

# Sundaram Finance Holdings Limited

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24th Annual Report

2017-18



***SUNDARAM FINANCE HOLDINGS***



<b>Board of Directors</b>	S Viji R Venkatraman S Prasad Shobhana Ramachandhran T T Srinivasaraghavan Harsha Viji	Chairman
<b>Audit Committee</b>	R. Venkatraman S Prasad Harsha Viji	Chairman
<b>Stakeholders Relationship Committee</b>	R Venkatraman S Viji T T Srinivasaraghavan	Chairman
<b>Nomination &amp; Remuneration Committee</b>	R Venkatraman S Prasad Harsha Viji	Chairman
<b>Corporate Social Responsibility Committee</b>	S Prasad T T Srinivasaraghavan Harsha Viji	Chairman
<b>Chief Executive Officer</b>	Paramesh Krishnaier	
<b>Chief Financial Officer</b>	T Kailashapathy	
<b>Secretary &amp; Compliance Officer</b>	P N Srikant	
<b>Registered Office</b>	21, Patullos Road, Chennai - 600 002 Tel: 044 2852 1181, Fax: 044 2858 6641 Email: investorservices@sundaramholdings.in	
<b>Website</b>	www.sundaramholdings.in	
<b>CIN</b>	U65100TN1993PLC025996	
<b>Auditors</b>	M/s. R.G.N. Price & Co., Chartered Accountants Simpson's Building, 861, Anna Salai, Chennai - 600002	
<b>Subsidiaries</b>	Sundaram Business Services Limited Sundaram BPO India Limited	
<b>Bankers</b>	ICICI Bank Limited State Bank of India	

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## Contents

Board's Report	3
Corporate Governance Report	12
Report on CSR Activities	23
Business Responsibility Report	24
Secretarial Audit Report	31
Disclosure on Directors / KMP Remuneration (Rule 5)	33
Extract of Annual Return	35
Independent Auditors' Report	50
Balance Sheet	56
Statement of Profit and Loss	57
Cash Flow Statement	58
Notes to the Accounts	60

## Consolidated Financial Statements

Independent Auditors' Report	79
Balance Sheet	84
Statement of Profit and Loss	85
Cash Flow Statement	86
Notes to the Accounts	88
Statement in Form AOC-1 relating to Subsidiaries / Associates	110



**SUNDARAM FINANCE HOLDINGS**

## Board's Report

Your directors have pleasure in presenting the 24th Annual Report together with audited accounts for the year ended 31st March 2018. The summarised financial results of the Company are presented hereunder:

### FINANCIAL RESULTS:

(₹ in cr.)

Particulars	Year ended March 31, 2018
Revenue from Portfolio Companies	57.00
Operating Revenue	13.50
Other Income	3.88
<b>Total Revenue</b>	<b>74.38</b>
Less: Total Expenses	14.53
<b>Profit before Tax</b>	<b>59.85</b>
<b>Profit after Tax</b>	<b>54.43</b>
<b>Consolidated PAT</b>	<b>124.44</b>

### DIVIDEND

Your directors are pleased to recommend a dividend of ₹1.50 per share on the paid-up share capital of ₹75.55 cr. (30% on the face value of ₹5/-), representing a dividend pay-out of 50.20% of profits (including dividend distribution tax).

The Dividend Distribution Policy, formulated in accordance with the provisions of Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is attached as part of this report, vide Annexure I.

### COMPOSITE SCHEME OF ARRANGEMENT AND AMALGAMATION

Pursuant to the sanctioning of the Composite Scheme of Arrangement and Amalgamation (Scheme) by the Hon'ble National Company Law Tribunal (NCLT), Division Bench, Chennai, vide Order dated 12th January 2018, received by the Company on 18th January 2018, the de-merger of the 'SFL Demerged Undertaking', i.e., non-core business activities of Sundaram

Finance Limited (SFL), viz., identified shared services undertaken by SFL including shared services vested from Sundaram BPO India Limited, training services rendered by SFL, non-financial services investments of SFL, together with related assets, into your Company, as envisaged in the Scheme with effect from the 'Appointed Date', i.e., 1st April 2016, has become operative.

As provided in the Scheme, on 12th February 2018, all the shareholders of SFL were allotted 1 (One) equity share of ₹ 5/- each credited as fully paid-up in the capital of SFHL for every 1 (One) fully paid-up equity share of ₹10/- held by them in SFL as on the record date, i.e., 2nd February 2018. The equity shares of the Company were listed on the National Stock Exchange of India Limited with effect from 26th March 2018.

The accounts for the financial year ended 31st March 2018 have been prepared after giving effect to the Scheme and, therefore, the figures given herein and elsewhere in the Annual Report are not strictly comparable with those of the previous year.

Pursuant to the transfer of the non-financial services investments of SFL into your Company, the Company has been categorised as an exempted 'Core Investment Company' under the Core Investment Companies (Reserve Bank) Directions, 2016, issued by the Reserve Bank of India.

### MANAGEMENT DISCUSSION AND ANALYSIS

#### GLOBAL ECONOMY

According to the IMF's World Economic Outlook, the Global economic growth strengthened in 2017 to 3.8%, with GDP continuing to accelerate over much of the world and is expected to rise up to 3.9% in the current year. An important indication of the acceleration in growth was the strong employment growth in some of the countries that had high unemployment for some time. Some of the larger emerging market economies, such as Argentina, Brazil and Russia, came out of their recessions. Equity valuations continued to climb and are near record highs, as central banks have maintained accommodative monetary policies due to weak inflation.

## INDIAN ECONOMY

India has emerged as one of the fastest growing major economies in the world as per the IMF. India's GDP is estimated to have grown by 6.6% in 2017-18 and is expected to grow at 7.3% in 2018-19.

The growth in India's GDP has to be viewed as satisfactory in the aftermath of two major events - demonetisation and GST. Gross tax collections for the period April 2017- February 2018 showed an increase of 15.8% year-on-year while net retention to the Centre in tax collections recorded a growth of 17%.

India's foreign exchange reserves stood at USD 424.4 billion at the end of March 2018. However, tepid export growth of 0.7% and higher import growth of 7.1% resulted in the current account deficit worsening to 2.0% from 1.4% in the previous year. Due to the oil price movements, this could worsen further.

The annual average CPI declined from 4.5% in 2016-17 to 3.6% in 2017-18. The IIP increased by 4.3% during the period April to February 2018, as against 4.7% in the corresponding period of the previous year.

However, according to the World Bank's Doing Business Report India is still ranked only 100 among 190 countries in the 2018 edition of the report.

## AUTOMOTIVE SECTOR

A majority of your Company's investments are in the automotive sector. Growth in the automotive sector was muted during early 2017-18, primarily due to three major developments, viz., demonetisation in the previous year, changeover to the BS IV emission norms and implementation of GST. The industry settled down during the second quarter of the financial year and normal monsoon, coupled with focus of the Government on infrastructure, festive demand and rural sentiment led to an overall strong comeback for the automotive sector.

Society of Indian Automobile Manufacturers (SIAM) expects the growth momentum of Commercial vehicle sales to continue at 10-12% (M&HCVs at 9-11% and LCVs at 10-12%) in 2018-19. The government's continuing emphasis on infrastructure and a recovery in the mining sector bodes well for sales of tippers.

Sales of passenger vehicles are expected to grow at 8-10% (utility vehicles at 14-15% and cars at 8-9%). As per a report by CRISIL, tractor sales are projected to improve by 11-13% in 2018-19, assuming a normal monsoon and increased government support. Demand in semi-urban towns and rural areas is expected to look up as the impact of demonetisation has abated, and a normal monsoon for a third year should bolster sales of passenger cars, LCVs and especially tractors.

## OPERATING AND FINANCIAL PERFORMANCE

The revenue earned by your Company during the financial year 2017-18, after considering the effects of the demerger, was ₹74.38 cr., as against ₹4.84 cr. in the previous year. The profit after tax for the year was ₹54.43 cr., as against ₹0.48 cr. in the previous year. The company's net-worth stood at ₹325.83 cr. as on 31.03.2018.

The consolidated profit after tax and networth for the year stood at ₹124.44 cr. and ₹833.59 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	13.50
Sundaram Business Services Limited - for managing outsourced business of overseas clients (Wholly-owned Subsidiary)	30.05
Sundaram BPO India Limited - for managing outsourced business of domestic clients (Wholly-owned Subsidiary)	8.65
<b>Total</b>	<b>52.20</b>

### • 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 ₹13.50 cr. The business had 501 employees as on 31st March 2018.

#### • Sundaram Business Services Limited

Sundaram Business Services Limited (SBSL) is a global outsourcing company catering to over 35 clients in Australia and the UK. SBSL offers best in class outsourcing, helping Accounting firms, CFOs and CMOs through its innovative service offerings. During the year, SBSL earned a revenue of ₹30.05 cr., as compared to ₹26.81 cr. in the previous year. The company reported a profit after tax of ₹6.56 cr. during the year as against ₹1.22 cr. in the previous year. The company had 345 employees as on 31st March 2018.

#### • Sundaram BPO India Limited

Sundaram BPO India Limited (SBIL) is a domestic BPO with over 15 clients across both voice and non-voice services. SBIL earned a total revenue of ₹8.65 cr. during the year, after considering the

effects of demerger, as against ₹17.10 cr. during the previous year. The loss after tax for the year was at ₹1.60 cr. as against ₹0.42 cr. in the previous year. The company had 397 employees as on 31st March 2018.

The Board of Directors of your Company has decided, in principle, to amalgamate SBIL with SBSL, in order to create greater scale and more focus on the BPO business going forward.

#### INVESTMENT PORTFOLIO

Pursuant to the sanctioning of the Composite Scheme of Arrangement and Amalgamation by the Hon'ble NCLT, the investments of Sundaram Finance Limited in several automotive and manufacturing businesses have been demerged into your Company. Pursuant to the demerger, the Company holds investments in 17 portfolio companies as at 31.03.2018. The total carrying cost of these investments is ₹118.89 cr. The performance of the key portfolio companies during 2017-18 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	1.89	32.00	1,171.81	374.98	172.37	55.16
2	Brakes India Private Limited	0.15	6.67	1,706.51	113.82	375.94	25.08
3	Dunes Oman LLC (FZC)	26.95	43.69	230.37	100.65	63.62	27.80
4	Sundaram Clayton Limited	14.28	11.24	664.00	74.63	54.92	6.17
5	Flometallic India Private Limited	32.50	40.63	139.23	56.57	34.09	13.85
6	Wheels India Limited	8.38	11.08	460.35	51.01	52.30	5.79
7	India Motor Parts and Accessories Limited	5.77	18.52	253.85	47.01	20.79	3.85
8	Axles India Limited	10.16	38.81	109.69	42.57	22.61	8.77
9	Lucas-TVS Limited	0.27	5.32	751.71	39.99	47.61	2.53
10	Delphi-TVS Diesel Systems Limited	0.18	3.19	287.00	9.15	6.19	0.20
11	Others	18.36	NA	126.99	22.23	3.71	2.77
	<b>Total</b>	<b>118.89</b>			<b>932.61</b>		<b>151.97</b>

**Note:** The figures relating to the companies mentioned under Sl. Nos. 2, 9 and 10 are based on the audited financial results for the year ended 31st March 2017. The figures relating to the companies mentioned under Sl. Nos. 6 and 7 are based on the unaudited financial results for the nine months ended 31st December 2017, which were subjected to Limited Review. The figures relating to the companies mentioned under Sl. Nos. 1, 3, 4, 5 and 8 are based on the audited financial results for the year ended 31st March 2018.

## **Turbo Energy Private Limited**

Turbo Energy Private Limited is the leading manufacturer of turbo chargers and turbo charger parts in the country. Pursuant to the demerger, 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 19.79% from ₹1031.96 cr. to ₹1236.23 cr. The profit after tax for the year was ₹172.37 cr. as against ₹139.10 cr. in the previous year, registering a growth of 23.92%. Your Company received a total dividend of ₹7.17 cr. from Turbo Energy Private Limited during the financial year 2017-18.

## **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. Pursuant to the demerger, 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 2017 grew by 5.90% from ₹3906.02 cr. to ₹4136.48 cr. The profit after tax for the year ended 31st March 2017 was ₹375.94 cr. as against ₹307.19 cr. in the previous year, registering a growth of 22.38%. Your Company received a total dividend of ₹8.77 cr. from Brakes India Private Limited during the financial year 2017-18.

## **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. Pursuant to the demerger, 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 revenue earned by the company grew by 1.97% from ₹325.13 cr. to ₹331.55 cr. The profit after tax for the year was ₹63.62 cr. as against ₹70.36 cr. in the previous year. Your Company received a total dividend of ₹26.08 cr. from Dunes Oman LLC (FZC) during the financial year 2017-18.

## **Sundaram Clayton Limited**

Sundaram Clayton Limited is engaged in the manufacture of precision aluminium cast products for both automotive and non-automotive applications. Pursuant to the demerger, 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 11.14% from ₹1589.67 cr. to ₹1766.74 cr. The profit after tax for the year was ₹54.92 cr. as against ₹105.59 cr. in the previous year. The market capitalisation of the company as on 31st March 2018 was ₹9745.29 cr. The value of your Company's holding on that basis, was ₹1094.89 cr., as on 31st March 2018. Your Company received a total dividend of ₹3.41 cr. from Sundaram Clayton Limited during the financial year 2017-18.

## **Flometallic India Private Limited**

Flometallic India Private Limited is engaged in the manufacture of iron castings for the automotive industry. Pursuant to the demerger, your Company holds 40.63% stake in Flometallic India Private Limited. During the year the revenue earned by the company grew by 14.15% from ₹265.42 cr. to ₹302.98 cr. The profit after tax for the year was ₹34.09 cr. as against ₹25.37 cr. in the previous year, registering a growth of 34.37%. Your Company received a total dividend of ₹4.06 cr. from Flometallic India Private Limited during the financial year 2017-18.

## **Wheels India Limited**

Wheels India Limited is the leading manufacturer of wheels and air suspension components for cars and commercial vehicles in the country. Pursuant to the demerger, 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 2017, the revenue earned by the company grew by 3.94% to ₹1812.24 cr., as against ₹1743.49 cr. for the corresponding period in the previous year. The profit after tax for the nine months ended 31st December 2017 was ₹52.30 cr. as against ₹41.11 cr. for the corresponding period in the previous year, registering a growth of 27.22%. The market capitalisation of the company as on 31st March 2018



was ₹2707.68 cr. The value of your Company's holding on that basis, was ₹300.14 cr., as on 31st March 2018. Your Company received a total dividend of ₹1.87 cr. from Wheels India Limited during the financial year 2017-18.

### 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. Pursuant to the demerger, your Company holds 18.52% stake in India Motor Parts and Accessories Limited. For the period ended 31st December 2017, the revenue earned by the company stood at ₹357.00 cr., as against ₹397.23 cr. for the corresponding period in the previous year. The profit after tax for the nine months ended 31st December 2017 stood at ₹20.79 cr. as against ₹22.96 cr., for the corresponding period in the previous year. The market capitalisation of the company as on 31st March 2018 was ₹852.55 cr. The value of your Company's holding on that basis, was ₹157.89 cr., as on 31st March 2018. Your Company received a total dividend of ₹0.92 cr. from India Motor Parts and Accessories Limited during the financial year 2017-18.

### Axles India Limited

Axles India Limited is a leading manufacturer of axle housings for medium and heavy commercial vehicles in the country. Pursuant to the demerger, 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 15.40% from ₹413.59 cr. to ₹477.28 cr. The profit after tax for the year was ₹22.61 cr. as against ₹15.01 cr. in the previous year, registering a growth of 50.63%. Your Company received a total dividend of ₹1.78 cr. from Axles India Limited during the financial year 2017-18.

### Lucas-TVS Limited

Lucas-TVS Limited is engaged in the manufacture of auto electrical equipment. Pursuant to the demerger, 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 2017 grew by 8.25% from ₹1908.57 cr. to ₹2065.96 cr. The profit after tax for the year ended 31st March 2017 was ₹47.61 cr. as against ₹43.32 cr. in the previous year, registering a growth of 9.90%. Your Company received a total dividend of ₹1.07 cr. from Lucas-TVS Limited during the financial year 2017-18.

### 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. Pursuant to the demerger, 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 2017 grew by 3.37% from ₹856.24 cr. to ₹885.08 cr. The profit after tax for the year ended 31st March 2017 was ₹6.19 cr. as against a loss of ₹1.73 cr. in the previous year. Your Company received a total dividend of ₹0.35 cr. from Delphi TVS Diesel Systems Limited during the financial year 2017-18.

## 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 II.

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 Company did not enter into any material transaction with related parties, under Section 188 of the Companies Act, 2013, 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 III (i). Further, the Company's policy on Related Party

Transactions is attached as part of this report, vide Annexure III (ii), as required under Reg. 23(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### **CORPORATE SOCIAL RESPONSIBILITY (CSR)**

Your Company has contributed towards preventive and general health care, in consonance with the CSR policy. Steps have been taken to put in place necessary infrastructure to identify worthy causes which can be supported on an ongoing basis.

The Annual Report on CSR Activities undertaken by the Company for the Financial Year 2017-18, is annexed with this report, vide Annexure IV.

### **BUSINESS RESPONSIBILITY REPORT**

A Business Responsibility Report as required under Regulation 34(2) (f) of the SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015, is enclosed as part of this report, vide Annexure V.

### **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 year 2017-18.

### **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 VI.

### **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 VII.

### **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 VIII.

### **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 2017-18, foreign currency earnings amounted to ₹26.08 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 activities 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**

Pursuant to the demerger, nearly 500 employees have been transferred from Sundaram Finance Limited and Sundaram BPO India Limited into your Company on and from the 'Effective Date'. 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 Subsidiaries and Associates in Form AOC-1 forms part of the Annual Report.

The annual accounts of all the Subsidiary Companies have been posted on your Company's website – [www.sundaramholdings.in](http://www.sundaramholdings.in). Detailed information, including the annual accounts of the Subsidiary Companies 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 Harsha Viji retires by rotation and being eligible, offers himself for re-election.

## KEY MANAGERIAL PERSONNEL

The following key managerial personnel were appointed during the year:

Name	Designation	Date of Appointment
Paramesh Krishnaier	Chief Executive Officer	12-02-2018
P. N. Srikant	Secretary & Compliance Officer	01-08-2017
T. Kailashpathy	Chief Financial Officer	12-12-2017

## 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 of Directors discussed the requirement relating to formal evaluation of the Board's performance and that of its committees and individual directors as required under Section 134(3) (p) of the Companies Act, 2013 and unanimously decided that the said evaluation should be carried out only from the next year, since the operations of the Company had begun only with effect from 18th January 2018, the Effective Date of the sanctioning of the Scheme by the Hon'ble NCLT.

## 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, were 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. Their appointment for periods subsequent to the conclusion of the 24th Annual General Meeting shall be subject to one time ratification by the members at the ensuing 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 clients, 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  
24.05.2018

**S VIJI**  
Chairman

## SFHL Policy for Distribution of Dividends

[Pursuant to Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

The SFHL Policy for Distribution of Dividends (the Policy) shall come into effect from the date it is approved by the Board of Directors.

The Policy is being framed in compliance with the requirement stipulated under Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), for distribution of dividends, based on the following parameters:

1. The Board of Directors may declare one or more interim dividends after considering various financial and other parameters. The Board may recommend final dividend after approval of the final audited accounts.
2. Dividends shall generally be declared out of the annual standalone Profit after Tax of the Company relating to the current financial year, subject to any other regulatory provisions that may be introduced from time to time.
3. The Board will generally endeavour to maintain a dividend payout ratio (including dividend distribution tax) of 25% – 50% of the annual standalone profit after tax for each financial year.
4. The factors, internal and external, to be considered by the Board, for determining the quantum of dividend, will include the following:
  - (a) Internal Factors
    - Growth in volume of business
    - Performance of portfolio companies
    - Profitability position
    - Stability of earnings
    - Carried forward balance in P & L account
    - Accumulated reserves
  - (b) External Factors
    - Macro-economic environment
    - Performance of the automotive sector
    - Changes in governmental policies
    - Regulatory changes
5. The retained earnings of the Company may be used, inter alia, for one or more of the following purposes:
  - (i) Growth plans;
  - (ii) Capital expenditure;
  - (iii) Working capital requirements;
  - (iv) Capitalisation;
  - (v) Investment in new lines of business and / or additional investment in existing lines of business;
  - (vi) Repayment of debt;
  - (vii) Meeting contingency plans; and
  - (viii) Any other purpose as may be permitted by law.

