

# Sundaram Finance Holdings Limited

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26th Annual Report

2019-20



***SUNDARAM FINANCE HOLDINGS***

<b>Board of Directors</b>	T T Srinivasaraghavan R Venkatraman S Prasad Shobhana Ramachandhran Srivats Ram Harsha Viji	Chairman
<b>Audit Committee</b>	R. Venkatraman S Prasad Harsha Viji	Chairman
<b>Stakeholders Relationship Committee</b>	R Venkatraman Srivats Ram 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>Investment Committee</b>	T T Srinivasaraghavan R Venkatraman Harsha Viji Srivats Ram	Chairman
<b>Chief Executive Officer</b>	Paramesh Krishnaier (upto 18.05.2020) S. Ravi (w.e.f. 19.05.2020)	
<b>Chief Financial Officer</b>	V Vaasen	
<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 Website: www.sundaramholdings.in	
<b>CIN</b>	L65100TN1993PLC025996	
<b>Auditors</b>	M/s. R.G.N Price. & Co., Chartered Accountants Simpson's Building, 861 Anna Salai, Chennai – 600002	
<b>Subsidiary</b>	Sundaram Business Services Limited	
<b>Bankers</b>	ICICI Bank Limited State Bank of India	

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**SUNDARAM FINANCE HOLDINGS**

## Board's Report

Your directors have pleasure in presenting the 26th Annual Report together with audited accounts for the year ended 31st March 2020. The summarised financial results of the Company are presented hereunder:

### FINANCIAL RESULTS:

(₹ in cr.)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Revenue from Portfolio Companies	59.48	65.32
Operating Revenue	33.00	53.43
Other Income	1.87	1.96
<b>Total Revenue</b>	<b>94.35</b>	<b>120.71</b>
Less: Total Expenses	29.24	25.22
<b>Profit before Tax</b>	<b>65.12</b>	<b>95.49</b>
<b>Profit after Tax</b>	<b>61.39</b>	<b>84.93</b>
<b>Consolidated PAT</b>	<b>78.13</b>	<b>137.46</b>

### DIVIDEND

Your Company paid an interim dividend of ₹0.75/- per share in March 2020. Your directors are pleased to recommend a final dividend of ₹0.50/- per share, which, together with the interim dividend, would aggregate to a total dividend of ₹1.25/- per share (25% on the face value of ₹5/-), representing a dividend pay-out of 34.56% of profits.

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.

Pursuant to the demerger of the non-financial services investments of Sundaram Finance Limited into your Company, the Company had been categorised as an exempted 'Core Investment Company' (CIC) under the Core Investment Companies (Reserve Bank) Directions, 2016 (the Directions), issued by the Reserve Bank of India (RBI). However, as on the date of the last audited balance sheet, i.e. 31st March 2020, the overall investments of the Company in Group Companies have fallen below the threshold limit specified in the Directions, i.e. 90% of the net assets, primarily due to the valuation of investments under IND AS 113, as a result of which your Company will cease to be a CIC. Accordingly, the Company will be initiating steps to register itself with the Reserve Bank of India as a Non-Banking Finance Company (NBFC).

### MANAGEMENT DISCUSSION AND ANALYSIS

#### GLOBAL ECONOMY

The fiscal year 2019-20 started on the back foot with growth projections being revised downward globally, reflecting the increasing uncertainties emanating from the US-China trade war that deepened during the start of the fiscal. However, after several months of a seeming deadlock, the signing of the Phase 1 trade deal signalled a gradual pickup in global manufacturing, both in the developed and emerging economies. Unfortunately, barely a week later, China saw an outbreak of COVID-19 and by mid-February, the outbreak had spread beyond its borders with several countries across the globe witnessing a rise in infections and increasing fatalities. However, China implemented stringent lockdown measures to contain the spread of the virus and was able to restart its economy as early as mid-March by which time the epicentre of the virus had moved to the western world with devastating effects on Italy, Spain, UK and the US in that order. Countries across continents started adopting lockdowns similar to that of China with mixed success. This phase of lockdowns initiated a second round of downward revisions in growth forecasts, forcing global institutions and research houses to downgrade their forecasts for countries,

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companies and eventually global growth. Adding to the above two layers of risk around COVID-19 and growth downgrades, there was also a sharp drop in the price of crude, resulting from a price war between Saudi Arabia and Russia. In the wake of these tumultuous developments, Governments and Central Banks across the world responded with a number of significant fiscal and monetary measures in the form of direct cash grants, guarantees and monetary stimulus, protection of employee wages and the like, with a view to softening the pain for individuals and businesses and infusing confidence in the markets. The global economy is now in the throes of the deepest recession since the Great Depression of the 1930s and the global economic outlook is uncertain.

