India Limited	2,06.73	1,86.73
- Indian Motor Parts & Accessories Limited	1,69.49	92.45
- Vishnu Forge Industries Limited	1.78	1.48
- TVS Investments Private Limited	5.22	-
Total Dividend	22,66.26	16,41.53

NOTES TO THE ACCOUNTS (Contd.)

Note 5 : Other Financial assets (Unsecured)

(₹ in lakhs)

Particulars	March 31, 2019	March 31, 2018	April 1, 2017
Security Deposits	19.97	17.46	12.82
Other Assets	—	17.72	—
Amount Receivable on Merger	—	—	97,57.58
	<u>19.97</u>	<u>35.18</u>	<u>97,70.40</u>

Note 6 : Current Tax Assets (net)

(₹ in lakhs)

Particulars	March 31, 2019	March 31, 2018	April 1, 2017
Advance Income Tax and Tax Deducted at source (Net of Provision for tax)	—	44.05	1,84.72
	<u>—</u>	<u>44.05</u>	<u>1,84.72</u>

Note 7 : Investment Property

(₹ in lakhs)

Particulars	Land	Building
Deemed Cost *		
As at 01-04-2017	1,28.75	43.19
Additions	—	—
Sub-total	1,28.75	43.19
(-) Sales / deletion	—	—
Total	<u>1,28.75</u>	<u>43.19</u>
Depreciation		
Upto 31st March 2017	—	—
For the year	—	4.04
Sub-total	—	4.04
(-) Withdrawn on assets sold / deleted	—	—
Total	<u>—</u>	<u>4.04</u>
Net Carrying amount		
As at 31-03-2018	<u>1,28.75</u>	<u>39.15</u>

NOTES TO THE ACCOUNTS (Contd.)

(₹ in lakhs)

Particulars	Land	Building
As at 01-04-2018	1,28.75	43.19
Additions	–	–
Sub-total	1,28.75	43.19
(–) Sales / deletion	–	–
Total	<u>1,28.75</u>	<u>43.19</u>
Depreciation		
Upto 31st March 2017	–	4.04
For the year	–	3.65
Sub-total	–	7.69
(–) Withdrawn on assets sold / deleted	–	–
Total	<u>–</u>	<u>7.69</u>
Net Carrying amount		
As at 31-03-2019	<u>1,28.75</u>	<u>35.50</u>

*** Deemed cost disclosure**

(₹ in lakhs)

Particulars	Land	Building
Gross carrying amount as per previous GAAP	1,28.75	1,30.32
Accumulated Depreciation	–	87.13
Deemed cost as at April 1, 2017	1,28.75	43.19

(₹ in lakhs)

Fair Value	Land	Building
At 31st March 2019	445,83.81	2,93.10
At 31st March 2018	445,83.81	2,93.10
At 1st April 2017	445,83.81	2,93.10

Measurement of Fair Value
Fair Value Hierarchy

The fair value of investment property has been determined by external, independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued. The fair value measurement for all of the investment property has been categorised as a Level 3 fair value based on the inputs to the valuation technique used."

NOTES TO THE ACCOUNTS (Contd.)

Valuation Techniques

"The Group follows discounted cash flows technique. The valuation model considers the present value of net cash flows to be generated from the property, taking into account the expected rental growth rate, vacant periods, occupancy rate, lease incentive costs such as rent-free periods and other costs not paid by tenants. The expected net cash flows are discounted using risk-adjusted discount rates. Among other factors, the discount rate estimation considers the quality of a building and its location (prime vs secondary), tenant credit quality and lease terms.

Investment property comprises a number of commercial properties that are leased to third parties. No contingent rents are charged."

Information regarding income and expenditure of Investment property

(₹ in lakhs)

Particulars	31.03.19	31.03.18
Rental Income derived from Investment Properties	1,74.89	91.88
Direct Operating Expenses (including repairs and maintenance)	11.56	7.79
Profit arising from Investment Properties before Depreciation and Indirect Expenses	1,63.33	84.09
Depreciation	3.65	4.04
Profit arising from Investment Properties before Indirect Expenses	1,59.68	80.05

Note 8 : Property, Plant & Equipment And Intangible Assets

(₹ in lakhs)

Description	Property, Plant & Equipment						Intangible Software- Bought out	Total (tangible and intangible)	
	Free hold land	Buildings	Plant & equipment	Furniture & fixtures	Office equipment	Vehicles			Total
Deemed Cost *									
As at 01-04-2017	31.86	3.08	26.03	21.74	4.73	0.15	87.59	15.50	1,03.09
Additions			9.95	4.46	4.29		18.69	17.04	35.74
Sub-total	31.86	3.08	35.98	26.20	9.02	0.15	1,06.29	32.54	1,38.82
(-) Sales / deletion							-		-
Total	31.86	3.08	35.98	26.20	9.02	0.15	1,06.29	32.54	1,38.82
Depreciation									
Upto 01-04-2017	-	-	-	-	-	-	-	-	-
For the year			5.40	5.64	2.01	0.03	13.08	10.71	23.79
Sub-total	-	-	5.40	5.64	2.01	0.03	13.08	10.71	23.79
(-) Withdrawn on assets sold / deleted	-	-	-	-	-	-	-	-	-
Total	-	-	5.40	5.64	2.01	0.03	13.08	10.71	23.79
Net Carrying amount									
As at 31-03-2018	31.86	3.08	30.57	20.57	7.01	0.12	93.21	21.83	1,15.04

NOTES TO THE ACCOUNTS (Contd.)

(₹ in lakhs)

Description	Property, Plant & Equipment							Intangible	Total (tangible and intangible)
	Free hold land	Buildings	Plant & equipment	Furniture & fixtures	Office equipment	Vehicles	Total	Software-Bought out	
Cost of assets									
As at 01-04-2018	31.86	3.08	35.98	26.20	9.02	0.15	1,06.29	32.54	1,38.82
Additions	–	–	1.80	1.34	7.59	14.10	24.82	2.98	27.80
Sub-total	31.86	3.08	37.77	27.54	16.61	14.25	1,31.11	35.52	1,66.63
(-) Sales / deletion	–	–	–	–	0.23	0.54	0.77	–	0.77
Total	31.86	3.08	37.77	27.54	16.38	13.71	1,30.35	35.52	1,65.86
Depreciation									
Upto 31-03-2018	–	–	5.40	5.64	2.01	0.03	13.08	10.71	23.79
For the year	–	–	7.06	4.92	2.66	2.70	17.33	8.05	25.39
Sub-total	–	–	12.46	10.56	4.66	2.73	30.41	18.76	49.18
(-) Withdrawn on assets sold / deleted	–	–	–	–	0.11	0.42	0.53	–	0.53
Total	–	–	12.46	10.56	4.55	2.31	29.89	18.76	48.65
Net Carrying amount									
As at 31-03-2019	31.86	3.08	25.31	16.99	11.83	11.40	1,00.47	16.76	1,17.21

* Deemed cost

(₹ in lakhs)

Description	Property, Plant & Equipment							Intangible	Total (tangible and intangible)
	Free hold land	Buildings	Plant & equipment	Furniture & fixtures	Office equipment	Vehicles	Total	Software-Bought out	
Gross carrying amount as per previous GAAP	31.86	61.48	74.93	37.50	13.63	0.59	2,19.99	50.58	2,70.57
(-) Accumulated Depreciation	–	58.40	48.90	15.76	8.90	0.43	1,32.40	35.09	1,67.48
Deemed cost as at April 1 2017	31.86	3.08	26.03	21.74	4.73	0.15	87.59	15.50	1,03.09

Note 9 : Other Non-Financial Assets

(₹ in lakhs)

Particulars	March 31, 2019	March 31, 2018	April 1, 2017
Prepaid expenses	40.88	37.77	17.72
Other advances	11.93	7.11	1.15
Service Tax/GST Input Credit	10.22	22.52	23.99
	63.03	67.40	42.86

NOTES TO THE ACCOUNTS (Contd.)

Note 10 : Trade payables

(₹ in lakhs)

Particulars	March 31, 2019	March 31, 2018	April 1, 2017
(i) Total outstanding due to micro and small enterprises (Refer Note 33f)	–	–	–
(ii) Total outstanding due of creditors other than micro and small enterprises			
- For Expenses *	12.76	104.63	9.36
- For Others	–	–	–
	<u>12.76</u>	<u>104.63</u>	<u>9.36</u>

* Refer Note 31 for related party transactions

Note 11 : Other Financial Liabilities

(₹ in lakhs)

Particulars	March 31, 2019	March 31, 2018	April 1, 2017
Accrued expenses	21.27	10.82	–
Other Liabilities	3.79	1.54	–
	<u>25.06</u>	<u>12.36</u>	<u>–</u>

Note 12 : Current Tax Liabilities

(₹ in lakhs)

Particulars	March 31, 2019	March 31, 2018	April 1, 2017
Provision for tax (Net of advance tax and TDS)	30.66	–	–
	<u>30.66</u>	<u>–</u>	<u>–</u>

Note 13 : Provisions

(₹ in lakhs)

Particulars	March 31, 2019	March 31, 2018	April 1, 2017
Provision for Employee Benefits	1,21.02	83.33	21.78
Provision for expenses	15.00	–	–
	<u>1,36.02</u>	<u>83.33</u>	<u>21.78</u>

Note 14 : Deferred taxes

(₹ in lakhs)

Particulars	March 31, 2019	March 31, 2018	April 1, 2017
Deferred tax liabilities			
On Property, Plant & Equipment	–	–	0.29
On Investments	86,38.49	127,22.49	93,49.41
Deferred tax assets			
On Investments	(1,54.18)	(1,03.12)	(80.60)
On Employee Benefits	(16.17)	(0.76)	–
On Property, Plant & Equipment	(3.86)	(3.46)	–
On Security Deposits	(0.46)	(0.31)	(0.13)
Minimum Alternate Tax (MAT) credit	(2,38.22)	(1,09.86)	(59.97)
	<u>82,25.60</u>	<u>125,04.98</u>	<u>92,09.00</u>

NOTES TO THE ACCOUNTS (Contd.)
Note 15 : Other non-financial liabilities

(₹ in lakhs)

Particulars	March 31, 2019	March 31, 2018	April 1, 2017
Statutory Liabilities	83.31	69.95	1,02.31
TOTAL	83.31	69.95	1,02.31

Note 16 : Equity Share Capital

(₹ in lakhs)

Particulars	31.03.2019	31.03.2018	01.04.2017
Authorised:			
16,00,00,000 Equity shares of face value of ₹5/- each (2,50,00,000 Equity shares of face value of ₹10/- each as at 01.04.2017)	80,00.00	80,00.00	25,00.00
	80,00.00	80,00.00	25,00.00
Issued, Subscribed and fully paid up:			
15,11,03,860 Equity shares of face value of ₹5/- each (2,00,00,000 Equity shares of face value of ₹10/- each as at 01.04.2017)	75,55.19	75,55.19	20,00.00
	75,55.19	75,55.19	20,00.00

	As at 31st March 2019		As at 31st March 2018		As at 1st April 2017	
	No. of Shares	₹ in lakhs	No. of Shares	₹ in lakhs	No. of Shares	₹ in lakhs
Balance at the beginning of the year	15,11,03,860	75,55.19	2,00,00,000	20,00.00	2,00,00,000	20,00.00
Changes in equity share capital during the year						
Increase in No. of Equity Shares on Conversion of Face Value from ₹10 to ₹5 per share pursuant to Scheme of Arrangement			2,00,00,000	–		
Issued during the year	–	–	11,11,03,860	55,55.19		
Balance at the end of the year	15,11,03,860	75,55.19	15,11,03,860	75,55.19	2,00,00,000	20,00.00

Details of number of shares held by shareholders holding more than 5% shares are set out below:

Name	Status	No. of Shares	% held as at 31.03.19	No. of Shares	% held as at 31.03.18	No. of Shares	% held as at 01.04.2017
Sundaram Finance Limited	Promoter	4,00,00,000	26.47%	4,00,00,000	26.47%	2,00,00,000	100.00%

NOTES TO THE ACCOUNTS (Contd.)

Note 17

(b) Other equity

(₹ in lakhs)

Particulars	Reserves and Surplus			Gains / (losses) from equity investments through OCI	Total
	Capital Reserve	General Reserve	Retained Earnings		
Balance as at 1st April 2017*	25,83.78	175,47.11	51,45.23	1270,91.12	1523,67.23
Less: Shares issued during the year	(7,09.10)	(44,39.09)	(4,07.00)		(55,55.19)
Add: Profit or loss for the period			54,39.70		54,39.70
Add: Other comprehensive income			(4.36)	682,30.54	682,26.18
Less: Final Dividend for FY 2016-17 paid			(37.50)		(37.50)
Less: Dividend Tax			(7.63)		(7.63)
Balance as at 1st April 2018	18,74.68	131,08.02	101,28.43	1953,21.66	2204,32.77
Add: Profit or loss for the period			84,93.27		84,93.27
Add: Other comprehensive income			(12.36)	(567,43.72)	(567,56.08)
Less: Final Dividend for FY 2017-18 paid			(22,66.59)		(22,66.59)
Less: Dividend Tax			(4,65.90)		(4,65.90)
Balance as at 31st March 2019	18,74.68	131,08.02	158,76.85	1385,77.94	1694,37.45

* Includes impact on Scheme of Arrangement (Refer Note 30)

FVOCI – The Company has elected to recognise changes in the FV of certain equity instruments in the OCI. These changes are accumulated within FVOCI Reserve within equity. The Company transfers amounts from this reserve to retained earnings when the relevant equity instruments are derecognised.

General Reserve - General Reserve is a part of retained earnings. This is available for distribution to shareholders as dividend and capitalisation.

Profit & Loss Account

Note 18 : Interest Income

(₹ in lakhs)

Particulars	For the year ended 31st March 2019			For the year ended 31st March 2018		
	On financial assets measured at FVTOCI	On financial assets measured at amortised cost	On financial assets classified at FVTPL	On financial assets measured at FVTOCI	On financial assets measured at amortised cost	On financial assets classified at FVTPL
Interest income from investments	–	3,54.47	–	–	1.74	–
Total	–	3,54.47	–	–	1.74	–

NOTES TO THE ACCOUNTS (Contd.)
Note 19 : Net gain/(Loss) on fair value changes

(₹ in lakhs)

Particulars	For the year ended 31st March 2019	For the year ended 31st March 2018
Net gain/(Loss) on financial instruments at FVTPL		
– Investments	1,46.31	79.87
Fair Value changes:		
– Realised	–	–
– Unrealised	1,46.31	79.87
Total Net gain/(Loss) on fair value changes	1,46.31	79.87

Note 20 : Other Income

(₹ in lakhs)

Particulars	For the year ended 31st March 2019	For the year ended 31st March 2018
Interest Receipts	7.32	41.64
Rent Receipts	1,74.89	91.88
Interest income from Financial Asset at Amortized Cost	13.28	29.44
Other Non-Operating Income	0.58	0.06
TOTAL	1,96.07	1,63.02

Note 21 : Finance Costs

(₹ in lakhs)

Particulars	For the year ended 31st March 2019	For the year ended 31st March 2018
Interest on Income Tax	19.29	7.17
Interest - others	–	0.04
TOTAL	19.29	7.21

Note 22 : Employee Benefit Expense

(₹ in lakhs)

Particulars	For the year ended 31st March 2019	For the year ended 31st March 2018
Salaries, bonus and commission	15,71.55	8,82.81
Contribution to Provident and Other Funds (Refer Note 32)	1,28.81	47.36
Staff welfare expenses	56.09	47.45
Staff Recruitment and Training Expenses	6.63	–
TOTAL	17,63.07	9,77.62

NOTES TO THE ACCOUNTS (Contd.)

Note 23 : Administrative and Other Expenses

(₹ in lakhs)

Particulars	For the year ended 31st March 2019	For the year ended 31st March 2018
Rent (Refer Note 33g)	95.55	63.86
Rates and taxes	16.30	15.38
Electricity expenses	31.56	29.78
Communication expenses	66.07	54.23
Outsourcing cost	2,19.16	61.26
Audit Fees (Refer Note 33i)	14.10	10.47
Repairs and Maintenance	64.45	53.73
Professional fees	46.05	32.14
Commission to KMP and Directors	15.00	-
Director sitting fees	11.25	11.88
Filing Fees	-	44.51
CSR Expenditure (Refer Note 33e)	37.00	18.50
Miscellaneous expenses	94.03	44.07
TOTAL	7,10.52	4,39.81

Note 24 : Income Tax

A. Reconciliation of effective tax rate

The reconciliation between the provision for income tax of the Company and amounts computed by applying the Indian statutory income tax rates to profit before taxes is as follows:

(₹ in lakhs)

Particulars	31st March 2019	31st March 2018
Profit before tax	95,48.68	60,08.20
Enacted income tax rate in India	29.12%	28.84%
Tax using the Company's domestic tax rate :	27,80.58	17,32.76
Effect of:		
Exempted income	(11,18.59)	(8,92.24)
Effect of overseas tax	(5,61.75)	(3,00.83)
Expenses disallowed	83.97	46.95
Additional allowance	(1,09.44)	(14.26)
Income tax expenses recognized in the Statement of Profit and Loss	10,74.77	5,72.37

NOTES TO THE ACCOUNTS (Contd.)
B. Recognised deferred tax assets and liabilities

Deferred tax assets / liabilities as at 31st March 2018:

(₹ in lakhs)

Particulars	As at 1st April 2017	Recognized in Statement of Profit or Loss*	Recognized in Other Comprehensive Income	As at 31st March 2018
Deferred tax Assets				
Property, plant and Equipment	(0.29)	3.75	–	3.46
Investments at fair value through profit or loss	80.60	22.52	–	103.12
Minimum Alternate Tax (MAT) Credit	59.97	49.89	–	109.86
Provisions - employee benefits	0.00	0.76	–	0.76
Other items	0.13	0.17	–	0.30
	<u>1,40.41</u>	<u>77.10</u>	<u>–</u>	<u>2,17.50</u>
Deferred tax Liabilities				
Investments at fair value through profit or loss	7.16	23.33	–	30.49
Investments at fair value through OCI	93,42.25	–	33,49.76	126,92.01
	<u>93,49.41</u>	<u>23.33</u>	<u>33,49.76</u>	<u>127,22.50</u>
Net deferred tax (assets) liabilities	92,09.00	(53.77)	33,49.76	125,04.98

* Includes MAT movement

Deferred tax assets / liabilities as at 31st March 2019:

(₹ in lakhs)

Particulars	As at 1st April 2018	Recognized in Statement of Profit or Loss*	Recognized in Other Comprehensive Income	As at 31st March 2019
Deferred tax Assets				
Property, plant and Equipment	3.46	0.40	–	3.86
Investments at fair value through profit or loss	1,03.12	51.06	–	1,54.18
Minimum Alternate Tax (MAT) Credit	1,09.86	1,28.36	–	2,38.22
Provisions - employee benefits	0.76	10.33	5.08	16.17
Other items	0.30	0.16	–	0.46
	<u>2,17.50</u>	<u>1,90.30</u>	<u>5.08</u>	<u>4,12.89</u>
Deferred tax Liabilities				
Investments at fair value through profit or loss	30.49	42.60	–	73.09
Investments at fair value through OCI	126,92.01	–	(41,26.60)	85,65.41
	<u>127,22.50</u>	<u>42.60</u>	<u>(41,26.60)</u>	<u>86,38.49</u>
Net deferred tax (assets) liabilities	125,04.98	(1,47.70)	(41,31.68)	82,25.60

* Includes MAT movement

Note 25

The following reconciliations provide a quantification of the effect of significant differences arising from the transition from Indian GAAP to Ind AS in accordance with Ind AS 101:

- equity as at 1st April 2017
- equity as at 31st March 2018
- total comprehensive income for the year ended 31st March 2018, and
- explanation to material adjustments to cash flow statements

NOTES TO THE ACCOUNTS (Contd.)

25a Equity Reconciliation:

Effect of Ind AS Adoption on the Balance Sheet as at 31st March 2018 and 1st April 2017.