The Board may consider utilising the retained earnings for declaration of dividend under special circumstances.

## 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.

The equity shares of the Company have been listed on the National Stock Exchange of India Limited only with effect from 26th March 2018. Hence, some of the disclosures relating to the Corporate Governance Report would be applicable to the Company only in the future.

### 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 2018.

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*	
			Chairman		Director		Chairman	Member
			Listed	Unlisted	Listed	Unlisted		
<b>Promoter Directors</b>								
Sri S. Viji Non-executive Chairman	00139043	9	1	1	1	2	1	1
Sri T.T. Srinivasaraghavan Non-executive Director	00018247	9	-	-	1	7	1	2
Sri Harsha Viji Non-executive Director	00602484	9	-	-	1	3	-	1
<b>Independent Non-Executive Directors</b>								
Sri R. Venkatraman	07119686	9			-	2	2	-
Sri S. Prasad	00063667	9			3	2	5	1
Ms Shobhana Ramachandhran	00273837	7			3	4	-	1

\* Audit Committee and Stakeholders' Relationship Committee considered.

## 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.

28.04.2017	29.01.2018
28.07.2017	12.02.2018*
28.10.2017	30.03.2018
21.11.2017	* 3 meetings

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

The Chief Executive Officer, on behalf of the Board, has 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	28.04.2017 28.07.2017
Sri S. Prasad	Member	5	28.10.2017 12.02.2018
Sri Harsha Viji	Member	5	30.03.2018

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 of shares, non-receipt of annual report, dividends etc., and
- iii) reviews the compliances with various statutory and regulatory requirements.

Composition of the Stakeholders Relationship Committee are as follows:

Name of the Member	
Sri R. Venkatraman	Chairman
Sri S. Viji	Member
Sri T.T. Srinivasaraghavan	Member

Transfer of shares were approved by resolutions passed in circulation on one occasion.

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 2018.

## V. SEPARATE MEETING OF INDEPENDENT DIRECTORS

A Separate Meeting of Independent Directors was held on 13th March 2018 without the attendance of non-independent directors and members of management. All the Independent Directors attended the meeting and were of the view that the evaluation should be carried out only from the next year, since the Company had commenced operations only during the fourth quarter of the current financial year.

## VI. FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

The Company will be conducting familiarisation programmes for the Independent Directors during the current financial year, i.e., 2018-19.

## 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	16.03.2018
Sri T.T. Srinivasaraghavan	Member	1	
Sri Harsha Viji	Member	1	

## 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 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 II (i) and (ii) 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	5	28.04.2017 28.07.2017
Sri S Prasad	Member	5	21.11.2017
Sri Harsha Viji	Member	5	12.02.2018 30.03.2018

The Company Secretary is the Secretary to the Committee.

## IX. REMUNERATION OF DIRECTORS

The Independent Directors of the Company were paid a sitting fee as under during the Financial Year 2017-18.

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

The Non-Executive 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, for which approval of the shareholders is being sought in accordance with the provisions of Regulation 17(6) (a) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The details of remuneration paid to the Independent Directors and number of shares held by the Non-Executive Directors are as follows:

Name of the Director	Sitting Fee (₹ in lakhs)	Commission (₹ in lakhs)	Number of Shares held individually (as on 31.03.2018)	Relationship with other Directors
Sri S. Viji	–	–	9,09,780 <sup>(1)*</sup>	Father of Sri Harsha Viji
Sri R. Venkatraman	4.85	–	–	–
Sri S. Prasad	4.95	–	– <sup>(2)</sup>	–
Ms Shobhana Ramachandran	1.85	–	3,44,720	–
Sri T.T. Srinivasaraghavan	–	–	– <sup>(3)#</sup>	–
Sri Harsha Viji	–	–	13,66,068 <sup>(4)</sup>	Son of Sri S. Viji

### Note:

- Number of shares held jointly with others: <sup>(1)</sup> 8684; <sup>(2)</sup> 12,600; <sup>(3)</sup> 3,26,376; <sup>(4)</sup> 3156
- Number of shares held as Karta of HUF: <sup>(1)</sup> 4,79,912; <sup>(3)</sup> 1,23,192
- Excludes 12,25,160 shares\* held as Trustees, 1,10,000 shares# held as Trustee

## X. GENERAL BODY MEETINGS

Details relating to last three Annual General Meetings:

Year	Date	Time	Location	No. of Special Resolutions Passed
2017	18th July 2017	01.00 PM	21 Patullos Road, Chennai – 600002	Nil
2016	1st July 2016	10.00 AM	21 Patullos Road, Chennai – 600002	Nil
2015	30th June 2015	11.15 AM	21 Patullos Road, Chennai – 600002	Nil

## XI. 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>

## XII. 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.

## XIII. 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>

## XIV. 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](http://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.

## XV. GENERAL SHAREHOLDER INFORMATION

### Annual General Meeting

Date	Time	Venue
18th July 2018 (Wednesday)	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 2018 to 31st March 2019
- Book Closure dates 6th July 2018 to 18th July 2018 (both days inclusive)
- Date of payment of dividend

Dividend	19th July 2018	₹ 1.50 per share (30%)
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- 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 2017-18 & 2018-19 to the above stock exchange.
- NSE Stock Code: SUNDARMHLD
- ISIN : INE202Z01029

### MARKET PRICE DATA ON THE NATIONAL STOCK EXCHANGE

Date	Open Price	High Price	Low Price	Last Price	Close Price	NIFTY Closing
27.03.2018	343.95	343.95	326.80	326.80	326.80	10184
28.03.2018	310.50	310.50	310.50	310.50	310.50	10114

- 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 21 days from the date of request.
- 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 Ltd '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

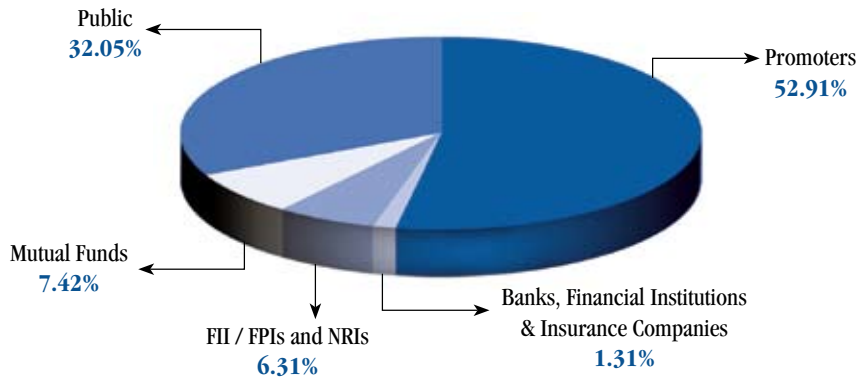
## DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH 2018

No. of Equity Shares Held	Total Shareholders	Total Shares	Total % to Capital
Upto 250	18,261	9,88,588	0.65
251 to 500	2,310	8,78,352	0.58
501 to 1000	1,759	13,44,098	0.89
1001 to 5000	2,221	53,64,671	3.55
5001 to 10000	417	31,58,201	2.09
10001 to 50000	453	1,02,27,905	6.77
50001 to 100000	116	84,35,770	5.58
100001 and above	197	12,07,06,275	79.88
<b>Total</b>	<b>25,734</b>	<b>15,11,03,860</b>	<b>100.00</b>

Total shares held in dematerialised form 96.48%

Public shareholding in dematerialised form 92.55%

## SHAREHOLDING PATTERN AS ON 31.03.2018



**For your queries / grievances / complaints, please contact:**

**Sri P.N. Srikant**

Secretary & Compliance Officer

Sundaram Finance Holdings Limited

21 Patullos Road, Chennai 600 002

Phone : 044-2888 1311

Fax : 044-2855 0290

Mobile : 9444071183

E mail : [investorservices@sundaramholdings.in](mailto:investorservices@sundaramholdings.in)

**Paramesh Krishnaier**

Chief Executive Officer

## CRITERIA FOR EVALUATION

### 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

### Criteria for evaluation of the Audit Committee by the Board:

1. Qualification & Experience of members
2. Depth of review of financial performance
3. Oversight of Audit & Inspection
4. Review of regulatory compliance
5. Fraud monitoring

**REMUNERATION POLICY  
SUNDARAM FINANCE HOLDINGS LIMITED**

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 in the grade of Senior Vice President and above.
- 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 of 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 shall be determined by the NRC 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.

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## Auditor's Certificate on Corporate Governance

The Members of SUNDARAM FINANCE HOLDINGS LIMITED, Chennai.

We have examined the compliance of the conditions of Corporate Governance by Sundaram Finance Holdings Limited, Chennai for the year ended on 31st March, 2018, 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. Our 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 our opinion and to the best of our information and according to the explanations given to us, we certify that the company has complied with the conditions of Corporate Governance stipulated in the above mentioned Listing Regulations and the above SEBI Regulations.

We 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.

Place: Chennai  
Date: 24th May 2018

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

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## Form No. AOC-2

### Annexure - III (i)

(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 with related parties on an arm's length basis were not material in nature.

Chennai  
24th May 2018

**S VIJI**  
Chairman

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## Policy on Related Party Transactions

### Annexure III (ii)

[as per Regulation 23(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

The Company shall enter into transactions with related parties only on 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 will be adhered to.

For the purpose of the above clause, transaction with a related party shall be considered material if the transaction / transactions to be entered into individually or taken together with previous transactions during a financial year, exceeds 10% 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 2017-18

**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: ₹976.05 lakhs**

**4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above): ₹19.52 lakhs**

**5. Details of CSR spent during the financial year:**

(a) Total amount to be spent for the financial year: ₹19.52 lakhs

(b) Amount unspent, if any – ₹1.02 lakhs

(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	Health	Tamilnadu-Chennai	18.50	18.50	18.50	18.50
	TOTAL			18.50	18.50	18.50	18.50

**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:**

Pursuant to the demerger of the non-core business activities of Sundaram Finance Limited into the Company, the Company formed the CSR Committee which framed the CSR Policy and contributed a sum of ₹18.50 lakhs towards preventive health care, as against the tentative CSR commitment of ₹18.24 lakhs computed on the basis of the re-stated financial statements prepared for the purpose of filing the information memorandum with the National Stock Exchange. Subsequently, at the time of finalisation of the accounts for the year ended 31st March 2018, the revised CSR commitment was computed as ₹19.52 lakhs, as a result of which there was a shortfall of ₹1.02 lakhs. With a view to fulfilling its CSR obligations effectively, the Company has taken steps to put in place necessary infrastructure to identify worthy causes which can be supported on an ongoing basis.

**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

## Business Responsibility Report for the Financial Year 2017-18

### Section A: General Information about the Company

1. Corporate Identity Number (CIN) : U65100TN1993PLC025996
2. Name of the Company : Sundaram Finance Holdings Limited
3. Registered address : 21, Patullos Road, Chennai 600 002
4. Website : www.sundaramholdings.in
5. E-mail id : investorservices@sundaramholdings.in
6. Financial Year reported : 2017-18
7. Sector(s) that the Company is engaged in (industrial activity code-wise)  
As per National Industrial Classification – 2008:  
Section K - Financial Service Activities, Except Insurance and Pension Funding.  
Division 64 – Other Financial Activities.
8. List three key products / services that the Company manufactures / provides (as in balance sheet)
  1. BPO Services
  2. Training Services
9. Total number of locations where business activity is undertaken by the Company
  - i. Number of International Locations (Provide details of major 5)  
Nil
  - ii. Number of National Locations  
3 locations
10. Markets served by the Company – Local / State / National / International  
National

### Section B: Financial Details of the Company (as on 31.03.2018)

1. Paid up Capital (INR) : ₹75.55 cr.
2. Total Turnover (INR) : ₹74.38 cr.
3. Total profit after taxes (INR) : ₹54.43 cr.
4. Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)  
The Company's total spending on CSR is 1.90% of the average profit after taxes in the previous three financial years.
5. List of activities in which expenditure in 4 above has been incurred:-  
Health

### Section C: Other Details

1. Does the Company have any Subsidiary Company/ Companies?

Yes.

2. Do the Subsidiary Company / Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)

Business Responsibility initiatives of the Parent Company are generally followed by the subsidiary companies to the extent possible.

3. Do any other entity / entities (e.g. suppliers, distributors etc.) that the Company does business with participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity / entities? [Less than 30%, 30-60%, More than 60%]

No.

### Section D: BR Information

1. **Details of Director / Directors responsible for BR**

- a) Details of the Director / Director responsible for implementation of the BR policy / policies

DIN Number	00018247
Name	Sri T T Srinivasaraghavan
Designation	Director

- b) Details of the BR head

S. No.	Particulars	Details
1.	DIN Number (if applicable)	-
2.	Name	Sri P.N. Srikant
3.	Designation	Secretary & Compliance Officer
4.	Telephone Number	044 2888 1311
5.	Email id	srikantpn@sundaramholdings.in

## 2. Principle-wise (as per NVGs) BR Policy / policies (Reply in Y / N)

### (a) Details of Compliance (Reply in Y/N)

Sr. No.	Questions	Business Ethics	Product Responsibility	Wellbeing of Employees	Stakeholder Engagement	Human Rights	Environment	Public Policy	CSR	Customer Relations
		P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy / policies for ...	Y	N	Y	N	Y	N	N	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	-	Y	-	Y	-	-	Y	Y
3	Does the policy conform to any national / international standards? If yes, specify? (50 words)	Y	-	Y	-	Y	-	-	Y	Y
4	Has the policy being approved by the Board? Is yes, has it been signed by MD / owner / CEO / appropriate Board Director?	Y Y	- -	Y Y	- -	Y Y	- -	- -	Y Y	Y Y
5	Does the company have a specified committee of the Board / Director/ Official to oversee the implementation of the policy?	Y	-	Y	-	Y	-	-	Y	Y
6	Indicate the link for the policy to be viewed online?	*	-	*	-	*	-	-	*	*
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	-	Y	-	Y	-	-	Y	Y
8	Does the company have in-house structure to implement the policy / policies.	Y	-	Y	-	Y	-	-	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy / policies to address stakeholders' grievances related to the policy / policies?	Y	-	Y	-	Y	-	-	Y	Y
10	Has the company carried out independent audit / evaluation of the working of this policy by an internal or external agency?	N	-	N	N	N	-	-	N	N

### (b) If answer to S. No. 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

1	The company has not understood the Principles	-	-	-	-	-	-	-	-	-
2	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles	-	-	-	-	-	-	-	-	-
3	The company does not have financial or manpower resources available for the task	-	-	-	-	-	-	-	-	-
4	It is planned to be done within next 6 months	-	-	-	-	-	-	-	-	-
5	It is planned to be done within the next 1 year	-	-	-	-	-	-	-	-	-
6	Any other reason (please specify)	-	#	-	#	-	#	#	-	-

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

# Considering the nature of company's business, these Principles have limited applicability. The Company complies with Regulations governing its operations and has taken initiatives to promote inclusive growth and environmental sustainability.

**3. Governance related to BR**

- Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year

Annually.

- Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

Yes.

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

Annually

**Section E: Principle-wise performance**

**Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.**

- Does the policy relating to ethics, bribery and corruption cover only the company? Yes / No. Does it extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?

Yes. The Policy covers the company, group and joint ventures.

- How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

From	Received and Resolved during the year 2017-18
Shareholders	–

**Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle**

- List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

Not Applicable

- For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):

- Reduction during sourcing / production / distribution achieved since the previous year throughout the value chain?

- Reduction during usage by consumers (energy, water) has been achieved since the previous year?

Not Applicable

- Does the company have procedures in place for sustainable sourcing (including transportation)?

- If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

Not Applicable

- Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?

If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

Yes, wherever possible.

5. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

Yes, wherever possible.

### Principle 3: Businesses should promote the wellbeing of all employees

1. Please indicate the Total number of employees.  
518
2. Please indicate the Total number of employees hired on temporary / contractual / casual basis.  
20

3. Please indicate the Number of permanent women employees.  
147

4. Please indicate the Number of permanent employees with disabilities

The Company does not specifically track the number of disabled employees. The Company gives equal opportunities and treats all employees at par. Based on the income-tax declarations which enable claiming income-tax deduction for self-disability, the Company has 2 employees.

5. Do you have an employee association that is recognized by management.

No.

6. What percentage of your permanent employees is members of this recognized employee association?

Nil

7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

Nil

S. No.	Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
1.	Child labour / forced labour / involuntary labour	Nil	
2.	Sexual harassment		
3.	Discriminatory employment		

8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?

- A. Permanent Employees  
B. Permanent Women Employees  
C. Casual / Temporary / Contractual Employees  
D. Employees with Disabilities

All employees of the Company (Permanent men, Permanent women and Contractual employees) are covered by skill upgradation training programmes conducted through our "Sundaram Learning Centre".

All the employees of the Company at Head Office have been given fire and other safety training while first-aid training had been given to selected employees at HO and at branches.

**Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.**

1. Has the company mapped its internal and external stakeholders? Yes/No  
No.
2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders.  
Not Applicable.
3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.  
Not Applicable.

**Principle 5: Businesses should respect and promote human rights**

1. Does the policy of the company on human rights cover only the company or extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?  
This is covered under our Policies on Business Responsibility Report.  
Refer <http://www.sundaramholdings.in/csa/csa.aspx>
2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?  
Refer Serial no.2 of Principle 1.

**Principle 6: Business should respect, protect, and make efforts to restore the environment**

1. Does the policy related to Principle 6 cover only the company or extends to the Group / Joint Ventures / Suppliers / Contractors / NGOs / others.  
Not Applicable.
2. Does the company have strategies / initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.  
Not Applicable.
3. Does the company identify and assess potential environmental risks? Y / N  
Not Applicable.
4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?  
Not Applicable.
5. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y / N. If yes, please give hyperlink for web page etc.  
Not Applicable.
6. Are the Emissions / Waste generated by the company within the permissible limits given by CPCB / SPCB for the financial year being reported?  
Not Applicable.
7. Number of show cause / legal notices received from CPCB / SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.  
Not Applicable.

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**Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner**

1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:  
No.
2. Have you advocated / lobbied through above associations for the advancement or improvement of public good? Yes / No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)  
Not Applicable.

**Principle 8: Businesses should support inclusive growth and equitable development**

1. Does the company have specified programmes / initiatives / projects in pursuit of the policy related to Principle 8? If yes details thereof.  
Not Applicable.
2. Are the programmes / projects undertaken through in-house team / own foundation / external NGO / government structures / any other organization?  
Not Applicable.
3. Have you done any impact assessment of your initiative?  
Not Applicable.
4. What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken.  
Amount spent ₹18.50 lakhs. Please refer to Annual Report on CSR Activities for details.
5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.  
Please refer to Annual Report on CSR Activities.

**Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner**

1. What percentage of customer complaints / consumer cases are pending as on the end of financial year.  
Nil.
2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes / No / N.A. / Remarks (additional information)  
Not Applicable.
3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and / or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.  
No.
4. Did your company carry out any consumer survey / consumer satisfaction trends?  
No.



## Form No. MR-3

### Secretarial Audit Report For the Financial Year Ended 31.03.2018

[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 : U65100TN1993PLC025996)  
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 our opinion, the Company has, during the audit period ended on 31.03.2018 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 LIMITED for the period ended on 31.03.2018 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 Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
  - III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
  - IV. 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;
  - V. 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;
    - i. The Memorandum and Articles of Association.
2. I have also examined compliance with the applicable clauses of the following:  
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:

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed 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.
- Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.
- The Company has obtained all necessary approvals under the various provisions of the Act; and
- 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.
- 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.