## **INDIAN ECONOMY**

India started the fiscal year with the 2019 General Elections that saw the return of the NDA Government at the Centre for a second consecutive term. The Union Budget 2019-20 reiterated the government's commitment to fiscal prudence, retained its focus on the middle-income class, infrastructure creation and physical connectivity. However, given a slowing economy and revenue collection pressures, the government ended the year with a much higher fiscal deficit at 3.8% of GDP, as compared to the fiscal deficit target of 3.3%.

The year was significant from the stand-point of tax reforms with the government slashing the effective corporate tax rate to 25.17%, inclusive of all cess and surcharge, for domestic companies (from 34.9% earlier). This is subject to the condition that companies would not be eligible for any other incentives or exemptions. Under this new regime, new manufacturing companies incorporated after 1st Oct, 2019 will be taxed at a substantially lower rate of 17.01%, without deductions, almost on par with Singapore.

Growth for FY20 (9M) stood at 5.1%, but with the economic fallout of COVID-19 being felt in Q4 FY20, the year is likely to settle lower at around 4.5%. Waning domestic growth and the impact of lower crude prices were reflected in a lower WPI inflation of 1.7%. However, CPI inflation witnessed a sharp

rise as a result of a surge in vegetable prices, resulting from supply bottlenecks. The average CPI inflation for FY20 stood at 4.7%.

The outbreak of the COVID-19 pandemic in the fourth quarter completely overshadowed the events of the previous nine months. The abrupt collapse of economic activity resulting from a sharp supply-side shock was reflected in an IIP contraction of -0.7% in FY20. The stock markets experienced strong selling pressure that reflected in a weaker currency. The Rupee witnessed a depreciation of 8.3% against the dollar (end-to-end), ending the fiscal year at 74.85. However on an annual average basis the rupee depreciation was contained at 1.4% to an average of 70.9 to the dollar in FY20.

With the onset of COVID-19 cases in India, mobility constraints on international travel were imposed even before a national lockdown was announced on March 25th. Following the lead of several developed economies, the government announced a relief package immediately following the lockdown, targeted at low income households, the rural poor and MSME employees. This relief took the form of cash transfers, subsidised food grains, free gas cylinders and interest free loans.

## **AUTOMOTIVE SECTOR**

FY20 started on a rather weak note carrying forward the challenges faced in the 2nd half of FY19. Unfortunately, the expected rebound in consumer sentiments after the general elections, did not materialise. This had a particularly dampening effect on the fortunes of the automotive sector. The festive season brought some cheer with retail demand stabilising, while rural markets gathered some momentum in the second half of FY20 thanks to good monsoons and expectations of a healthy Rabi crop. However, towards the end of the year, the COVID-19 pandemic led to a near paralysis of economic activity across the country impacting automotive despatches and disrupting the entire auto supply chain.

Commercial vehicle sales have been on a downward curve since October 2018 and any upturn in this segment will

depend entirely on a revival in economic activity, improvement in movement of goods and increased investments in infrastructure. Passenger Car sales are also expected to be muted during the first half of the financial year. However, with social distancing set to become the norm, demand for 'Personal transport' could see an increase, especially in the entry level segments;

Rural India has thus far been relatively unaffected by the pandemic. A bountiful harvest and the prospect of a normal Southwest monsoon augur well for the agricultural sector and should hopefully boost sales of tractors and farm equipment. The other major driver of economic revival of course, is infrastructure investment and the Government's moves in this regard will be keenly watched.

## OUTLOOK

Your company generates a significant portion of its income from dividend flows from the portfolio companies that are engaged in the automotive sector.

The slowing down in the Indian economy, compounded with the national lockdown towards the end of March 2020, is likely to have affected the growth prospects of portfolio companies significantly.

Consequently, dividend flows from portfolio companies are expected to be much lower, till there is a return to normalcy and revival of growth in business.

## OPERATING AND FINANCIAL PERFORMANCE

Your Company earned a revenue of ₹94.35 cr., during the financial year 2019-20, as against ₹120.71 cr. in the previous year. The profit after tax for the year was ₹61.39 cr., as against ₹84.93 cr. in the previous year. The company's net-worth stood at ₹1240.56 cr. as on 31.03.2020.