(₹ in lakhs)

Particulars	As at March 31, 2018			As at April 1, 2017		
	Amount as per previous GAAP	Effect of transition to Ind AS	Amount as per Ind AS	Amount as per previous GAAP	Effect of transition to Ind AS	Amount as per Ind AS
ASSETS						
(1) Financial Assets						
(a) Cash and cash equivalents	1,86.95	–	1,86.95	7.40	–	7.40
(b) Receivables	3,42.95	–	3,42.95	22.25	–	22.25
(c) Loans	1,99.25	(1,64.72)	34.53	2,44.69	(243.17)	1.52
(d) Investments	318,61.85	2079,07.36	2397,69.21	171,02.39	136303.11	153405.50
(e) Other financial assets	52.91	(17.73)	35.18	97,83.52	(13.12)	9770.40
(2) Non-financial Assets						
(a) Current tax assets (Net)	–	44.05	44.05		184.72	184.72
(b) Deferred tax assets (Net)	50.48	(50.48)	–	22.10	(22.10)	–
(c) Investment property		1,67.90	1,67.90		171.94	171.94
(d) Property, plant and equipment	93.21	–	93.21	87.59	–	87.59
(e) Other intangible assets	21.83	–	21.83	15.50	–	15.50
(f) Other non-financial assets	43.41	23.99	67.40	32.58	10.28	42.86
Total Assets	328,52.84	2079,10.37	2407,63.21	273,18.02	1363,91.66	1637,09.68
LIABILITIES AND EQUITY						
LIABILITIES						
(1) Financial liabilities						
(a) Payables						
Trade Payables						
(i) Total outstanding dues of micro enterprises and small enterprises			–			–
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	1,04.63	–	1,04.63	9.36	–	9.36
(b) Other financial liabilities	12.36		12.36			
(2) Non-Financial liabilities						–
(a) Provisions	83.33		83.33	21.78	–	21.78
(b) Deferred tax liabilities (Net)		125,04.98	125,04.98		92,09.00	92,09.00
(c) Other non-financial liabilities	69.95	–	69.95	1,02.29	–	1,02.29
(3) Equity						–
(a) Equity share capital	75,55.19	–	75,55.19	20,00.00	–	20,00.00
(b) Other equity						
(i) Retained Earnings	100,44.73	88.13	101,32.86	50,53.73	91.52	51,45.25
(ii) Others	149,82.65	1953,17.27	2102,99.92	201,30.86	1270,91.14	1472,22.00
Total Liabilities and Equity	328,52.84	2079,10.37	2407,63.21	273,18.02	1363,91.66	1637,09.68

NOTES TO THE ACCOUNTS (Contd.)

	(₹ in lakhs)
Particulars	Amount
Equity as per IGAAP as at April 1, 2017	271,84.59
Ind AS Adjustments	
Fair Value of Quoted equity Instruments	957,14.23
Fair Value of Unquoted equity Instruments	407,77.84
Fair value of Mutual Funds	24.82
Fair Value of Investments in Preference Shares	(42.72)
Other Adjustments	(0.47)
Deferred tax on above adjustments	(92,91.06)
Equity as per Ind AS as at April 1, 2017	1543,67.23

	(₹ in lakhs)
Particulars	Amount
Equity as per IGAAP as at March 31, 2018	325,82.57
Ind AS Adjustments	
Fair Value of Quoted equity Instruments	1575,07.45
Fair Value of Unquoted equity Instruments	505,73.68
Fair value of Mutual Funds	1,04.69
Fair Value of Investments in Preference Shares	(1,11.46)
Other Adjustments	(3.64)
Deferred tax on above adjustments	(126,65.33)
Equity as per Ind AS as at March 31, 2018	2279,87.96

Note 25b : Total Comprehensive Income Reconciliation:

Effect of Ind AS adoption on the Statement of Profit and Loss for the year ended 31st March, 2018

(₹ in lakhs)

Particulars	Year ended 31st March 2018		
	Previous GAAP	Effect of Ind AS Transition	Ind AS
Revenue from operations			
Interest Income	1.74	-	1.74
Dividend Income	56,99.76	-	56,99.76
Net gain on sale of Current investments	2,64.69		2,64.69
Net gain on fair value changes		79.87	79.87
Sale of services	13,49.77	-	13,49.77
Total Revenue from operations	73,15.96	79.87	73,95.83
Other Income	1,21.92	41.10	1,63.02
Total Income	74,37.88	1,20.97	75,58.85
Expenses			
Finance cost	7.21	-	7.21
Impairment on financial instrument	-	98.18	98.18
Employee benefit expenses	9,70.59	7.03	9,77.62
Depreciation, Amortisation and Impairment	27.83	-	27.83
Other expenses	4,46.93	(7.12)	4,39.81
Total expenses	14,52.56	98.09	15,50.65

NOTES TO THE ACCOUNTS (Contd.)

(₹ in lakhs)

Particulars	Year ended 31st March 2018		
	Previous GAAP	Effect of Ind AS Transition	Ind AS
Profit/(loss) before exceptional items and tax	59,85.32	22.88	60,08.20
Exceptional items	–	–	–
Profit/(loss) before tax	59,85.32	22.88	60,08.20
Tax expense			
1. Current tax	5,70.61	1.76	5,72.37
2. Deferred tax	(28.38)	24.51	(3.87)
Total tax	5,42.23	26.27	5,68.50
Profit/(loss) for the period	54,43.09	(3.39)	54,39.70
Other Comprehensive Income			
A (i) Items that will not be reclassified to profit or loss			
Remeasurements of the defined benefit plans	–	(6.12)	(6.12)
Tax on above	–	1.76	1.76
Remeasurements of the defined benefit plans (Net of tax)	–	(4.36)	(4.36)
Change in Fair value of equity instruments	–	715,80.30	715,80.30
Tax on above	–	(33,49.75)	(33,49.75)
Change in Fair value of equity instruments (Net of tax)	–	682,30.55	682,30.55
Other Comprehensive Income	–	682,26.19	682,26.19
Total Comprehensive Income for the period	54,43.09	682,22.80	736,65.89

(₹ in lakhs)

Particulars	Amount
Profit as per IGAAP	54,43.09
Ind AS Adjustments	
Fair value of Mutual Funds	79.87
Fair Value of Quoted equity Instruments	617,93.23
Fair Value of Unquoted equity Instruments	97,95.85
Investments in preference shares	(68.74)
Other Adjustments	(3.16)
Deferred tax on above adjustments	(33,74.26)
Total Comprehensive Income as per Ind AS	736,65.89

NOTES TO THE ACCOUNTS (Contd.)

Note 25c : Cash Flow Reconciliation

Impact of Ind AS adoption on cash flow statement for the year ended 31st March 2018

(₹ in lakhs)

Particulars	GAAP	Adjustments	Ind AS
Net cashflow from operating activities	50,91.50	96,83.76	147,75.26
Net cashflow from investing activities	(145,41.61)	(1.74)	(145,43.35)
Net cashflow from financing activities	(45.13)	(7.21)	(52.34)
Transferred to Company pursuant to Scheme of Arrangement (Refer Note 30)	96,74.79	96,74.79	–
Net increase / (decrease) in cash and cash equivalents	1,79.55	–	1,79.55
Cash and cash equivalents as at April 1, 2017	7.40	–	7.40
Cash and cash equivalents as at March 31, 2018	1,86.95	–	1,86.95

Note 26 : Capital Management

The primary objective of the Company's Capital Management is to maximise shareholders value. The Company manages its capital to ensure that it will be able to continue as going concerns while maximizing the return to stakeholders through the optimisation of the debt and equity balance. The Company's policy is to maintain a strong capital base so as to maintain investors, creditors and market confidence to sustain future development of the business. For the purpose of the Company's capital management, capital includes issued capital and other equity reserves.

Note 27 : Financial instruments – Fair values and risk management

A. Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

(₹ in lakhs)

As at 31st March 2019	Carrying amount	Level 1	Level 2	Level 3
Financial assets measured at Amortized cost				
Preference securities	15,00.00	–	15,00.00	–
Commercial Paper	47,50.40	–	47,50.40	–
Bonds	22.62	–	22.62	–
Trade receivables	3,52.04	–	–	–
Cash and cash equivalents	20.94	–	–	–
Security Deposits	19.97	–	19.97	–
Staff Advances	29.70	–	29.70	–
FVTPL				
Mutual Fund	180,78.87	180,78.87	–	–
FVTOCI				
Equity securities*	1504,53.96	1129,82.53	–	374,71.42
Financial Liabilities measured at Amortized cost				
Trade and other payables	12.76	–	–	–
Other Financial Liabilities	25.06	–	–	–

NOTES TO THE ACCOUNTS (Contd.)

(₹ in lakhs)

As at 31st March 2018	Carrying amount	Level 1	Level 2	Level 3
Financial assets measured at				
Amortized cost				
Preference securities	16,53.39	–	16,53.39	–
Bonds	22.62	–	22.62	–
Trade receivables	3,42.95	–	–	–
Cash and cash equivalents	1,86.95	–	–	–
Security Deposits	17.46	–	17.46	–
Staff Advances	34.53	–	34.53	–
Other Financial Assets	17.72	–	–	–
FVTPL				
Mutual Fund	162,96.87	162,96.87	–	–
FVTOCI				
Equity securities *	2113,24.30	1603,51.36	–	509,72.94
Financial Liabilities measured at				
Amortized cost				
Trade and other payables	1,04.63	–	–	–
Other Financial Liabilities	12.36	–	–	–

(₹ in lakhs)

As at 1st April 2017	Carrying amount	Level 1	Level 2	Level 3
Financial assets measured at				
Amortized cost				
Preference securities	2,90.61	–	2,90.61	–
Bonds	22.62	–	22.62	–
Trade receivables	22.25	–	–	–
Cash and cash equivalents	7.40	–	–	–
Security Deposits	12.82	–	12.82	–
Staff Advances	1.52	–	1.52	–
Other Financial Assets	97,57.58	–	–	–
FVTPL				
Mutual Fund	28,77.96	28,77.96	–	–
FVTOCI				
Equity securities *	1397,42.27	985,58.11	–	411,84.16
Financial Liabilities measured at				
Amortized cost				
Trade payables	9.36	–	–	–

* Excluding Investment in Subsidiary and Associates as given in Note 4

NOTES TO THE ACCOUNTS (Contd.)

Fair Value hierarchy

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of the following three levels:

Level 1 hierarchy - Includes Financial Instruments measured using quoted prices in the active market.

Level 2 hierarchy - The Fair value of Financial Instruments that are not traded in an active market, is determined using valuation techniques which maximize the use of observable market data.

Level 3 hierarchy - Inputs are not based on observable market data. Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

B. Measurement of fair values

Financial instruments fair valued under Level 3 hierarchy are measured using Market multiples method.

The carrying amount of trade receivables, cash and cash equivalents, other financial assets, trade payables and other financial liabilities are considered to be the fair value due to short term nature.

There are no transfers between level 1, level 2 and level 3 during the year

Note 28 : Financial Risk Management

The Company has exposure to the following risks arising from financial instruments:

- Credit risk;
- Liquidity risk ; and
- Market risk

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

(a) Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company regularly monitors the rolling forecasts and the actual cash flows to service the financial liabilities on a day-to-day basis through cash generation from business and by having adequate banking facilities.

The following table shows the maturity analysis of the Company's financial liabilities based on contractually agreed undiscounted cash flows along with its carrying value as at the Balance sheet date.

NOTES TO THE ACCOUNTS (Contd.)

(₹ in lakhs)

Particulars	31st March 2019	31st March 2018	1st April 2017
Payable within three months			
Trade payables	12.76	1,04.63	9.36
Other financial Liabilities	25.06	12.36	–

(b) Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counter-party to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and loans and advances.

(i) Trade receivables:

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer and the geography in which it operates. Concentration of credit risk with respect to trade receivables are limited as the customers are reviewed, assessed and monitored regularly on a monthly basis with pre-determined credit limits assessed based on their payment capacity. Our historical experience of collecting receivables demonstrates that credit risk is low.

The following table sets out the information about the credit quality of financial assets measured at amortised cost.

(₹ in lakhs)

Particulars	31st March 2019	31st March 2018	1st April 2017
Trade receivables	3,52.04	3,42.95	22.25
Loss allowance	–	–	–
Carrying amount	3,52.04	3,42.95	22.25

(ii) Other financial assets:

The Company has exposure in Cash and cash equivalents, employee loans and investment carried at amortised cost. The Company's maximum exposure to credit risk as at 31st March, 2019 is the carrying value of each class of financial assets as on that date.

Cash and Cash equivalents

The Company held cash and cash equivalents of INR 20.94 lakhs as on March 31, 2019 (March 31, 2018 : INR 186.95 lakhs; April 1, 2017 : INR 7.40 lakhs). The cash and cash equivalents are held in hand and with bank. (Refer Note 1).

(c) Market Risk

Market risk is the risk that changes in market prices – such as equity prices, interest rates and foreign exchange rates that will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

Company is having certain investments in unlisted companies in automobile sector where the valuation takes place based on certain market multiples of similar listed automobile companies. Hence the valuation is fully dependent on market conditions.

Risk management structure

The Board of Directors are responsible for the overall risk management approach and for approving the risk management strategies and principles

NOTES TO THE ACCOUNTS (Contd.)

Note 29 : Revenue Recognition

Sale of Services:

We derive revenue from providing support services to our captive clients, which primarily include providing back office administration, data management, contact centre management and training. We recognize revenue when the significant terms of the arrangement are enforceable, services are being delivered and the collectability is reasonably assured. We recognize revenue on an accrual basis when services are performed.

The Company has adopted "Full Retrospective approach" and there are no performance obligations that are unsatisfied as on transition date. The Company has elected not to restate balances with regard to completed contracts.

When the terms of the agreement specify service level parameters that must be met, we monitor such service level parameters and determine if there are any service credits or penalties that we need to account for. Our revenue is only from group companies, where we do not believe we have a significant credit risk.

We invoice our clients depending on the terms of the arrangement, which include billing based on a per employee basis, a per transaction basis, a fixed price basis, an outcome-based basis or other pricing arrangements including cost-plus arrangements.

Our revenue is exclusive of taxes and includes reimbursements of communication costs, incentives, etc as defined in the terms of agreement.

Contracts with customers

There are no other revenue under Contract with Customers other than those which are accounted in Profit and Loss Account as revenue which comprises of Service income and Learning income. Refer Note 29a for the details of income earned from contracts with customers.

Contract Balances

The Company classifies the right to consideration in exchange for deliverables as either a receivable or as unbilled revenue. Refer Note 29.a for the Trade Receivable balances.

Revenue from sale of services and trade receivables for the year ended March 31, 2019 and March 31, 2018 is as follows:

Note 29a

(₹ in lakhs)

Particulars	31st March 2019	31st March 2018
Sale of Services		
- Learning Income	1,38.33	38.26
- Support Services	21,35.40	13,11.51
Trade Receivables	3,52.04	3,42.95

NOTES TO THE ACCOUNTS (Contd.)

Note 30 : Scheme of Arrangement

The Scheme of Arrangement (“the Scheme”) between the Company (“Resulting Company”) and Sundaram Finance Limited (SFL) (“Demerged Company”) and their Shareholders and creditors under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013, was approved by the Board of Directors of the Company on 17.02.2017.

The National Company Law Tribunal, Single Bench, Chennai vide Order No. CP/210 to 214/CAA/2017 dated 12th January 2018, approved a Composite Scheme of Arrangement, which was to be effective from the Appointed Date, i.e. 1st April 2016, but to be operative from the Effective Date, i.e. 18th January 2018.

All shareholders of SFL were allotted one fully paid up equity share of ₹5 each in the Company, for every equity share of ₹10/- each held by them in SFL. Consequently, the Issued and Paid up Equity Share Capital of the Company increased from ₹2000.00 lakhs to ₹7555.19 lakhs.

Net assets of ₹20241.59 lakhs as of 1st April 2016 has been transferred from Demerged Company.

Amount credited to reserves after transfer of net assets and issue of share capital amounts to ₹14,687 lakhs. The net amount was credited to Capital Reserve, General Reserve and Profit & Loss account as per the proportion provided in the Scheme of Arrangement and a net amount of ₹3489.96 lakhs towards transfer of profits for the financial year 2016-17 has been credited to the Reserves.

Note 31 : Related Party Transactions

Related party disclosures, as per Ind AS 24 - Related Party Disclosures, details of related parties and the transactions with related parties are given below:

Related Parties:

Company having control over the entity

Sundaram Finance Limited

Subsidiaries

Sundaram Business Services Limited

Sundaram BPO India Limited (upto 31st March 2018)

Subsidiaries of Company having control over the entity

Sundaram Asset Management Company Ltd

Royal Sundaram General Insurance Co. Ltd (till 23-02-2019)

LGF Services Limited

Sundaram Alternate Assets Limited

Sundaram Trustee Company Limited

Sundaram Asset Management Singapore Pte Ltd.

Associate Companies

Flometallic India Private Limited

Dunes Oman LLC (FZC)

Sundaram Hydraulics Limited

Axles India Limited

Turbo Energy Private Limited

Transenergy Limited

Sundaram Dynacast Private Limited

Key Management Personnel:

Sri. T.T. Srinivasaraghavan - Chairman

Sri. Harsha Viji - Director

Sri. Srivats Ram - Director (from 27th August 2018)

Sri. Paramesh Krishnaier - Chief Executive Officer

Enterprise over which KMP has significant influence

Wheels India Limited (from 27th August 2018)

NOTES TO THE ACCOUNTS (Contd.)
Related Party Transactions:

The nature and volume of transactions of the company during the year, with the above related parties are as follows:

(₹ in lakhs)

Nature of Transactions	Company having control over the entity	Subsidiaries	Associates	Subsidiaries of Company having control over the entity	KMP	Enterprise over which KMP has significant influence	2018-19	2017-18
Income								
Dividend Income								
Sundaram Dynacast Private Limited	–	–	1,63.80	–	–	–	1,63.80	1,40.40
Turbo Energy Private Limited	–	–	5,12.00	–	–	–	5,12.00	7,16.80
Dunes Oman LLC (FZC)	–	–	26,92.23	–	–	–	26,92.23	26,07.72
Axles India Limited	–	–	2,96.75	–	–	–	2,96.75	1,78.05
Transenergy Limited	–	–	12.00	–	–	–	12.00	9.00
Flometallic India Private Limited	–	–	4,87.50	–	–	–	4,87.50	4,06.25
Sundaram Asset Management Company Limited	–	–	–	1,01.25	–	–	1,01.25	–
Wheels India Limited	–	–	–	–	–	2,06.73	2,06.73	–
Income from Services								
Sundaram Finance Limited	10,62.25	–	–	–	–	–	10,62.25	6,78.38
Sundaram Asset Management Company Ltd	–	–	–	3,07.81	–	–	3,07.81	33.03
Royal Sundaram General Insurance Co. Limited	–	–	–	5,68.33	–	–	5,68.33	2,36.76
Sundaram Alternate Assets Limited	–	–	–	0.72	–	–	0.72	–
Turbo Energy Private Limited	–	–	0.90	–	–	–	0.90	0.65
Wheels India Limited	–	–	–	–	–	6.24	6.24	–
Other Income								
Rental Income								
Turbo Energy Private Limited	–	–	39.39	–	–	–	39.39	49.37
Sundaram Finance Limited	94.39	–	–	–	–	–	94.39	19.28

NOTES TO THE ACCOUNTS (Contd.)

(₹ in lakhs)

Nature of Transactions	Company having control over the entity	Subsidiaries	Associates	Subsidiaries of Company having control over the entity	KMP	Enterprise over which KMP has significant influence	2018-19	2017-18
Expenses								
Sundaram Finance Limited								
Rent & other Amenities	32.32	–	–	–	–	–	32.32	19.28
Internal Audit fees	4.00	–	–	–	–	–	4.00	0.50
Other Advances								
Sundaram Finance Limited								
Procurement of Software	7.50	–	–	–	–	–	7.50	–
Sundaram Business Services Limited								
Outsourcing Cost	–	1,98.94	–	–	–	–	1,98.94	–
Sundaram BPO India Limited								
Outsourcing Cost	–	–	–	–	–	–	–	36.18
Royal Sundaram General Insurance Co. Limited								
Insurance	–	–	–	1.75	–	–	1.75	2.73
Remuneration paid to KMP*	–	–	–	–	49.60	–	49.60	4.86

(₹ in lakhs)

Nature of Transactions	Company having control over the entity	Subsidiaries	Associates	Subsidiaries of Company having control over the entity	KMP	Enterprise over which KMP has significant influence	2018-19	2017-18
Other Transactions - Investments								
Sundaram Asset Management Company Ltd-Purchase of Preference Shares	–	–	–	–	–	–	–	15,00.00
Capital Reduction - Dunes Oman LLC (FZC)	–	–	22,05.50	–	–	–	22,05.50	–
Sundaram Hydraulics Limited - Redemption of Preference Shares	–	–	1,66.67	–	–	–	1,66.67	1,66.67

NOTES TO THE ACCOUNTS (Contd.)