I further report that during the period the company has received orders from NCLT (18th January 2018) for its petition towards the Composite scheme of Arrangement and Amalgamation between this company, Sundaram Finance Limited, Sundaram Insurance Broking Services Limited, Infreight Logistics Solutions Limited and Sundaram BPO India Limited wherein portion of the business portfolio of Sundaram Finance Limited is to be transferred to this company, Transfer of business by Sundaram Insurance Broking Services Limited and Infreight Logistics Solutions Limited and Demerger of Sundaram BPO India Limited. Further to the NCLT order and as per the Scheme, the shareholders of Sundaram Finance Limited, the holding company, have been allotted shares in this company in the ratio of 1 (One) equity share of ₹5/- credited as fully paid up in the capital of the Company for every 1 (One) equity share of ₹10/- each held by them in the capital of Sundaram Finance Limited. Consequently, the shareholding of Sundaram Finance Limited in the Company has got reduced from 100% to 26.47% and the Company has become an associate of Sundaram Finance Limited.

The equity shares of the company have been listed on the National Stock Exchange of India Limited with effect from 26th March 2018.

Place: Chennai

Date: 24th May 2018

**A Kalyana Subramaniam**

(ACS No.11400)

(C.P No. 16345)

**Annexure VII**

**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	NA
R. Venkatraman	2.83
S. Prasad	2.88
Shobhana Ramachandhran	1.08
T.T. Srinivasaraghavan	NA
Harsha Viji	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 year and therefore, employeeed for part of the year.

- (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.

- (iv) The number of permanent employees on the rolls of the Company: 518
- (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 Krishnater	Chief Executive Officer	5.33	Contractual	B.A., LL.M, 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	8.57	Others	B.A. (Eco) & Msc (Physics) Has over 3 decades of experience in marketing and learning & development.	18.01.2018*	57	Sundaram Finance Limited	-
3	Sri P.N. Srikanth	Secretary & Compliance Officer	16.51	Others	B.Com(H), ACS & MBA Has over 2 decades of experience in financial services industry.	01.08.2017	46	Sundaram Finance Limited	-
4	Sri T. Kailashpathy	Chief Financial Officer	6.02	Others	B.Sc. (Maths), ACA Nearly 2 decades of experience in financial services industry.	12.12.2017	48	Sundaram Finance Limited	-
5	Sri S. Chandrasekharan	Dy. General Manager – Learning & Development	4.36	Others	B.Sc. (Physics) Nearly 4 decades of experience in the fields of HR and learning & development.		58	Sundaram Finance Limited	-
6	Sri Rajesh Singh	Assistant General Manager – Operations	3.90	Others	B.Com Over a decade of experience in BPO industry.		35	Sundaram BPO India Limited	-
7	Sri P. Padmanabhan	Sr. Assistant General Manager	3.88	Others	B.Com Has over 3 decades of experience in financial services industry.		60	Sundaram Finance Limited	-
8	Sri S. Rajkumar	Sr. Assistant General Manager – Learning & Development	3.56	Others	B.Sc. (Maths), PGDM and MBA Has over 2 decades of experience in financial services industry.	18.01.2018*	47	Sundaram Finance Limited	-
9	Sri M C Vijayakumar	Assistant General Manager	2.92	Others	B. Com Has over 3 decades of experience in financial services industry.		57	Sundaram Finance Limited	-
10	Sri Sundar B M L	Assistant General Manager	2.79	Others	B.Sc. Has over 3 decades of experience in financial services industry.		57	Sundaram Finance Limited	-

\* Pursuant to Demerger.

**Form No. MGT-9**  
**Extract of Annual Return**  
**as on the financial year ended on 31st March 2018**

[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.	80.21%

### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and Address of the Company	CIN / GLN	Holding / Subsidiary/ Associate	% of shares held	Applicable Section
1	Sundaram Business Services Limited Regd. Office: 21, Patullos Road, Chennai 600 002	U74140TN2005PLC057179	Subsidiary	100.00	2 (87) (ii)
2	Sundaram BPO India Limited Regd. Office: 21, Patullos Road, Chennai 600 002	U74900TN2012PLC087102	Subsidiary	100.00	2 (87) (ii)
3	Sundaram Finance Limited Regd. Office: 21, Patullos Road, Chennai 600 002	L65191TN1954PLC002429	Associate	26.47	2(6)
4	Axles India Limited Regd. Office: 21, Patullos Road, Chennai 600 002	U27209TN1981PLC008630	Associate	38.81	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 Regd. Office: No.67, Chamiers Road, Chennai 600 028	U40107TN1981PLC008903	Associate	42.31	2 (6)
7	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)
8	Sundaram Hydraulics Limited Regd. Office: 21, Patullos Road, Chennai 600 002	U71290TN2007PLC065658	Associate	31.25	2 (6)
9	Flometallic India Private Limited Regd. Office: No.67, Chamiers Road, Chennai 600 028	U28113TN2010PTC075244	Associate	40.63	2 (6)
10	The Dunes Oman LLC (FZC)	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 <sup>#</sup>				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A.</b>	<b>Promoters</b>									
<b>(1)</b>	<b>Indian</b>									
(a)	Individual/HUF	-	-	-	-	2,75,65,708	97,292	2,76,63,000	18.31	18.31
(b)	Central Govt	-	-	-	-	-	-	-	-	-
(c)	State Govt(s)	-	-	-	-	-	-	-	-	-
(c)	Bodies Corp	-	2,00,00,000	2,00,00,000	100.00	5,11,85,738	-	5,11,85,738	33.87	-66.13
(d)	Banks / FI	-	-	-	-	-	-	-	-	-
(e)	Any Other ....	-	-	-	-	-	-	-	-	-
	<b>Sub-Total (A)(1)</b>	-	<b>2,00,00,000</b>	<b>2,00,00,000</b>	<b>100.00</b>	<b>7,87,51,446</b>	<b>97,292</b>	<b>7,88,48,738</b>	<b>52.18</b>	<b>-47.82</b>
<b>(2)</b>	<b>Foreign</b>									
(a)	NRIs - Individuals	-	-	-	-	10,95,856	-	10,95,856	0.73	0.73
(b)	Other - Individuals	-	-	-	-	-	-	-	-	-
(c)	Bodies Corp.	-	-	-	-	-	-	-	-	-
(d)	Banks / FI	-	-	-	-	-	-	-	-	-
(e)	Any Other ....	-	-	-	-	-	-	-	-	-
	<b>Sub-Total (A)(2)</b>	-	-	-	-	<b>10,95,856</b>	-	<b>10,95,856</b>	<b>0.73</b>	<b>0.73</b>
	<b>Total shareholding of Promoter (A)= (A)(1)+(A)(2)</b>	-	<b>2,00,00,000</b>	<b>2,00,00,000</b>	<b>100.00</b>	<b>7,98,47,302</b>	<b>97,292</b>	<b>7,99,44,594</b>	<b>52.91</b>	<b>-47.09</b>
<b>B.</b>	<b>Public Shareholding</b>									
<b>(1)</b>	<b>Institutions</b>									
(a)	Mutual Funds	-	-	-	-	1,12,08,144	500	1,12,08,644	7.42	7.42
(b)	Banks / FI	-	-	-	-	2,200	800	3,000	-	-
(c)	Central Govt	-	-	-	-	-	-	-	-	-
(d)	State Govt(s)	-	-	-	-	-	-	-	-	-
(e)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
(f)	Alternate Investment Funds	-	-	-	-	44,137	-	44,137	0.03	0.03

\* Held by Sundaram Finance Limited and its nominees.

# Includes 11,11,03,860 equity shares of ₹5/- each allotted to the shareholders of Sundaram Finance Limited on 12.02.2018, pursuant to Cl. 29.1 of the Composite Scheme of Arrangement and Amalgamation.

	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	
(g)	Insurance Companies	-	-	-	-	19,80,700	-	19,80,700	1.31	1.31
(h)	FPIs	-	-	-	-	65,32,686	250	65,32,936	4.32	4.32
(i)	Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
(j)	Any Other	-	-	-	-	-	-	-	-	-
	<b>Sub-Total (B)(1)</b>	-	-	-	-	<b>1,97,67,867</b>	<b>1,550</b>	<b>1,97,69,417</b>	<b>13.08</b>	<b>13.08</b>
<b>(2)</b>	<b>Non-Institutions</b>									
(a)	Bodies Corporate	-	-	-	-	-	-	-	-	-
(i)	Indian	-	-	-	-	1,02,08,066	8,400	1,02,16,466	6.76	6.76
(ii)	Overseas	-	-	-	-	-	-	-	-	-
(b)	Individuals									
i	Individual shareholders holding nominal shares capital up to ₹1 lakh	-	-	-	-	1,17,50,042	22,80,473	1,40,30,515	9.29	9.29
ii	Individual shareholders holding nominal shares capital in excess of ₹1 lakh	-	-	-	-	2,31,82,966	29,24,260	2,61,07,226	17.28	17.28
	Trust - Sundaram Finance Employees Welfare Trust	-	-	-	-	9,79,510	-	9,79,510	0.65	0.65
	Other Trusts	-	-	-	-	5,818	-	5,818	-	-
	Clearing Members	-	-	-	-	5,030	-	5,030	0.00	-
	Foreign National	-	-	-	-	18,720	-	18,720	0.01	-
	IEPF	-	-	-	-	26,564	-	26,564	0.02	-
(c)	Others (specify)	-	-	-	-	-	-	-	-	-
	<b>Sub- Total (B)(2)</b>	-	-	-	-	<b>4,61,76,716</b>	<b>52,13,133</b>	<b>5,13,89,849</b>	<b>34.01</b>	<b>33.97</b>
	<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	-	-	-	-	<b>6,59,44,583</b>	<b>52,14,683</b>	<b>7,11,59,266</b>	<b>47.09</b>	<b>47.05</b>
(C)	Shares held by Custodian for GDRs and ADRs	-	-	-	-	-	-	-	-	-
	<b>GRAND TOTAL (A)+(B)+(C)</b>	-	<b>2,00,00,000</b>	<b>2,00,00,000</b>	<b>100.00</b>	<b>14,57,91,885</b>	<b>53,11,975</b>	<b>15,11,03,860</b>	<b>100.00</b>	-



**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	2,00,00,000	100.00	–	4,00,00,000	26.47	–	73.53
2	Master Ashwathanarayan Ramji Rep By E/G: Mr N Ramji & Mr N Ramji	–	–	–	600	0.00	–	0.00
3	Mr N Ramji & Master Ashwathanarayan Ramji Rep By E/G: Mr N Ramji	–	–	–	56,520	0.04	–	0.04
4	Mr N S Ramji & Master Ashwathanarayan Ramji Rep By E/G: Mr N S Ramji	–	–	–	6,884	0.00	–	0.00
5	Mr N S Ramji & Miss Aishwarya Ramji Rep By E/G: Mr N S Ramji	–	–	–	6,884	0.00	–	0.00
6	Mr N Ramji & Master Ashwathanarayan Ramji Rep By E/G: Mr N Ramji	–	–	–	1,008	0.00	–	0.00
7	Mr N Ramji & Miss Aishwarya Ramji Rep By E/G: Mr N Ramji	–	–	–	1,008	0.00	–	0.00
8	Mr N Ramji & Mrs Sharmila Ramji	–	–	–	788	0.00	–	0.00
9	Mr N Ramji & Master Ashwathanarayan Ramji Rep By E/G: Mr N Ramji	–	–	–	23,600	0.02	–	0.02
10	Mr Srinivas Raghavan	–	–	–	27,040	0.02	–	0.02
11	Mr Akshay Krishnan	–	–	–	2,00,300	0.13	–	0.13
12	Mr Jaideep Chakravarthy	–	–	–	3,80,756	0.25	–	0.25
13	Mr Pradeep Chakravarthy	–	–	–	3,63,544	0.24	–	0.24
14	Mr S Chakravarthy	–	–	–	6,08,884	0.40	–	0.40
15	Mrs Anuradha Raghavan	–	–	–	3,97,264	0.26	–	0.26
16	Mr S Raghavan	–	–	–	1,03,492	0.07	–	0.07
17	Mrs Usha Raghavan	–	–	–	5,89,992	0.39	–	0.39
18	Mr Barath Rengarajan	–	–	–	4,68,259	0.31	–	0.31
19	Mrs Saraswathi Srinivasan	–	–	–	3,04,320	0.20	–	0.20

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	
20	Miss Tulsi S Ramanujam	-	-	-	2,19,382	0.15	-	0.15
21	Mr S Ram & Mr S Viji	-	-	-	12,25,160	0.81	-	0.81
22	Mr Sumanth Ramanujam	-	-	-	8,862	0.01	-	0.01
23	Mr K Vasudevan	-	-	-	2,87,492	0.19	-	0.19
24	Mrs Lily Vijayaraghavan & Mrs Sashi Parthasarathy	-	-	-	3,53,312	0.23	-	0.23
25	Mr K Vasudevan & Mrs Lakshmi Vasudevan	-	-	-	46,392	0.03	-	0.03
26	Mrs Lakshmi Vasudevan	-	-	-	2,74,816	0.18	-	0.18
27	Mr Sharath Vijayaraghavan	-	-	-	2,09,000	0.14	-	0.14
28	Mrs Lily Vijayaraghavan	-	-	-	6,35,436	0.42	-	0.42
29	Mrs Lily Vijayaraghavan & Mr Badri Vijayaraghavan	-	-	-	1,97,776	0.13	-	0.13
30	Mrs Lily Vijayaraghavan & Mr Sharath Vijayaraghavan	-	-	-	1,97,776	0.13	-	0.13
31	Mrs Rama Sridharan	-	-	-	55,920	0.04	-	0.04
32	Mr N Krishnan	-	-	-	1,01,592	0.07	-	0.07
33	Mr N Krishnan	-	-	-	1,01,592	0.07	-	0.07
34	Mr Ananth Krishnan	-	-	-	2,00,300	0.13	-	0.13
35	Mr Shreen Raghavan	-	-	-	94,892	0.06	-	0.06
36	Mrs Dangety Krishnakumari .	-	-	-	20,412	0.01	-	0.01
37	Mr Dangety Satyanarayanamurty	-	-	-	2,912	0.00	-	0.00
38	M/S. Rohini Holdings Private Limited	-	-	-	12,94,362	0.86	-	0.86
39	M/s. Allegro Holdings Private Limited	-	-	-	12,47,100	0.83	-	0.83
40	M/s. Silver Oak Holdings Private Limited	-	-	-	14,36,914	0.95	-	0.95
41	M/s. Athreya Harsha Holdings Private Limited	-	-	-	8,50,156	0.56	-	0.56
42	M/s. Uthirattadhi Sriram Holdings Private Limited	-	-	-	14,79,560	0.98	-	0.98
43	M/s. Maham Holdings Limited	-	-	-	5,12,720	0.34	-	0.34

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	
44	M/s. Revathi Holdings Private Limited	-	-	-	12,20,460	0.81	-	0.81
45	M/s. Padmalakshmi Holdings Private Limited	-	-	-	12,92,832	0.86	-	0.86
46	M/s. Raghuvamsa Holdings Private Limited	-	-	-	18,51,634	1.23	-	1.23
47	Mrs Indira Krishnaswami	-	-	-	1,62,180	0.11	-	0.11
48	Mr Narayanan Ramji .	-	-	-	1,06,760	0.07	-	0.07
49	Mr R. Ramanujam & Mr R. Srikanth	-	-	-	1,77,088	0.12	-	0.12
50	Mr Ananth Ramanujam .	-	-	-	5,69,892	0.38	-	0.38
51	Mr T.T. Rangaswamy, Mr T.T. Venkatraghavan & Mr T.T. Srinivasaraghavan	-	-	-	48,628	0.03	-	0.03
52	Mr T.T. Rangaswamy, Mr T.T. Narendran & Mr T.T. Hayagreevan	-	-	-	49,200	0.03	-	0.03
53	Mr T T Srinivasaraghavan Mrs Vimala Rangaswamy & Mrs Bagyam Raghavan	-	-	-	85,084	0.06	-	0.06
54	Mrs Bagyam Raghavan & Mr T T Venkatraghavan	-	-	-	1,13,308	0.07	-	0.07
55	Mr T T Narendran, Mrs Vimala Rangaswamy & Mrs Padmini Narendran	-	-	-	1,62,988	0.11	-	0.11
56	Mrs Padmini Narendran & Mr T T Hayagreevan	-	-	-	1,06,044	0.07	-	0.07
57	Mrs Vimala Rangaswamy, Mr T T Narendran & Mrs Padmini Narendran	-	-	-	95,024	0.06	-	0.06
58	Mr Srivats Ram	-	-	-	17,01,322	1.13	-	1.13
59	Mr Srikanth Ramanujam	-	-	-	9,14,052	0.60	-	0.60
60	Mr Sriram Viji	-	-	-	12,78,620	0.85	-	0.85
61	Mr R. Ramanujam	-	-	-	2,32,534	0.15	-	0.15

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	
62	Mrs Rupa Srikanth	-	-	-	70,188	0.05	-	0.05
63	Mr Srikanth Ramanujam & Mrs Rupa Srikanth	-	-	-	4,472	0.00	-	0.00
64	Mrs Choodamani Narayanan	-	-	-	5,03,094	0.33	-	0.33
65	Mrs Prema Ramanujam	-	-	-	6,43,412	0.43	-	0.43
66	Mrs Aruna Sankaranarayanan	-	-	-	56,840	0.04	-	0.04
67	Mr S. Ram	-	-	-	5,06,788	0.34	-	0.34
68	Mr Harsha Viji	-	-	-	13,66,068	0.90	-	0.90
69	Mr Aditya S. Ramanujam	-	-	-	2,21,882	0.15	-	0.15
70	Mr S. Viji	-	-	-	9,09,780	0.60	-	0.60
71	Mrs Vijaya Rangarajan	-	-	-	9,03,564	0.60	-	0.60
72	Mr Sriram Viji & Mrs Chitra Viji	-	-	-	3,156	0.00	-	0.00
73	Mr R. Ramanujam & Mr Ananth Ramanujam	-	-	-	25,600	0.02	-	0.02
74	Mr Harsha Viji & Mrs Chitra Viji	-	-	-	3,156	0.00	-	0.00
75	Mrs Nivedita Ram	-	-	-	16,49,516	1.09	-	1.09
76	Mrs Chitra Viji	-	-	-	8,34,034	0.55	-	0.55
77	Mrs Gita Ram	-	-	-	11,39,680	0.75	-	0.75
78	Mr S. Viji & Mrs Chitra Viji	-	-	-	8,684	0.01	-	0.01
79	Mr Arjun Rangarajan	-	-	-	13,08,270	0.87	-	0.87
80	Mr R. Ramanujam (HUF)	-	-	-	9,992	0.01	-	0.01
81	Mr Srikanth Ramanujam (HUF)	-	-	-	8,000	0.01	-	0.01
82	Mr Srivats Ram (HUF)	-	-	-	77,200	0.05	-	0.05
83	Mr S. Viji (HUF)	-	-	-	1,13,988	0.08	-	0.08
84	Mr S. Viji (HUF)	-	-	-	3,65,924	0.24	-	0.24
85	Miss Anupama Lakshmi Rangarajan	-	-	-	6,09,896	0.40	-	0.40
86	Mr S. Narayanan	-	-	-	4,600	0.00	-	0.00
87	Mr Narayanan Ramji (HUF)	-	-	-	4,08,480	0.27	-	0.27
88	Mr Srinivasaraghavan Sundaram	-	-	-	4,000	0.00	-	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	
89	Mr A.M. Srinivasan & Mr S. Kishore	-	-	-	452	0.00	-	0.00
90	Mr S. Kishore & Mr A.M. Srinivasan	-	-	-	1,13,612	0.08	-	0.08
91	Mr Srikanth Ramanujam & Mr Ananth Ramanujam	-	-	-	8,30,215	0.55	-	0.55
92	Miss Tarika Ram (Minor)	-	-	-	13,490	0.01	-	0.01
93	Mr Daya Ambirajan	-	-	-	1,19,650	0.08	-	0.08
94	Master Ranjan Ambirajan	-	-	-	6,744	0.00	-	0.00
95	Mr R. Ramanujam & Mrs Prema Ramanujam	-	-	-	9,736	0.01	-	0.01
96	Mr T T Rangaswamy (HUF)	-	-	-	49,324	0.03	-	0.03
97	Mr T T Srinivasa Raghavan (HUF)	-	-	-	1,23,192	0.08	-	0.08
98	Mr T T Rangaswamy (HUF)	-	-	-	19,368	0.01	-	0.01
99	Mr T T Narendran (HUF)	-	-	-	95,068	0.06	-	0.06
100	Mr T T Srinivasaraghavan & Mr T T Narendran	-	-	-	1,10,000	0.07	-	0.07
101	Mr T T Srinivasaraghavan & Mrs Bagyam Raghavan	-	-	-	1,10,000	0.07	-	0.07
102	Mr T T Narendran & Mrs Padmini Narendran	-	-	-	90,000	0.06	-	0.06
103	Mr T T Narendran & Mrs Padmini Narendran	-	-	-	90,000	0.06	-	0.06
104	Mrs Vimala Rangaswamy, Mr T T Srinivasaraghavan & Mr T T Venkatraghavan	-	-	-	82,664	0.05	-	0.05
105	Mr A M Srinivasan	-	-	-	120	0.00	-	0.00
106	Mr Vishnu Vijayaraghavan	-	-	-	75,984	0.05	-	0.05
107	Mrs Lakshmi Vijayaraghavan	-	-	-	41,155	0.03	-	0.03
108	Mr Sharath Vijayaraghavan	-	-	-	1,74,844	0.12	-	0.12
109	Miss Gitanjali Jeevan Jose, Rep By M/G Mrs Divya Jeevan Jose	-	-	-	10,000	0.01	-	0.01