There are no significant changes in key financial ratios of the Company for F.Y. 2019-20 as compared to F.Y. 2018-19, except for the following:

Ratios	March 2020	March 2019	Variance	Reason for Change
Debtors Turnover Ratio	8.17	6.54	25%	Improvement in collection cycle

The consolidated profit after tax and net worth for the year stood at ₹78.13 cr. and ₹1857.26 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	25.63
Sundaram Business Services Limited - for managing outsourced business of domestic and overseas clients (Wholly - owned Subsidiary)	36.50
Total	62.13

- **Shared Services Business**

The shared services business of the Company encompasses services provided to Sundaram Finance Limited and its group and 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 ₹25.63 cr. The business had 554 employees as on 31st March 2020.

- **Sundaram Business Services Limited**

Sundaram Business Services Limited (SBSL) is a global outsourcing company offering a wide range of services to domestic and overseas clients. The service offerings of SBSL include best in class outsourcing to 50 clients in India, Australia, U.S.A and the UK.

During the year, SBSL earned a revenue of ₹40.77 cr. and reported a profit after tax of ₹3.26 cr. As on date, the company has 559 employees.

## INVESTMENTS BY THE COMPANY

During the financial year 2019-20, your Company made portfolio investments in the following entities:

Name of the Entity	Amount of Investment (₹ in cr.)	% Stake	Remarks
Wheels India Limited	33.30	2.50	Investment by way of an acquisition from the JV Partner, viz., Titan Europe Limited.
Fettle Tone LLP	20.87	3.30	Investment as a co-investor in the LLP formed by True North Fund VI LLP for the purpose of making an investment in Max Bupa Health Insurance Company Limited.
Others	3.41	–	Investments in India Motor Parts & Accessories Limited and D2C Consulting Services Pvt. Ltd. (RenewBuy) – an online portal for insurance products.

## INVESTMENT PORTFOLIO

The Company holds investments in 18 portfolio companies as at 31.03.2020. The total carrying cost of these investments is ₹157.21 cr. The performance of the key portfolio companies during 2019-20 was as follows:

(₹ in cr.)

S No.	Portfolio Company	Holding Cost (₹ in cr.)	Holding (%)	Networth	Share of Networth	PAT	Share of PAT
1	Turbo Energy Private Limited	1.88	32.00	1440.18	460.86	100.76	32.24
2	India Motor Parts and Accessories Limited	6.18	18.59	1009.87	187.74	35.13	6.53
3	Brakes India Private Limited	0.15	6.67	2321.71	154.86	473.86	31.61
4	Dunes Oman LLC (FZC)	21.56	43.69	199.17	87.02	17.00	7.43
5	Sundaram Clayton Limited	14.28	11.24	688.70	77.41	6.65	0.75
6	Wheels India Limited	41.68	13.58	568.61	77.22	49.49	6.72
7	Flometallic India Private Limited	32.50	40.63	152.50	61.95	10.15	4.12
8	Axles India Limited	10.16	38.81	136.84	53.10	12.16	4.72
9	Lucas-TVS Limited	0.27	5.32	930.57	49.51	90.79	4.83
10	Delphi TVS Technologies Limited	0.18	3.19	374.56	11.95	73.28	2.34
11	Others	28.36	NA	146.23	26.33	9.91	3.98
	<b>Total</b>	<b>157.21</b>			<b>1247.94</b>		<b>105.27</b>

**Note:** The figures relating to the companies mentioned under Sl. Nos. 3, 9 and 10 are based on the audited financial results for the year ended 31st March 2019. The figures relating to the companies mentioned under Sl. Nos. 2, 5 and 6 are based on the unaudited financial results for the nine months ended 31st December 2019, which were subjected to Limited Review. The figures relating to the companies mentioned under Sl. Nos. 1, 4, 7 and 8 are based on the audited financial results for the year ended 31st March 2020.

### **Turbo Energy Private Limited**

Turbo Energy Private Limited is the leading manufacturer of turbo chargers and turbo charger parts in the country. Your Company holds 32% stake in Turbo Energy Private Limited and has been categorised as one of the promoters of that company. Borgwarner Turbo Systems (Germany) and Brakes India Private Limited are the other promoters of the company. During the year, the revenue earned by the company stood at ₹1375.16 cr. as against ₹1584.80 cr. in the previous year. The profit after tax for the year was ₹100.76 cr. as against ₹167.38 cr. in the previous year. Your Company received a total dividend of ₹15.36 cr. from Turbo Energy Private Limited during the financial year 2019-20.