(₹ in lakhs)

Nature of Transactions	Company having control over the entity	Subsidiaries	Associates	Subsidiaries of Company having control over the entity	KMP	Enterprise over which KMP has significant influence	2018-19	2017-18
Closing Balance of Investment in Equity Shares								
Sundaram BPO India Limited	–	–	–	–	–	–	–	14,12.79
Sundaram Business Services Limited	–	29,12.79	–	–	–	–	29,12.79	15,00.00
Flometallic India Private Limited	–	–	32,50.00	–	–	–	32,50.00	32,50.00
Dunes Oman LLC (FZC)	–	–	21,55.89	–	–	–	21,55.89	26,94.86
Sundaram Hydraulics Limited	–	–	11,25.00	–	–	–	11,25.00	11,25.00
Axles India Limited	–	–	10,15.70	–	–	–	10,15.70	10,15.70
Turbo Energy Private Limited	–	–	1,88.41	–	–	–	1,88.41	1,88.41
Transenergy Limited	–	–	1,87.50	–	–	–	1,87.50	1,87.50
Sundaram Dynacast Private Limited	–	–	1,17.00	–	–	–	1,17.00	1,17.00
Wheels India Limited	–	–	–	–	–	249,22.39	249,22.39	–
Closing Balance of Investment in Preference Shares								
Sundaram Hydraulics Limited							–	1,66.67
Sundaram Asset Management Company Limited				15,00.00			15,00.00	15,00.00
Insurance Deposit								
Royal Sundaram General Insurance Co. Limited				0.20			–	0.10
Receivables:								
Sundaram Finance Limited	1,62.35						1,62	1,48.15
Sundaram Asset Management Company Limited				35.29			35	7.00
Sundaram Alternate Assets Limited				0.28			–	
Turbo Energy Private Limited								14.68
Wheels India Limited						1.74	1.74	
Payables:								
Sundaram BPO India Limited								89.47
Sundaram Finance Limited								0.25

NOTES TO THE ACCOUNTS (Contd.)

*Remuneration to KMP

(₹ in lakhs)

Particulars	2018-19	2017-18
Short term Employee benefits	39.60	4.86
Post Employment benefits	–	–
Other long term employee benefits	–	–
Termination benefits	–	–
Others (Commission)	10.00	–
TOTAL	49.60	4.86

Note 32 : Employee Benefits: Defined Contribution Plan

The Company makes contributions to a gratuity fund administered by trustees and managed by LIC of India. During the year, the Company has recognized the following amounts in the Profit and Loss Statement, which are included in Employee Benefits:

Note 32a : Contribution to PF & Other Funds

(₹ in lakhs)

Particulars	2018-19	2017-18
Contribution to Provident Fund	89.61	44.86
Contribution to Superannuation Fund	6.11	2.43
Contribution to Labour Welfare Fund	0.12	–

Note 32b : Employee Benefits: Defined Benefit Plan - Gratuity

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

(₹ in lakhs)

Particulars	31st March 2019	31st March 2018
Present Value of Defined Benefit Obligation at the beginning of the Period	1,22.96	7.91
Service Cost		
a. Current Service Cost	34.67	–
b. Past Service Cost	–	0.15
c. (Gain)/Loss on Curtailments	–	–
d. (Gain)/Loss on Settlements	–	–
Interest Expense	8.65	0.61
Remeasurements		
a. Effect of Changes in Demographic Assumptions	–	–
b. Effect of Changes in Financial Assumptions	10.79	–
c. Effect of Experience Adjustments	0.43	5.67
Cashflows		
a. Benefit Payments		
(i) From the Plan	(22.5)	–
(ii) Directly from the Employer	–	–
b. Settlement Payments from the Plan	–	–
c. Participant Contributions	–	–
Effect of Business Combinations / Disposals	–	1,08.62
Present Value of Defined Benefit Obligation at the end of the Period	1,54.96	1,22.96

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

(₹ in lakhs)

Particulars	31st March 2019	31st March 2018
Fair value of plan assets as at the beginning of the period	1,23.32	7.91
Interest Income on Plan Assets	10.34	0.66
Cash Flows		
a. Benefit Payments		
(i) From the Plan	(22.5)	–
(ii) Directly from the Employer	–	–
b. Settlement Payments from the Plan	–	–
c. Participant Contributions	–	–
d. Total Employer Contributions		
(i) Employer Contributions	43.03	1.37
(ii) Employer Direct Benefit Payments	–	–
Remeasurements		
a. Actual Return on Plan Assets	(6.2)	(0.4)
Effect of Business Combinations / Disposals	–	1,13.80
Effect of Changes in Foreign Exchange Rates	–	–
Fair value of plan assets as at the end of the period	1,47.95	1,23.32

C. The amounts to be recognized in the balance sheet and related analysis

(₹ in lakhs)

Particulars	31st March 2019	31st March 2018
Present Value of Defined Benefit Obligation	1,54.96	1,22.96
Fair value of plan assets	1,47.95	1,23.32
Net Assets (Liability) recognized in the Balance Sheet	(7.01)	0.37
Effect of Asset Ceiling		
Net Assets (Liability)	(7.01)	0.37

NOTES TO THE ACCOUNTS (Contd.)

D. The amounts to be recognized in the Profit and Loss statement

(₹ in lakhs)

Particulars	31st March 2019	31st March 2018
Service Cost		
a. Current Service Cost	34.67	–
b. Past Service Cost	–	0.15
c. (Gain)/Loss on Curtailments	–	–
d. (Gain)/Loss on Settlements	–	–
e. Total Service Cost	34.67	0.15
Net Interest Expense		
a. Interest Expense on DBO	8.65	0.61
b. Interest Income on Plan Assets	(10.34)	(0.66)
c. Interest Income on Reimbursement Rights	–	–
d. Interest Income on Asset Ceiling	–	–
e. Total Net Interest Cost	(1.69)	(0.05)
Remeasurements		
a. Effect of Changes in Demographic Assumptions	–	–
b. Effect of Changes in Financial Assumptions	10.79	–
c. Effect of Experience Adjustments	0.43	5.67
d. Actual Return on Plan Assets	6.22	0.42
e. Actual Return on Reimbursement Rights	–	–
f. Actual Change in Asset Ceiling	–	–
g. Total Remeasurements	17.44	6.09
Defined Benefit Cost included in Profit & Loss Account	32.97	0.10
Defined Benefit Cost included in Other Comprehensive Income	17.44	6.09

E. Principal Actuarial Assumptions (Expressed as weighted averages)

- (i) The estimates of future salary increases, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors like supply and demand in employment market. Amount for the current and previous four years are as follows:

Particulars	31st March 2019	31st March 2018
Discount Rate	7.36%	7.74%
Salary Escalation	6.00%	5.00%
Attrition	10.00%	10.00%

NOTES TO THE ACCOUNTS (Contd.)

(ii) Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

(₹ in lakhs)

Gratuity	Change in assumption		Impact on defined benefit obligation			
			Increase in assumption		Decrease in assumption	
Details	31st March 2019	31st March 2018	31st March 2019	31st March 2018	31st March 2019	31st March 2018
Discount rate	0.50%	0.50%	4.03	2.86	4.27	3.02
Salary growth rate	0.50%	0.50%	4.30	3.08	4.10	2.95
Attrition rate	5.00%	5.00%	0.14	0.36	0.16	0.39
Mortality rate	5.00%	5.00%	0.01	0.02	0.01	0.02

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied when calculating the defined benefit liability recognised in the balance sheet.

(iii) Maturity profile of defined benefit obligation

(₹ in lakhs)

Particulars	FUNDED	
	Gratuity	
	31.03.2019	31.03.2018
Year 1	34.11	23.55
Year 2	18.48	27.10
Year 3	15.63	13.59
Year 4	13.57	11.43
Year 5	20.63	10.04
Next 5 years	60.94	49.42

(iv) Risk exposure

Through its defined benefit plans, the Company is exposed to a number of risks, the most significant of which are detailed below:

Asset volatility: The plan liabilities are calculated using a discount rate set with reference to bond yields; if plan assets under-perform this yield, this will create a deficit. Most of the plan asset investments is in fixed income securities with high grades and in government securities. These are subject to interest rate risk and the fund manages interest rate risk with derivatives to minimise risk to an acceptable level. A portion of the funds are invested in equity securities and in alternative investments which have low correlation with equity securities. The equity securities are expected to earn a return in excess of the discount rate and contribute to the plan deficit. The Company has a risk management strategy where the aggregate amount of risk exposure on a portfolio level is maintained at a fixed range. Any deviations from the range are corrected by rebalancing the portfolio. The Company intends to maintain the above investment mix in the continuing years.

NOTES TO THE ACCOUNTS (Contd.)

Changes in bond yield: A decrease in bond yields will increase plan liabilities, although this will be partially offset by an yields increase in the value of the plans' bond holdings.

Inflation risks: In the pension plans, the pensions in payment are not linked to inflation, so this is a less material risk.

Life expectancy: The pension plan obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the plan liabilities. This is particularly significant where inflationary increases result in higher sensitivity to changes in life expectancy.

(v) The expected contribution to the plan for the next year amounts to ₹39,58,011

Note 32c : Other Long Term Employee Benefits

The Company's liability towards other long - term benefits are provided based on actuarial valuation as at 31st March 2019. The details are given below:

(₹ in lakhs)

Particulars	31st March 2019	31st March 2018
Leave encashment	22.74	1.37
Employee Assured Bonus Scheme	31.44	32.54

Note 33

33a : Earnings Per Share

Basic and diluted earnings per share

The calculations of profit attributable to equity shareholders and weighted average number of equity shares outstanding for purposes of basic earnings per share calculation are as follows:

i. Profit /(Loss) attributable to equity shareholders (basic and diluted)

(₹ in lakhs)

Particulars	Year ended	
	March 31, 2019	March 31, 2018
Profit/ (Loss) for the year, attributable to the equity holders	84,93.26	54,39.70

ii. Weighted average number of equity shares (basic and diluted)

Particulars	As at March 31, 2019	As at March 31, 2018
Opening balance	15,11,03,860	15,11,03,860
Effect of fresh issue of shares for cash	—	—
Effect of share options exercised	—	—
Weighted average number of equity shares for the year	15,11,03,860	15,11,03,860

Earnings per share	March 31, 2019	March 31, 2018
Basic earnings per share (in ₹)	5.62	3.60
Diluted earnings per share (in ₹)	5.62	3.60

* There have been no transactions involving ordinary shares or potential ordinary shares between reporting date and date of completing financial statements which would require restatement of EPS.

NOTES TO THE ACCOUNTS (Contd.)

33b: Dividend

Dividend of ₹26,44.32 lakhs (₹1.75/- per share) has been recommended by the Board for the year ended 31st March 2019.

33c: Contingent liabilities and commitments

Uncalled liability on partly paid equity shares of Flomettallic India Private Limited ₹5,50 lakhs as of 31.03.2019.

Estimated amount of contractual commitments for the acquisition of Property, Plant and equipment - ₹7.5 lakhs

33d: Earnings in foreign currency

The company has received dividend from an Associate company of ₹26,92.23 lakhs (Previous Year ₹26,07.72 lakhs)

The company has received capital reduction proceeds from an Associate company of ₹22,05.50 lakhs (Previous Year - Nil)

33e: Details of Corporate Social Responsibility (CSR)

(a) Gross amount required to be spent by the Company during the year : ₹37.09 lakhs

(b) Amount spent during the year on:

(₹ in lakhs)

Particulars	Amount Spent	Amount to be Spent	Total
i) Construction / Acquisition of any asset	–	–	–
ii) On purpose other than i) above	37.00	0.09	37.09

33f: MSME

As per the information available with the company, there are no vendors under the category of micro and small enterprises to whom the Company owes dues as at 31st March,2019.

33g: Leases

Leases in which a significant portion of risks and rewards of ownership are not transferred to the company are called operating leases. Payments made under operating leases are charged to profit and loss in the year in which rent is actually incurred as the payments made to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increase.

The company has entered into commercial leases for premises and equipment.

The obligations on long-term, non-cancellable operating leases payable as per the rentals stated in the respective agreements are as follows:

(₹ in lakhs)

Future minimum lease payable	March 31, 2019	March 31, 2018
Not later than 1 year	40.95	36.00
Later than 1 year and not later than 5 years	1,77.50	1,70.84

33h: Standard Issued but not effective

Ind AS 116

The new standard has major impact for lessees. It eliminates the classification of leases as either finance leases or operating leases as required by Ind AS 17, Leases. It introduces a single on-balance sheet accounting model that is similar to current finance lease accounting model. The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019.

NOTES TO THE ACCOUNTS (Contd.)

Ind AS 12

- (i) MCA notified "Appendix C, Uncertainty over Income Tax Treatments" where acceptability of a particular tax treatment used by an entity or that it plans to use in its income tax filings and how an uncertain tax treatment affects the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates. The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after April 1, 2019.
- (ii) Recognition of the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

Ind AS 19

MCA notified the Inclusion of treatment of past service cost, or a gain or loss on settlement in case of plan amendment, curtailment or when settlement occurs.

Ind AS 28 - Long-term Interests in Associates and Joint Ventures

14A. An entity also applies Ind AS 109 to other financial instruments in an associate or joint venture to which the equity method is not applied. These include long-term interests that, in substance, form part of the entity's net investment in an associate or joint venture

45K If an entity does not restate prior periods applying paragraph 45I, at the date of initial application of the amendments it shall recognise in the opening retained earnings (or other component of equity, as appropriate) any difference between:

- (a) the previous carrying amount of long-term interests described in paragraph 14A at that date; and
- (b) the carrying amount of those long-term interests at that date.

The Management is in the process of assessing the potential impact of all the above amendments in the Standalone Financial statements

33i: Audit Fees

(₹ in lakhs)

Details	March 31, 2019	March 31, 2018
Statutory Audit	10.00	3.00
Taxation Matters	2.50	0.75
Certification Matters	1.60	6.72
Total	14.10	10.47

33j : Adoption of Financial Statements

The Board has adopted the financial statements at its meeting held on 17th May 2019

As per our report of even date attached.

For **R.G.N. Price & Co.**

Chartered Accountants

ER No: 002785S

K. Venkatakrishnan

Partner

M.No : 208591

Date : 17-05-2019

Place : Chennai

T.T.Srinivasaraghavan

Chairman

Paramesh Krishnaier

Chief Executive Officer

R. Venkatraman

Director

V Vaasen

Chief Financial Officer

For and on behalf of the Board of Directors of
Sundaram Finance Holdings Limited

Harsha Viji

Director

P.N. Srikant

Secretary & Compliance Officer

INDEPENDENT AUDITOR'S REPORT

Report on the Audit of the Consolidated Financial Statements to the Members of Sundaram Finance Holdings Limited

Opinion

We have audited the accompanying consolidated financial statements of Sundaram Finance Holdings Limited (hereinafter referred to as the 'Holding Company') and its subsidiary (Holding Company and its subsidiary together referred to as "the Group") and its associates, which comprise the consolidated Balance Sheet as at March 31, 2019, the consolidated Statement of Profit and Loss, the Consolidated Statement of Changes in Equity and the Consolidated Cash Flows Statement for the year then ended, and notes to the Consolidated Financial Statements, including a summary of Significant Accounting Policies (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with Indian Accounting

Standards prescribed under section 133 of the Act (Ind AS) and the other accounting principles generally accepted in India, of their consolidated state of affairs of the Group and its associates as at March 31, 2019, of Consolidated Profit, Consolidated Changes in Equity and its Consolidated Cash Flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by Institute of Chartered Accountant (ICAI), and we have fulfilled our other ethical responsibilities in accordance with the provisions of the Act. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	Our audit procedures with regards to key audit matter
<p>Valuation of Unquoted investments fair valued through OCI</p> <p>Refer Note 2.2 "Fair value measurement", and Note 2.4 "Financial Assets" for relevant accounting policies and significant accounting estimates used by the Group.</p> <p>The investment portfolio is valued at ₹2,41,966.87 Lakhs which represents almost 100% of the total assets, where unquoted equity investments valued through OCI amounts to ₹37,471.42 Lakhs ("Investment") covering about 15.50% of investment value as at 31st March 2019. As the above investment are not traded in the active market, fair value of these investments involved significant management judgment and estimate and were valued based on the valuation methodology recommended by a valuation expert in the Group.</p> <p>For determination of Fair Value, the market Approach has been considered according to which the earnings and book value based market multiples of listed peer companies in the same sector as that of the investments have been used to determine the fair value of unquoted equity investments after adjusting for illiquidity discount.</p> <p>This valuation is a Level 3 type of valuation in accordance of Ind AS 113 Fair Value Measurement where one or more significant inputs to the fair value measurement is unobservable. Accordingly, the valuation of unquoted investment was considered to be a Key Audit Matter, due to significant judgments associated with determining the fair value of investment.</p>	<ul style="list-style-type: none"> (i) Reviewed the Accounting Policies used by the Company for accounting and disclosing Investments for compliance with the accounting framework. (ii) Evaluating valuation methodology recommended by the valuation expert in the Group. (iii) Verified the correctness of market inputs used and mathematical accuracy of the valuation analysis. (iv) Assessed the adequacy of internal controls, evaluated the design and tested the operating effectiveness of such controls for initial recognition, subsequent measurement and disclosure of investments as on the reporting date as per applicable regulations. (v) Our team was supported by our in-house valuation specialist, especially in determining whether such valuation methodology is consistent with the market practice. (vi) We also assessed whether the disclosures in relation to investments are compliant with the relevant Indian accounting requirements and appropriately present the sensitivities in the valuations based on alternative outcome.

Information Other than the Consolidated Financial Statements and Auditor's Report thereon

The Holding Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in Management Discussion and Analysis; Board's Report including Annexure and Corporate Governance Report but does not include the financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group including its Associates in accordance with Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group and of its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associates are responsible for assessing the ability of the Group and of its associates to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associates is also responsible for overseeing the financial reporting process of the Group and of its associates.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- (i) Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (ii) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Group and its associates which are companies incorporated in India, has adequate internal financial controls system in place and the operating effectiveness of such controls.
- (iii) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- (iv) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates to cease to continue as a going concern.
- (v) Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- (vi) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associates to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law

or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

We did not audit the financial statements of a subsidiary, whose financial statements and financial information reflect total assets of ₹2,721.86 Lakhs as at 31st March, 2019, total revenues of ₹3,902.63 Lakhs and net cash flows amounting to ₹282.28 Lakhs for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit of ₹11,387.56 Lakhs for the year ended 31st March, 2019, as considered in the consolidated financial statements, in respect of 6 associates, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associates, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and associates, is based solely on the reports of the other auditors.

The consolidated financial statements also includes the Group's share of net profit of ₹18.46 lakhs for the year ended 31st March 2019 in respect of one associate whose financial statement have not been audited and whose unaudited financial statement has been furnished to us by the management and our opinion in so far as it relates to the affairs of such associate is based solely on such unaudited financial statement. In our opinion and according to the information and explanation given to us by the management, the aforesaid financial statement are not material to the Group.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, we report, to the extent applicable, that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements.
- (b) In our opinion, proper books of account as required by

law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive Income), Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- (d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors of the Holding Company as on 1st April, 2019 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary and associate companies, none of the directors of the Group companies, its and associate companies incorporated in India is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in Annexure A. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- (g) With respect to the other matters to be included in the

Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Group has disclosed the impact of pending litigations on the consolidated financial position of the Group and its associates in Note 34j.
 - ii. The Group and its associate entities did not have any material foreseeable losses on long-term contracts including derivative contracts.
 - iii. There has been no delays in transferring amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies and its associate companies incorporated in India.

For **R.G.N. Price & Co.**

Chartered Accountants

Firm Registration No: 002785S

K. Venkatakrisnan

Partner

Place : Chennai

Date: 17th May, 2019

Membership No. : 208591

Annexure – “A” referred to in Clause (f) under ‘Report on Other Legal and Regulatory Requirements’ section of our audit report of even date to the members of Sundaram Finance Holdings Limited (“the Holding Company”) on the Consolidated Financial Statements of the Company for the year ended 31st March, 2019

In conjunction with our audit of the Consolidated Financial Statements of the Holding Company as of and for the year ended 31st March 2019, we have audited the internal financial controls over the financial reporting of Sundaram Finance Holdings Limited (“the Holding Company”) and its subsidiary and associate companies, which are companies incorporated in India as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding company, its subsidiary companies and associate companies which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal

control over financial reporting criteria established by these entities 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 the respective 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 Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Holding company, its subsidiary companies and associate companies, which are companies incorporated in India based on our audit.

We conducted our audit in accordance with the Guidance Note and the Standards on Auditing prescribed under sections 143(10) of the Act to the extent applicable to an audit of internal financial controls. The Guidance Note and those standards 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 controls 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 and the audit evidence obtained by other auditors in terms of their report too in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of aforesaid entities.

Meaning of Internal Financial Controls Over Financial Reporting

A Company's internal financial controls 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 authorizations 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, to the best of our information and according to the explanations given to us the Holding company, its subsidiary companies and its associate companies, which are companies incorporated in India, have 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 March 31, 2019 based on, the internal control over financial reporting criteria established by these entities considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial reporting issued by the ICAI.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to its subsidiary companies and associate companies, which are incorporated in India, is based on the reports of the auditors of such companies.