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	
110	Master P Siddhartha Jeevan, Rep By M/G Mrs Divya Jeevan Jose	-	-	-	10,000	0.01	-	0.01
111	Mr N Krishnan & Mr Akshay Krishnan	-	-	-	3,000	0.00	-	0.00
112	Mr N Krishnan & Mr Ananth Krishnan	-	-	-	3,000	0.00	-	0.00
113	Ms Veena Raghavan	-	-	-	75,000	0.05	-	0.05
114	Mr Shreen Raghavan (HUF)	-	-	-	5,115	0.00	-	0.00
115	Mrs S Hema	-	-	-	10,34,968	0.68	-	0.68
116	Mrs Kavitha Gorur Keshav & Mr T T Hayagreevan	-	-	-	10,000	0.01	-	0.01
117	Miss Nakshatra Hayareevan (Minor)	-	-	-	10,000	0.01	-	0.01
118	Mr Shiriram Vijayaraghavan	-	-	-	1,05,000	0.07	-	0.07
	<b>Total</b>	<b>2,00,00,000</b>	<b>100.00</b>	<b>-</b>	<b>7,99,44,594</b>	<b>52.91</b>	<b>-</b>	<b>-47.09</b>

### (iii) Change in Shareholding of Promoter and Promoter Group

Name of the Promoters	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
Promoter - Sundaram Finance Limited (SFL) and its nominees				
At the end of the Year	2,00,00,000	100.00		
Increase / Decrease in Promoters Shareholding during the year				
Promoter - SFL Pursuant to reduction in face value from ₹10/- per share to ₹5/- per share (18.01.2018) and Allotment of Shares to the shareholders of SFL (12.02.2018)	2,00,00,000	-	4,00,00,000	26.47
Promoter Group - Allotment of Shares - 12.02.2018 [as detailed in Table IV (ii)]	-	-	3,99,44,594	26.44
At the end of the Year			<b>7,99,44,594</b>	<b>52.91</b>

**(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	Axis Mutual Fund Trustee Limited A/C				
	At the beginning of the year	–	–		
	Date wise Increase / Decrease				
	Allotment of Shares - 12.02.2018	36,74,424	2.43	36,74,424	2.43
	At the end of the Year			36,74,424	2.43
2	ICICI Prudential				
	At the beginning of the year	–	–		
	Date wise Increase / Decrease				
	Allotment of Shares - 12.02.2018	30,92,403	2.05	30,92,403	2.05
	At the end of the Year			30,92,403	2.05
3	India Motor Parts & Accessories Limited				
	At the beginning of the year	–	–		
	Date wise Increase / Decrease				
	Allotment of Shares - 12.02.2018	28,53,600	1.89	28,53,600	1.89
	At the end of the Year			28,53,600	1.89
4	Bright Star Investments Pvt. Ltd.				
	At the beginning of the year	–	–		
	Date wise Increase / Decrease				
	Allotment of Shares - 12.02.2018	26,30,434	1.74	26,30,434	1.74
	At the end of the Year			26,30,434	1.74
5	SBI Magnum				
	At the beginning of the year	–	–		
	Date wise Increase / Decrease				
	Allotment of Shares - 12.02.2018	19,09,633	1.26	19,09,633	1.26
	At the end of the Year			19,09,633	1.26
6	United India Insurance Company Ltd.				
	At the beginning of the year	–	–		
	Date wise Increase / Decrease				
	Allotment of Shares - 12.02.2018	15,69,561	1.04	15,69,561	1.04
	At the end of the Year			15,69,561	1.04
7	Pari Washington Company Pvt. Ltd. A/c.				
	Pari Washington India Master Fund Ltd.				
	At the beginning of the year	–	–		
	Date wise Increase / Decrease				
	Allotment of Shares - 12.02.2018	11,27,296	0.75	11,27,296	0.75
	At the end of the Year			11,27,296	0.75
8	Sundaram Finance Employees Welfare Trust				
	At the beginning of the year	–	–		
	Date wise Increase / Decrease				
	Allotment of Shares - 12.02.2018	9,79,510	0.65	9,79,510	0.65
	At the end of the Year			9,79,510	0.65
9	HDFC Standard Life Insurance Company Limited				
	Date wise Increase / Decrease				
	At the beginning of the year	–	–		
	Allotment of Shares - 12.02.2018	9,32,673	0.62	9,32,673	0.62
	At the end of the Year			9,32,673	0.62
10	East Sail				
	At the beginning of the year	–	–		
	Date wise Increase / Decrease				
	Allotment of Shares - 12.02.2018	7,73,898	0.51	7,73,898	0.51
	At the end of the Year			7,73,898	0.51

**(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				
	At the beginning of the year - held as nominee of SFL	1	—		
	Date wise Increase / Decrease				
	Pursuant to reduction in face value from ₹10/- per share to ₹5/- per share -18.01.2018	1	—	2	—
	Allotment of Shares - 12.02.2018				
	(i) held individually	9,09,780	0.60	9,09,780	0.60
	(ii) held as Karta of HUF	4,79,912	0.32	4,79,912	0.32
	(iii) held jointly with others	8,684	0.01	8,684	0.01
	Transfer to SFL - 12.02.2018	-2	—	—	—
	At the end of the Year				
(i) held individually			9,09,780	0.60	
(ii) held as Karta of HUF			4,79,912	0.32	
(iii) held jointly with others			8,684	0.01	
2	Sri R. Venkatraman				
	At the beginning of the year	—	—		
	Date wise Increase / Decrease	—	—		
At the end of the Year			—	—	
3	Sri S Prasad				
	At the beginning of the year	—	—		
	Date wise Increase / Decrease				
Allotment of Shares - 12.02.2018	12,600	0.01	12,600	0.01	
At the end of the Year - held jointly with others			12,600	0.01	
4	Ms. Shobhana Ramachandhran				
	At the beginning of the year	—	—		
	Date wise Increase / Decrease				
Allotment of Shares - 12.02.2018	3,44,720	0.23	3,44,720	0.23	
At the end of the Year - held individually			3,44,720	0.23	
5	Sri T T Srinivasaraghavan				
	At the beginning of the year - held as nominee of SFL	1	—		
	Date wise Increase / Decrease				
	Pursuant to reduction in face value from ₹10/- per share to ₹5/- per share -18.01.2018	1	—	2	—
	Allotment of Shares - 12.02.2018				
	(i) held as Karta of HUF	1,23,192	0.08	1,23,192	0.08
	(ii) held jointly with others	3,26,376	0.22	3,26,376	0.22
	(iii) held as Executor / Trustee	1,10,000	0.07	1,10,000	0.07
	Transfer to SFL - 12.02.2018	-2	—	—	—
	At the end of the Year				
(i) held as Karta of HUF			1,23,192	0.08	
(ii) held jointly with others			3,26,376	0.22	
(iii) held as Executor / Trustee			1,10,000	0.07	



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 Harsha Viji				
	At the beginning of the year				
	Date wise Increase / Decrease	–	–		
	Allotment of Shares - 12.02.2018				
	(i) held individually	13,66,068	0.90	13,66,068	0.90
	(ii) held jointly with others	3,156	0.00	3,156	0.00
	At the end of the Year				
7	Sri Paramesh Krishanier, Chief Executive Officer				
	At the beginning of the year	–	–		
	Date wise Increase / Decrease				
	Allotment of Shares - 12.02.2018				
	(i) held individually	400	0.00	400	0.00
	(ii) held jointly with others	6,000	0.00	6,000	0.00
	At the end of the Year				
8	Sri P N Srikant, Secretary & Compliance Officer				
	At the beginning of the year	–	–		
	Date wise Increase / Decrease				
	Allotment of Shares - 12.02.2018	25	0.00	25	0.00
9	Sri T Kailashpathy, Chief Financial Officer				
	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
<b>Indebtedness at the beginning of the financial year</b>				
(i) Principal Amount				
(ii) Interest due but not paid				
(iii) Interest accrued but not due				
<b>Total (i + ii + iii)</b>				
<b>Change in Indebtedness during the financial year</b>				
Addition				
Reduction				
<b>Net Change</b>				
<b>Indebtedness at the end of the financial year</b>				
(i) Principal Amount				
(ii) Interest due but not paid				
(iii) Interest accrued but not due				
<b>Total (i + ii + iii)</b>				

NIL

## 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/WTD/Manager Sri Paramesh Krishnaier Chief Executive Officer (w.e.f. 12.02.2018)	Total Amount
1	Gross Salary		
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	5.28	5.28
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	0.05	0.05
	(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	Contributions to Provident, Superannuation and Gratuity Funds	–	–
	<b>Total (A)</b>	5.33	<b>5.33</b>
	Ceiling as per the Act (5% of Net Profits)		299.95

**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	
<b>Independent Directors</b>				
Sri R Venkatraman	4.85	–	–	4.85
Sri S Prasad	4.95	–	–	4.95
Ms Shobhana Ramachandhran	1.85	–	–	1.85
<b>Total (1)</b>	<b>11.65</b>	<b>–</b>	<b>–</b>	<b>11.65</b>
<b>Other Non-Executive Directors</b>				
Sri S Viji	–	–	–	–
Sri T T Srinivasaraghavan	–	–	–	–
Sri Harsha Viji	–	–	–	–
<b>Total (2)</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Total (B) = (1) + (2)</b>	<b>11.65</b>	<b>–</b>	<b>–</b>	<b>11.65</b>
<b>Total Managerial Remuneration (A)+(B)</b>				<b>16.98</b>
Overall Ceiling as per the Act (1% of Net Profits)				59.99

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

(₹ in lakhs)

Sl. No.	Particulars of Remuneration	Sri P.N. Srikant Secretary & Compliance Officer (w.e.f. 01.08.2017)	Sri T. Kailashapathy Chief Financial Officer (w.e.f. 12.02.2018)	Total Amount
1	Gross Salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	15.32	5.74	21.06
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	–	–	–
	(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	Contributions to Provident, Superannuation and Gratuity Funds	1.19	0.28	1.47
	<b>Total</b>	<b>16.51</b>	<b>6.02</b>	<b>22.53</b>

**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 2018.

# Independent Auditor's Report to the Members of Sundaram Finance Holdings Limited

(formerly known as Sundaram Finance Investments Limited and Sundaram Finance Distribution Limited)

## Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of SUNDARAM FINANCE HOLDINGS LIMITED (formerly known as Sundaram Finance Investments Limited and Sundaram Finance Distribution Limited) ("the Company"), which comprise the Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended and a summary of the significant accounting policies and other explanatory information.

## Management's Responsibility for the Financial Statements

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

## Auditors' Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the standalone financial statements give the information required by the Act in the manner

so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at 31st March, 2018, its profit and cash flows for the year ended on that date.

## Other Matters

The Company had prepared the standalone financial statements for the year ended 31st March, 2017 in accordance with the Accounting Standards specified under Section 133 of the Act read with relevant rules issued thereunder and the accounting principles generally accepted in India which were audited by another auditor, who vide their report dated 20th April 2017 has issued an unmodified opinion on those standalone financial statements.

## 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 Act, we enclose in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the said Order.
2. As required by Section 143(3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c. The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act read with relevant rules issued thereunder;
  - e. On the basis of written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act;
  - f. 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";
  - g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company 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 were no amounts which 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  
Membership No. 208591

Place: Chennai  
Date: 24th May, 2018

## "Annexure A" to the Independent Auditors' Report

(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 (formerly known as Sundaram Finance Investments Limited and Sundaram Finance Distribution Limited) on the standalone financial statements of the company for the year ended 31st March, 2018)

- 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, we were informed that the company is in the process of transferring the title deeds of those immovable properties in its name.
- II The Company does not have any inventory and hence reporting under clause 3(ii) is not applicable.
- III According to the 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 the 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 and the provisions of Sections 73 to 76 of the Act and the rules framed there under 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, Service Tax, Goods and Services Tax, Cess and any other statutory dues as applicable to it with appropriate authorities. There are no arrears of undisputed statutory dues outstanding as at 31st March, 2018 for a period of more than six months from the date they become payable.
- b. According to the information and explanations given to us, and records of the Company examined by us, there are no dues of Income Tax, Service Tax, Goods and Service Tax or Cess pending on account of any dispute as at 31st March, 2018.

- VIII The Company has not obtained any loans or borrowings from financial institutions, banks, Government nor has issued any debentures during the year.
- 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 Company has paid/provided for managerial remuneration within the limits of Section 197 read with Schedule V to the Act.
- XII The Company is not a Nidhi Company and hence reporting under clause (xii) of the order is not applicable.
- XIII In our opinion and according to the information and explanations given to us, all transactions with the 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 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 directors or persons connected with them contravening Section 192 of the Act.
- XVI As informed to us, the Company being a 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: 24th May, 2018

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## "Annexure B" to the Independent Auditors' Report

referred to in Clause (f) of Paragraph of Report on Other Legal and Regulatory Requirements of our report of even date on the Standalone financial statements of SUNDARAM FINANCE HOLDINGS LIMITED (formerly known as Sundaram Finance Investments Limited and Sundaram Finance Distribution Limited), for the year ended 31st March, 2018.

We have audited the internal financial controls over financial reporting of SUNDARAM FINANCE HOLDINGS LIMITED (formerly known as Sundaram Finance Investments Limited and Sundaram Finance Distribution Limited) ('the Company') as of March 31, 2018 in conjunction with our audit of standalone financial statements of the Company for the year ended on that date.

### Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. 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 Company's policies, 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 ("the Act").

### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on

our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting and the Standards on Auditing as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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



## Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

## Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material

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

## Opinion

According to the information and explanations given to us and based on our audit, in our opinion, the Company has maintained, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as of March 31, 2018, based on internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **R.G.N. PRICE & CO.**  
Chartered Accountants  
Firm Registration No. 002785S

**K. Venkatakrishnan**  
Partner  
Membership No. 208591

Place: Chennai  
Date: 24th May, 2018

# Balance Sheet

as at 31st March, 2018

(₹ in lakhs)

	Note	March 31, 2018		March 31, 2017	
<b><u>EQUITY AND LIABILITIES</u></b>					
<b>Shareholders' Funds</b>					
Share Capital	2	75,55.19		20,00.00	
Reserves and Surplus	3	250,27.39	325,82.58	14,53.07	34,53.07
<b>Non-Current Liabilities</b>					
Long-term provisions	4	10.89	10.89	–	–
<b>Current Liabilities</b>					
Trade payables	5				
(i) Total Outstanding dues to micro enterprises and small enterprises		–		–	
(ii) Total Outstanding dues to creditors other than micro enterprises and small enterprises		1,04.63		9.36	
Other Current liabilities	6	82.30		19.50	
Short-term provisions	7	72.44	2,59.37	1.99	30.85
<b>TOTAL EQUITY AND LIABILITIES</b>			<b>328,52.84</b>		<b>34,83.92</b>
<b><u>ASSETS</u></b>					
<b>Non-current assets</b>					
Property Plant & Equipment	8				
(i) Tangible assets		93.22		–	
(ii) Intangible assets		21.82		–	
Non current investment	9	155,03.00		3,04.57	
Deferred tax assets (net)	10	50.48		–	
Long-term loans and advances	11	2,28.93	158,97.45	2,71.71	5,76.28
<b>Current Assets</b>					
Current investments	12	163,58.85		28,53.14	
Trade Receivables	13	3,42.95		22.24	
Cash and cash equivalents	14	1,86.95		7.40	
Short-term loans and advances	15	48.05		23.99	
Other Current Assets	16	18.59	169,55.39	0.87	29,07.64
<b>TOTAL ASSETS</b>			<b>328,52.84</b>		<b>34,83.92</b>
Significant Accounting policies	1				
Notes to the Accounts	2 to 22				

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

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

Chartered Accountants

FR No: 002785S

**K. Venkatakrishnan**

Partner

M.No : 208591

Date : 24-05-2018

Place : Chennai

**Paramesh Krishnaier**

Chief Executive Officer

**T. Kailashapathy**

Chief Financial Officer

**S. Viji**

Chairman

**T.T. Srinivasaraghavan**

Director

**R. Venkatraman**

Director

**Harsha Viji**

Director

**P.N. Srikant**

Secretary & Compliance Officer

# Statement of Profit and Loss

for the Year Ended 31st March, 2018

(₹ in lakhs)

	Note	2017-18	2016-17
<b>REVENUE</b>			
Revenue from operations	17	73,15.97	4,49.27
Other income	18	1,21.91	35.19
<b>Total Revenue</b>	<b>(A)</b>	<b>74,37.88</b>	<b>4,84.46</b>
<b>EXPENSES</b>			
Employee benefit expenses	19	9,70.59	71.43
Finance costs	20	7.21	—
Depreciation	8	27.83	—
Administrative and other expenses	21	4,46.93	3,32.82
<b>Total Expenses</b>	<b>(B)</b>	<b>14,52.56</b>	<b>4,04.25</b>
<b>Profit / (Loss) before Tax</b>	<b>(A-B)</b>	<b>59,85.32</b>	<b>80.21</b>
<b>Tax Expense:</b>			
Current tax		5,70.61	30.00
Deferred Tax		(28.38)	2.14
		542.23	32.14
Tax under MAT		49.89	—
Less: MAT Credit Entitlement		(49.89)	—
<b>Profit after Tax</b>		<b>54,43.09</b>	<b>48.07</b>
<b>Earnings Per Equity Share</b>			
Basic and Diluted Earnings Per Share of ₹ 5/- each	22.01	3.60	0.64
Significant Accounting Policies	1		
Notes to the Accounts	2 to 22		

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

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

Chartered Accountants

FR No: 002785S

**K. Venkatakrishnan**

Partner

M.No : 208591

Date : 24-05-2018

Place : Chennai

**Paramesh Krishnaier**  
Chief Executive Officer

**T. Kailashapathy**  
Chief Financial Officer

**S. Viji**  
Chairman

**T.T. Srinivasaraghavan**  
Director

**R. Venkatraman**  
Director

**Harsha Viji**  
Director

**P.N. Srikant**  
Secretary & Compliance Officer

# Cash Flow Statement

(₹ in lakhs)