### **India Motor Parts and Accessories Limited**

India Motor Parts and Accessories Limited is the largest distributor of automotive spare parts and equipment in the country. Your Company holds 18.59% stake in India Motor Parts and Accessories Limited. For the period ended 31st December 2019, the revenue earned by the company stood at ₹417.55 cr., as against ₹391.12 cr. for the corresponding period in the previous year. The profit after tax for the nine months ended 31st December 2019 stood at ₹35.13 cr. as against ₹26.41 cr., for the corresponding period in the previous year. The market capitalisation of the company as on 31st March 2020 was ₹574.45 cr. The value of your Company's holding on that basis, was ₹106.79 cr., as on 31st March 2020. Your Company received a total dividend of ₹5.08 cr. from India Motor Parts and Accessories Limited during the financial year 2019-20.

### **Brakes India Private Limited**

Brakes India Private Limited is the market leader in the manufacture of braking systems for cars and commercial vehicles in the country. Your Company holds 6.67% stake in Brakes India Private Limited and has been categorised as one of the promoters of that company. TRW Automotive (since acquired by and now part of ZF Group) and the TVS Group are the other promoters of the company. The revenue earned by the company for the year ended 31st March 2019 grew by 10.74% from ₹4421.27 cr. to ₹4896.12 cr. The profit after tax for the year ended 31st March 2019 was ₹473.86 cr. as against ₹446.64 cr. in the previous year, registering a growth of 6.09%. Your Company

received a total dividend of ₹6.98 cr. from Brakes India Private Limited during the financial year 2019-20.

### **Dunes Oman LLC (FZC)**

Dunes Oman LLC (FZC), operating in Salalah, Sultanate of Oman, is engaged in the manufacture of iron castings for the automotive industry. Your Company holds 43.69% stake in Dunes Oman LLC (FZC) and has been categorised as one of the promoters of that company. Dunes Oman was co-promoted with Brakes India Private Limited. The company's revenue for the year stood at ₹262.01 cr. as against ₹352.83 cr. in the previous year, while the profit after tax for the year was ₹17 cr. as against ₹51.84 cr. in the previous year. Your Company received a total dividend of ₹10.12 cr. from Dunes Oman LLC (FZC) during the financial year 2019-20.

### **Sundaram Clayton Limited**

Sundaram Clayton Limited is engaged in the manufacture of precision aluminium cast products for both automotive and non-automotive applications. Your Company holds 11.24% stake in Sundaram Clayton Limited and has been categorised as one of the promoters of that company. The TVS Group is the other promoter of the company. For the period ended 31st December 2019, the revenue earned by the company stood at ₹1029.37 cr., as against ₹1477.29 cr. for the corresponding period in the previous year. The profit after tax for the nine months ended 31st December 2019 stood at ₹6.65 cr. as against ₹69.39 cr., for the corresponding period in the previous year. The market capitalisation of the company as on 31st March 2020 was ₹3019.13 cr. The value of your Company's holding on that basis, was ₹339.20 cr. as on 31st March 2020. Your Company received a total dividend of ₹7.05 cr. from Sundaram Clayton Limited during the financial year 2019-20.

### **Flometallic India Private Limited**

Flometallic India Private Limited is engaged in the manufacture of iron castings for the automotive industry. Your Company holds 40.63% stake in Flometallic India Private Limited. During the year, the revenue earned by the company stood at ₹303.99 cr. as against ₹331.11 cr. in the previous year. The profit after tax for the year was ₹10.15 cr. as against ₹28.65 cr. in the previous



year. Your Company received a total dividend of ₹3.25 cr. from Flometallic India Private Limited during the financial year 2019-20.

#### **Wheels India Limited**

Wheels India Limited is the leading manufacturer of wheels and air suspension components for cars and commercial vehicles in the country. Your Company holds 13.58% 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 2019, the revenue earned by the company stood at ₹1894 cr., as against ₹2333.78 cr. for the corresponding period in the previous year. The profit after tax for the nine months ended 31st December 2019 was ₹49.49 cr. as against ₹55.96 cr. for the corresponding period in the previous year. The market capitalisation of the company as on 31st March 2020 was ₹808.69 cr. The value of your Company's holding on that basis, was ₹109.86 cr., as on 31st March 2020. Your Company received a total dividend of ₹2.25 cr. from Wheels India Limited during the financial year 2019-20.