For **R.G.N. Price & Co.**

Chartered Accountants

Firm Registration No: 002785S

K. Venkatakrishnan

Partner

Place : Chennai

Date: 17th May, 2019

Membership No. : 208591

Consolidated Balance Sheet

as at 31st March, 2019

(₹ in lakhs)

Particulars	Notes	March 31, 2019	March 31, 2018	April 1, 2017
ASSETS				
(1) Financial Assets				
(a) Cash and cash equivalents	1	4,75.55	3,59.28	2,92.14
(b) Derivative financial instruments	2	2,47.99	1,22.34	71.76
(c) Receivables	3	10,53.79	10,53.30	5,70.24
(d) Loans	4	33.92	40.21	13.41
(e) Investments	5	2419,66.87	2909,64.86	1977,74.01
(f) Other financial assets	6	1,51.71	2,05.21	99,03.29
(2) Non-financial Assets				
(a) Current tax assets (Net)	7	3,31.11	2,83.96	6,03.34
(b) Investment property	8	1,64.26	1,67.90	1,71.94
(c) Property, plant and equipment	9	2,02.25	2,30.34	2,08.89
(d) Other intangible assets	9	40.84	60.43	77.01
(e) Goodwill		1,56.08	1,56.08	1,56.08
(f) Other non-financial assets	10	4,27.46	3,48.36	2,52.84
Total Assets		<u>2452,51.83</u>	<u>2939,92.27</u>	<u>2100,94.95</u>
LIABILITIES AND EQUITY				
LIABILITIES				
(1) Financial liabilities				
(a) Payables	11			
Trade Payables				
(i) Total outstanding dues of micro enterprises and small enterprises		–	–	–
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		1,05.37	1,13.56	1,32.08
(b) Other financial liabilities	12	90.27	15.64	24.79
(c) Borrowings	13	–	–	2,21.01
(2) Non-Financial liabilities				
(a) Provisions	14	2,33.58	2,42.10	33.82
(b) Deferred tax liabilities (Net)	15	81,16.82	123,24.48	91,99.02
(c) Other non-financial liabilities	16	1,44.01	1,34.82	2,16.17
(3) Equity				
(a) Equity share capital	17	75,55.19	75,55.19	20,00.00
(b) Other equity	18	2290,06.59	2736,06.48	1982,68.06
Total Liabilities and Equity		<u>2452,51.83</u>	<u>2939,92.27</u>	<u>2100,94.95</u>

This is the Consolidated Balance Sheet referred to in our report of even date attached.

For and on behalf of the Board of Directors of
Sundaram Finance Holdings Limited

For **R.G.N. Price & Co.**

Chartered Accountants

ER No: 002785S

K. Venkatakrishnan

Partner

M.No : 208591

Date : 17-05-2019

Place : Chennai

T.T.Srinivasaraghavan

Chairman

Paramesh Krishnaier

Chief Executive Officer

R. Venkatraman

Director

V Vaasen

Chief Financial Officer

Harsha Viji

Director

P.N. Srikant

Secretary & Compliance Officer

Consolidated Statement of Profit and Loss

(₹ in lakhs)

Particulars	Note	For the year ended 31st March 2019	For the year ended 31st March 2018
Revenue from operations			
Interest Income	19	3,54.47	1.74
Dividend Income		23,67.51	16,41.54
Net gain on sale of Current investments		9,15.65	2,75.73
Net gain on fair value changes	20	1,46.75	79.87
Sale of services		61,61.96	48,32.57
Total Revenue from operations		99,46.34	68,31.45
Other Income	21	3,18.89	3,33.36
Total Income		102,65.23	71,64.81
Expenses			
Finance cost	22	24.64	19.73
Impairment on financial instruments		-	98.18
Employee benefit expenses	23	40,01.21	28,55.23
Depreciation and Amortisation		1,00.66	1,03.52
Administrative and Other Expenses	24	19,34.32	17,82.90
Total expenses		60,60.83	48,59.56
Profit before exceptional items and tax		42,04.40	23,05.25
Exceptional items		-	-
Profit before tax		42,04.40	23,05.25
Tax expense	25		
1. Current tax		11,77.65	7,07.61
2. Deferred tax		4.96	(1,91.03)
Total tax		11,82.61	5,16.58
Profit for the period		30,21.79	17,88.67
Share of net profits from associates		107,24.44	111,77.83
Profit after tax		137,46.23	129,66.50
Other Comprehensive Income			
A. Items that will not be reclassified to profit or loss			
Remeasurements of the defined benefit plans		(38.89)	(11.71)
Income tax on above		11.05	1.76
Remeasurements of the defined benefit plans (Net of Income tax)		(27.84)	(9.95)
Change in Fair value of equity instruments		(608,70.32)	715,80.30
Income tax on above		4,126.60	(33,49.75)
Change in Fair value of equity instruments (Net of tax)		(567,43.72)	682,30.55
Share of other comprehensive income from associates using equity method (Net of tax)		(55.06)	25.50
B. Items that will be reclassified to profit or loss			
Change in fair value of derivative instrument		88.14	60.41
Income tax on above		(24.52)	(16.64)
Change in fair value of derivative instrument (Net of tax)		63.62	43.77
Share of other comprehensive income from associates using equity method		7,36.64	(3,08.38)
Foreign currency Translation Reserve		4,12.72	(9.20)
Other Comprehensive Income Net of Tax		(556,13.63)	679,72.29
Total Comprehensive Income for the period		(418,67.41)	809,38.79
Basic and Diluted Earnings per Equity Share of ₹5 each		9.10	8.58

This is the Consolidated Statement of Profit and Loss referred to in our report of even date attached.

For and on behalf of the Board of Directors of
Sundaram Finance Holdings LimitedFor **R.G.N. Price & Co.**

Chartered Accountants

ER No: 002785S

K. Venkatakrishnan

Partner

M.No : 208591

Date : 17-05-2019

Place : Chennai

T.T.Srinivasaraghavan

Chairman

Paramesh Krishnaier

Chief Executive Officer

R. Venkatraman

Director

V Vaasen

Chief Financial Officer

Harsha Viji

Director

P.N. Srikant

Secretary & Compliance Officer

Consolidated Cash Flow Statement

for the year ended 31st March, 2019

(₹ in lakhs)

Particulars	March 31, 2019	March 31, 2018
Cash flow from operating activities		
Profit before tax	42,04.40	23,05.24
<i>Adjustments to reconcile profit before tax to net cash used in operating activities</i>		
Depreciation and Amortisation of property, plant and equipment	1,00.66	1,03.52
Fair value change in financial instruments	(1,59.59)	(1,09.31)
(Gain)/loss on sale of current investment	(12,69.92)	(2,78.75)
(Gain)/loss on sale of property, plant and equipment	(0.18)	0.41
Finance costs	24.64	19.74
On account of Scheme of Amalgamation	5,97.05	-
Impairment on financial instrument	-	98.18
Net Actuarial gain/(loss) on defined benefit plan	(17.44)	(10.79)
Add: Dividend received from associates	41,64.28	40,58.22
	<u>76,43.91</u>	<u>61,86.45</u>
Working capital adjustments		
(Increase)/ Decrease in trade and other receivables	(1,61.35)	(5,34.21)
(Increase)/ Decrease in Loans	4.83	(1,06.13)
(Increase)/ Decrease in Other financial assets	(22.30)	96,87.00
(Increase)/ Decrease in Other non-financial assets	(4,44.89)	1,73.62
Increase/ (Decrease) in trade and other payables	(86.18)	68.85
Increase/(Decrease) in financial liabilities	12.70	(1,79.18)
Increase/(Decrease) in other non-financial liabilities and provisions	1,00.29	(1.38)
	<u>70,47.02</u>	<u>152,95.02</u>
Income Tax paid	(12,06.02)	(5,65.13)
Net cash flows from operating activities	<u>58,41.00</u>	<u>147,29.89</u>
Cash flow from investing activities		
Purchase and construction of property, plant and equipment	(54.00)	(88.45)
Payment for purchase and development of intangible assets	(2.98)	(17.04)
(Purchase) / sale of other investments	(51,25.69)	(144,93.12)
Proceeds from Capital Reduction by Associates	22,05.50	-
Proceeds from sale of property, plant and equipment	7.83	0.73
Interest received	1.74	-
Net cash flows from investing activities	<u>(29,67.60)</u>	<u>(145,97.88)</u>
Cash flow from financing activities		
Dividend Paid	(27,32.49)	(45.13)
Finance charges paid	(24.64)	(19.74)
Net cash flows from financing activities	<u>(27,57.13)</u>	<u>(64.87)</u>
Net increase / (decrease) in cash and cash equivalents	1,16.27	67.14
Cash and cash equivalents at the beginning of the year	3,59.28	2,92.14
Cash and cash equivalents at the end of the year (Note 1)	<u>4,75.55</u>	<u>3,59.28</u>

This is the Consolidated Cash Flow Statement referred to in our report of even date attached.

For and on behalf of the Board of Directors of
Sundaram Finance Holdings Limited

For **R.G.N. Price & Co.**

Chartered Accountants

ER No: 002785S

K. Venkatakrishnan

Partner

M.No : 208591

Date : 17-05-2019

Place : Chennai

T.T.Srinivasaraghavan

Chairman

Paramesh Krishnaier

Chief Executive Officer

R. Venkatraman

Director

V Vaasen

Chief Financial Officer

Harsha Viji

Director

P.N. Srikant

Secretary & Compliance Officer

STATEMENT OF CHANGES IN EQUITY

(a) Equity Share Capital

(₹ in lakhs)

Particulars	Amount
As at April 1, 2017	20,00.00
Changes in equity share capital	55,55.19
As at March 31, 2018	75,55.19
Changes in equity share capital	-
As at March 31, 2019	75,55.19

(₹ in lakhs)

Particulars	Reserves and Surplus				Gains / (losses) from equity investments through OCI	Total
	Capital Reserve	General Reserve	FCTR	Retained Earnings		
Balance as at 1st April, 2017*	32,78.71	175,74.11	6,13.90	497,10.22	1270,91.12	1982,68.06
Less: Shares issued during the year	(7,09.09)	(44,39.10)		(4,07.00)		(55,55.19)
Add: Profit or loss for the period				129,66.49		129,66.49
Add: Other comprehensive income			(9.20)	(9.95)	679,91.42	679,72.27
Less: Final Dividend for FY 2016-17 paid				(37.50)		(37.50)
Less: Dividend Tax				(7.63)		(7.63)
Balance as at 1st April, 2018	25,69.62	131,35.01	6,04.70	622,14.62	1950,82.54	2736,06.48
Add: Profit or loss for the period				137,46.23		137,46.23
Add: Other comprehensive income			4,12.72	(27.84)	(559,98.52)	(556,13.63)
Less: Final Dividend for FY 2017-18 paid				(22,66.59)		(22,66.59)
Less: Dividend Tax				(4,65.90)		(4,65.90)
Balance as at 31st March 2019	25,69.62	131,35.01	10,17.42	732,00.51	1390,84.02	2290,06.59

* Includes impact on Scheme of Arrangement (Refer Note 31a)

As per our report of even date attached.

For and on behalf of the Board of Directors of
Sundaram Finance Holdings Limited

For **R.G.N. Price & Co.**

Chartered Accountants

F.R.No: 002785S

K. Venkatakrishnan

Partner

M.No : 208591

Date : 17-05-2019

Place : Chennai

T.T.Srinivasaraghavan

Chairman

R. Venkatraman

Director

Harsha Viji

Director

Paramesh Krishnaier

Chief Executive Officer

V Vaasen

Chief Financial Officer

P.N. Srikant

Secretary & Compliance Officer

Notes to the Consolidated Financial Statements

1. COMPANY OVERVIEW

Sundaram Finance Holdings Limited ('the Holding Company') is a Public Limited Company incorporated in India. The equity shares of the Company are listed on the National Stock Exchange of India Limited. The Company comes under the category of exempted Core Investment Company (CIC) and is not required to register with the Reserve Bank of India (RBI) as a Non-Banking Financial Company (NBFC). The Company is primarily engaged in the business of Investments, business processing and support services and having a 100% subsidiary (Collectively, the Group) which is an outsourcing company offering various support services to large and mid-sized firms in India as well as outside India. The company's registered office is at No.21, Patullos Road, Chennai – 600002.

2. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies mentioned herein are relating to the Consolidated financial statements of Sundaram Finance holdings Limited and its subsidiary and associates.

2.1 Basis of Preparation

The Consolidated financial statements of the group are prepared in accordance with the Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

For all periods up to and including the year ended March 31, 2018, the Group presented its financial statements under the historical cost convention and accrual basis of accounting complying with the provisions of the Companies Act 2013, and in accordance with generally accepted accounting principles in India ('Indian GAAP' or 'previous GAAP').

The date of transition to Ind AS is 1st April 2017. These Consolidated financial statements are the Group's first financial statements under Ind AS. Refer note 26 for an explanation of how the transition from previous GAAP to Ind AS has affected the Group's financial position, financial performance and cash flows.

Consolidated financial statements are prepared in Indian Rupees (₹), which is also its functional currency.

The Financial Statements have been prepared on a historical cost basis, except for certain financial instruments that are measured at fair values at the end of each reporting period.

Principles of Consolidation: The Consolidated Financial Statements comprise of Financial Statements of the "Holding Company" and its subsidiary, being the entity that it controls. Controls are assessed in accordance with the requirement of Ind AS 110 - Consolidated Financial Statements.

Subsidiaries:

Subsidiaries are all entities over which the group has control. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The Financial Statements of the Company and its Subsidiary Company have been consolidated on a line-by-line basis, by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra - group balances and intra - group transactions resulting in unrealised profits or losses.

Goodwill represents the difference between the Company's share in the net worth of subsidiary and its cost of acquisition.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

The financial Statements of the following subsidiary company is consolidated as per Ind AS 110- Consolidated Financial Statements.

Name of the Subsidiary	Country of Incorporation	Proportion of Ownership Interest (%)
Sundaram Business Services Limited	India	100

Associates:

Associates are all entities over which the group has significant influence but not control or joint control.

The company has the following investments in Associates which are accounted for using the equity method of accounting after initially being recognized at cost.

Name of the Associates	Country of Incorporation	Proportion of Ownership Interest (%)
Axles India Limited	India	38.81
Turbo Energy Private Limited	India	32.00
Transenergy Limited	India	42.31
Sundaram Dynacast Private Limited	India	26.00
Sundaram Hydraulics Limited	India	27.44
Flometallic India Private Limited	India	40.63
Dunes Oman LLC (FZC)	Sultanate of Oman	43.69

Under the equity method of accounting, the investments are initially recognized at cost and adjusted thereafter to recognize the group's share of the post-acquisition profits or losses of the investee in profit and loss, and the group's share of other comprehensive income of the investee in other comprehensive income. Dividends received from associates are recognized as a reduction in the carrying amount of the investment.

When the Group's share of losses in an equity accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the group does not recognise further losses, unless it has incurred obligation or made payments on behalf of the other entity.

2.2 Measurement of fair values

The Group's accounting policies and disclosures require the measurement of financial assets and liabilities at fair values. The Group has established policies and procedures with respect to measurement of fair values.

The Group classifies the fair value of its financial instruments in the following hierarchy, based on the inputs used in their valuation:

Level 1 - The fair value of financial instruments traded in active markets is based on quoted (unadjusted) market prices at the end of the reporting period.

Level 2 - The fair valuation of instruments not traded in active markets is determined based on observable market data and by using valuation techniques.

Level 3 - Where one or more of the significant inputs are not from observable market data.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Revenue Recognition:

Revenue is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the group is entitled in exchange for those goods or services, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment.

Revenue from rendering of services is recognised with reference to the stage of completion determined based on estimate of work performed, and when the outcome of the transaction can be estimated reliably.

Dividends:

Dividend income is recognised when the Group's right to receive the payment is established, it is probable that the economic benefits associated with the dividend will flow to the entity and the amount of dividend can be measured reliably. This is generally when the shareholder approves the dividend.

Interest Income:

For all debt instruments measured at amortised cost, interest income is recognised on time proportion basis, taking into account the amount outstanding and effective interest rate.

Rental Income:

Rental income arising from operating leases is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit and loss due to its operating nature.

2.4. Financial Assets

Initial Measurement

At initial recognition, the group measures a financial asset at its fair value plus (in the case of financial asset not a fair value through profit or loss) transaction cost that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the statement of profit and loss.

Subsequent Measurement

Financial Asset measured at Amortised Cost (AC)

A financial asset is measured at amortised cost if it is held within a Group's business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method.

Financial assets at fair value through other comprehensive income: (FVTOCI)

Financial assets are subsequently measured at fair value through other comprehensive income if these financial assets are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on principal and the interest on the principal outstanding.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)**Financial assets at Fair value through profit or loss: (FVTPL)**

Any financial asset not subsequently measured at amortized cost or at fair value through other comprehensive income, is subsequently measured at fair value through profit or loss. Financial assets falling in this category are measured at fair value and all changes are recognized in the Statement of Profit and Loss.

2.5. Financial Liabilities**Initial Recognition**

All financial liabilities are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial liabilities, which are not at fair value through profit or loss, are adjusted to the fair value on initial recognition.

Subsequent Measurement

Financial liabilities are subsequently carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

De-Recognition

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset.

A financial liability (or a part of a financial liability) is derecognised when the obligation specified in the contract is discharged or cancelled or expires.

Impairment of Financial Assets

The Group applies the Expected Credit Loss (ECL) model for recognizing impairment losses if any on financial assets.

12 months ECL represents the expected default events on the financial asset that are possible within 12 months after the reporting date.

Where the credit risk on the financial assets has not increased significantly since initial recognition, the loss is measured at an amount equal to 12 months ECL.

Where the credit risk on the financial assets has increased significantly since initial recognition, the loss is measured at an amount equal to the lifetime expected credit loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet when the Group has a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

Derivative financial instruments

The Group is exposed to certain risk relating to its ongoing business operations. The primary risks managed using derivative instruments are foreign currency risk.

To mitigate the risk of changes in foreign exchange rates on forecasted cash flows denominated in foreign currencies, the Group holds derivative financial instruments such as foreign exchange forward contracts. The counter-party for these contracts is generally a bank.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Derivatives are recognized and measured at fair value. Attributable transaction costs are recognized in the Statement of Profit and Loss.

Cash flow hedges: Changes in the fair value of the derivative hedging instrument designated as a cash flow hedge are recognized in other comprehensive income and presented within equity in the cash flow hedging reserve to the extent that the hedge is effective.

To the extent that the hedge is ineffective, changes in fair value are recognized in the statement of profit and loss.

2.6. Leases

The Group as lessee

Rental expense from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

2.7. Employee Benefits

SHORT TERM EMPLOYEE BENEFITS

As per the employment policy of the Group, short term employee benefits for services rendered by employees are recognized during the period when the services are rendered.

POST EMPLOYMENT BENEFITS

a. Defined Contribution plans

i. Superannuation

The Group contributes to the Superannuation fund, which is managed by the Life Insurance Corporation of India (LIC). The contributions are charged to the Statement of Profit and Loss.

ii. Provident Fund

The Provident Fund contributions are made to the government administered Provident Fund and Employees' Pension Scheme under the Employees Provident Fund Act and to Employees' State Insurance Schemes on behalf of its employees. The contributions are charged to Statement of Profit and Loss.

b. Defined benefit plans

i. Gratuity

The Group provides a lump sum payment to eligible employees, at retirement or resignation of employment based on the last drawn salary and years of employment with the Group as per the provisions of the Payment of Gratuity Act, 1972. The Group makes contributions to a gratuity fund administered by trustees and managed by LIC of India.

The liability or asset recognized in the Balance Sheet in respect of a defined gratuity plan is the present value of defined benefit obligation at the end of the reporting period less the fair value of plan assets. Gratuity liability is a defined benefit obligation and is recorded based on actuarial valuation using the projected unit credit method made at the end of the year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

The present value of defined benefit obligation is determined by discounting the estimated future cash out flows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. The gratuity liability and net periodic gratuity cost is actuarially determined after considering discount rates, expected long term return on plan assets and increase in compensation levels. Re-measurement gains or losses arising from Experience Adjustments and changes in actuarial assumptions are recognized in the period they occur, directly in the Other Comprehensive Income. They are included in the statement of changes in equity and in the Balance Sheet. Re-measurements comprising actuarial gains or losses and return on plan assets (excluding amounts included in net interest on the net defined benefit liability) are not reclassified to Statement of Profit or Loss in subsequent periods.

Changes in present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in the Statement of Profit and Loss.

c. Other Long Term Employee Benefits

- i) The estimated liability in respect of other long term benefits like Employee Assured Bonus Scheme has been provided on the basis of actuarial valuation.
- ii) Leave Encashment:

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

2.8 Income Taxes

Income-tax expense comprises current tax (amount of tax for the period determined in accordance with The Income Tax law) and deferred tax charge or credit (reflecting the tax effects of temporary differences between tax bases of assets and liabilities and their carrying amounts in the financial statements). Taxes are recognized in the Statement of Profit and Loss except to the extent it relates to items directly recognized in equity or in the Other Comprehensive Income.