	2017-18	2016-17
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit	54,43.09	48.07
Add: Provision for Taxation (including Deferred Tax)	5,42.23	32.14
	59,85.32	80.21
Adjustments		
Depreciation	27.83	–
Less:Interest Income	(1.74)	(38.14)
Less:Net gain on sale of investments	(2,64.70)	(81.76)
Add: Diminution in value of investment	8.80	–
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>57,55.51</b>	<b>(39.69)</b>
<b>CHANGES IN ASSETS AND LIABILITIES</b>		
(Increase)/Decrease in Long Term Loans and Advances	19.08	75.53
(Increase)/Decrease in Short Term Loans and Advances	(24.06)	(15.99)
(Increase)/Decrease in Trade Receivables	(3,20.71)	1,30.62
(Increase)/Decrease in Bank Deposits	–	60.00
(Increase)/Decrease in Other Current Assets	(17.72)	1.14
Increase/(Decrease) in Long Term Provisions	10.89	(7.24)
Increase/(Decrease) in Short Term Provisions	70.45	(12.31)
Increase/(Decrease) in Other Current Liabilities	62.80	19.50
Increase/(Decrease) in Trade Payables	95.26	(0.70)
Cash generated from Operations	(1,04.01)	2,50.55
Direct Taxes Paid	(5,60.00)	19.00
<b>NET CASH FROM OPERATING ACTIVITIES (A)</b>	<b>50,91.50</b>	<b>2,29.85</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Property Plant & Equipment	(35.74)	–
Purchase of Non-Current Investments	(15,99.93)	–
Sale of Non-Current Investments	1,66.69	1.00
Purchase of Current Investments	(335,93.94)	(43,91.34)
Sale of Current Investments	205,19.57	22,82.88
Interest Received	1.74	38.14
<b>NET CASH FROM INVESTING ACTIVITIES (B)</b>	<b>(145,41.61)</b>	<b>(20,69.32)</b>

## Cash Flow Statement (Contd.)

	2017-18	2016-17
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Dividend paid	(45.13)	(1,20.36)
Increase in share capital	—	19,50.00
<b>NET CASH FROM FINANCING ACTIVITIES (C)</b>	<b>(45.13)</b>	<b>18,29.64</b>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS (A)+(B)+(C)</b>	<b>(94,95.24)</b>	<b>(9.82)</b>
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	7.40	17.22
TRANSFERRED TO COMPANY PURSUANT TO SCHEME OF ARRANGEMENT (REFER NOTE 22.02)	96,74.79	—
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<b>1,86.95</b>	<b>7.40</b>
<b>COMPONENTS OF CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR ( Refer Note 14 )</b>		
Bank balances	1,86.83	7.40
Cash in Hand	0.12	—
	<b>1,86.95</b>	<b>7.40</b>

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

For **R.G.N. Price & Co.**  
Chartered Accountants  
F.R No: 002785S

**K. Venkatakrishnan**  
Partner

M.No : 208591  
Date : 24-05-2018  
Place : Chennai

**Paramesh Krishnaier**  
Chief Executive Officer

**T. Kailashapathy**  
Chief Financial Officer

**S. Viji**  
Chairman

**T.T. Srinivasaraghavan**  
Director

**R. Venkatraman**  
Director

**Harsha Viji**  
Director

**P.N. Srikant**  
Secretary & Compliance Officer

## NOTES TO THE ACCOUNTS

### Note 1: SIGNIFICANT ACCOUNTING POLICIES

1.01 The financial statements are prepared and presented under the historical cost convention on the accrual basis of accounting and comply with the relevant provisions of the Companies Act, 2013. 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 preparation of the financial statements, in conformity with generally accepted accounting principles, requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities as at the Balance Sheet date, reported amounts of revenues and expenses during the year and disclosure of contingent liabilities as at that date. The estimates and assumptions used in the financial statements are based upon the management's evaluation of the relevant facts and circumstances as of the date of financial statements. The assets and liabilities have been classified as non-current and current based on a twelve month operating cycle.

1.02 Income Recognition:

- i) Dividend income is accounted when the right to receive the dividend is established.
- ii) Profit or Loss on sale of investment is recognised at the time of sale.
- iii) Interest income is recognised on a time proportion basis taking into account the amount outstanding and the applicable interest rates.
- iv) Income in respect of services rendered, insurance commission and brokerage are accounted on accrual basis.

1.03 Valuation of Investments:

- i) Non-Current investments, other than investment property, are stated at cost and provision for diminution in value, other than temporary, is considered wherever necessary.
- ii) Current investments are valued at lower of cost and market value/net asset value.
- iii) Investment Property are stated at historical cost less accumulated depreciation.

1.04 Foreign currency transactions:

Transactions in foreign currencies are accounted at the prevailing rates of exchange on the date(s) of the transaction.

1.05 Property Plant & Equipment and Depreciation / Amortisation:

Property Plant & Equipment are stated at historical cost less accumulated depreciation.

Depreciation on Property Plant & Equipment is provided on the written down value method. The Company has adopted depreciation rates as per the useful life specified in the Schedule II of the Companies Act, 2013 except on certain category of assets for which the Company has re-assessed the useful life of the assets and residual value of the assets based on internal assessment, as below:

Assets	(in years)
Plant and Machinery	15
Computer	
- End User devices	7
- Servers & Networks	10
Vehicles	5
Office Equipment	8

Intangible assets represent Computer software whose cost is amortised over their expected useful life of 3 years, on a straight-line basis.

## NOTES TO THE ACCOUNTS (Contd.)

### 1.06 Employee Benefits:

#### A) Short Term Employee Benefits:

Short Term Employee Benefits for services rendered by employees are recognized during the year when the services are rendered.

#### B) Post employment benefits:

##### Defined Contribution Plan

##### i) Provident Fund

The Company contributes to a 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.

##### ii) Superannuation

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

##### Defined Benefit Plan- Gratuity

The Company makes an annual contribution to a Gratuity Fund administered by trustees and managed by Life Insurance Corporation of India (LIC). The Company accounts its liability based on an actuarial valuation, as at the balance sheet date, using the Projected Unit Credit method.

The expenses and actuarial gain/ loss on account of the above benefit plan is recognized in the Statement of Profit and Loss account on the basis of an actuarial valuation.

#### C) Other Long Term Employee Benefits:

i) The liability in respect of other long term benefits like Employee Assured Bonus Scheme has been provided based on actuarial valuation.

##### ii) Leave Encashment

The Company makes an annual contribution to a fund managed by SBI Life Insurance Company Limited. The Company accounts its liability based on actuarial valuation, as at the Balance sheet date, using the projected unit credit method.

The expense and actuarial gain /loss on account of the above benefit plans are recognized in the Statement of Profit and Loss Account on the basis of an actuarial valuation.

### 1.07 Taxation:

Current tax is provided on the taxable income for the year. Deferred tax liabilities arising from timing differences have been fully provided. Deferred tax assets are recognised on the consideration of prudence.

### 1.08 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 recognized 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.

## NOTES TO THE ACCOUNTS (Contd.)

### 1.09 Provisions:

Provisions are recognized when the Company has present legal obligations, as a result of past events, for which it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made for the amount of the obligation.

### 1.10 Cash flow statement

Cash flows are reported using the indirect method, whereby profit / loss before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating , investing and financing activities of the Company are segregated based on available information.

## BALANCE SHEET

### Note 2: Share Capital

	(₹ in lakhs)	
	31.03.2018	31.03.2017
Authorised Capital		
16,00,00,000 Equity shares of face value of ₹5/- each (Previous Year	80,00.00	25,00.00
2,50,00,000 Equity shares of face value of ₹10/- each)*	<u>80,00.00</u>	<u>25,00.00</u>
Issued, Subscribed and fully paid up:		
15,11,03,860 Equity shares of face value of ₹5/- each (Previous year	75,55.19	20,00.00
2,00,00,000 Equity shares of face value of ₹10/- each)*	<u>75,55.19</u>	<u>20,00.00</u>

\* Pursuant to the Scheme of Arrangement as mentioned in Note 22.02.

The reconciliation of the number of shares outstanding as at 31st March 2018 is set out below:

	31.03.2018	31.03.2017
No. of Shares outstanding at the beginning of the year	2,00,00,000	5,00,000
Add : Shares Issued for cash	–	1,95,00,000
Add : Increase in No. of Equity Shares on Conversion of Face Value from ₹10 to ₹5 per share pursuant to Scheme of Arrangement (Refer Note 22.02)	2,00,00,000	–
Add : Equity Shares of ₹5 each issued for consideration other than cash pursuant to Scheme of Arrangement (Refer Note 22.02)	11,11,03,860	–
No. of Shares outstanding at the end of the year	15,11,03,860	2,00,00,000



## NOTES TO THE ACCOUNTS (Contd.)

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 31.03.18	No. of Shares	% held as at 31.03.17
Sundaram Finance Limited	Promoter	4,00,00,000	26.47%	2,00,00,000	100%

### Note 3: Reserves and Surplus

(₹ in lakhs)

	31.03.2018	31.03.2017
<b>A. Capital reserve</b>		
–	–	–
Add: Reserve as per Scheme of Arrangement (Note No 22.02)	18,74.68	–
	18,74.68	–
<b>B. General reserve</b>		
13,72.13	13,72.13	–
Add: Reserve as per Scheme of Arrangement (Note No 22.02)	117,35.85	–
	131,07.98	13,72.13
<b>C. Profit and Loss statement</b>		
Opening Balance	80.94	32.87
Add: Profit and Loss as per Scheme of Arrangement (Note No 22.02)	45,65.83	–
Add: Profit for the current period	54,43.09	48.07
Less: Final Dividend for FY 2016-17 paid	(37.50)	–
Dividend Tax	(7.63)	–
Closing Balance	100,44.73	80.94
	<b>250,27.39</b>	<b>14,53.07</b>

### Note 4: Long - Term Provision

(₹ in lakhs)

	31.03.2018	31.03.2017
Provision for Employee Benefits - Employee Assured Bonus Scheme	10.89	–
	<b>10.89</b>	–

## NOTES TO THE ACCOUNTS (Contd.)

### Note 5: Trade Payables

(₹ in lakhs)

	31.03.2018	31.03.2017
Total Outstanding dues to micro enterprises and small enterprises (Refer Note 22.11 )	–	–
Total Outstanding dues to creditors other than micro enterprises and small enterprises		
- Related Parties (Refer Note 22.10)	89.72	–
- Others	14.91	9.36
	<u>1,04.63</u>	<u>9.36</u>

### Note 6: Other Current Liabilities

(₹ in lakhs)

	31.03.2018	31.03.2017
Statutory Liabilities	69.94	–
Others	12.36	19.50
	<u>82.30</u>	<u>19.50</u>

### Note 7: Short - Term Provisions

(₹ in lakhs)

	31.03.2018	31.03.2017
Provision for Employee Benefits		
- Employee Assured Bonus Scheme	21.65	–
- Others	50.79	1.99
	<u>72.44</u>	<u>1.99</u>

**NOTES TO THE ACCOUNTS (Contd.)**
**Note 8: Property Plant & Equipment**

(₹ in lakhs)

	GROSS BLOCK AT COST				DEPRECIATION				NET BOOK VALUE		
	As at 31.03.2017	Adjustment pursuant to Scheme of Arrangement #	Additions	Deductions	As at 31.03.2018	Upto 31.03.2017	For the Year	Deductions	Upto 31.03.2018	As at 31.03.2018	As at 31.03.2017
<b>(i) Tangible Assets</b>											
1 Freehold Land and Buildings *	—	93.34	—	—	93.34	—	—	—	58.40	34.94	—
2 Plant and Machinery and Computers	—	74.93	9.95	—	84.88	—	5.40	—	54.30	30.58	—
3 Furniture and Fixtures	—	37.50	4.46	—	41.96	—	5.64	—	21.40	20.56	—
4 Vehicles	—	0.59	—	—	0.59	—	0.03	—	0.46	0.13	—
5 Office Equipment	—	13.63	4.29	—	17.92	—	2.01	—	10.91	7.01	—
Total-Tangible Assets	—	2,19.99	18.70	—	2,38.69	—	13.08	—	1,45.47	93.22	—
<b>(ii) Intangible Assets</b>											
Computer Software	—	50.58	17.04	—	67.62	—	10.71	—	45.80	21.82	—
<b>Grand Total</b>	—	<b>2,70.57</b>	<b>35.74</b>	—	<b>3,06.31</b>	—	<b>23.79</b>	—	<b>1,91.26</b>	<b>1,15.04</b>	—

\* Title deeds of above assets are in the process of getting transferred in the name of the Company.

# The adjustment amount includes the following transactions:

	(₹ In Lakhs)
Net Balance as stated above pursuant to Scheme	1,03.09
Additions made in FY 2016-17	(35.35)
Depreciation - FY 2016-17	25.54
Transferred to Investment Property	18.22
Total Amount Transferred as per Scheme of Arrangement (Note 22.02)	1,11.50

## NOTES TO THE ACCOUNTS (Contd.)

### Note 9: Non Current Investments

(₹ in lakhs)

	As at 31.03.2018	As at 31.03.2017
Investment Property (net of depreciation)	1,67.90	–
Investment in Equity Shares	148,01.90	2,82.82
Investment in Preference Shares	15,98.18	–
Investment in bonds	21.75	21.75
	<u>165,89.73</u>	<u>3,04.57</u>
Less: Provision for diminution in value of investments	10,86.73	–
	<u><b>155,03.00</b></u>	<u><b>3,04.57</b></u>

(₹ in lakhs)

Particulars	Note No.	Face Value (₹)	As at 31.03.2018		As at 31.03.2017	
			Holding (Number)	Cost	Holding (Number)	Cost
<b>Investment Property (net of depreciation)</b>	(i)			<b>1,67.90</b>	–	–
<b>Investment in Equity Shares: Non-Trade</b>						
<b>- In Subsidiary Companies</b>	(i)					
Sundaram Business Services Limited		10	1,50,00,000	15,00.00	–	–
Sundaram BPO India Limited		10	89,51,259	14,12.79	14,10,250	2,82.80
<b>- In Associate Companies</b>	(i)					
Flometallic India Private Limited	(iv) & (vi)	1,00,000	3,800	32,50.00	–	–
Dunes Oman LLC (FZC)	(v) & (vi)	1	22,93,725	26,94.86	–	–
Sundaram Hydraulics Limited	(ii)	10	1,12,50,000	11,25.00	–	–
Axles India Limited		10	98,91,754	10,15.70	–	–
Turbo Energy Private Limited		10	25,60,000	1,88.41	–	–
Transenergy Limited		100	1,20,000	1,87.50	–	–
Sundaram Dynacast Private Limited	(vi)	10	11,70,000	1,17.00	–	–
<b>- In Other Companies</b>	(i)					
Sundaram Clayton Limited	(vii)	5	22,73,081	14,28.25	–	–
Wheels India Limited	(vii)	10	13,33,741	8,38.14	–	–
India Motor Parts & Accessories Limited	(vii)	10	15,40,784	5,77.49	–	–
TVS Investments Limited		5	22,73,085	2,90.88	–	–
Lucas-TVS Limited		100	63,224	27.22	–	–
<b>C/F</b>				<b>146,53.24</b>		<b>2,82.80</b>

**NOTES TO THE ACCOUNTS (Contd.)**

(₹ in lakhs)

Particulars	Note No.	Face Value (₹)	As at 31.03.2018		As at 31.03.2017	
			Holding (Number)	Cost	Holding (Number)	Cost
<b>B/F</b>				<b>146,53.24</b>		<b>2,82.80</b>
Delphi TVS Diesel Systems Limited	(vi)	10	2,52,896	18.15	—	—
Brakes India Private Limited		100	1,59,460	15.33	—	—
Techtran Polylenses Limited	(ii)	10	2,50,000	67.50	—	—
Vishnu Forge Industries Limited		10	2,97,110	45.93	—	—
Senbonzakura Consultancy Private Ltd	(iii)	10	10	1.75	—	—
UMW Industries Limited			—	—	78,000	0.02
				<b>148,01.90</b>		<b>2,82.82</b>
<b>Investment in Preference Shares: Non-Trade</b>						
Senbonzakura Consultancy Private Ltd. - 0.01% Cumulative Convertible Preference Shares	(iii)	240	561	98.18		—
Sundaram Asset Management Company - 6.75% Redeemable Cumulative Non-Convertible Preference Shares	(iii)	100	15,00,000	15,00.00		—
<b>Investment in Bonds</b>						
8% IRFC Tax Free Bonds, 2022	(vii)	1000	2,175	21.75	2,175	21.75
				<b>165,89.73</b>		<b>3,04.57</b>
<b>Less: Provision for diminution in value of investments</b>				<b>10,86.73</b>		—
<b>Non-Current Investments (Net)</b>				<b>155,03.00</b>		<b>3,04.57</b>

- (i) Investment (Net of Provision of ₹10,77.93 Lakhs) transferred from Sundaram Finance Limited as per the Composite Scheme of Arrangement approved by the NCLT vide their order dated 12th Jan 2018, received by the Company on 18th Jan, 2018 - Refer Note 22.02.
- (ii) Denotes investment where provision for diminution in value other than temporary to the extent necessary has been made.
- (iii) Denotes Investments purchased during the year.
- (iv) Includes 1100 partly paid shares @ ₹50,000/- per share. (Face value ₹1,00,000/- per share)
- (v) Face value in Omani Riyal
- (vi) Denotes investments where share certificates are in the process of getting transferred in the name of the company
- (vii) Denotes Quoted Investments

(₹ in lakhs)

	Cost	Market Value
Aggregate amount of Quoted Investments (Net of Provision)	28,65.63	1553,15.53
Aggregate amount of Unquoted Investments (Net of Provision)	124,69.47	
Investment Property (net of depreciation)	1,67.90	
	<b>155,03.00</b>	<b>1553,15.53</b>

## NOTES TO THE ACCOUNTS (Contd.)

### Note 10: Deferred Tax Asset (Net)

(₹ in lakhs)

	31.03.2018	31.03.2017
<b>Deferred Tax Asset</b>		
Long Term Capital Loss	47.02	—
Depreciation	3.46	—
	<b>50.48</b>	—
<b>Deferred Tax Liability</b>	—	—
	<b>50.48</b>	—

### Note 11: Long Term Loans And Advances

(₹ in lakhs)

	31.03.2018	31.03.2017
<b>Unsecured, Considered Good</b>		
Advances to Staff	40.69	—
Rental and Other Deposit	34.32	—
Other Advance	—	1.03
<b>Other Loans and Advances</b>		
Advance Income Tax and Tax Deducted at Source (net of provision)*	44.05	2,70.68
Minimum Alternate Tax (MAT) Credit	1,09.87	—
	<b>2,28.93</b>	<b>2,71.71</b>

\* Pursuant to Scheme of Arrangement, advance tax of ₹3,71.02 Lakhs and Tax Deducted at Source of ₹1,41.58 Lakhs is in the process of getting transferred in the name of the Company.

### Note 12: Current Investments

(₹ in lakhs)

Particulars	As at 31.03.2018		As at 31.03.2017	
	Holding (Number/Units)	Cost	Holding (Number/Units)	Cost
<b>Investment in Preference Shares: Non-Trade*</b>				
Sundaram Hydraulics Limited - 9% Redeemable Cumulative Non-Convertible Preference Shares of Face Value ₹100/- each	1,66,667	1,66.67	-	-
<b>Unquoted, Valued at cost or fair value whichever is lower</b>				
<b>Investments in Mutual Funds:</b>				
Sundaram Money Fund - Growth Scheme	2,12,71,544	77,72.92	83,91,732	28,53.14
Sundaram Ultra Short Term Fund- Growth Scheme	1,83,92,104	44,19.26	-	-
ICICI Prudential Fixed Maturity Plan	4,00,00,000	40,00.00	-	-
		<b>163,58.85</b>		<b>28,53.14</b>

\* Investment transferred from Sundaram Finance Limited as per the scheme of Arrangement approved by the NCLT vide their order dated 12th January 2018, received by the Company on 18th January 2018. (Note 22.02).