#### **Axles India Limited**

Axles India Limited is a leading manufacturer of axle housings for medium and heavy commercial vehicles in the country. Your Company holds 38.81% stake in Axles India Limited and has been categorised as one of the promoters of that company. Dana Corporation (USA) and Wheels India Limited are the other promoters of the company. During the year, the revenue earned by the company stood at ₹408.62 cr. as against ₹621.05 cr. The profit after tax for the year was ₹12.16 cr. as against ₹38.06 cr. in the previous year. Your Company received a total dividend of ₹3.96 cr. from Axles India Limited during the financial year 2019-20.

#### **Lucas-TVS Limited**

Lucas-TVS Limited is engaged in the manufacture of auto electrical equipment. Your Company holds 5.32% stake in Lucas-TVS Limited and has been categorised as one of the promoters of that company. The TVS Group is the other promoter of the company. The revenue earned by the company

for the year ended 31st March 2019 grew by 10.66% from ₹2323.53 cr. to ₹2571.13 cr. The profit after tax for the year ended 31st March 2019 was ₹90.79 cr. as against ₹75.60 cr. in the previous year, registering a growth of 20.09%. Your Company received a total dividend of ₹1.20 cr. from Lucas-TVS Limited during the financial year 2019-20.

#### **Delphi-TVS Technologies Limited**

Delphi TVS Technologies Limited is engaged in the manufacture of diesel fuel injection equipment for passenger vehicles, commercial vehicles and tractors. Your Company holds 3.19% stake in Delphi TVS Technologies 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 2019 grew by 17.23% from ₹1059.09 cr. to ₹1241.56 cr. The profit after tax for the year ended 31st March 2019 was ₹73.28 cr. as against ₹44.47 cr. in the previous year, registering a growth of 64.77%. Your Company received a total dividend of ₹0.53 cr. from Delphi TVS Technologies Limited during the financial year 2019-20.

#### **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 transactions entered into by the Company with Sundaram Finance Limited during the financial year 2019-20 were material in nature (as per the definition provided under Regulation 23(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015), for which, approval of the shareholders was

obtained vide ordinary resolution dated 18th July 2018. The Company did not enter into any material transaction with other related parties, during the year.

Form AOC-2, as required under Section 134 (3) (h) of the Act, read with Rule 8 (2) of the Companies (Accounts) Rules 2014, is attached as part of this report, vide Annexure 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.

As required under Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the details of the related party transactions with Sundaram Finance Limited, Promoter, have been provided under Note 30 – Related Party Transactions, forming part of the notes to the accounts.

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

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

The Annual Report on CSR Activities undertaken by the Company for the Financial Year 2019-20, 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 financial year. None was pending unresolved as on 31st March 2020.

### **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 2019-20, foreign currency earnings amounted to ₹10.12 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

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adherence to policies (b) safeguarding of assets (c) prevention and detection of frauds / errors (d) accuracy and completeness of the accounting records and (e) timely preparation of reliable financial information.

## **RISK MANAGEMENT**

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

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

## **INTERNAL AUDIT**

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

The IAD of SFL is manned by highly qualified and experienced personnel and reports directly to the Audit Committee of the Board. The Audit Committee regularly reviews the audit findings

as well as the adequacy and effectiveness of the internal control measures.

## **HUMAN RESOURCES**

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

## **INFORMATION TECHNOLOGY**

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

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

## **CONSOLIDATED FINANCIAL STATEMENTS**

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

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

## BOARD AND AUDIT COMMITTEE

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

## DIRECTORS

Sri Harsha Viji, Director, retires by rotation and being eligible, offers himself for re-election.

## KEY MANAGERIAL PERSONNEL

During the year 2019-20, there were no changes in the key managerial personnel.

Sri Paramesh Krishnaier demitted office as Chief Executive Officer of the Company with effect from 18th May 2020. Your directors place on record the significant contribution made by him to the continued success of the Company.

The Board of Directors has appointed Sri S. Ravi as Manager under the Companies Act, 2013, to be designated as Chief Executive Officer of the Company, for a period of 3 years with effect from 19th May 2020, subject to the approval of the shareholders of the Company.