Current tax

Current tax is measured at the amount expected to be paid in respect of taxable income for the year in accordance with the Income Tax Act, 1961. Current tax comprises the tax payable on the taxable income or loss for the year and any adjustment to the tax payable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date.

Current tax assets and liabilities are offset only if, the Group:

- a) has a legally enforceable right to set off the recognized amounts; and
- b) intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Deferred Tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable income.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. It is measured using tax rates enacted or substantively enacted at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences can be utilized.

Deferred tax assets are reviewed at each reporting date and based on management's judgement, are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax assets and liabilities are offset only if the Group:

- a) has a legally enforceable right to set off current tax assets against current tax liabilities; and
- b) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority.

Current and Deferred tax for the year - OCI

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

2.9. Property, plant and equipment

The property plant and equipment are the assets held for the use in the supply of services

Property, plant and equipment's are stated in the balance sheet at cost (net of duty/ tax credit availed) less accumulated depreciation and accumulated impairment losses.

Cost of acquisition is inclusive of freight, non-refundable duties & taxes and other directly attributable cost of bringing the asset to its working condition for the intended use.

Freehold land is not depreciated.

An item is recognised as property plant and equipment if and only if it is probable that future economic benefits associated with the item will flow to the Group and its costs can be measured reliably

Subsequent expenditure is added to the carrying amount or recognised as separate asset only when it is probable that future economic benefits associated with the item will flow to the Group and the cost can be measured reliably.

Depreciation commences when the assets are ready for their intended use. Where the property plant and equipment is not ready for its intended use as on the balance sheet date it is disclosed as capital work in progress

For the Group, Depreciation is recognised to write off the cost of assets less their residual values over their useful lives, using the written down value method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

All the Associate companies except Turbo Energy Private Limited provide depreciation on Property, Plant & Equipment on straight-line basis on the useful life of the asset as provided in the schedule II of Companies Act 2013.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Estimated useful lives of the assets, based on technical assessment, which are different in certain cases from those prescribed in Schedule II to the Act, are as follows:

Assets (Own)	(in years)
Office equipment	8
Computer (included in Plant and Equipment)	
End user services	7
Servers and network	10
Vehicles	5
Electrical Equipment	15

The property plant and equipment with definite life are reviewed for impairment whenever the events or changes indicate that their carrying value may not be recoverable.

Depreciation charge for impaired assets is adjusted in future periods in such a manner that the revised carrying amount of the asset is allocated over its remaining useful life.

An item of the property plant equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of asset. Any gain or loss arising on the disposal or retirement of the item of property plant equipment is determined as the difference between the sale proceeds and carrying amount of the asset and is recognised in profit and loss.

2.10 Investment Property

Properties held to earn rental income or for capital appreciation or both and that is not occupied by the Group is classified as Investment Property.

It is measured initially at cost of acquisition including transaction costs, borrowing cost and other directly attributable cost in bringing the asset to its working condition for its intended use.

Subsequent expenditure is capitalized to the asset carrying amount only when it is probable that the future economic benefit associated with the expenditure will flow to the Group.

Depreciation is provided on written down value method by adopting useful life prescribed under schedule II to the Companies Act, 2013 after retaining 5% of Original cost as residual value for Buildings.

Though the Group measures investment property using cost-based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined by property valuer, having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued.

Investment properties are derecognised either when they have been disposed off or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the statement of profit and loss in the period of derecognition.

2.11 Intangible assets

Intangible assets are identified non-monetary assets without physical existence. Intangible assets represent Computer software whose cost is amortised over their expected useful life on a straight-line basis.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Intangible assets with finite useful lives that are acquired separately are capitalised and carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over the estimated useful life of the asset.

Intangible assets are recognised in books only when it is probable that future economic benefits associated with the asset will flow to the Group and the cost can be measured reliably.

The cost of the intangible asset shall include the purchase price, including non-refundable duties and taxes, all the directly attributable costs to bring the intangible to the present location, working condition and intended use.

2.12 Impairment of Assets

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

The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

2.13 Foreign Currency Transactions

Functional and Presentation Currency:

Items included in the consolidated financial statements of the Group are measured using the currency of the primary economic environment in which the entity operates (i.e. the “functional currency”). The functional currency of the Group is Indian Rupee. These Consolidated financial statements are presented in Indian rupee.

Foreign Currency Transactions and balances:

Transactions in foreign currency are accounted at the exchange rates prevailing on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency closing rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in Statement of Profit and Loss except to the extent of exchange differences which are regarded as an adjustment to interest costs on foreign currency borrowings that are directly attributable to the acquisition or construction of qualifying assets, are capitalized as cost of assets.

Non-monetary items that are measured in terms of historical cost in a foreign currency are recorded using the exchange rates at the date of the transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or Statement of Profit and Loss are also recognised in OCI or Statement of Profit and Loss, respectively).

2.14 Cash Flow Statement

Statement of cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Group are segregated.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

2.15 Provisions and Contingent Liabilities

Provisions are recognized when the enterprise has a present legal or constructive obligation, as a result of a past event, and it is probable that the Group will be required to settle the obligation for which a reliable estimate can be made.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material). When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

A Contingent liability is

- (i) a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group (or)
- (ii) a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

A contingent liability should be disclosed, if the possibility of an outflow of resources embodying economic benefits is not remote.

2.16 Earnings Per Share

The basic earnings per share has been computed by dividing the net income attributable to equity shareholders by weighted average number of equity shares outstanding during the year.

The diluted earnings per share has been computed using weighted average number of shares adjusted for effects of all potentially dilutive equity shares.

3. APPROACH ON EXEMPTIONS UNDER IND AS 101 FIRST TIME ADOPTION OF INDIAN ACCOUNTING STANDARDS (IND AS)

The Group has elected to take the following exemptions as per Ind AS 101 to facilitate transition from Indian GAAP ('previous GAAP') to Ind AS.

3.1 Deemed cost for property, plant and equipment, intangible assets and investment property

The Group has opted to adopt the carrying amount determined in accordance with the previous GAAP for property plant and equipment, intangible assets and investment property as deemed cost on transition.

3.2 Derecognition of financial assets and financial liabilities

The Group has opted to apply derecognition requirements as per Ind AS 109 prospectively for transactions on or after 1st April 2017.

3.3 Deemed cost for investments in Subsidiaries and Associates

The Group has opted to apply the exemption of considering previous GAAP carrying amounts as deemed cost under Ind AS for its investments in Subsidiaries and Associates.

3.4 Past Business Combinations

The Group has elected not to apply Ind AS 103 – Business Combinations retrospectively to past business combinations that occurred before the transition date.

3.5 Estimates

On assessment of the estimates made under the Previous GAAP financial statements, the Group has concluded that there is no necessity to revise the estimates under Ind AS, as there is no objective evidence of an error in those estimates. However, estimates that were required under Ind AS but not required under Previous GAAP are made by the Group for the relevant reporting dates reflecting conditions existing as at that date.

3.6 Previous GAAP figures have been reclassified / regrouped wherever necessary to conform with financial statements prepared under Ind AS.

4. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of consolidated financial statements in accordance with Ind AS requires use of estimates and assumptions for some items, which might have an effect on their recognition and measurement in the balance sheet and statement of profit and loss. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. The actual results may differ from these estimates. The Management believes that the estimates used in preparation of the consolidated financial statements are prudent and reasonable. Any revision to the accounting estimates is recognised prospectively in the current and future periods.

Useful lives of Property Plant and Equipment / Intangible Assets

Property, Plant and Equipment / Intangible Assets are depreciated / amortised over their estimated useful lives, after taking into account estimated residual value. Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation / amortisation to be recorded during any reporting period. The useful lives and residual values are based on the Group's historical experience with similar assets and take into account anticipated technological changes. The depreciation / amortisation for future periods is revised if there are significant changes from previous estimates.

Impairment of Financial Assets

The impairment provisions for Financial Assets are based on assumptions about risk of default and expected cash loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Note 1: Cash and cash equivalents

(₹ in lakhs)

Particulars	March 31, 2019	March 31, 2018	April 1, 2017
Cash on hand	0.24	0.24	0.20
Balances with Banks in Current Accounts *	4,67.85	3,59.04	2,91.94
Earmarked balances with banks(for unpaid dividend)	7.46	–	–
	<u>4,75.55</u>	<u>3,59.28</u>	<u>2,92.14</u>

Note 2 : Derivative Financial Instruments

(₹ in lakhs)

Particulars	March 31, 2019			March 31, 2018			April 1, 2017		
	Notional amounts	Fair value assets	Fair value liabilities	Notional amounts	Fair value assets	Fair value liabilities	Notional amounts	Fair value assets	Fair value liabilities
Part I									
(i) Currency Derivatives									
- Spot and forwards	–	2,47.99	–	–	1,22.34	–	–	71.76	–
Total Derivatives Financial instruments	–	2,47.99	–	–	1,22.34	–	–	71.76	–
Part II									
Included in above (Part I) are derivatives held for hedging and risk management purpose as follows									
(i) Cash flow hedging									
- Currency derivatives	–	2,47.99	–	–	1,22.34	–	–	71.76	–
Total Derivative Financial instruments	–	2,47.99	–	–	1,22.34	–	–	71.76	–

The company holds forward contracts to mitigate the risk of changes in foreign exchange rates on forecasted cash flows denominated in foreign currencies.

Derivatives are recognised and measured at fair value.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Note 3: Receivables

(₹ in lakhs)

Particulars	March 31, 2019	March 31, 2018	April 1, 2017
Trade receivables			
- Considered good-Secured			
- Considered good-Unsecured *	10,53.79	10,53.30	5,70.24
- Receivables having significant increase in credit risk	13.24	3.47	–
Less : Allowance for impairment loss	(13.24)	(3.47)	–
- Credit Impaired	32.33	65.41	15.20
Less : Allowance for impairment loss	(32.33)	(65.41)	(15.20)
Debts due by Directors and others	–	–	–
	<u>10,53.79</u>	<u>10,53.30</u>	<u>5,70.24</u>

* Refer Note 32 for related party transactions

Note 4 : Loans

(₹ in lakhs)

Loans	31st March 2019			31st March 2018			1st April 2017					
	Amortised cost	At Fair value		Total	Amortised cost	At Fair value		Total	Amortised cost	At Fair value		Total
		Through other comprehensive income	Through profit or loss			Through other comprehensive income	Through profit or loss			Through other comprehensive income	Through profit or loss	
Loans (Unsecured)												
Staff advance	36.41	–	–	36.41	42.99	–	–	42.99	16.20	–	–	16.20
Gross Loans	36.41	–	–	36.41	42.99	–	–	42.99	16.20	–	–	16.20
Less: Impairment Loss allowance	2.49	–	–	2.49	2.78	–	–	2.78	2.79	–	–	2.79
Net Loans	33.92	–	–	33.92	40.21	–	–	40.21	13.41	–	–	13.41

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Note 5: Investments

(₹ in lakhs)

Particulars	Note No.	Face Value (₹)	As at 31.03.2019		As at 31.03.2018		As at 01.04.2017	
			Holding (Number)	Carrying Amount	Holding (Number)	Carrying Amount	Holding (Number)	Carrying Amount
At Carrying amount								
Associates								
Flometallic India Private Limited		1,00,000	3,800	63,74.22	3,800	55,79.08	3,800	48,65.31
The Dunes Oman LLC (FZC)	(i) & (ii)	1	18,34,980	85,83.48	22,93,725	102,55.92	22,93,725	100,97.68
Sundaram Hydraulics Limited		10	1,12,50,000	0.00	1,12,50,000	1,10.54	1,12,50,000	1,20.15
Axles India Limited		10	98,91,754	53,59.28	98,91,754	42,45.79	98,91,754	36,12.95
Turbo Energy Private Limited		10	25,60,000	449,42.87	25,60,000	399,71.15	25,60,000	347,58.29
Transenergy Limited		100	1,20,000	3,94.52	1,20,000	3,88.07	1,20,000	3,66.63
Sundaram Dynacast Private Limited		10	11,70,000	11,77.13	11,70,000	8,31.99	11,70,000	7,34.01
Total - A				668,31.50		613,82.54		545,55.02
At fair value through other comprehensive income:								
Equity Instruments								
Wheels India Limited		10	26,67,482	249,22.39	13,33,741	258,29.10	13,33,741	164,32.49
Brakes India Private Limited		100	1,59,460	273,49.69	1,59,460	382,51.13	1,59,460	318,88.63
India Motor Parts & Accessories Limited		10	15,40,784	135,93.51	15,40,784	160,53.58	15,40,784	120,77.90
Sundaram Clayton Limited		5	22,73,081	744,66.64	22,73,081	1184,68.68	22,73,081	700,47.72
TVS Investments Private Limited		5	22,73,085	22,15.57	22,73,085	22,15.57	22,73,085	19,83.81
Lucas-TVS Limited		100	63,224	66,78.49	63,224	93,88.60	63,224	62,83.89
Delphi TVS Diesel Systems Limited		10	2,52,896	11,21.84	2,52,896	10,11.71	2,52,896	9,16.43
Techtran Polylenses Limited		10	2,50,000	–	2,50,000	–	2,50,000	8.80
Vishnu Forge Industries Limited		10	2,97,110	1,05.84	2,97,110	1,05.84	2,97,110	1,02.59
UMW Industries Limited		10		–		–	78,000	0.02
Senbonzakura Consultancy Private Limited		10	10	–	10	0.10		–
Total - B				1504,53.96		2113,24.30		1397,42.28

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

(₹ in lakhs)

Particulars	Note No.	Face Value (₹)	As at 31.03.2019		As at 31.03.2018		As at 01.04.2017	
			Holding (Number)	Carrying Amount	Holding (Number)	Carrying Amount	Holding (Number)	Carrying Amount
At fair value through profit or loss:								
Mutual Funds								
Sundaram Money Fund-Growth			39,05,169	15,39.07	2,20,49,972	80,78.03	92,26,820	31,63.49
Sundaram Ultra Short term Fund-Growth			4,83,54,743.93	127,23.73	1,83,92,103.95	44,77.98		
ICICI Prudential Fixed Maturity Plan				–	4,00,00,000	40,26.00		
Sundaram Money market fund				41,45.60		–		
Total - C				184,08.40		165,82.01		31,63.49
At amortised cost:								
Preference Shares								
Sundaram Hydraulics Limited -9% Redeemable Cumulative Non-Convertible Preference Shares		100		–	1,66,667	1,53.39	1,66,666	2,90.61
Sundaram Asset Management Company -6.75% Redeemable Cumulative Non-Convertible Preference Shares		100	15,00,000	15,00.00	15,00,000	15,00.00		
Government securities								
IRFC tax free bonds		1,000	2,175	22.62	2,175	22.62	2,175	22.62
Commercial Paper:								
Cholamandalam investment and finance company				23,70.16				
HDB Financial services				23,80.24				
Total - D				62,73.02		16,76.01		3,13.23
Total Investments A+B+C+D				2419,66.87		2909,64.86		1977,74.01
Less: Allowance for Impairment loss				–		–		–
Total Investments				2419,66.87		2909,64.86		1977,74.01

(₹ in lakhs)

Investment outside India	85,83.48	102,55.92	100,97.68
Investment in India	2333,83.39	2807,08.95	1876,76.34

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

(₹ in lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
Aggregate amount of Quoted Investments	1130,05.15	1603,73.98	985,80.73
Aggregate amount of Unquoted Investments (Net of allowance for Impairment loss)	1289,61.72	1305,90.88	991,93.28
Total	2419,66.87	2909,64.86	1977,74.01

Note

- (i) Reduction in cost of investment of M/s Dunes Oman LLC (FZC) is due to capital reduction in March 2019, leading to reduction of 458725 shares from 2293725 shares.
- (ii) Face value in Omani Riyal

Dividends recognised during the period from Investments in equity instruments designated at fair value through OCI:

(₹ in lakhs)

Investments held during/at the end of reporting period	2018-19	2017-18
Brakes India Private Limited	9,04.14	8,77.03
Lucas TVS Limited	1,20.12	1,07.47
Delphi TVS Diesel Systems Limited	40.46	35.41
Sundaram Clayton Limited	8,18.32	3,40.96
Wheels India Limited	2,06.73	1,86.73
Indian Motor Parts & Accessories Limited	1,69.49	92.45
Vishnu Forge Industries Limited	1.78	1.48
TVS Investments Private Limited	5.22	
Total Dividend	22,66.26	16,41.53

Note 6 : Other Financial assets (Unsecured)

(₹ in lakhs)

Particulars	March 31, 2019	March 31, 2018	April 1, 2017
Amount Receivable on Merger	–	–	97,46.32
Security Deposits	1,22.10	1,28.58	1,26.49
Unbilled Revenue	29.61	55.64	25.55
Other Assets	–	20.99	4.93
	1,51.71	2,05.21	99,03.29

Note 7: Current Tax Assets (net)

(₹ in lakhs)

Particulars	March 31, 2019	March 31, 2018	April 1, 2017
Advance Income Tax and Tax Deducted at source (Net of Provision for tax)	3,31.11	2,83.96	6,03.34
	3,31.11	2,83.96	6,03.34

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Note 8 : Investment Property

(₹ in lakhs)

Particulars	Land	Building
Deemed Cost *		
As at 01-04-2017	1,28.75	43.19
Additions	—	—
Sub-total	1,28.75	43.19
(-) Sales / deletion	—	—
Total	1,28.75	43.19
Depreciation		
Upto 31st March 2017	—	—
For the year	—	4.04
Sub-total	—	4.04
(-) Withdrawn on assets sold / deleted	—	—
Total	—	4.04
Net Carrying amount		
As at 31-03-2018	1,28.75	39.15

(₹ in lakhs)

Particulars	Land	Building
As at 01-04-2018	1,28.75	43.19
Additions	—	—
Sub-total	1,28.75	43.19
(-) Sales / deletion	—	—
Total	1,28.75	43.19
Depreciation		
Upto 31st March 2018	—	4.04
For the year	—	3.65
Sub-total	—	7.68
(-) Withdrawn on assets sold / deleted	—	—
Total	—	7.68
Net Carrying amount		
As at 31-03-2019	128.75	35.51

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

* Deemed cost disclosure

(₹ in lakhs)

Description	Land	Buildings
Gross carrying amount as per previous GAAP	1,28.75	1,30.32
Accumulated Depreciation	-	87.13
Deemed cost as at April 1 2017	1,28.75	43.19

(₹ in lakhs)

Description	Land	Buildings
At 31st March 2019	445,83.81	2,93.10
At 31st March 2018	445,83.81	2,93.10
At 1st April 2017	445,83.81	2,93.10

Measurement of Fair Value**Fair Value Hierarchy**

The fair value of investment property has been determined by external, independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued. The fair value measurement for all of the investment property has been categorised as a Level 3 fair value based on the inputs to the valuation technique used.

Valuation Techniques

The Group follows discounted cash flows technique. The valuation model considers the present value of net cash flows to be generated from the property, taking into account the expected rental growth rate, vacant periods, occupancy rate, lease incentive costs such as rent-free periods and other costs not paid by tenants. The expected net cash flows are discounted using risk-adjusted discount rates. Among other factors, the discount rate estimation considers the quality of a building and its location (prime vs secondary), tenant credit quality and lease terms.

Investment property comprises a number of commercial properties that are leased to third parties. No contingent rents are charged.