## NOTES TO THE ACCOUNTS (Contd.)

### Note 13: Trade Receivables

(₹ in lakhs)

#### Unsecured, Considered Good

Outstanding for a period exceeding six months from due date

Other receivables

- Related Parties (Refer Note 22.10)

- Others

31.03.2018	31.03.2017
-	-
3,07.79	-
35.16	22.24
<u>3,42.95</u>	<u>22.24</u>

### Note 14: Cash And Cash Equivalents

(₹ in lakhs)

#### Cash on hand

Balances with banks:

- In Current Accounts

31.03.2018	31.03.2017
0.12	-
1,86.83	7.40
<u>1,86.95</u>	<u>7.40</u>

### Note 15: Short Term Loans And Advances

(₹ in lakhs)

#### Unsecured, Considered good

Staff advances

Prepaid expenses

GST Input Credit

Service Tax Input Credit

Other Advances

31.03.2018	31.03.2017
4.64	-
13.75	-
22.55	-
-	23.99
7.11	-
<u>48.05</u>	<u>23.99</u>

### Note 16: Other Current Assets

(₹ in lakhs)

Income Receivable From Bonds

Others

31.03.2018	31.03.2017
0.87	0.87
17.72	-
<u>18.59</u>	<u>0.87</u>

## NOTES TO THE ACCOUNTS (Contd.)

### Note 17: Revenue From Operations

(₹ in lakhs)

	2017-18	2016-17
Income from Investments		
Interest Income	1.74	5.16
Dividend Income	56,99.76	0.00
Net gain on sale of Non-Current Investments	–	1.00
Net gain on sale of Current Investments	2,64.70	80.76
Income from Services	13,49.77	2,52.63
Insurance Commission	–	3.60
Brokerage	–	1,06.12
	<u>73,15.97</u>	<u>4,49.27</u>

### Note 18: Other Income

(₹ in lakhs)

	2017-18	2016-17
Interest Income	29.97	33.76
Rental Income	91.88	–
Other non operating income	0.06	1.43
	<u>1,21.91</u>	<u>35.19</u>

### Note 19: Employee Benefit Expenses

(₹ in lakhs)

	2017-18	2016-17
Salaries, Bonus and other allowances	8,69.66	67.33
Company's contribution to Provident and other funds (Refer Note 22.09)	53.48	3.04
Staff Welfare Expenses	47.45	1.06
	<u>9,70.59</u>	<u>71.43</u>

### Note 20: Finance Costs

(₹ in lakhs)

	2017-18	2016-17
Interest on Income Tax	7.17	–
Interest-others	0.04	–
	<u>7.21</u>	<u>–</u>



## NOTES TO THE ACCOUNTS (Contd.)

### Note 21: Administrative And Other Expenses

(₹ in lakhs)

	2017-18	2016-17
Rent	62.18	–
Outsourcing cost	61.26	98.79
Power and Fuel	29.78	–
Rates and Taxes	15.38	16.54
Audit Fees		
- Statutory Audit	3.00	3.06
- Tax Audit	0.75	0.76
- Other Attestation Services	6.72	0.81
Communication expenses	54.23	–
Repairs and Maintenance - others	53.73	–
Filing Fees	44.51	–
Diminution in value of investments	8.80	–
CSR Expenditure (Refer Note 22.04)	18.50	–
Service Expenses	–	1,57.02
Miscellaneous expenses	88.09	55.84
	<b>4,46.93</b>	<b>3,32.82</b>

### Note 22: General

#### 22.01 Earnings Per Share (Basic and diluted) :

- A. Profit for the year after taxation (in ₹ lakhs)
- B. Weighted average no. of equity shares (after considering the impact of splitting of shares)
- C. Nominal value of Equity Share (₹)
- D. Basic and diluted earnings per share (A/B) (in ₹)

	2017-18	2016-17
A.	54,43.09	48.07
B.	15,11,03,860	75,00,000
C.	5.00	5.00
D.	3.60	0.64

#### 22.02 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.

## NOTES TO THE ACCOUNTS (Contd.)

Pursuant to the Scheme,

- a) All the non-financial services and investments of Sundaram Finance Limited (SFL), together with identified shared services were vested in the Company.
- b) The Authorised Equity Share Capital of the Company stand increased from 2,50,00,000 equity shares of ₹10/- each aggregating to ₹25,00.00 lakhs to 16,00,00,000 equity shares of ₹5/- each aggregating to ₹80,00.00 lakhs.
- c) 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 ₹20,00.00 lakhs to ₹75,55.19 lakhs.
- d) Net assets of ₹202,41.59 lakhs as of 1st April 2016 has been transferred from Demerged Company and the same is tabulated below:

(₹ in lakhs)

Particulars	SBIL	SFL	Total
<b>Assets</b>			
Fixed assets (net of depreciation)	38.20	73.29	1,11.49
Non-current investments	–	149,64.05	149,64.05
Deferred tax assets	–	2.21	2.21
Current investments	–	1,66.67	1,66.67
Other assets	14.53	50,00.00	50,14.53
Total Assets	52.73	202,06.22	202,58.95
<b>Liabilities</b>			
Deferred tax liabilities	2.83	–	2.83
Other liabilities	14.53	–	14.53
Total Liabilities	17.36	–	17.36
Net Assets Transferred	35.37	202,06.22	202,41.59
<b>Net Assets Transferred from SFL</b>			<b>202,41.59</b>

## NOTES TO THE ACCOUNTS (Contd.)

Amount credited to reserves after transfer of net assets and issue of share capital amounts to ₹146,87 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

- e) A net amount of ₹34,89.96 lakhs towards transfer of profits for the financial year 2016-17 has been credited to the Reserves - Profit and Loss Account.

### 22.03 Segment reporting:

Segment information is presented in the Consolidated Financial Statements in terms of the Accounting Standard 17 - Segment Reporting.

### 22.04 Details of Corporate Social Responsibility (CSR) :

- (a) Gross amount required to be spent by the Company during the year : ₹19.52 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	18.50	1.02	19.52

- 22.05 Dividend of ₹22,66.56 lakhs (₹1.50 per share) has been recommended by the Board for the year ended 31st March 2018.

### 22.06 Contingent liabilities and commitments :

Uncalled commitment on partly paid equity shares of Flomettalic India Private Limited ₹5,50.00 lakhs as of 31.03.2018.

- 22.07 Estimated amount of contractual commitments for the acquisition of Property Plant & Equipment - Nil

- 22.08 Earnings in foreign currency- Dividend from an Associate Company - ₹26,07.72 lakhs.

### 22.09 Disclosure as per AS 15 :

The Company has recognised the following amounts in the Profit and Loss Statement, which are included in Employee benefits in Note 19.

(₹ in Lakhs)

Particulars	2017-18	2016-17
Contribution to Provident Fund & other Funds	44.86	3.04
Contribution to Superannuation Fund	2.43	–

## NOTES TO THE ACCOUNTS (Contd.)

### Gratuity

(₹ in Lakhs)

Particulars		2017-18	2016-17
A)	Reconciliation of opening and closing balances of the present value of the defined benefit obligation		
	Opening Balance	7.91	—
	Current service cost	—	—
	Past service cost	0.15	—
	Interest cost	0.61	—
	Benefits paid	—	—
	Actuarial (gain) / loss on obligations	—	—
	Effect of Experience Adjustments	5.67	7.91
	Effect of Amalgamations #	1,08.62	—
	Closing Balance	1,22.96	7.91
B)	Reconciliation of opening and closing balances of the fair value of plan assets		
	Opening Balance	7.91	—
	Expected return on plan assets	0.69	—
	Contributions made	—	—
	Benefits paid	1.37	—
	Actuarial gain / (loss) on plan assets	(0.44)	7.91
	Effect of Amalgamations#	1,13.79	—
	Closing Balance	1,23.32	7.91
C)	Reconciliation of present value of defined benefit obligation and fair value of plan assets to the assets & liabilities recognised in the Balance sheet		
	Closing Balance :Present value of obligation	1,22.96	7.91
	Closing Balance :Fair value of plan assets	1,23.32	7.91
	Net Asset/(Liability) recognised in Balance Sheet (included under Short term loans & advances Note 15)	0.36	—
D)	Expenses recognised in the Statement of Profit and Loss		
	Current service cost	0.15	—
	Interest cost	0.61	—
	Expected return on plan assets	(0.69)	—
	Net actuarial (gain) / loss recognized	6.12	—
	Total Expenses (included under Employee benefits in Note 19)	6.19	—
E)	Actual return on plan assets		
	Expected return on plan assets	0.69	—
	Actuarial gain / (loss) on plan assets	(0.44)	—
	Actual return on plan assets	0.25	—
F)	Actuarial assumptions*		
	Discount rate	7.74%	
	Expected rate of return on plan assets	8.05%	
	Rate of increase in compensation levels	5%	
	Attrition rate	10%	

# Pursuant to scheme of Arrangement, present value of obligation have been transferred from the demerged company and related fund assets are in the process of getting transferred.

\* 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.

The entire Plan Assets are invested in Life Insurance Corporation of India (LIC)

## NOTES TO THE ACCOUNTS (Contd.)

### Other Long Term Benefits

The Company's liability towards other long term benefits are provided based on actuarial valuation as at 31st March 2018. The details are given below:

(₹ in Lakhs)

Particulars	Note No	2017-2018	2016-2017
Leave encashment [Asset/(Liability)]	15	4.51	–
Employee Assured Bonus Scheme [Asset/(Liability)]	4 & 7	(32.54)	–

### 22.10 Details of transactions with related parties

Related party disclosures, as per Accounting Standard 18 - 'Related Party Disclosures', for the year ended 31st March 2018 are given below:

#### Related parties:

##### Company having significant influence

Sundaram Finance Limited

##### Subsidiaries

Sundaram Business Services Limited

Sundaram BPO India Limited

##### Subsidiaries of Company having significant influence

Sundaram Asset Management Company Ltd

Sundaram BNP Paribas Fund Services Ltd

Sundaram BNP Paribas Home Finance Ltd

Royal Sundaram General Insurance Co. Ltd

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. Paramesh Krishnaier

Chief Executive Officer from 12th February 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	Subsidiary	Associates	Subsidiaries of Company having significant influence	Company having significant influence	KMP	2017-18	2016-17
<b>Income</b>							
<b>Dividend Income</b>							
Sundaram Dynacast Private Limited		1,40.40				1,40.40	
Turbo Energy Private Limited		7,16.80				7,16.80	
Dunes Oman LLC (FZC)		26,07.72				26,07.72	
Axles India Limited		1,78.05				1,78.05	
Transenergy Limited		9.00				9.00	
Flometallic India Private Limited		4,06.25				4,06.25	
<b>Income from Services</b>							
Sundaram Finance Limited				6,78.38		6,78.38	
Sundaram Asset Management Company Ltd			33.03			33.03	
Sundaram BNP Paribas Fund Services Ltd			1,71.90			1,71.90	
Sundaram BNP Paribas Home Finance Ltd			51.24			51.24	
Royal Sundaram General Insurance Co. Ltd			2,36.76			2,36.76	
Turbo Energy Private Limited		0.65				0.65	
<b>Other Income</b>							
<b>Rental Income</b>							
Turbo Energy Private Limited		49.37				49.37	
Sundaram Finance Limited				19.28		19.28	

**NOTES TO THE ACCOUNTS (Contd.)**

(₹ in Lakhs)

Nature of Transactions	Subsidiary	Associates	Subsidiaries of Company having significant influence	Company having significant influence	KMP	2017-18	2016-17
<b>Expenses</b>							
Sundaram Finance Ltd.							
Service Expenses						–	1,57.02
Internal Audit fees				0.50		0.50	
Sundaram BPO India Limited						–	
Outsourcing Cost	36.18					36.18	
Royal Sundaram General Insurance Co. Limited							
Insurance			2.99			2.99	0.23
Remuneration paid to KMP					4.86	4.86	
<b>Other Transactions - Investments</b>							
Sundaram Finance Ltd. - Sale of Equity Shares of Infreight Logistics Solutions Limited						–	1.00
Sundaram Asset Management Company Ltd-Purchase of Preference Shares			15,00.00			15,00.00	
Sundaram Hydraulics Limited - Redemption of Preference Shares		1,66.67				1,66.67	
<b>Closing Balance of Investment in Equity Shares</b>							
Sundaram BPO India Limited	14,12.79					14,12.79	2,82.80
Sundaram Business Services Limited	15,00.00					15,00.00	
Flometallic India Private Limited		32,50.00				32,50.00	
Dunes Oman LLC (FZC)		26,94.86				26,94.86	
Sundaram Hydraulics Limited		11,25.00				11,25.00	
Axles India Limited		10,15.70				10,15.70	
Turbo Energy Private Limited		1,88.41				1,88.41	
Transenergy Limited		1,87.50				1,87.50	
Sundaram Dynacast Private Limited		1,17.00				1,17.00	

## NOTES TO THE ACCOUNTS (Contd.)

(₹ in Lakhs)

Nature of Transactions	Subsidiary	Associates	Subsidiaries of Company having significant influence	Company having significant influence	KMP	2017-18	2016-17
<b>Closing Balance of Investment in Preference Shares</b>							
Sundaram Hydraulics Limited		1,66.67				1,66.67	
Sundaram Asset Management Company Ltd			15,00.00			15,00.00	
<b>Insurance Deposit</b>							
Royal Sundaram General Insurance Co. Ltd			0.10			0.10	
<b>Receivables:</b>							
Sundaram Finance Limited				1,48.15		1,48.15	
Sundaram Asset Management Company Ltd			7.00			7.00	
Sundaram BNP Paribas Fund Services Ltd			67.64			67.64	
Sundaram BNP Paribas Home Finance Ltd			5.84			5.84	
Royal Sundaram General Insurance Co. Ltd			64.48			64.48	
Turbo Energy Private Limited		14.68				14.68	
<b>Payables</b>							
Sundaram BPO India Limited	89.47					89.47	
Sundaram Finance Ltd.				0.25		0.25	

22.11 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, 2018.

22.12 Figures for the previous year have been re-grouped / reclassified wherever necessary to conform with the classification of the current year.

22.13 Figures for the current year are after giving effect to the Scheme of Arrangement (Note 22.02) and hence not directly comparable with those of previous year.

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 : 24-05-2018  
Place : Chennai

**Paramesh Krishnaier**  
Chief Executive Officer

**T. Kailashapathy**  
Chief Financial Officer

**S. Viji**  
Chairman

**T.T. Srinivasaraghavan**  
Director

**R. Venkatraman**  
Director

**Harsha Viji**  
Director

**P.N. Srikant**  
Secretary & Compliance Officer



## Independent Auditor's Report to the Members of Sundaram Finance Holdings Limited

(Formerly known as Sundaram Finance Investments Limited and Sundaram Finance Distribution Limited)

We have audited the accompanying consolidated financial statements of SUNDARAM FINANCE HOLDINGS LIMITED (formerly known as Sundaram Finance Investments Limited and Sundaram Finance Distribution Limited) (hereinafter referred to as “the Holding Company”), its subsidiaries (the Holding Company and its subsidiaries together referred to as “the Group”) and its associates, comprising of the Consolidated Balance Sheet as at 31st March, 2018, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as “the Consolidated Financial Statements”).

### Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of Companies Act, 2013 (hereinafter referred to as “the Act”) that give a true and fair view of the consolidated financial position, consolidated financial performance, and consolidated cash flows of the Group including its associates in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act read with relevant rules issued thereunder. 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 its associates and for preventing and detecting frauds and other irregularities; the 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 the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

### Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Consolidated Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the

Holding Company's preparation of the Consolidated Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

## Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors referred to in the Other Matters paragraph below, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Group and its associates as at 31st March, 2018, their consolidated profit, and their consolidated cash flows for the year ended on that date.

## Other Matters

a. We did not audit the financial statements of two subsidiaries, whose financial statements reflect total assets of ₹24,43.12 lakhs as at 31st March 2018, total revenues of ₹38,70.22 lakhs and net cash outflow amounting to ₹1,18.29 lakhs for the year ended on that date, as considered in the Consolidated Financial Statements.

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 our report in terms of sub-section (3) of Section 143 of the Act, is based solely on the reports of the other auditors.

- b. The Consolidated Financial Statements also include share of net profit of ₹105,62.49 Lakhs for the year ended 31st March, 2018, in respect of seven associates, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose report has 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 associates, and our report in terms of sub-section (3) of Section 143 of the Act, is based solely on the report of the other auditors.

## Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and consideration of report of other auditors referred to in Other Matters paragraph above, 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;

- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and 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) The aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act read with relevant rules issued thereunder;
- e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2018 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies and associate companies incorporated in India, none of the directors of the Group companies and its associate companies incorporated in India is disqualified as on 31st March, 2018 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 its associates which are companies incorporated in India and the operating effectiveness of such controls, refer our separate report given as "Annexure A" which is based on the auditors' report of the Holding Company, subsidiary companies & associate companies;
- g) 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 and based on consideration of report of other auditors referred to in Others Matters paragraph above;
- i. The Group has disclosed the impact of pending litigations on the consolidated financial position of the Group and its associates in Note 22.04;
- ii. The Group has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Group.

For **R.G.N. PRICE & CO.**

Chartered Accountants

Firm Registration No. 002785S

**K. Venkatakrishnan**

Partner

Place: Chennai

Date: 24th May, 2018

Membership No. 208591

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## Annexure A referred to in Clause (f) of Paragraph of Report on Other Legal and Regulatory Requirements of our report of even date on the Consolidated Accounts of the Sundaram Finance Holdings Limited (formerly known as Sundaram Finance Investments Limited and Sundaram Finance Distribution Limited), for the year ended 31st March 2018

In conjunction with our audit of the Consolidated Financial Statements of the Holding Company as of and for the year ended March 31, 2018, we have audited the internal financial controls over financial reporting of SUNDARAM FINANCE HOLDINGS LIMITED (Formerly known as Sundaram Finance Investments Limited and Sundaram Finance Distribution Limited) (hereinafter referred to as “the Holding Company”) and its subsidiary companies 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 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 on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the ICAI and the Standards on Auditing deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, 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 referred to 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 the aforesaid entities.

## Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with 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, 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 control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2018, 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.