Information regarding income and expenditure of Investment property

(₹ in lakhs)

Particulars	31.03.2019	31.03.2018
Rental Income derived from Investment Properties	1,74.89	91.88
Direct Operating Expenses (including repairs and maintenance)	11.56	7.79
Profit arising from Investment Properties before Depreciation and Indirect Expenses	1,63.33	84.09
Less: Depreciation	3.65	4.04
Profit arising from Investment Properties before Indirect Expenses	1,59.68	80.05

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Note 9 : Property, Plant & Equipment and Intangible Assets

(₹ in lakhs)

Description	Property, Plant & Equipment								Intangible	Total (tangible and intangible)
	Free hold land	Buildings	Plant & equipment	Furniture & fixtures	Office equipment	Electrical Equipment	Vehicles	Total	Software- Bought out	
As at 01-04-2017*	31.86	3.08	96.38	26.69	22.90	18.65	9.33	2,08.89	77.01	2,85.90
Additions	–	–	64.32	4.46	8.56	–	–	77.34	28.15	1,05.48
Sub-total	31.86	3.08	160.70	31.16	31.46	18.65	9.33	2,86.23	1,05.16	3,91.38
(–) Sales / deletion	–	–	0.82	0.11	2.30	–	–	3.24	–	3.24
Total	31.86	3.08	1,59.87	31.05	29.16	18.65	9.33	2,82.99	1,05.16	3,88.15
Depreciation										
Upto 01-04-2017	–	–	–	–	–	–	–	–	–	–
For the year			35.59	6.92	7.34	2.57	2.33	54.75	44.73	99.48
Sub-total	–	–	35.59	6.92	7.34	2.57	2.33	54.75	44.73	99.48
(–) Withdrawn on assets sold / deleted	–	–	0.38	0.02	1.70	–	–	2.10	–	2.10
Total	–	–	35.21	6.90	5.64	2.57	2.33	52.65	44.73	97.37
Net Carrying amount										
As at 31-3-2018	31.86	3.08	1,24.66	24.15	23.52	16.08	7.00	230.34	60.43	2,90.77

Description	Property, Plant & Equipment								Intangible	Total (tangible and intangible)
	Free hold land	Buildings	Plant & equipment	Furniture & fixtures	Office equipment	Electrical Equipment	Vehicles	Total	Software- Bought out	
As at 01-04-2018	31.86	3.08	1,59.87	31.05	29.16	18.65	9.33	2,82.99	1,05.16	3,88.15
Additions	–	–	10.27	4.50	10.42	–	14.10	39.29	17.70	56.99
Sub-total	31.86	3.08	1,70.14	35.55	39.58	18.65	23.43	3,22.28	1,22.86	4,45.14
(–) Sales / deletion	–	–	0.83	–	0.93	–	6.99	8.75	–	8.75
Total	31.86	3.08	1,69.31	35.55	38.65	18.65	16.44	3,13.53	1,22.86	4,36.39
Depreciation										
Upto 31-03-2018	–	–	35.21	6.90	5.64	2.57	2.33	52.65	44.73	97.37
For the year	–	–	40.70	6.43	7.26	2.21	3.13	59.73	37.29	97.02
Sub-total	–	–	75.91	13.33	12.90	4.78	5.46	1,12.38	82.02	1,94.39
(–) Withdrawn on assets sold / deleted	–	–	0.20	–	0.48	–	0.42	1.10	–	1.10
Total	–	–	75.71	13.33	12.42	4.78	5.04	1,11.28	82.02	1,93.29
Net Carrying amount										
As at 31-03-2019	31.86	3.08	93.60	22.22	26.23	13.87	11.40	2,02.25	40.84	2,43.09

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

* Deemed cost

(₹ in lakhs)

Description	Property, Plant & Equipment								Intangible	Total (tangible and intangible)
	Free hold land	Buildings	Plant & equipment	Furniture & fixtures	Office equipment	Electrical Equipment	Vehicles	Total	Software- Bought out	
Gross carrying amount as per previous GAAP	31.86	61.48	426.26	59.88	58.99	36.65	14.24	6,89.36	3,76.83	10,66.20
(-) Accumulated Depreciation	-	58.40	329.89	33.19	36.08	18.00	4.91	4,80.48	2,99.83	7,80.30
Deemed cost as at April 1 2017	31.86	3.08	96.38	26.69	22.90	18.65	9.33	2,08.89	77.01	2,85.90

Note 10: Other Non-Financial Assets

(₹ in lakhs)

Particulars	March 31, 2019	March 31, 2018	April 1, 2017
Prepaid expenses	1,03.71	98.88	97.27
Capital Advance	1.79	-	2.56
Other advance	33.13	27.01	-
Service Tax /GST Input Credit	2,88.83	2,22.47	1,53.01
	4,27.46	3,48.36	2,52.84

Note 11 : Payables

(₹ in lakhs)

Particulars	March 31, 2019	March 31, 2018	April 1, 2017
(i) Total outstanding due to micro and small enterprises (Refer Note 34 f)	-	-	-
(ii) Total outstanding due of creditors other than micro and small enterprises			
- For Expenses *	1,05.37	1,13.56	1,32.08
- For Others	-	-	-
* Refer Note 32 for related party transactions			
	1,05.37	1,13.56	1,32.08

Note 12 : Other Financial Liabilities

(₹ in lakhs)

Particulars	March 31, 2019	March 31, 2018	April 1, 2017
Payable on account of Merger	-	-	24.79
Accrued expenses	79.06	10.82	-
Other Liabilities	11.21	4.82	-
	90.27	15.64	24.79

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Note 13: Borrowings (Other than Debt Securities)

(₹ in lakhs)

Borrowings (Other than Debt Securities)	31st March 2019				31st March 2018				1st April 2017			
	Amortised Cost	At Fair value		Total	Amortised Cost	At Fair value		Total	Amortised Cost	At Fair value		Total
		Through Other Com- prehensive Income	Through profit or loss			Through Other Com- prehensive Income	Through profit or loss			Through Other Com- prehensive Income	Through profit or loss	
Loans repayable on Demand												
(i) From Banks (Secured)	-	-	-	-	-	-	-	-	21.01	-	-	21.01
(ii) From other parties (Unsecured)	-	-	-	-	-	-	-	-	2,00.00	-	-	2,00.00
TOTAL (A)	-	-	-	-	-	-	-	-	2,21.01	-	-	2,21.01
Borrowings in India	-	-	-	-	-	-	-	-	2,21.01	-	-	2,21.01
TOTAL (B)	-	-	-	-	-	-	-	-	2,21.01	-	-	2,21.01

Note 14: Provisions

(₹ in lakhs)

Particulars	March 31, 2019	March 31, 2018	April 1, 2017
Provision for Employee Benefits	2,18.58	1,91.74	33.82
Provision for expenses	15.00	50.36	-
	2,33.58	2,42.10	33.82

Note 15: Deferred taxes

(₹ in lakhs)

Particulars	March 31, 2019	March 31, 2018	April 1, 2017
Deferred tax liabilities			
On Property, Plant & Equipment	-	-	3.70
On Investments	86,38.49	127,22.49	93,49.41
On Derivatives	58.01	-	19.77
Others	0.18	-	-
Deferred tax assets			
On Investments	(1,54.18)	(1,03.12)	(80.60)
On Employee Benefits	(21.32)	(5.53)	(5.41)
On Provision for doubtful debts	(13.37)	(17.87)	(4.85)
On Property, Plant & Equipment	(12.76)	(6.45)	-
On Security Deposits	(0.46)	(1.27)	(0.47)
On others	(1.03)	(0.94)	-
Minimum Alternate Tax (MAT) credit	(3,76.74)	(2,62.83)	(82.53)
	81,16.82	123,24.48	91,99.02

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Note 16: Other non-financial liabilities

(₹ in lakhs)

Particulars	March 31, 2019	March 31, 2018	April 1, 2017
Statutory Liabilities	1,44.01	1,34.82	40.11
Others	—	—	1,76.06
TOTAL	1,44.01	1,34.82	2,16.17

Note 17 : Equity Share Capital

(₹ in lakhs)

Particulars	31.03.2019	31.03.2018	01.04.2017
Authorised:			
16,00,00,000 Equity shares of face value of ₹5/- each (2,50,00,000 Equity shares of face value of ₹10/- each as at 01.04.2017)	80,00.00	80,00.00	25,00.00
	80,00.00	80,00.00	25,00.00
Issued, Subscribed and fully paid up:			
15,11,03,860 Equity shares of face value of ₹5/- each (2,00,00,000 Equity shares of face value of ₹10/- each as at 01.04.2017)	75,55.19	75,55.19	20,00.00
	75,55.19	75,55.19	20,00.00

Equity share capital	As at 31st March 2019		As at 31st March 2018		As at 1st April 2017	
	No. of Shares	₹ in lakhs	No. of Shares	₹ in lakhs	No. of Shares	₹ in lakhs
Balance at the beginning of the year	15,11,03,860	75,55.19	2,00,00,000	20,00.00	2,00,00,000	20,00.00
Changes in equity share capital during the year						
Increase in No. of Equity Shares on Conversion of Face Value from ₹10 to ₹5 per share pursuant to Scheme of Arrangement (Refer Note 31a)			2,00,00,000	—		
Issued during the year	—	—	11,11,03,860	55,55.19	—	—
Balance at the end of the year	15,11,03,860	75,55.19	15,11,03,860	75,55.19	2,00,00,000	20,00.00

Details of number of shares held by shareholders holding more than 5% shares are set out below:

Name	Status	No. of Shares	% held as at 31.03.19	No. of Shares	% held as at 31.03.18	No. of Shares	% held as at 01.04.2017
Sundaram Finance Limited	Promoter	4,00,00,000	26.47%	4,00,00,000	26.47%	2,00,00,000	100.00%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Note 18 : Other Equity

(₹ in lakhs)

Particulars	Reserves and Surplus				Gains / (losses) from equity investments through OCI	Total
	Capital Reserve	General Reserve	FCTR	Retained Earnings		
Balance as at 1st April, 2017*	32,78.71	175,74.11	6,13.90	497,10.22	1270,91.12	1982,68.06
Less: Shares issued during the year	(7,09.09)	(4,439.10)		(4,07.00)		(55,55.19)
Add: Profit or loss for the period				129,66.49		129,66.49
Add: Other comprehensive income			(9.20)	(9.95)	679,91.42	679,72.27
Less: Final Dividend for FY 2016-17 paid				(37.50)		(37.50)
Less: Dividend Tax				(7.63)		(7.63)
Balance as at 1st April, 2018	25,69.62	131,35.01	6,04.70	622,14.62	1950,82.54	2736,06.48
Add: Profit or loss for the period				137,46.23		137,46.23
Add: Other comprehensive income			4,12.72	(27.84)	(559,98.52)	(556,13.63)
Less: Final Dividend for FY 2017-18 paid				(22,66.59)		(22,66.59)
Less: Dividend Tax				(4,65.90)		(4,65.90)
Balance as at 31st March 2019	25,69.62	131,35.01	10,17.42	732,00.51	1390,84.02	2290,06.59

* Includes impact on Scheme of Arrangement (Refer Note 31a)

PROFIT & LOSS ACCOUNT

Note 19 : Interest Income

(₹ in lakhs)

Particulars	For the year ended 31st March 2019			For the year ended 31st March 2018		
	On financial assets measured at FVTOCI	On financial assets measured at amortised cost	On financial assets classified at FVTPL	On financial assets measured at FVTOCI	On financial assets measured at amortised cost	On financial assets classified at FVTPL
Interest income from investments	–	3,54.47	–	–	1.74	–
Total	–	3,54.47	–	–	1.74	–

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Note 20 : Net gain/(Loss) on fair value changes

(₹ in lakhs)

Particulars	For the year ended 31st March 2019	For the year ended 31st March 2018
Net gain/(Loss) on financial instruments at FVTPL		
- Investments	1,46.75	79.87
Fair Value changes:		
- Realised	—	—
- Unrealised	1,46.75	79.87
Total Net gain/(Loss) on fair value changes	<u>1,46.75</u>	<u>79.87</u>

Note 21 : Other Income

(₹ in lakhs)

Particulars	For the year ended 31st March 2019	For the year ended 31st March 2018
Interest Receipts	21.69	84.89
Rent Receipts	1,74.89	91.88
Interest income from Financial Asset at Amortized Cost	13.28	29.44
Other Non-Operating Income	3.20	4.59
Net gain on Exchange Fluctuation	44.92	1,27.86
Excess provisions/liabilities written back	23.41	4.52
Derivative income/(loss)	37.51	(9.82)
TOTAL	<u>3,18.89</u>	<u>3,33.36</u>

Note 22 : Finance Costs

(₹ in lakhs)

Particulars	For the year ended 31st March 2019	For the year ended 31st March 2018
Interest on Income Tax	19.29	7.17
Interest-others	5.34	12.57
TOTAL	<u>24.64</u>	<u>19.74</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Note 23 : Employee benefit expense

(₹ in lakhs)

Particulars	For the year ended 31st March 2019	For the year ended 31st March 2018
Salaries, bonus and commission	36,11.37	26,15.32
Contribution to Provident and Other Funds (Refer Note 33)	2,32.86	1,54.20
Staff welfare expenses	1,56.98	85.71
TOTAL	<u>40,01.21</u>	<u>28,55.23</u>

Note 24 : Administrative and Other Expenses

(₹ in lakhs)

Particulars	For the year ended 31st March 2019	For the year ended 31st March 2018
Rent (Refer Note 34g)	4,96.16	4,40.47
Rates and taxes	23.75	17.67
Electricity expenses	1,64.79	1,14.02
Sales and Marketing expenses	2,28.57	2,02.55
Communication expenses	1,40.94	1,25.67
Outsourcing cost	1,71.30	1,81.00
Audit Fees (Refer Note 34i)	22.85	10.47
Repairs and Maintenance - others	1,83.84	87.96
Professional fees	89.81	84.70
Commission to KMP and Directors	15.00	-
Director sitting fees	11.25	13.79
Filing Fees	0.20	44.51
Travelling and Conveyance	1,16.86	1,19.31
Allowance for doubtful debts (Net)	10.57	55.55
CSR Expenditure (Refer Note 34e)	42.39	18.50
Miscellaneous expenses	2,16.04	2,66.75
TOTAL	<u>19,34.32</u>	<u>17,82.90</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Note 25 : Income Tax

A. Reconciliation of effective tax rate

The reconciliation between the provision for income tax of the Company and amounts computed by applying the Indian statutory income tax rates to profit before taxes is as follows:

(₹ in lakhs)

Particulars	31st March 2019	31st March 2018
Profit before tax	42,04.41	23,05.24
Enacted income tax rate in India	29.12%	28.84%
Tax using the Company's domestic tax rate:	12,24.32	6,64.83
Effect of:		
Exempted income	(6,89.93)	(4,73.92)
Effect of overseas tax	7,07.52	4,51.24
Expenses disallowed	87.63	47.03
Additional allowance net of MAT Credit	(1,51.89)	18.43
Income tax expenses recognized in the Statement of Profit and Loss	11,77.65	7,07.61

B. Recognised deferred tax assets and liabilities

Deferred tax assets / liabilities as at 31st March 2018:

(₹ in lakhs)

Particulars	As at 1st April 2017	Recognized in Statement of Profit or Loss*	Recognized in Other Comprehensive Income	As at 31st March 2018
Deferred tax Assets				
Property, plant and Equipment	(3.70)	10.15		6.45
Investments at fair value through profit or loss	80.60	22.52		1,03.12
Minimum Alternate Tax (MAT) Credit	82.53	1,80.30		2,62.83
Provisions - employee benefits	5.41	0.12		5.53
Provision for doubtful debts	4.85	13.02		17.87
Others	0.47	1.74		2.21
	1,70.16	2,27.85	-	3,98.01
Deferred tax Liabilities				
Investments at fair value through profit or loss	7.16	23.33		30.49
Investments at fair value through OCI	93,42.25		33,49.75	126,92.00
Change in fair value of derivative instrument	19.77	(36.41)	16.64	-
	93,69.18	(13.08)	33,66.39	127,22.49
Net deferred tax (assets) liabilities	91,99.02	(2,40.93)	33,66.39	123,24.48

* Includes MAT movement

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Deferred tax assets / liabilities as at 31st March 2019:

(₹ in lakhs)

Particulars	As at 1st April 2018	Recognized in Statement of Profit or Loss*	Recognized in Other Comprehensive Income	As at 31st March 2019
Deferred tax Assets				
Deferred tax Assets				
Property, plant and Equipment	6.45	6.31		12.76
Investments at fair value through profit or loss	1,03.12	51.06		1,54.18
Minimum Alternate Tax (MAT) Credit	2,62.83	1,13.91		3,76.74
Provisions - employee benefits	5.53	4.74	11.05	21.32
Provision for doubtful debts	17.87	(4.50)		13.37
Other items	2.21	(0.72)		1.49
	3,98.01	1,70.80	11.05	5,79.86
Deferred tax Liabilities				
Investments at fair value through profit or loss	30.49	42.60		73.09
Investments at fair value through OCI	126,92.00		(41,26.60)	85,65.40
Change in fair value of derivative instrument	–	33.49	24.52	58.01
Others	–	0.18		0.18
	127,22.49	76.27	(41,02.08)	86,96.68
Net deferred tax (assets) liabilities	123,24.48	(94.53)	(41,13.13)	81,16.82

* Includes MAT movement

Note 26

The following reconciliations provide a quantification of the effect of significant differences arising from the transition from Indian GAAP to Ind AS in accordance with Ind AS 101:

- equity as at 1st April 2017
- equity as at 31st March 2018
- total comprehensive income for the year ended 31st March 2018, and
- explanation to material adjustments to cash flow statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

26a : Equity Reconciliation

Effect of Ind AS Adoption on the Balance Sheet as at 31st March 2018 and 1st April 2017.

(₹ in lakhs)

Particulars	As at March 31, 2018			As at April 1, 2017		
	Amount as per previous GAAP	Effect of transition to Ind AS	Amount as per Ind AS	Amount as per previous GAAP	Effect of transition to Ind AS	Amount as per Ind AS
ASSETS						
(1) Financial Assets						
(a) Cash and cash equivalents	3,59.28	–	3,59.28	2,92.14	–	2,92.14
(b) Derivative financial instruments		1,22.34	1,22.34	0.00	71.76	71.76
(c) Receivables	10,53.21	0.10	10,53.30	5,74.50	(4.26)	5,70.24
(d) Loans	6,11.08	(5,70.87)	40.21	8,47.99	(8,34.58)	13.41
(e) Investments	804,28.58	2105,36.29	2909,64.86	593,37.93	1384,36.08	1977,74.01
(f) Other financial assets	3,51.87	(1,46.66)	2,05.21	98,09.99	93.30	99,03.29
(2) Non-financial Assets						
(a) Current tax assets (Net)	–	2,83.96	2,83.96		6,03.34	6,03.34
(b) Deferred tax assets (Net)	76.12	(76.12)		27.63	(27.63)	–
(c) Investment property		1,67.90	1,67.90		1,71.94	1,71.94
(d) Property, plant and equipment	2,30.34	–	2,30.34	2,27.11	(18.23)	2,08.89
(e) Other intangible assets	60.43	–	60.43	77.01	–	77.01
(f) Goodwill	3,83.63	(2,27.55)	1,56.08	1,56.08	–	1,56.08
(g) Other non-financial assets	3,13.95	34.41	3,48.36	2,12.34	40.50	2,52.84
Total Assets	838,68.48	2101,23.81	2939,92.27	715,62.73	1385,32.22	2100,94.95
LIABILITIES AND EQUITY						
LIABILITIES						
(1) Financial liabilities						
(a) Payables						
Trade Payables						
(i) Total outstanding dues of micro enterprises and small enterprises			–			–
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	1,56.46	(42.90)	1,13.56	2,02.13	(70.05)	1,32.08
(b) Other financial liabilities	50.99	(35.35)	15.64		24.79	24.79
(c) Borrowings				21.01	2,00.00	2,21.01
(2) Non-Financial liabilities						
(a) Provisions	1,91.74	50.36	2,42.10	1,22.41	(88.59)	33.82
(b) Deferred tax liabilities (Net)	–	123,24.48	123,24.48		91,99.02	91,99.02
(c) Other non-financial liabilities	1,10.63	24.19	1,34.82	2,93.83	(77.65)	2,16.18
(3) Equity						
(a) Equity share capital	75,55.19	–	75,55.19	20,00.00	–	20,00.00
(b) Other equity						
(i) Retained Earnings	594,98.75	27,15.87	622,14.62	476,84.18	20,26.03	497,10.21
(ii) Others	163,04.71	1950,87.16	2113,91.87	212,39.16	1273,18.67	1485,57.84
Total Liabilities and Equity	838,68.48	2101,23.81	2939,92.27	715,62.73	1385,32.22	2100,94.95

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

	(₹ in lakhs)		(₹ in lakhs)
Equity as per IGAAP as at April 01, 2017	709,23.34	Equity as per IGAAP as at March 31, 2018	833,58.66
Ind AS Adjustments		Ind AS Adjustments	
Fair Value of Quoted equity Instruments	957,14.23	Fair Value of Quoted equity Instruments	1575,07.48
Fair Value of Unquoted equity Instruments	407,77.84	Fair Value of Unquoted equity Instruments	505,73.68
Fair value of Mutual Funds	26.21	Fair value of Mutual Funds	1,06.26
Fair Value of Investments in Preference Shares	(42.72)	Fair Value of Investments in Preference Shares	(1,11.46)
Derivative assets on receivables	71.76	Other Adjustments	(8.36)
Other Adjustments	(5.77)	Deferred taxes	(126,64.39)
Deferred taxes	(93,10.17)	Changes in carrying amount of associates	23,99.81
Changes in carrying amount of associates	21,13.33	Equity as per Ind AS as at March 31, 2018	2811,61.67
Equity as per Ind AS as at April 01, 2017	2002,68.06		

Note 26b : Total Comprehensive Income Reconciliation:

Effect of Ind AS adoption on the Statement of Profit and Loss for the year ended 31st March 2018. (₹ in lakhs)

Particulars	Year ended 31st March 2018		
	Previous GAAP	Effect of Ind AS Transition	Ind AS
Revenue from operations			
Interest Income	1.74	–	1.74
Dividend Income	16,41.54	–	16,41.54
Net gain on sale of Current investments	2,75.56	0.17	2,75.73
Net gain on fair value changes		79.87	79.87
Sale of services	48,32.57	–	48,32.57
Total Revenue from operations	67,51.40	80.04	68,31.45
Other Income	4,13.39	(80.03)	3,33.36
Total Income	71,64.79	0.01	71,64.81
Expenses			
Finance cost	19.74	–	19.73
Impairment on financial instrument	–	98.18	98.18
Employee benefit expenses	28,53.64	1.59	28,55.23
Depreciation, Amortisation and Impairment	1,03.52	–	103.52
Other expenses	17,79.83	3.06	17,82.90
Total expenses	47,56.72	1,02.83	48,59.56
Profit/(loss) before exceptional items and tax	24,08.07	(1,02.82)	23,05.25
Exceptional items	–	–	–
Profit/(loss) before tax	24,08.07	(1,02.82)	23,05.25
Tax expense			
1. Current tax	5,75.43	132.18	7,07.61
2. Deferred tax	(48.48)	(1,42.55)	(1,91.03)
Total tax	5,26.95	26.27	5,16.58

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

(₹ in lakhs)

Particulars	Year ended 31st March 2018		
	Previous GAAP	Effect of Ind AS Transition	Ind AS
Profit/(loss) for the period	18,81.12	(1,29.09)	17,88.67
Share of net profits from associates	105,62.49	6,15.34	111,77.83
Profit after tax	124,43.61	5,22.89	129,66.50
Other Comprehensive Income			
A (i) Items that will not be reclassified to profit or loss			
Remeasurements of the defined benefit plans		(11.71)	(11.71)
Tax on above		1.76	1.76
Remeasurements of the defined benefit plans (Net of tax)		(9.95)	(9.95)
Change in Fair value of equity instruments		715,80.30	715,80.30
Tax on above		(33,49.75)	(33,49.75)
Change in Fair value of equity instruments (Net of tax)		682,30.55	682,30.55
Share of other comprehensive income from associates using equity method (Net of tax)		25.50	25.50
B (i) Items that will be reclassified to profit or loss			
Change in fair value of derivative instrument		60.41	60.41
Income tax on above		(16.64)	(16.64)
Change in fair value of derivative instrument (Net of tax)		43.77	43.77
Share of other comprehensive income from associates using equity method		(3,08.38)	(3,08.38)
Foreign currency Translation Reserve		(9.20)	(9.20)
Other Comprehensive Income	–	679,72.29	679,72.29
Total Comprehensive Income for the period	124,43.61	684,95.18	809,38.79

Effect of Ind AS adoption on the Statement of Profit and Loss for the year ended 31st March, 2018

(₹ in lakhs)

Profit as per IGAAP for the year ended March 31, 2018	124,43.61
Ind AS Adjustments	
Fair Value of Equity Instruments	715,89.10
Fair value of Mutual Funds	80.05
Fair Value of Investments in Preference Shares	(68.74)
Derivative assets on receivables	(71.76)
Other adjustments	(2.52)
Deferred taxes on above adjustments	(33,54.22)
Changes in share of net profit from associates	323.27
Profit as per Ind AS for the year ended March 31, 2018	809,38.79

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Note 26c : Cash Flow Reconciliation

Impact of Ind AS adoption on cash flow statement for the year ended 31st March 2018.

(₹ in lakhs)

Particulars	GAAP	Adjustments	Ind AS
Net cashflow from operating activities *	52,53.56	94,68.11	147,21.67
Net cashflow from investing activities	(145,95.08)	(2.80)	(145,97.88)
Net cashflow from financing activities	(2,66.14)	2,09.49	(56.64)
Transferred to Company pursuant to Scheme of Arrangement (Refer Note 31a)	96,74.79	(96,74.79)	–
Net increase / (decrease) in cash and cash equivalents	67.13	0.01	67.14
Cash and cash equivalents as at April 1, 2017	2,92.14	–	2,92.14
Cash and cash equivalents as at March 31, 2018	3,59.28	–	3,59.28

* includes an amount of ₹5.88 lakhs on account of foreign exchange fluctuation

Note 27 : Capital Management

The primary objective of the Company's Capital Management is to maximise shareholders value. The Company manages its capital to ensure that it will be able to continue as going concerns while maximizing the return to stakeholders through the optimisation of the debt and equity balance. The Company's policy is to maintain a strong capital base so as to maintain investors, creditors and market confidence to sustain future development of the business. For the purpose of the Company's capital management, capital includes issued capital and other equity reserves.

Note 28 : Financial instruments – Fair values and risk management

A. Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

(₹ in lakhs)

As at 31st March 2019 (in ₹ lakhs)	Carrying amount	Level 1	Level 2	Level 3
Financial assets measured at				
Amortized cost				
Preference securities	15,00.00	–	15,00.00	–
Commercial Paper	47,50.40	–	47,50.40	–
Bonds	22.62	–	22.62	–
Trade receivables	10,53.79	–	–	–
Cash and cash equivalents	4,75.55	–	–	–
Security Deposits	1,22.10	–	1,22.10	–
Unbilled revenue	29.61	–	–	–
Staff Advances	33.92	–	33.92	–
FVTPL				
Derivatives	39.49	–	39.49	–
Mutual Fund	184,08.39	184,08.39	–	–
FVTOCI				
Equity securities *	1504,53.96	1129,82.53	–	374,71.42
Derivatives	2,08.51	2,08.51	–	–
Financial Liabilities measured at				
Amortized cost				
Trade and other payables	1,05.37	–	–	–
Other Financial Liabilities	90.27	–	–	–

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

(₹ in lakhs)

As at 31st March 2018 (in ₹ Lakhs)	Carrying amount	Level 1	Level 2	Level 3
Financial assets measured at				
Amortized cost				
Preference securities	16,53.39	–	16,53.39	–
Bonds	22.62	–	22.62	–
Trade receivables	10,53.30	–	–	–
Cash and cash equivalents	3,59.28	–	–	–
Security Deposits	1,28.59	–	1,28.59	–
Unbilled revenue	55.64	–	–	–
Staff Advances	40.21	–	40.21	–
Other Financial Assets	20.99	–	–	–
FVTPL				
Derivatives	1.97	–	1.97	–
Mutual Fund	165,82.00	165,82.00	–	–
FVTOCI				
Equity securities *	2113,24.30	1603,51.36	–	509,72.94
Derivatives	1,20.37	1,20.37	–	–
Financial Liabilities measured at				
Amortized cost				
Trade and other payables	1,13.56	–	–	–
Other Financial Liabilities	15.64	–	–	–

(₹ in lakhs)

As at 1st April 2017 (in ₹ Lakhs)	Carrying amount	Level 1	Level 2	Level 3
Financial assets measured at				
Amortized cost				
Preference securities	2,90.61	–	2,90.61	–
Bonds	22.62	–	22.62	–
Trade receivables	5,70.24	–	–	–
Cash and cash equivalents	2,92.14	–	–	–
Security Deposits	1,26.49	–	1,26.49	–
Unbilled revenue	25.55	–	–	–
Staff Advances	13.41	–	13.41	–
Other Financial Assets	97,51.25	–	–	–
FVTPL				
Derivatives	11.79	–	11.79	–
Mutual Fund	31,63.49	31,63.49	–	–
FVTOCI				
Equity securities *	1397,42.27	985,58.11	–	411,84.16
Derivative	59.96	59.96	–	–
Financial Liabilities measured at				
Amortized cost				
Trade payables	1,32.08	–	–	–
Other Financial Liabilities	24.79	–	–	–
Borrowings	2,21.01	–	–	–

* Excludes Investments in Associates (Refer Note 5)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Fair Value hierarchy

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of the following three levels:

Level 1 hierarchy - Includes Financial Instruments measured using quoted prices in the active market.

Level 2 hierarchy - The Fair value of Financial Instruments that are not traded in an active market, is determined using valuation techniques which maximize the use of observable market data.

Level 3 hierarchy - Inputs are not based on observable market data. Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

B. Measurement of fair values

Financial instruments fair valued under Level 3 hierarchy are measured using Market multiples method.

The carrying amount of trade receivables, cash and cash equivalents, other financial assets, trade payables, borrowings and other financial liabilities are considered to be the fair value due to short term nature.

There are no transfers between level 1 , level 2 and level 3 during the year.

Note 29 : Financial Risk Management

The Group has exposure to the following risks arising from financial instruments:

- Credit risk ;
- Liquidity risk ; and
- Market risk

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

(a) Liquidity Risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group regularly monitors the rolling forecasts and the actual cash flows to service the financial liabilities on a day-to-day basis through cash generation from business and by having adequate banking facilities.

The following table shows the maturity analysis of the Group's financial liabilities based on contractually agreed undiscounted cash flows along with its carrying value as at the Balance sheet date.

(₹ in lakhs)

Particulars	31st March 2019	31st March 2018	1st April 17
Payable within one year			
Trade payables	1,05.37	1,13.56	1,32.08
Other financial Liabilities	90.27	15.64	24.79
Borrowings	—	—	2,21.01

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

(b) Credit Risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and loans and advances.

(i) Trade receivables:

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer and the geography in which it operates. Concentration of credit risk with respect to trade receivables are limited as the customers are reviewed, assessed and monitored regularly on a monthly basis with pre-determined credit limits assessed based on their payment capacity. Our historical experience of collecting receivables demonstrates that credit risk is low.

The following table sets out the information about the credit quality of financial assets measured at amortised cost.

(₹ in lakhs)

Particulars	31st March 2019	31st March 2018	1st April 17
Trade receivables	10,99.36	11,22.18	5,85.44
Loss allowance	45.57	68.88	15.20
Carrying amount	10,53.79	10,53.30	5,70.24

(ii) Other financial assets:

The Group has exposure in Cash and cash equivalents, employee loans and investment carried at amortised cost. The Group's maximum exposure to credit risk as at 31st March, 2019 is the carrying value of each class of financial assets as on that date.

Cash and Cash equivalents

The Group held cash and cash equivalents of INR 475.55 lakhs as on March 31, 2019 (March 31, 2018: INR 359.28 lakhs; April 1, 2017 : INR 292.14 lakhs). The cash and cash equivalents are held in hand and with bank. (Refer Note 1).

(c) Market Risk

Market risk is the risk that changes in market prices – such as equity prices, interest rates and foreign exchange rates that will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

Group is having certain investments in unlisted companies in automobile sector where the valuation takes place based on certain market multiples of similar listed automobile companies. Hence the valuation is fully dependent on market conditions.

The Group is exposed to foreign exchange currency risk on account of having sales revenue in foreign currency.

The Group has a forex policy in place whose objective is to reduce foreign exchange risk by deploying the appropriate hedging strategies (forward contracts) and also by maintaining reasonable open exposures within approved parameters depending on the future outlook on currencies.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

- (a) The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities based on gross exposure at the end of the reporting period is as under:

Particulars	31st March 2019		31st March 2018		1st April 2017	
	AUD (A\$'000)	₹ Lakhs	AUD (A\$'000)	₹ Lakhs	AUD (A\$'000)	₹ Lakhs
Monetary Assets						
Cash and Cash Equivalent	800.577	3,92.44	145.05	72.59	517.95	2,56.79
Trade Receivables	1044.507	5,12.01	788.713	3,94.71	864.51	4,28.60
Monetary Liabilities						
Trade Payable	58.48	28.67	80.56	40.32	121.65	60.31

- (b) The foreign currency risk on above exposure is mitigated by derivative contracts. The outstanding contracts as at the Balance Sheet date are as follows:

Particulars	31st March 2019		31st March 2018		1st April 2017	
	Buy	Sell	Buy	Sell	Buy	Sell
Forward Contract: Cashflow Hedge						
AUD/INR (in A\$ '000)	–	7620.00	–	8107.79	–	4200.00
AUD/INR (in ₹ Lakhs)	–	41,35.80	–	42,99.74	–	22,00.55

As at the Balance Sheet date, the Group's net foreign exchange exposures that are not hedged by a derivative instrument or otherwise is below

Particulars	GBP	Equivalent in INR
Unhedged	2020.75	182928.40

Risk management structure

The Board of Directors are responsible for the overall risk management approach and for approving the risk management strategies and principles

Note 30 : Revenue Recognition

Sale of Services:

We derive revenue from providing support services to our captive clients, which primarily include providing back office administration, data management, contact centre management, accounting, tax, superannuation, portfolio management, mortgage and training. We recognize revenue when the significant terms of the arrangement are enforceable, services are being delivered and the collectability is reasonably assured. We recognize revenue on an accrual basis when services are performed.

The Group has adopted "Full Retrospective approach" and there are no performance obligations that are unsatisfied as on transition date. The Group has elected not to restate balances with regard to completed contracts.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

When the terms of the agreement specify service level parameters that must be met, we monitor such service level parameters and determine if there are any service credits or penalties that we need to account for.

We invoice our clients depending on the terms of the arrangement, which include billing based on a per employee basis, a per transaction basis, a fixed price basis, an outcome-based basis or other pricing arrangements including cost-plus arrangements.

Our revenue is exclusive of taxes and includes reimbursements of communication costs, incentives, etc as defined in the terms of agreement.

Contracts with customers

There are no other revenue under Contract with Customers other than those which are accounted in Profit and Loss Account as revenue which comprises of Service income and Learning income. Refer Note 30.a for the details of income earned from contracts with customers.

Contract Balances

The Group classifies the right to consideration in exchange for deliverables as either a receivable or as unbilled revenue. Refer Note 30a for the Trade Receivable balances.

Revenue from sale of services and the trade receivable for the year ended March 31, 2019 and March 31, 2018 is as follows:

Note 30a

(₹ in lakhs)

Particulars	31st March 2019	31st March 2018
Sale of Services		
- Learning Income	1,38.33	38.26
- Support Services	60,23.63	47,94.30
Trade Receivables	10,53.79	10,53.30

Note 31 : Scheme of arrangement**Note 31a**

The Scheme of Arrangement (“the Scheme”) between the Company (“Resulting Company”) and Sundaram Finance Limited (SFL) (“Demerged Company”) and their Shareholders and creditors under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013, was approved by the Board of Directors of the Company on 17.02.2017.

The National Company Law Tribunal, Single Bench, Chennai vide Order No. CP/210 to 214/CAA/2017 dated 12th January 2018, approved a Composite Scheme of Arrangement, which was to be effective from the Appointed Date, i.e. 1st April 2016, but to be operative from the Effective Date, i.e. 18th January 2018.

All shareholders of SFL were allotted one fully paid up equity share of ₹5 each in the Company, for every equity share of ₹10/- each held by them in SFL. Consequently, the Issued and Paid up Equity Share Capital of the Company increased from ₹2000.00 lakhs to ₹7555.19 lakhs.

Net assets of ₹20241.59 lakhs as of 1st April 2016 has been transferred from Demerged Company.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Amount credited to reserves after transfer of net assets and issue of share capital amounts to ₹14,687 lakhs. The net amount was credited to Capital Reserve, General Reserve and Profit & Loss account as per the proportion provided in the Scheme of Arrangement and a net amount of ₹3489.96 lakhs towards transfer of profits for the financial year 2016-17 has been credited to the Reserves.

Note 31b

The National Company Law Tribunal, Division Bench, Chennai vide Order No. CP/403/CAA/2019 dated 22 April 2019 approved the scheme of Amalgamation (Scheme) between the Company's wholly owned subsidiaries, Sundaram Business Services Limited (SBSL) and Sundaram BPO India Limited (SBIL). The Scheme was to be effective from the Appointed Date i.e. 1st April 2018, and is operative from the Effective Date i.e. 1st May 2019.

- Pursuant to the scheme, All the assets, liabilities, rights, powers and duties of SBIL is transferred SBSL.
- Consequent to the merger, the company will be allotted one fully paid up equity share of ₹10 each in SBSL for every 1.215 share held in SBIL.

Note 32 : Related Party Transactions

Related party disclosures, as per Ind AS 24 - Related Party Disclosures, details of related parties and the transactions with related parties are given below:

Related Parties:

Company having control over the entity

Sundaram Finance Limited

Subsidiaries of Company having control over the entity

Sundaram Asset Management Company Limited

Royal Sundaram General Insurance Co. Limited (till 23-02-2019)

LGF Services Limited

Sundaram Alternate Assets Limited

Sundaram Trustee Company Limited

Sundaram Asset Management Singapore Pte Limited

Associate Companies

Flometallic India Private Limited

Dunes Oman LLC (FZC)

Sundaram Hydraulics Limited

Axles India Limited

Turbo Energy Private Limited

Transenergy Limited

Sundaram Dynacast Private Limited

Key Management Personnel:

Sri. T.T. Srinivasaraghavan - Chairman

Sri. Harsha Viji - Director

Sri. Srivats Ram - Director (from 27th August 2018)

Sri. Paramesh Krishnaier - Chief Executive Officer

Enterprise over which KMP has significant influence

Wheels India Limited (from 27th August 2018)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Related Party Transactions:

The nature and volume of transactions of the company during the year, with the above related parties are as follows:

(₹ in lakhs)

Nature of Transactions	Company having control over the entity	Associates	Subsidiaries of Company having control over the entity	KMP	Enterprise over which KMP has significant influence	2018-19	2017-18
Income							
Dividend Income							
Sundaram Dynacast Private Limited	–	1,63.80	–	–	–	1,63.80	1,40.40
Turbo Energy Private Limited	–	5,12.00	–	–	–	5,12.00	7,16.80
Dunes Oman LLC (FZC)	–	26,92.23	–	–	–	26,92.23	26,07.72
Axles India Limited	–	2,96.75	–	–	–	2,96.75	1,78.05
Transenergy Limited	–	12.00	–	–	–	12.00	9.00
Flometallic India Private Limited	–	4,87.50	–	–	–	4,87.50	4,06.25
Sundaram Asset Management Company Ltd	–		1,01.25	–	–	1,01.25	–
Wheels India Limited	–		–	–	2,06.73	2,06.73	–
Income from Services							
Sundaram Finance Limited	10,62.25	–	–	–	–	10,62.25	6,78.38
Sundaram Asset Management Company Limited	–	–	3,07.81	–	–	3,07.81	33.03
Royal Sundaram General Insurance Co. Limited	–	–	5,68.33	–	–	5,68.33	2,36.76
Sundaram Alternate Assets Limited	–	–	0.72	–	–	0.72	–
Wheels India Limited	–	–	–	–	6.24	6.24	–
Turbo Energy Private Limited	–	0.90	–	–	–	0.90	0.65
Other Income							
Rental Income							
Turbo Energy Private Limited	–	39.39	–	–	–	39.39	49.37
Sundaram Finance Limited	94.39	–	–	–	–	94.39	19.28
Expenses							
Sundaram Finance Limited							
Rent & other Amenities	1,42.34	–	–	–	–	1,42.34	94.72
Internal Audit fees	14.00	–	–	–	–	14.00	5.00
Web Hosting	1.03	–	–	–	–	1.03	0.77
ITVO Charges	0.51	–	–	–	–	0.51	0.31
Fuel Expenses	11.80	–	–	–	–	11.80	0.89
Other Advances							
Sundaram Finance Limited							
Procurement of Software	7.50	–	–	–	–	7.50	–
Royal Sundaram General Insurance Co. Limited							
Insurance	–	–	4.62	–	–	4.62	–
Remuneration paid to KMP*	–	–	–	49.60	–	49.60	4.86

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

(₹ in lakhs)

Nature of Transactions	Company having control over the entity	Associates	Subsidiaries of Company having control over the entity	KMP	Enterprise over which KMP has significant influence	2018-19	2017-18
Other Transactions - Investments							
Sundaram Asset Management Company Limited - Purchase of Preference Shares	—	—	—	—	—	—	15,00.00
Dunes Oman LLC (FZC) - Capital Reduction	—	22,05.50	—	—	—	22,05.50	—
Sundaram Hydraulics Limited - Redemption of Preference Shares	—	1,66.67	—	—	—	1,66.67	1,66.67
Closing Balance of Investment in Equity Shares							
Flometallic India Private Limited	—	32,50.00	—	—	—	32,50.00	32,50.00
Dunes Oman LLC (FZC)	—	21,55.89	—	—	—	21,55.89	26,94.86
Sundaram Hydraulics Limited	—	11,25.00	—	—	—	11,25.00	11,25.00
Axles India Limited	—	10,15.70	—	—	—	10,15.70	10,15.70
Turbo Energy Private Limited	—	1,88.41	—	—	—	1,88.41	1,88.41
Transenergy Limited	—	1,87.50	—	—	—	1,87.50	1,87.50
Sundaram Dynacast Private Limited	—	1,17.00	—	—	—	1,17.00	1,17.00
Wheels India Limited	—	—	—	—	249,22.39	249,22.39	—
Closing Balance of Investment in Preference Shares							
Sundaram Hydraulics Limited	—	—	—	—	—	—	1,66.67
Sundaram Asset Management Company Limited Insurance Deposit	—	—	15,00.00	—	—	1,500.00	15,00.00
Royal Sundaram General Insurance Co. Limited	—	—	0.20	—	—	0.20	0.10
Receivables:							
Sundaram Finance Limited	1,62.35	—	—	—	—	162.35	1,48.15
Sundaram Asset Management Company Limited	—	—	35.29	—	—	35.29	7.00
Sundaram Alternate Assets Limited	—	—	0.28	—	—	0.28	—
Turbo Energy Private Limited	—	—	—	—	—	—	14.68
Payables:							
Sundaram Finance Limited	—	—	—	—	—	—	0.25