## 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 companies 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: 24th May, 2018

Membership No. 208591

# Consolidated Balance Sheet

as at 31st March, 2018

(₹ in lakhs)

	Note	March 31, 2018	
<b><u>EQUITY AND LIABILITIES</u></b>			
<b>Shareholders' Funds</b>			
(a) Share Capital	2	75,55.19	
(b) Reserves and Surplus	3	<u>758,03.47</u>	833,58.66
<b>Non-Current Liabilities</b>			
(a) Long-term provisions	4	<u>10.89</u>	10.89
<b>Current Liabilities</b>			
Trade payables	5		
(i) Total Outstanding dues to micro enterprises and small enterprises		–	
(ii) Total Outstanding dues to creditors other than micro enterprises and small enterprises		1,56.46	
Other Current liabilities	6	1,61.62	
Short-term provisions	7	<u>1,80.85</u>	<u>4,98.93</u>
			<b><u>838,68.48</u></b>
<b><u>ASSETS</u></b>			
<b>Non-current assets</b>			
Property Plant & Equipment	8		
(i) Tangible assets		2,30.34	
(ii) Intangible assets		4,44.04	
Non current investments	9	637,86.17	
Deferred tax assets (net)	10	76.12	
Long-term loans and advances	11	<u>7,62.60</u>	652,99.27
<b>Current Assets</b>			
Current investments	12	166,42.41	
Trade receivables	13	10,53.21	
Cash and cash equivalents	14	3,59.27	
Short-term loans and advances	15	3,17.80	
Other Current Assets	16	<u>1,96.52</u>	<u>185,69.21</u>
			<b><u>838,68.48</u></b>
Significant Accounting policies	1		
Notes to the Accounts	2 to 22		

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

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

Chartered Accountants

F.R No: 002785S

**K.Venkatakrishnan**

Partner

M.No : 208591

Date : 24-05-2018

Place : Chennai

**Paramesh Krishnaier**

Chief Executive Officer

**T. Kailashapathy**

Chief Financial Officer

**S. Viji**

Chairman

**T.T. Srinivasaraghavan**

Director

**R. Venkatraman**

Director

**Harsha Viji**

Director

**P.N. Srikant**

Secretary & Compliance Officer

# Consolidated Statement of Profit and Loss

for the Year Ended 31st March, 2018

(₹ in lakhs)

	Note	2017-18
<b>REVENUE</b>		
Revenue from operations	17	67,51.41
Other income	18	4,13.39
<b>Total Revenue</b>		<b>71,64.80</b>
<b>EXPENSES</b>		
Employee benefit expenses	19	28,53.65
Finance costs	20	19.73
Depreciation	8	1,03.51
Administrative and other expenses	21	17,79.84
<b>Total Expenses</b>		<b>47,56.73</b>
<b>Profit / (Loss) before Tax</b>		<b>24,08.07</b>
<b>Tax Expense:</b>		
Current tax		5,75.43
Deferred Tax		(48.48)
		<b>5,26.95</b>
Tax under MAT		1,80.31
Less: MAT Credit Entitlement		(1,80.31)
Add: Share of Profits from Associates		105,62.49
<b>Profit / (Loss) adjusted after Tax</b>		<b>124,43.61</b>
Earnings Per Equity Share		
Basic and Diluted Earnings Per Share of ₹5/- each	22.01	8.24
Significant Accounting Policies	1	
Notes to the Accounts	2 to 22	

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

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

Chartered Accountants

F.R No: 002785S

**K.Venkatakrishnan**

Partner

M.No : 208591

Date : 24-05-2018

Place : Chennai

**Paramesh Krishnaier**

Chief Executive Officer

**T. Kailashpathy**

Chief Financial Officer

**S. Viji**

Chairman

**T.T. Srinivasaraghavan**

Director

**R. Venkatraman**

Director

**Harsha Viji**

Director

**P.N. Srikant**

Secretary & Compliance Officer

# Consolidated Cash Flow Statement

for the year ended 31st March, 2018

(₹ in lakhs)

	2017-18
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>	
Net Profit	124,43.61
Add: Provision for Taxation (including Deferred Tax)	5,26.95
	<u>129,70.56</u>
Adjustments	
Depreciation	1,03.51
Provision for Doubtful debts and Advances	63.71
Unrealised gain or loss	(20.14)
Derivative Income	(1,22.34)
Loss on sale of assets/Fixed assets written off	0.41
Add: Diminution in value of investment	8.80
Add: Dividend received from associates	40,58.22
Less: Interest Income	(1.74)
Less: Net gain on sale of investments	(2,79.68)
Less: Share of Profits from associates	(105,62.49)
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<u>62,18.82</u>
(Increase)/Decrease in Long Term Loans and Advances	(3.74)
(Increase)/Decrease in Short Term Loans and Advances	(72.33)
(Increase)/Decrease in Trade Receivables	(5,82.89)
(Increase)/Decrease in Other Current Assets	(47.75)
Increase/(Decrease) in Long Term Provisions	10.90
Increase/(Decrease) in Short Term Provisions	64.99
Increase/(Decrease) in Other Current Liabilities	81.83
Increase/(Decrease) in Trade Payables	1,37.87
Cash generated from Operations	<u>(4,11.14)</u>
Direct Taxes Paid	(5,60.00)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>(A) <u>52,47.68</u></b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>	
Purchase of Property Plant & Equipment	(1,05.49)
Sale of Property Plant & Equipment	0.72
Purchase of non-current Investments	(15,99.93)
Sale of Non-Current Investments (net proceeds)	1,66.69
Purchase of Current Investments	(337,43.72)
Sale of Current Investments (net proceeds)	206,84.91
Interest Received	1.74
<b>NET CASH FROM INVESTING ACTIVITIES</b>	<b>(B) <u>(145,95.08)</u></b>



## Consolidated Cash Flow Statement (Contd.)

(₹ in lakhs)

	2017-18
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>	
Dividend paid	(45.13)
Increase /(Decrease) in Short-Term Borrowings	(21.01)
Increase /(Decrease) in Long-Term Borrowings	(2,00.00)
<b>NET CASH FROM FINANCING ACTIVITIES (C)</b>	<b><u>(2,66.14)</u></b>
<b>D. Effects of Foreign Exchange Fluctuations (D)</b>	<b>(0.84)</b>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS (A)+(B)+(C)+(D)</b>	<b>(96,14.38)</b>
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	2,98.86
TRANSFERRED TO COMPANY PURSUANT TO SCHEME OF ARRANGEMENT (REFER NOTE 22.02)	96,74.79
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR (NOTE 14)</b>	<b><u>3,59.27</u></b>
<b>COMPONENTS OF CASH AND CASH EQUIVALENTS</b>	
AT THE END OF THE YEAR	
Current Account with Banks	3,59.03
Cash in Hand	0.24

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

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

Chartered Accountants

F.R No: 002785S

**K.Venkatakrishnan**

Partner

M.No : 208591

Date : 24-05-2018

Place : Chennai

**Paramesh Krishnaier**  
Chief Executive Officer

**T Kailashapathy**  
Chief Financial Officer

**S. Viji**  
Chairman

**T.T.Srinivasaraghavan**  
Director

**R.Venkatraman**  
Director

**Harsha Viji**  
Director

**P N Srikant**  
Secretary & Compliance Officer

# Notes to the Consolidated Financial Statements

## Note 1: SIGNIFICANT ACCOUNTING POLICIES

1.01 The financial statements are prepared and presented under the historical cost convention on the accrual basis of accounting and comply with the relevant provisions of the Companies Act, 2013. 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 preparation of the financial statements, in conformity with generally accepted accounting principles, requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities as at the Balance Sheet date, reported amounts of revenues and expenses during the year and disclosure of contingent liabilities as at that date. The estimates and assumptions used in the financial statements are based upon the management's evaluation of the relevant facts and circumstances as of the date of financial statements. The assets and liabilities have been classified as non-current and current based on a twelve month operating cycle.

### 1.02 Principles of Consolidation

The Consolidated Financial Statements have been prepared on the following basis:

- The Consolidated Financial Statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances with certain exceptions as mentioned in the respective paragraphs below and are presented to the extent possible, in the same manner as the company's separate financial statements
- The Financial Statements of the Company and its Subsidiary Companies 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.

The financial statements of the following subsidiary companies have been consolidated as per Accounting Standard - 21 on 'Consolidated Financial Statements'.

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

- The Company has the following investments in Associates for which the required treatment as per Accounting Standard - 23 on 'Accounting for investments in Associates' has been given in the Consolidated Financial Statements.

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	31.25
Flometallic India Private Limited	India	40.63
Dunes Oman LLC (FZC)	Sultanate of Oman	43.69

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)**

d. There were no Subsidiaries, Associates existing as of 31st March 2017 and accordingly there are no comparative figures.

**1.03 Revenue from Operations & Other Income**

- i) Dividend income is accounted when the right to receive the dividend is established.
- ii) Profit or Loss on sale of investment is recognised at the time of sale.
- iii) Interest income is recognised on a time proportion basis taking into account the amount outstanding and the applicable interest rates.
- iv) Income in respect of support services are accounted on accrual basis.

**1.04 Valuation of Investments:**

- i) Non-Current investments, other than investment property, are stated at cost and provision for diminution in value, other than temporary, is considered wherever necessary.
- ii) Current investments are valued at lower of cost and market value/net asset value
- iii) Investment Property are stated at historical cost less accumulated depreciation.

**1.05. Foreign currency transactions:**

- i) Transactions in foreign currencies are accounted at the prevailing rates of exchange on the date(s) of the transaction.
- ii) In respect of forward exchange contract, the premium or discount arising at the inception of forward exchange contract is amortised as expense or income over the life of the contract. Exchange difference on such contracts are recognised in the statement of profit and loss in the year in which exchange rate changes. Any profit or loss arising on cancellation of such contract is recognised as income or expense for the year.

**1.06 Property Plant & Equipment and Depreciation / Amortisation:**

Property Plant & Equipment are stated at historical cost less accumulated depreciation.

For the Company and its Subsidiaries, depreciation on Property Plant & Equipment is provided on the written down value method. The Company has adopted depreciation rates as per the useful life specified in the Schedule II of the Companies Act, 2013 except on certain category of assets for which the Company has re-assessed the useful life of the assets and residual value of the assets based on internal assessment, as below:

<b>Assets</b>	<b>(in years)</b>
Plant and Machinery	15
Computer	
- End User devices	7
- Servers & Networks	10
Vehicles	5
Office Equipment	8

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

Intangible assets are amortised over their expected useful life of 3 to 5 years, on a straight-line basis.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

### 1.07 Employee Benefits:

#### A) Short Term Employee Benefits:

Short Term Employee Benefits for services rendered by employees are recognized during the year when the services are rendered.

#### B) Post employment benefits:

##### Defined Contribution Plan

##### i) Provident Fund

The Company contributes to a 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.

##### ii) Superannuation

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

##### Defined Benefit Plan-Gratuity

The Company makes an annual contribution to a Gratuity Fund administered by trustees and managed by Life Insurance Corporation of India (LIC). The Company accounts its liability based on an actuarial valuation, as at the balance sheet date, using the Projected Unit Credit method.

The expenses and actuarial gain/ loss on account of the above benefit plan is recognized in the Statement of Profit and Loss account on the basis of an actuarial valuation.

#### C) Other Long Term Employee Benefits:

i) The liability in respect of other long term benefits like Employee Assured Bonus Scheme has been provided based on actuarial valuation.

##### ii) Leave Encashment

The Company makes an annual contribution to a fund managed by SBI Life Insurance Company Limited. The Company accounts its liability based on actuarial valuation, as at the Balance sheet date, using the projected unit credit method.

The expense and actuarial gain /loss on account of the above benefit plans are recognized in the Statement of Profit and Loss Account on the basis of an actuarial valuation.

### 1.08 Taxation:

Current tax is provided on the taxable income for the year. Deferred tax liabilities arising from timing differences have been fully provided. Deferred tax assets are recognised on the consideration of prudence.

### 1.09 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 recognized 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.

### 1.10 Provisions:

Provisions are recognized when the Company has present legal obligations, as a result of past events, for which it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made for the amount of the obligation.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)**

1.11 Cash flow statement:

Cash flows are reported using the indirect method, whereby profit / loss before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating , investing and financing activities of the Company are segregated based on available information.

**Note 2: Share Capital**

(₹ in lakhs)

Authorised:

16,00,00,000 Equity shares of face value of ₹5/- each (Previous Year 2,50,00,000 Equity shares of face value of ₹10/- each

Issued, Subscribed and fully paid up:

15,11,03,860 Equity shares of face value of ₹5/- each (Previous year 2,00,00,000 Equity shares of face value of ₹10/- each)\*

Total

31.03.2018
80,00.00
<u>80,00.00</u>
75,55.19
<u>75,55.19</u>

\* Pursuant to the Scheme of Arrangement as mentioned in Note 22.02.

The reconciliation of the number of shares outstanding as at 31st March 2018 is set out below:

No. of Shares outstanding at the beginning of the period

Add: Shares Issued

Add: Increase in No. of Equity Shares on Conversion of Face Value from ₹10 to ₹5/- per share pursuant to Scheme of Arrangement (Refer Note 22.02)

Add: Equity Shares of ₹5/- each issued for consideration other than cash pursuant to Scheme of Arrangement (Refer Note 22.02)

No. of Shares outstanding at the end of the period

31.03.2018
2,00,00,000
—
2,00,00,000
11,11,03,860
<u>15,11,03,860</u>

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 31.03.2018	% held as at 31.03.2017
Sundaram Finance Limited	Promoter	4,00,00,000	26.47%	100%

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

### Note 3: Reserves and Surplus

	(₹ in lakhs)
	31.03.2018
<b>A. Capital reserve</b>	–
Add: Reserve as per Scheme of Arrangement (Note No 22.02)	25,69.60
	<u>25,69.60</u>
<b>B. General reserve</b>	13,72.13
Add: Reserve as per Scheme of Arrangement (Note No 22.02)	117,62.85
	<u>131,34.98</u>
<b>C. Foreign Currency Translation Reserve</b>	
Opening Balance	–
Add: Reserve as per Scheme of Arrangement (Note No 22.02)	6,13.90
Add: Decrease during the year	(13.77)
Closing Balance	<u>6,00.13</u>
<b>D. Profit and Loss Account</b>	
Opening Balance	80.94
Add :Profit and Loss as per Scheme of Arrangement (Note No 22.02)	470,19.34
Add : Profit for the current period	124,43.61
Less: Final Dividend for FY 2016-17 paid	(37.50)
Dividend Tax	(7.63)
Closing Balance	<u>594,98.75</u>
	<u><b>758,03.47</b></u>

### Note 4: Long - Term Provision

	(₹ in lakhs)
	31.03.2018
Provision for Employee Benefits-Employee Assured Bonus Scheme	10.89
	<u>10.89</u>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

## Note 5: Trade Payables

	(₹ in lakhs)
	31.03.2018
Total Outstanding dues to micro enterprises and small enterprises (Refer Note 22.13)	–
Total Outstanding dues to creditors other than micro enterprises and small enterprises	
- Related Parties (Refer Note 22.12)	0.25
- Others	1,56.21
	<u>1,56.46</u>

## Note 6: Other Current Liabilities

	(₹ in lakhs)
	31.03.2018
Statutory Liabilities	1,10.63
Others	50.99
	<u>1,61.62</u>

## Note 7: Short - Term Provisions

	(₹ in lakhs)
	31.03.2018
Provision for Employee Benefits	
- Employee Assured Bonus Scheme	21.64
- Others	1,59.20
	<u>1,80.85</u>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

### Note 8: Property Plant & Equipment

(₹ in lakhs)

Particulars	GROSS BLOCK AT COST						ACCUMULATED DEPRECIATION						NET BOOK VALUE As at 31/03/2018
	As at 31/03/2017	Adjustment pursuant to Scheme of Arrangement (Note 22.02)	Addition	Deduction	As at 31/03/2018	Upto 31/03/2017	Adjustment pursuant to Scheme of Arrangement (Note 22.02)	For the Year	Deduction	Upto 31/03/2018			
<b>(i) Tangible Assets</b>													
1 Freehold Land and Buildings *	-	93.34	-	-	93.34	-	58.40	-	-	58.40	-	34.94	
2 Plant and Machinery and Computers	-	4,26.27	64.32	0.82	4,89.77	-	3,29.90	35.59	0.37	3,65.12	-	1,24.65	
3 Furniture and Fixtures	-	59.88	4.46	0.25	64.09	-	33.19	6.92	0.16	39.95	-	24.14	
4 Vehicles	-	14.24	-	-	14.24	-	4.91	2.33	-	7.24	-	7.00	
5 Office Equipment	-	58.99	8.56	2.30	65.25	-	36.08	7.34	1.70	41.72	-	23.53	
6 Electrical Equipment	-	36.65	-	-	36.65	-	18.00	2.57	-	20.57	-	16.08	
7 Leased Assets- Computer	-	27.51	-	-	27.51	-	27.51	-	-	27.51	-	-	
<b>Total-Tangible Assets</b>	-	<b>7,16.88</b>	<b>77.34</b>	<b>3.37</b>	<b>7,90.85</b>	-	<b>5,07.99</b>	<b>54.75</b>	<b>2.23</b>	<b>5,60.51</b>	-	<b>2,30.34</b>	
<b>(ii) Intangible Assets</b>													
1 Goodwill on consolidation	-	3,83.63	-	-	3,83.63	-	-	-	-	-	-	3,83.63	
2 Computer Software	-	3,76.83	28.15	-	4,04.98	-	2,99.83	44.73	-	3,44.56	-	60.42	
<b>Total-Intangible Assets</b>	-	<b>7,60.46</b>	<b>28.15</b>	-	<b>7,88.61</b>	-	<b>299.83</b>	<b>44.73</b>	-	<b>3,44.56</b>	-	<b>4,44.05</b>	
<b>Grand Total</b>	-	<b>14,77.34</b>	<b>1,05.49</b>	<b>3.37</b>	<b>15,79.46</b>	-	<b>8,07.82</b>	<b>99.48</b>	<b>2.23</b>	<b>9,05.07</b>	-	<b>6,74.39</b>	

\* Title deeds of above assets are in the process of getting transferred in the name of the Company.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

## Note 9: Non Current Investments

(₹ in lakhs)

	31.03.2018	
Investment Property (net of depreciation)	1,67.90	
Investment in Equity Shares	620,65.84	
Investment in Preference Shares	15,98.18	
Investment in bonds	21.75	
		638,53.67
Less : Provision for diminution in value of investments		67.50
		<b>637,86.17</b>

(₹ in lakhs)

Particulars	Note No.	Face Value (₹)	31.03.2018	
			Holding (Number)	Cost
<b>Investment Property (net of depreciation)</b>	<b>(i)</b>			<b>1,67.90</b>
<b>Investment in Equity Shares: Non-Trade</b>				
<b>- In Associate Companies</b>	<b>(i)</b>			
Flometallic India Private Limited	(iv) & (vi)	1,00,000	3,800	56,56.00
Dunes Oman LLC (FZC)	(v) & (vi)	1	22,93,725	100,64.90
Sundaram Hydraulics Limited		10	1,12,50,000	1,04.74
Axles India Limited		10	98,91,754	42,56.92
Turbo Energy Private Limited		10	25,60,000	374,65.75
Transenergy Limited		100	1,20,000	3,78.73
Sundaram Dynacast Private Limited	(vi)	10	11,70,000	8,28.16
<b>- In Other Companies</b>	<b>(i)</b>			
Sundaram Clayton Limited	(vii)	5	22,73,081	14,28.25
Wheels India Limited	(vii)	10	13,33,741	8,38.14
India Motor Parts & Accessories Limited	(vii)	10	15,40,784	5,77.49
TVS Investments Limited		5	22,73,085	2,90.88
Lucas-TVS Limited		100	63,224	27.22
Delphi TVS Diesel Systems Limited	(vi)	10	2,52,896	18.15
Brakes India Private Limited		100	1,59,460	15.33
Techtran Polylenes Limited	(ii)	10	2,50,000	67.50
Vishnu Forge Industries Limited		10	2,97,110	45.93
Senbonzakura Consultancy Private Ltd	(iii)	10	10	1.75
	<b>C/F</b>			<b>620,65.84</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

(₹ in lakhs)

Particulars	Note No.	Face Value (₹)	31.03.2018	
			Holding (Number)	Cost
<b>B/F</b>				<b>620,65.84</b>
<b>Investment in Preference Shares: Non-Trade</b>	(iii)			
Senbonzakura Consultancy Private Ltd-0.01% Cumulative Convertible Preference Shares		240	561	98.18
Sundaram Asset Management Company-6.75% Redeemable Cumulative Non-Convertible Preference Shares		100	15,00,000	15,00.00
<b>Investment in Bonds</b>				
8% IRFC Tax Free Bonds, 2022	(vii)	1,000	2175	21.75
				<b>638,53.67</b>
Less: Provision for diminution in value of investments				<b>67.50</b>
<b>Non-Current Investments (Net)</b>				<b>637,86.17</b>

- (i) Investment (Net of Provision of ₹58.70 Lakhs) transferred from Sundaram Finance Limited as per the composite scheme of Arrangement approved by the NCLT vide their order dated 18th Jan 2018 Refer Note 22.02
- (ii) Denotes investment where provision for diminution in value other than temporary to the extent necessary has been made.
- (iii) Denotes Investments purchased during the year.
- (iv) Includes 1100 partly paid shares @ ₹50,000/- per share. (Face value ₹1,00,000/- per share)
- (v) Face value in Omani Riyal
- (vi) Denotes investments where share certificates are in the process of getting transferred in the name of the company.
- (vii) Denotes Quoted Investments.

(₹ in lakhs)

Particulars	Cost	Market Value
Aggregate amount of Quoted Investments (Net of Provision)	28,65.63	1553,15.53
Aggregate amount of Unquoted Investments (Net of Provision)	607,52.64	
Investment Property (net of depreciation)	1,67.90	
	<b>637,86.17</b>	<b>1553,15.53</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

## Note 10: Deferred Tax Asset (Net)

(₹ in lakhs)

**Deferred Tax Asset**

	31.03.2018
Long Term Capital Loss	47.02
Depreciation	6.46
Provision for employee benefits	4.77
Provision for doubtful debts/Advances	17.87
	<u>76.12</u>
<b>Less : Deferred Tax Liability</b>	<u>—</u>
	<b><u>76.12</u></b>

## Note 11: Long Term Loans And Advances

(₹ in lakhs)

**Unsecured, Considered Good**

	31.03.2018
Advances to Staff	46.33
Rental and Other Deposit	1,55.35
Prepaid expenses	1.89
<b>Other Loans and Advances</b>	
MAT	2,62.83
Advance Income Tax and Tax Deducted at Source (net of provision)*	2,96.20
	<u>7,62.60</u>

\* Pursuant to Scheme of Arrangement, advance tax of ₹3,71.02 Lakhs and Tax Deducted at Source of ₹1,41.58 Lakhs is in the process of getting transferred in the name of the Company.