(₹ in lakhs)

*Remuneration to KMP		
Particulars	2018-19	2017-18
Short term Employee benefits	39.60	4.86
Post Employment benefits	—	—
Other long term employee benefits	—	—
Termination benefits	—	—
Others (Commission)	10.00	—
TOTAL	49.60	4.86

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Note 33 : Employee Benefits: Defined Contribution Plan

The Company makes contributions to a gratuity fund administered by trustees and managed by LIC of India. During the year, the Company has recognized the following amounts in the Profit and Loss Statement, which are included in Employee Benefits:

Note 33a : Contribution to PF & Other Funds

(₹ in lakhs)

Particulars	2018-19	2017-18
Contribution to Provident Fund	2,06.58	1,04.23
Contribution to Superannuation Fund	6.32	2.64
Contribution to Labour Welfare Fund	0.46	0.40

Note 33b : Employee Benefits: Defined Benefit Plan - Gratuity**(i) A. Reconciliation of opening and closing balances of the present value of the defined benefit obligation**

(₹ in lakhs)

Particulars	31st March 2019	31st March 2018
Present Value of Defined Benefit Obligation at the beginning of the Period	1,80.99	1,02.39
Service Cost		
a. Current Service Cost	56.37	13.35
b. Past Service Cost		0.15
c. (Gain)/Loss on Curtailments		
d. (Gain)/Loss on Settlements		
Interest Expense	11.06	7.40
Remeasurements		
a. Effect of Changes in Demographic Assumptions	(1.96)	
b. Effect of Changes in Financial Assumptions	12.10	(0.06)
c. Effect of Experience Adjustments	18.74	-2.33
Cashflows		
a. Benefit Payments		
(i) From the Plan	(49.8)	(3.89)
(ii) Directly from the Employer		-
b. Settlement Payments from the Plan		-
c. Participant Contributions		-
Effect of Business Combinations / Disposals		63.98
Present Value of Defined Benefit Obligation at the end of the Period	2,27.45	1,80.99

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

B. Reconciliation of opening and closing balances of the fair value of plan assets

(₹ in lakhs)

Particulars	31st March 19	31st March 18
Fair value of plan assets as at the beginning of the period	1,67.82	67.99
Interest Income on Plan Assets	13.69	6.14
Cash Flows		
a. Benefit Payments		
(i) From the Plan	(49.8)	(3.89)
(ii) Directly from the Employer	—	—
b. Settlement Payments from the Plan	—	—
c. Participant Contributions	—	—
d. Total Employer Contributions		
(i) Employer Contributions	88.83	36.49
(ii) Employer Direct Benefit Payments	—	—
Remeasurements		
a. Actual Return on Plan Assets	(10.0)	(14.1)
Effect of Business Combinations / Disposals		75.16
Effect of Changes in Foreign Exchange Rates	—	—
Fair value of plan assets as at the end of the period	2,10.50	1,67.82

C. The amounts to be recognized in the balance sheet and related analysis

(₹ in lakhs)

Particulars	31st March 2019	31st March 2018
Present Value of Defined Benefit Obligation	2,27.45	1,80.99
Fair value of plan assets	2,10.50	1,67.82
Net Assets (Liability) recognized in the Balance Sheet	(16.95)	(13.16)
Effect of Asset Ceiling		
Net Assets (Liability)	(16.95)	(13.16)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

D. The amounts to be recognized in the Profit and Loss statement

(₹ in lakhs)

Particulars	31st March 2019	31st March 2018
Service Cost		
a. Current Service Cost	56.37	13.35
b. Past Service Cost	—	0.15
c. (Gain)/Loss on Curtailments	—	—
d. (Gain)/Loss on Settlements	—	—
e. Total Service Cost	56.37	13.50
Net Interest Expense		
a. Interest Expense on DBO	11.06	7.40
b. Interest Income on Plan Assets	(13.69)	(6.14)
c. Interest Income on Reimbursement Rights	—	—
d. Interest Income on Asset Ceiling	—	—
e. Total Net Interest Cost	(2.63)	1.26
Remeasurements		
a. Effect of Changes in Demographic Assumptions	(1.96)	—
b. Effect of Changes in Financial Assumptions	12.10	(0.06)
c. Effect of Experience Adjustments	18.74	(2.33)
d. Actual Return on Plan Assets	10.01	14.07
e. Actual Return on Reimbursement Rights	—	—
f. Actual Change in Asset Ceiling	—	—
g. Total Remeasurements	38.89	11.68
Defined Benefit Cost included in Profit & Loss Account	53.73	14.76
Defined Benefit Cost included in Other Comprehensive Income	38.89	11.68

E. Principal Actuarial Assumptions [Expressed as weighted averages]

The estimates of future salary increases, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors like supply and demand in employment market. Amount for the current and previous four years are as follows:

Particulars	31st March 2019	31st March 2018
Discount Rate	7.36%	7.74%
Salary Escalation	6.00%	5.00%
Attrition	10.00%	10.00%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

(ii) Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

(₹ in lakhs)

Gratuity	Change in assumption		Impact on defined benefit obligation			
			Increase in assumption		Decrease in assumption	
Details	31st March 2019	31st March 2018	31st March 2019	31st March 2018	31st March 2019	31st March 2018
Discount rate	0.50%	0.50%	5.06	3.71	5.32	3.91
Salary growth rate	0.50%	0.50%	5.36	3.98	5.15	3.82
Attrition rate	5.00%	5.00%	0.63	0.65	0.64	0.66
Mortality rate	5.00%	5.00%	0.01	0.03	0.02	0.03

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied when calculating the defined benefit liability recognised in the balance sheet.

(iii) Maturity profile of defined benefit obligation

(₹ in lakhs)

Particulars	31.03.2019	31.03.2018
Year 1	53.08	39.75
Year 2	33.86	39.41
Year 3	28.58	23.06
Year 4	25.79	19.34
Year 5	28.93	17.54
Next 5 years	78.81	64.34

(iv) Risk exposure

Through its defined benefit plans, the Company is exposed to a number of risks, the most significant of which are detailed below:

Asset volatility: The plan liabilities are calculated using a discount rate set with reference to bond yields; if plan assets under perform this yield, this will create a deficit. Most of the plan asset investments is in fixed income securities with high grades and in government securities. These are subject to interest rate risk and the fund manages interest rate risk with derivatives to minimise risk to an acceptable level. A portion of the funds are invested in equity securities and in alternative investments which have low correlation with equity securities. The equity securities are expected to earn a return in excess of the discount rate and contribute to the plan deficit. The Company has a risk management strategy where the aggregate amount of risk exposure on a portfolio level is maintained at a fixed range. Any deviations from the range are corrected by rebalancing the portfolio. The Company intends to maintain the above investment mix in the continuing years.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Changes in bond yield: A decrease in bond yields will increase plan liabilities, although this will be partially offset by an yields increase in the value of the plans' bond holdings.

Inflation risks: In the pension plans, the pensions in payment are not linked to inflation, so this is a less material risk.

Life expectancy: The pension plan obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the plan liabilities. This is particularly significant where inflationary increases result in higher sensitivity to changes in life expectancy.

Note 33c : Other Long Term Employee Benefits

The Company's liability towards other long - term benefits are provided based on actuarial valuation as at 31st March 2019. The details are given below:

Particulars	(` in lakhs)	
	2018-19	2017-18
Leave encashment	42.47	2.74
Employee Assured Bonus Scheme	31.44	32.54

Note 34**34a : Earnings Per Share****Basic and diluted earnings per share**

The calculations of profit attributable to equity shareholders and weighted average number of equity shares outstanding for purposes of basic earnings per share calculation are as follows:

i. Profit/(Loss) attributable to equity shareholders (basic and diluted)

(` in lakhs)

Particulars	Year ended	
	March 31, 2019	March 31, 2018
Profit/(Loss) for the year, attributable to the equity holders	137,46.23	129,66.50

ii. Weighted average number of equity shares (basic and diluted)

Particulars	As at	As at
	March 31 2019	March 31 2018
Opening balance	15,11,03,860	15,11,03,860
Effect of fresh issue of shares for cash	–	–
Effect of share options exercised	–	–
Weighted average number of equity shares for the year	15,11,03,860	15,11,03,860

Particulars	March 31, 2019	March 31, 2018
Basic earnings per share (in `)	9.10	8.58
Diluted earnings per share (in `)	9.10	8.58

* There have been no transactions involving ordinary shares or potential ordinary shares between reporting date and date of completing financial statements which would require restatement of EPS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

34b : Dividend

Dividend of ₹2644.32 lakhs (₹1.75/- per share) has been recommended by the Board for the year ended 31st March 2019.

34c : Contingent liabilities and commitments

Uncalled liability on partly paid equity shares of Flomettallic India Private Limited ₹550 lakhs as of 31.03.2019.

Estimated amount of contractual commitments for the acquisition of property, plant and equipment ₹7.5 lakhs

The Liability in respect of Guarantee issued by bank amount to ₹50 lakhs.

34d : Transactions in foreign currency

(₹ in lakhs)

Particulars	March 31, 2019	March 31, 2018
Earnings in Foreign Currency		
Income from Services	30,20.54	27,15.11
Dividend from an Associate Company	26,92.23	26,07.72
Capital Reduction by an Associate Company	22,05.50	0.00
Expenditure in Foreign Currency		
Travel and Office Expenses	3,75.79	4,34.39

34e : Details of Corporate Social Responsibility (CSR)

(a) Gross amount required to be spent by the Group during the year : ₹42.48 lakhs

(b) Amount spent during the year on:

(₹ In Lakhs)

Particulars	Amount Spent	Amount to be Spent	Total
i) Construction / Acquisition of any asset	–	–	–
ii) On purpose other than i) above	42.39	0.09	42.48

34f : Disclosure Under MSME Development Act, 2016

As per the information available with the Group, there are no vendors under the category of micro and small enterprises to whom the Group owes dues as at 31st March, 2019.

34g : Leases

Leases in which a significant portion of risks and rewards of ownership are not transferred to the Group are called operating leases. Payments made under operating leases are charged to profit and loss in the year in which rent is actually incurred as the payments made to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increase.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

The company has entered into commercial leases for premises and equipment.

The obligations on long-term, non-cancellable operating leases payable as per the rentals stated in the respective agreements are as follows:

(₹ in lakhs)

Future minimum lease payable	March 31, 2019	March 31, 2018
Not later than 1 year	40.95	36.00
Later than 1 year and not later than 5 years	177.50	170.84

34h : Standard Issued but not effective**Ind AS 116**

The new standard has major impact for lessees. It eliminates the classification of leases as either finance leases or operating leases as required by Ind AS 17, Leases. It introduces a single on-balance sheet accounting model that is similar to current finance lease accounting model. The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019.

Ind AS 12

(i) MCA notified "Appendix C, Uncertainty over Income Tax Treatments" where acceptability of a particular tax treatment used by an entity or that it plans to use in its income tax filings and how an uncertain tax treatment affects the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates. The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after April 1, 2019

(ii) Recognition of the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

Ind AS 19

MCA notified the Inclusion of treatment of past service cost, or a gain or loss on settlement in case of plan amendment, curtailment or when settlement occurs.

Ind AS 28 - Long-term Interests in Associates and Joint Ventures

14A. An entity also applies Ind AS 109 to other financial instruments in an associate or joint venture to which the equity method is not applied. These include long-term interests that, in substance, form part of the entity's net investment in an associate or joint venture

45K If an entity does not restate prior periods applying paragraph 45I, at the date of initial application of the amendments it shall recognise in the opening retained earnings (or other component of equity, as appropriate) any difference between:

- the previous carrying amount of long-term interests described in paragraph 14A at that date; and
- the carrying amount of those long-term interests at that date.

The Management is in the process of assessing the potential impact of all the above amendments in the Consolidated Financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

34i : Audit Fees

(₹ in lakhs)

Details	March 31, 2019	March 31, 2018
Statutory Audit	13.75	6.75
Taxation Matters	3.50	1.75
Certification Matters	5.59	10.47
Total	22.84	18.97

34j: Claims against Group not acknowledged as Debt

(₹ in lakhs)

Particulars	March 31, 2019	March 31, 2018
Service Tax matters - appeal filed by the Group	2.92	2.92
Income Tax matters - appeal filed by the Group	1.38	1.38

ESI Claims against the erstwhile Professional Management Consultants Limited (PMCL) not accepted by the company - ₹2.06 lakhs (previous year – ₹2.06 lakhs). Against this claim, PMCL filed an appeal before the Employees' Insurance (EI) Court and a stay was obtained, on a payment of 20% of the disputed amount. Accordingly, PMCL has deposited a sum of ₹0.41 lakhs with the EI Court.

In an earlier year, the above appeal was dismissed by the ESI Court and PMCL has since filed an appeal before Hon'ble High Court of Chennai and has obtained a stay against the order of the ESI Court. The case is yet to be posted for hearing.

ESI Claims against the company not acknowledged as debts - ₹1.25 lakhs (Previous Year - ₹1.25 lakhs). The company has filed an appeal against the Order dated 19.02.2016 Accordingly, the Company has deposited a sum of ₹0.63 lakhs with EI Court.

34k : Adoption of Financial Statements

The Board has adopted the financial statements at its meeting held on 17th May 2019.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Note 35 : Segment Reporting

(₹ in lakhs)

Business Segments	Investments		Support services				Eliminations		Total	
			Domestic		Overseas					
	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
REVENUE										
Segment Revenue	37,84.38	19,98.88	32,17.22	21,50.05	29,93.36	27,31.42	(48.60)	(48.90)	99,46.36	68,31.44
RESULT										
Segment Result	37,46.81	18,82.05	62.22	(1,21.49)	5,13.78	4,29.48	-	-	43,22.80	21,90.04
Unallocated income (net of expense)									(1,18.40)	1,15.21
Profit before tax									42,04.40	23,05.25
Less: Income tax									11,82.61	5,16.58
Profit after tax before share of profits from associates									30,21.79	17,88.65
Add: Share of profit from Associates									107,24.44	111,77.83
Profit after tax									137,46.22	129,66.49
OTHER INFORMATION										
Segment Assets	2419,43.82	2910,11.03	11,63.41	13,98.01	17,93.24	13,53.51	-	(94.25)	2449,00.47	2936,68.30
Unallocated Assets									3,51.36	3,23.97
Total Assets									2452,51.83	2939,92.27
Segment Liabilities	84,84.31	126,19.37	2,87.91	3,45.60	1,41.03	69.74	-	(94.25)	89,13.26	129,40.46
Unallocated Liabilities									(2,23.21)	(1,09.87)
Total Liabilities									86,90.05	128,30.60
Capital Expenditure									56.99	1,05.48
Depreciation									1,00.66	1,03.52

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Note 36 : Additional information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary/Associates as at March 2019

(₹ in lakhs)

Name of the entity	Net Assets, i.e., total assets minus total liabilities		Share in Total Profit or Loss		Share in other comprehensive income		Share in Total Comprehensive Income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated Total Comprehensive Income	Amount
Sundaram Finance Holdings Limited	71.85	1769,92.65	43.38	84,93.26	1,02.05	(567,56.08)	1,33.93	(482,62.83)
Subsidiaries:								
Indian:								
Sundaram Business Services Limited	1.02	25,14.66	1.84	3,59.34	(0.09)	48.14	(1.13)	407.49
Associates:								
Indian:								
Axles India Limited	2.18	53,59.28	7.23	14,15.91	0.01	(5.67)	(3.91)	14,10.24
Turbo Energy Private Limited	18.24	449,42.87	26.89	52,64.87	(0.39)	2,18.85	(15.22)	54,83.72
Transenergy Limited	0.16	3,94.52	0.09	18.46	-	-	(0.05)	18.45
Sundaram Dynacast Private Limited	0.48	11,77.13	2.61	5,11.89	0.01	(2.96)	(1.41)	5,08.94
Sundaram Hydraulics Limited	-	-	(0.56)	(1,10.54)	-	-	0.31	(1,10.54)
Flometallic India Private Limited	2.59	63,74.22	5.43	10,63.60	(0.39)	2,19.04	(3.56)	12,82.63
Foreign:								
Dunes Oman LLC (FZC)	3.48	85,83.49	13.08	25,60.26	(1.20)	6,65.04	(8.95)	32,25.30
	1,00.00	2463,38.81	1,00.00	195,77.04	1,00.00	(556,13.63)	1,00.00	(360,36.61)
Adjustment arising out of consolidation		(97,77.04)		(58,30.81)		-		(58,30.81)
Total		2365,61.78		137,46.23		(556,13.63)		(418,67.42)

As per our report of even date attached.

For and on behalf of the Board of Directors of
Sundaram Finance Holdings Limited

For **R.G.N. Price & Co.**

Chartered Accountants

FR No: 002785S

K. Venkatakrisnan

Partner

M.No : 208591

Date : 17-05-2019

Place : Chennai

T.T.Srinivasaraghavan

Chairman

Paramesh Krishnaier

Chief Executive Officer

R. Venkatraman

Director

V Vaasen

Chief Financial Officer

Harsha Viji

Director

P.N. Srikant

Secretary & Compliance Officer

Form AOC-I

(Pursuant to first provision to sub-section (3) of section 129 of the Companies Act, 2013, read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of Subsidiaries/Associate companies/Joint Ventures

Part "A": Subsidiaries

(₹ in lakhs)

Sl. No.	Name of the subsidiary	Sundaram Business Services Limited
1	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	NA
2	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	NA
3	Share capital	15,00.00
4	Reserves & surplus	10,14.66
5	Total assets	28,30.71
6	Total Liabilities	3,16.05
7	Investments	3,29.53
8	Turnover	40,87.18
9	Profit/(Loss) before taxation	4,86.55
10	Provision for taxation	1,27.20
11	Profit/(Loss) after taxation	3,59.35
12	Proposed Dividend	–
13	% of shareholding	100.00%

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

(₹ in lakhs)

Name of Associates/Joint Ventures	Axles India Limited	Turbo Energy Private Limited	Transenergy Limited	Sundaram Dyncast Private Limited	Sundaram Hydraulics Limited	Flometallic India Private Limited	Dunes Oman LLC (FZC)
1 Latest audited Balance Sheet Date	31-03-2019	31-03-2019	31-03-2018	31-03-2019	31-03-2019	31-03-2019	31-03-2019
2 Shares of Associate held by the company on the year end							
Number	98,91,754	25,60,000	1,20,000	11,70,000	1,12,50,000	3,800	18,34,980
Amount of Investment in Associates	101,5.70	1,88.41	1,87.50	1,17.00	11,25.00	32,50.00	21,55.89
Extend of Holding %	38.81%	32.00%	42.31%	26.00%	27.44%	40.63%	43.69%
3 Description of how there is significant influence	By Virtue of Holdings being 20% or more						
4 Reason why the Associate/Joint Venture is not consolidated	NA	NA	NA	NA	NA	NA	NA
5 Networth attributable to Shareholding as per latest audited Balance Sheet	53,40.53	449,32.78	3,85.11	11,73.61	1,19.05	63,73.99	83,92.47
6 Profit / Loss for the year							
i. Considered in Consolidation	14,76.90	53,70.12	20.92	5,45.56	(1,10.54)	11,63.80	22,64.81
ii. Not Considered in Consolidation	23,28.74	114,11.49	28.53	15,52.75	(3,09.21)	17,00.94	29,19.01

As per our report of even date attached.

For **R.G.N. Price & Co.**

Chartered Accountants

ER.No: 0027855

K. Venkatakrishnan

Partner

M.No : 208591

Date : 17-05-2019

Place : Chennai

For and on behalf of the Board of Directors of
Sundaram Finance Holdings Limited

Harsha Viji
Director

R. Venkatraman
Director

T.T.Srinivasaraghavan
Chairman

P.N. Srikanth
Secretary & Compliance Officer

V Vaasen
Chief Financial Officer

Paramesh Krishnaier
Chief Executive Officer