## Note 12: Current Investments

(₹ in lakhs)

Particulars	31.03.2018
<b>Investment in Preference Shares: Non-Trade *</b>	
Sundaram Hydraulics Limited - 9% Redeemable Cumulative Non-Convertible Preference Shares	1,66.66
No. of Shares - 1,66,667 at Face value of ₹100/- each	
<b>Unquoted, Valued at cost or fair value whichever is lower</b>	
<b>Investments in Mutual Funds:</b>	
Sundaram Money Fund - Growth Scheme	80,56.49
Sundaram Ultra Short Term Fund- Growth Scheme	44,19.26
ICICI Prudential Fixed Maturity Plan	40,00.00
	<u>166,42.41</u>

\* Investment transferred from Sundaram Finance Limited as per the scheme of Arrangement approved by the NCLT vide their order dated 18th Jan 2018 (Note 22.02)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

### Note 13: Trade Receivables

(₹ in lakhs)

#### Unsecured, considered good

Outstanding for a period exceeding six months from due date

Other receivables\*

31.03.2018

4.03

10,49.18

10,53.21

#### Unsecured, considered doubtful

Outstanding for a period exceeding six months from due date

Other receivables

62.65

2.76

65.41

65.41

Less: Provision for doubtful debts

Total unsecured, considered doubtful

—

**10,53.21**

\* Other Receivables includes ₹3,07.79 Lakhs due from Related Parties (Refer Note 22.12)

### Note 14: Cash And Cash Equivalents

(₹ in lakhs)

Cash on hand

Balances with banks:

- In Current Accounts

31.03.2018

0.24

3,59.03

**3,59.27**

### Note 15: Short Term Loans And Advances

(₹ in lakhs)

#### Unsecured, Considered good

Staff advances

Prepaid expenses

GST input credit & Service tax refunds due

Other Advances

Rental and other deposits\*

31.03.2018

5.73

63.80

2,22.50

15.12

10.65

3,17.80

#### Unsecured, Considered doubtful

Staff advances

Salary recoverable

2.49

0.29

2.78

Less: Provision for Doubtful Loans and Advances

2.78

—

**3,17.80**

\* Includes deposit paid to ESI Court of ₹1.04 Lakhs and appeal against Service Tax dispute of ₹0.22 Lakh

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)**

**Note 16: Other Current Assets**

	(₹ in lakhs)
	31.03.2018
Derivative Receivables	1,22.33
Unbilled Revenue	55.60
Income Receivable From Bonds	0.87
Others	17.72
	<u>1,96.52</u>

**Note 17: Revenue From Operations**

	(₹ in lakhs)
	2017-18
Income from Investments	
Interest Income	1.74
Dividend Income	16,41.54
Net gain on sale of Current investments	2,75.56
Income from services	48,32.57
	<u>67,51.41</u>

**Note 18: Other Income**

	(₹ in lakhs)
	2017-18
Interest Income	61.49
Rental Income	91.88
Net gain on Exchange Fluctuation	2,50.33
Provision for Doubtful Debts no longer required written back	5.06
Other non operating income	4.63
	<u>4,13.39</u>

**Note 19: Employee Benefit Expenses**

	(₹ in lakhs)
	2017-18
Salaries, Bonus and other allowances	26,02.03
Company's contribution to Provident and other funds (Refer Note 22.09)	1,65.91
Staff Welfare Expenses	85.71
	<u>28,53.65</u>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

### Note 20: Finance Costs

	(₹ in lakhs)
	2017-18
Interest on Term Loan	10.76
Interest on Cash Credit	0.46
Interest-others	8.51
	<u>19.73</u>

### Note 21: Administrative And Other Expenses

	(₹ in lakhs)
	2017-18
Rent	4,27.84
Outsourcing cost	1,81.00
Power and Fuel	1,14.02
Rates and Taxes	17.67
Audit Fees	
- Statutory Audit	10.50
- Tax Audit	2.75
- Other Attestation Services	7.52
Repairs and Maintenance - others	2,32.12
Sales and Marketing expenses	2,02.55
Communication expenses	1,25.67
Travelling and Conveyance	1,11.67
Professional fees	84.70
Diminution in value of investments	8.80
CSR Expenditure (Refer Note 22.11)	18.50
Miscellaneous expenses	2,34.53
	<u>17,79.84</u>

### Note 22 General

#### 22.01 Earnings Per Share (Basic and diluted):

	2017-18
A. Profit for the year after taxation (in ₹ lakhs)	124,43.61
B. Weighted average no. of equity shares	15,11,03,860
C. Nominal value of Equity Share (₹)	5.00
D. Basic and diluted earnings per share (A/B) (in ₹)	8.24

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

## 22.02 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.

Pursuant to the Scheme,

- All the non-financial services and investments of Sundaram Finance Limited (SFL), together with identified shared services were vested in the Company
- The Authorised Equity Share Capital of the Company stand increased from 2,50,00,000 equity shares of ₹10/- each aggregating to ₹25,00.00 lakhs to 16,00,00,000 equity shares of ₹5/- each aggregating to ₹80,00.00 lakhs.
- 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 ₹20,00.00 lakhs to ₹75,55.19 lakhs.
- Net assets of ₹202,41.59 lakhs as of 1st Apr 2016 has been transferred from Demerged Company and the same is tabulated below:

(₹ in lakhs)			
Particulars	SBIL	SFL	Total
<b>Assets</b>			
Fixed assets (net of depreciation)	38.20	73.29	1,11.49
Non-current investments	–	149,64.05	149,64.05
Deferred tax assets	–	2.21	2.21
Current investments	–	1,66.67	1,66.67
Other assets	14.53	50,00.00	50,14.53
<b>Total Assets</b>	<b>52.73</b>	<b>202,06.22</b>	<b>202,58.95</b>
<b>Liabilities</b>			
Deferred tax liabilities	2.83	–	2.83
Other liabilities	14.53	–	14.53
<b>Total Liabilities</b>	<b>17.36</b>	<b>–</b>	<b>17.36</b>
Net assets transferred	35.37	202,06.22	202,41.59
<b>Net assets transferred from SFL</b>			<b>202,41.59</b>

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.

- A net amount of ₹106,75.57 lakhs towards consolidated profits for the financial year 2016-17 has been credited to the Reserves - Profit and Loss Account

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

22.03 Dividend of ₹22,66.56 lakhs (₹1.50 per share) has been recommended by the Board for the year ended 31st March 2018.

22.04 Contingent Liabilities as of 31.03.2018 : (₹ in lakhs)

Nature of Liability	Amount
Bank Guarantee	50.00
Claims against the Company not acknowledged as debt	6.57

22.05 Commitments as of 31.03.2018 :

Future commitment on partly paid equity shares of Flomettallic India Private Limited ₹5,50.00 lakhs

22.06 Segment Reporting

(₹ in lakhs)

Business Segments	Investments	Support services		Eliminations	Total
		Domestic	Overseas		
<b>REVENUE</b>					
Segment Revenue	59,77.05	21,86.77	27,35.94	(41,43.30)	67,56.46
<b>RESULT</b>					
Segment Result	59,68.25	(1,14.14)	4,33.21	(40,58.22)	22,29.10
Unallocated income(net of expense)					1,78.97
Profit before tax					24,08.07
Less: Income tax					5,26.95
Add: Share of profit in Associates					105,62.49
Profit after tax					124,43.60
<b>OTHER INFORMATION</b>					
Segment Assets	803,07.69	13,03.19	12,41.29	(94.25)	827,57.92
Unallocated Assets					11,10.56
<b>Total Assets</b>					838,68.48
Segment Liabilities	–	3,87.07	2,17.01	(94.25)	5,09.82
Unallocated Liabilities					–
<b>Total Liabilities</b>					5,09.82
Capital Expenditure					1,05.49
Depreciation					1,03.51
Non-cash expenses other than depreciation					–



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)**

22.07 Foreign Currency Transactions (on accrual basis) :

(₹ in lakhs)

	Amount
Earnings in Foreign Currency-Income from Services	27,15.11
Expenditure in Foreign Currency-Salaries, travel, office expenses	4,34.39

22.08 As at the Balance Sheet date, the Company's net foreign exchange exposures that are unhedged amounts to ₹9.41 Lakhs.

22.09 Disclosure as per AS 15 :

The Company has recognised the following amounts in the Profit and Loss statement, which are included in Employee benefits in Note 19

(₹ in Lakhs)

Particulars	2017-18
Contribution to Provident Fund & other Funds	1,41.69
Contribution to Superannuation Fund	2.64

**Gratuity**

(₹ in Lakhs)

Particulars		2017-18
A)	Reconciliation of opening and closing balances of the present value of the defined benefit obligation:	
	Opening Balance	1,02.39
	Current service cost	13.35
	Past service cost	0.15
	Interest cost	7.51
	Benefits paid	(3.89)
	Actuarial (gain) / loss on obligations	(8.18)
	Effect of Experience Adjustments	5.67
	Effect of Amalgamations #	63.98
	Closing Balance	<b>1,80.98</b>
B)	Reconciliation of opening and closing balances of the fair value of plan assets :	
	Opening Balance	67.99
	Expected return on plan assets	7.31
	Contributions made	35.12
	Benefits paid	(2.52)
	Actuarial gain / (loss) on plan assets	(15.24)
	Effect of Amalgamations#	75.15
	Closing Balance	<b>1,67.81</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

(₹ in Lakhs)

Particulars		2017-18
C)	Reconciliation of present value of defined benefit obligation and fair value of plan assets to the assets & liabilities recognised in the Balance sheet :	
	Closing Balance :Present value of obligation	1,80.98
	Closing Balance :Fair value of plan assets	1,67.81
	Net Asset / (Liability) recognised in Balance Sheet (included under Short term Provision Note 7)	(13.17)
D)	Expenses recognised in the Statement of Profit and Loss :	
	Current service cost	13.50
	Interest cost	7.46
	Expected return on plan assets	(13.93)
	Net actuarial (gain) / loss recognized	12.79
	Total Expenses (included under Employee benefits in Note 19)	19.82
E)	Actual return on plan assets	
	Expected return on plan assets	13.93
	Actuarial gain / (loss) on plan assets	(15.24)
	Actual return on plan assets	(1.31)
F)	Actuarial assumptions*	
	Discount rate	7.74%
	Expected rate of return on plan assets	8.05%
	Rate of increase in compensation levels	5%
	Attrition rate	10%

# Pursuant to scheme of Arrangement, present value of obligation have been transferred from the demerged company and related fund assets are in the process of getting transferred.

\* 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.

The entire Plan Assets are invested in Life Insurance Corporation of India (LIC)

### Other Long Term Benefits

The Company's liability towards other long term benefits are provided based on actuarial valuation as at 31st March 2018. The details are given below:

(₹ in Lakhs)

Particulars	Note No	2017-2018
Leave encashment [Asset/(Liability)]	15	7.22
Employee Assured Bonus Scheme [Asset/(Liability)]	4 & 7	(32.54)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)**

22.10 The Current tax includes ₹4.82 Lakhs pertaining to the overseas branch of Sundaram Business Services Limited and has been computed based on the laws applicable to the jurisdiction in which the branch operates.

22.11 Details of Corporate Social Responsibility (CSR)

(a) Gross amount required to be spent by the Company during the year: ₹19.52 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	18.50	1.02	19.52

22.12 Details of transactions with related parties

**Related party disclosures, as per Accounting Standard 18 - 'Related Party Disclosures', for the year ended 31st March 2018 are given below:**

**Related parties:**

**Company having significant influence**

Sundaram Finance Limited

**Subsidiaries**

Sundaram Business Services Limited  
Sundaram BPO India Limited

**Subsidiaries of Company having significant influence**

Sundaram Asset Management Company Ltd  
Sundaram BNP Paribas Fund Services Ltd  
Sundaram BNP Paribas Home Finance Ltd  
Royal Sundaram General Insurance Co. Ltd  
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. Paramesh Krishnaier

Chief Executive Officer from 12th February 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	Associates	Subsidiaries of Company having significant influence	Company having significant influence	KMP	2017-18
<b>Income</b>					
<b>Dividend Income</b>					
Sundaram Dynacast Private Limited	1,40.40	—	—	—	1,40.40
Turbo Energy Private Limited	716.80	—	—	—	7,16.80
Dunes Oman LLC (FZC)	26,07.72	—	—	—	26,07.72
Axles India Limited	1,78.05	—	—	—	1,78.05
Transenergy Limited	9.00	—	—	—	9.00
Flometallic India Private Limited	4,06.25	—	—	—	4,06.25
<b>Income from Services</b>					
Sundaram Finance Limited	—	—	6,78.38	—	6,78.38
Sundaram Asset Management Company Ltd	—	33.03	—	—	33.03
Sundaram BNP Paribas Fund Services Ltd	—	1,71.90	—	—	1,71.90
Sundaram BNP Paribas Home Finance Ltd	—	51.24	—	—	51.24
Royal Sundaram General Insurance Co. Ltd	—	2,36.76	—	—	2,36.76
Turbo Energy Private Limited	0.65	—	—	—	0.65
<b>Other Income</b>					
<b>Rent Receipts</b>					
Turbo Energy Private Limited	49.37	—	—	—	49.37
Sundaram Finance Limited	—	—	19.28	—	19.28

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

(₹ in Lakhs)

Nature of Transactions	Associates	Subsidiaries of Company having significant influence	Company having significant influence	KMP	2017-18
<b>Expenses</b>					
Sundaram Finance Ltd.					
a) Rent	—	—	94.72	—	94.72
b) Internal Audit	—	—	5.00	—	5.00
c) Web Hosting	—	—	0.77	—	0.77
d) Interest on Loan	—	—	10.77	—	10.77
e) ITVO Charges	—	—	0.31	—	0.31
f) Vehicle Petrol	—	—	0.89	—	0.89
Royal Sundaram General Insurance Co. Limited					
Insurance	—	4.73	—	—	4.73
Remuneration paid to KMP	—	—	—	4.86	4.86
<b>Other Transactions - Investments</b>					
Sundaram Asset Management Company Ltd-Purchase of Preference Shares	—	15,00.00	—	—	15,00.00
Sundaram Hydraulics Limited - Redemption of preference shares	1,66.67	—	—	—	1,66.67
<b>Investment in Equity Shares (At cost)</b>					
Flometallic India Private Limited	32,50.00	—	—	—	32,50.00
Dunes Oman LLC (FZC)	26,94.86	—	—	—	26,94.86
Sundaram Hydraulics Limited	11,25.00	—	—	—	11,25.00
Axles India Limited	10,15.70	—	—	—	10,15.70
Turbo Energy Private Limited	1,88.41	—	—	—	1,88.41
Transenergy Limited	1,87.50	—	—	—	1,87.50
Sundaram Dynacast Private Limited	1,17.00	—	—	—	1,17.00

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

(₹ in Lakhs)

Nature of Transactions	Associates	Subsidiaries of Company having significant influence	Company having significant influence	KMP	2017-18
<b>Investment in preference Shares</b>					
Sundaram Hydraulics Limited	1,66.67	–	–	–	1,66.67
Sundaram Asset Management Company Ltd	–	15,00.00	–	–	15,00.00
<b>Insurance Deposit</b>					
Royal Sundaram General Insurance Co. Ltd	–	0.10	–	–	0.10
<b>Receivables:</b>					
Sundaram Finance Limited	–	–	1,48.15	–	1,48.15
Sundaram Asset Management Company Ltd	–	7.00	–	–	7.00
Sundaram BNP Paribas Fund Services Ltd	–	67.64	–	–	67.64
Sundaram BNP Paribas Home Finance Ltd	–	5.84	–	–	5.84
Royal Sundaram General Insurance Co. Ltd	–	64.48	–	–	64.48
Turbo Energy Private Limited	14.68	–	–	–	14.68
<b>Payables :</b>					
Sundaram Finance Ltd.	–	–	0.25	–	0.25

22.13 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, 2018.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

22.14 Additional information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary Associates as at 31st March 2018.

(₹ in Lakhs)

Name of the entity	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount
<b>Sundaram Finance Holdings Ltd.</b>	34.87	325,82.58	32.98	54,43.09
<b>Subsidiaries:</b>				
<b>Indian:</b>				
Sundaram Business Services Ltd.	1.54	14,41.25	3.97	6,55.83
Sundaram BPO India Ltd.	0.71	6,68.06	(0.97)	(1,59.58)
<b>Associates:</b>				
<b>Indian:</b>				
Axles India Ltd.	4.56	42,56.92	5.10	8,41.14
Turbo Energy Private Ltd.	40.09	374,65.75	32.58	53,76.57
Transenergy Ltd.	0.41	3,78.73	0.19	30.89
Sundaram Dynacast Private Ltd.	0.89	8,28.16	1.44	2,37.98
Sundaram Hydraulics Ltd.	0.11	1,04.74	(0.04)	(6.04)
Flometallic India Private Ltd.	6.05	56,56.00	7.89	13,02.21
<b>Foreign:</b>				
Dunes Oman LLC (FZC)	10.77	100,64.90	16.85	27,79.74
	100.00	934,47.07	100.00	165,01.82
Adjustment arising out of consolidation		(100,88.42)		(40,58.21)
<b>Total</b>		<b>833,58.65</b>		<b>124,43.61</b>

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 : 24-05-2018

Place : Chennai

**Paramesh Krishnaier**

Chief Executive Officer

**T. Kailashpathy**

Chief Financial Officer

**S. Viji**

Chairman

**T.T. Srinivasaraghavan**

Director

**R. Venkatraman**

Director

**Harsha Viji**

Director

**P.N. Srikant**

Secretary & Compliance Officer

## Form AOC-1

(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 as at 31st March 2018

### Part "A": Subsidiaries

(₹ in lakhs)

Sl. No.	Name of the subsidiary	Sundaram Business Services Limited	Sundaram BPO India Limited
1	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	NA	NA
2	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	NA	NA
3	Share capital	15,00.00	8,95.13
4	Reserves & surplus	(58.75)	(2,27.07)
5	Total assets	16,58.25	7,84.87
6	Total Liabilities	2,17.00	1,16.81
7	Investments	1,53.90	1,29.67
8	Turnover	30,05.28	8,64.94
9	Profit/(Loss) before taxation	6,56.23	(1,75.27)
10	Provision for taxation	0.40	(15.68)
11	Profit/(Loss) after taxation	6,55.83	(1,59.58)
12	Proposed Dividend	—	—
13	% of shareholding	100.00%	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 as at 31st March 2018

(₹ in lakhs)

Name of Associates/Joint Ventures	Axles India Limited	Turbo Energy Private Limited	Transenergy Limited	Sundaram Dynacast Private Limited	Sundaram Hydraulics Limited	Flometallic India Private Limited	Dunes Oman LLC (FZC)
1. Latest audited Balance Sheet Date	31-03-2018	31-03-2018	31-03-2018	31-03-2018	31-03-2018	31-03-2018	31-03-2018
2. Shares of Associate held by the company on the year end							
Number of Shares	98,91,754	25,60,000	1,20,000	11,70,000	1,12,50,000	3,800	22,93,725
Amount of Investment in Associates	10,15.70	1,88.41	1,87.50	1,17.00	11,25.00	32,50.00	26,94.86
Extend of Holding %	38.81%	32.00%	42.31%	26.00%	31.25%	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	42,56.92	374,65.75	3,78.73	8,28.16	1,04.74	56,56.00	100,64.90
6. Profit / Loss for the year							
i. Considered in Consolidation	8,77.39	55,22.50	32.72	2,66.58	(6.04)	13,84.92	27,79.74
ii. Not Considered in Consolidation	13,83.44	117,35.33	44.61	7,58.68	(13.29)	20,24.12	35,82.67

As per our report of even date attached.

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

FR No: 0027855

**K.Venkatakrishnan**  
Partner

M.No : 208591

Date : 24-05-2018

Place : Chennai

**S. Viji**  
Chairman

**T.T. Srinivasaraghavan**  
Director

**Paramesh Krishnaier**  
Chief Executive Officer

**T. Kailashapathy**  
Chief Financial Officer

**R. Venkatraman**  
Director

**Harsha Viji**  
Director

**P.N. Srikant**  
Secretary & Compliance Officer