## DECLARATION BY INDEPENDENT DIRECTORS

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

## ANNUAL EVALUATION BY THE BOARD

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

## DIRECTORS' RESPONSIBILITY STATEMENT

Your directors confirm that:

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

2. The Company has selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the company for that period;
3. Proper and sufficient care has been exercised for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
4. The annual accounts have been prepared on a going concern basis;
5. Adequate internal financial controls have been put in place and they are operating effectively; and
6. Proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

## AUDITORS

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

## ACKNOWLEDGEMENT

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

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

For and on behalf of the Board

Chennai 600 002  
25.05.2020

**T.T. Srinivasaraghavan**  
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.

### 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 2020.

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

Name of the Director	DIN	Attendance Particulars		Directorships in other public limited companies				Committees in which Chairman/ Member of other public limited companies*		Directorship in other listed company	
		Board Meetings	AGM	Chairman		Director		Chairman	Member	Name of the Company	Category of Directorship
				Listed	Unlisted	Listed	Unlisted				
<b>Promoter Directors</b>											
Sri T.T. Srinivasaraghavan Non-executive Chairman	00018247	11	Yes	-	-	1	5	-	3	Sundaram Finance Limited	Executive Director
Sri Srivats Ram, Non-executive Director	00063415	10	Yes	-	1	1	2	-	1	Wheels India Limited	Executive Director
Sri Harsha Viji Non-executive Director	00602484	11	Yes	-	-	1	4	1	3	Sundaram Finance Limited	Executive Director
<b>Independent Directors</b>											
Sri R. Venkatraman	07119686	11	Yes	-	-	1	3	1	1	Goodricke Group Limited	Independent Director
Sri S. Prasad	00063667	11	Yes	-	-	3	2	6	1	Sundaram Finance Limited	Independent Director
										Wheels India Limited	
										India Motor Parts & Accessories Limited	
Ms Shobhana Ramachandhran	00273837	10	Yes	-	-	3	2	-	2	TVS Srichakra Limited	Executive Director
										Sundaram Finance Limited	Independent Director
										Sundaram Brake Linings Limited	Non-Executive Director

\* Audit Committee and Stakeholders' Relationship Committee considered

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

Category	Expertise	Skills / Competencies
Non-Executive Non-Independent Directors 1. Sri T.T. Srinivasaraghavan 2. Sri Srivats Ram 3. Sri Harsha Viji	<ul style="list-style-type: none"> <li>• In-depth Industry Knowledge</li> <li>• Wealth Management</li> <li>• Business Policies</li> <li>• Capital Markets</li> <li>• Audit and Financial Management</li> <li>• Legal and Regulatory Framework</li> <li>• Risk Assessment and Management</li> <li>• Strategic Management</li> </ul>	<ul style="list-style-type: none"> <li>• Entrepreneurial</li> <li>• Governance</li> <li>• Leadership</li> <li>• Technical</li> <li>• Analytical</li> <li>• Organisational</li> <li>• Technological</li> <li>• Planning</li> <li>• Resource Management and Utilisation</li> <li>• People Management</li> <li>• Communication</li> <li>• Behavioural</li> </ul>
Independent Directors 1. Sri R. Venkatraman 2. Sri S. Prasad 3. Ms. Shobhana Ramachandhran	<ul style="list-style-type: none"> <li>• In-depth Industry Knowledge</li> <li>• Audit and Financial Management</li> <li>• Legal and Regulatory Framework</li> <li>• Risk Assessment and Management</li> <li>• Business Policies</li> <li>• Capital Markets</li> </ul>	<ul style="list-style-type: none"> <li>• Technical/Professional</li> <li>• Analytical</li> <li>• Technological</li> <li>• Behavioural</li> </ul>

## 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, 11 meetings of the Board of Directors were held.

17.05.2019	08.11.2019
03.06.2019	20.12.2019
05.08.2019	07.02.2020
16.09.2019	07.03.2020
28.09.2019	16.03.2020
05.10.2019	

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

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

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

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

### III. AUDIT COMMITTEE

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

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

Name of the Member		No. of Meetings Attended	Meeting dates
Sri R. Venkatraman	Chairman	4	17.05.2019
Sri S. Prasad	Member	4	05.08.2019
Sri Harsha Viji	Member	4	08.11.2019 07.02.2020

The Company Secretary is the Secretary to the Committee.

### IV. STAKEHOLDERS RELATIONSHIP COMMITTEE

The Stakeholders Relationship Committee

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

Composition of the Stakeholders Relationship Committee is as follows:

Name of the Member		No. of Meetings attended	Meeting dates
Sri R. Venkatraman	Chairman	1	19.12.2019
Sri Srivats Ram	Member	1	
Sri T.T. Srinivasaraghavan	Member	1	

Besides, the committee also approved resolutions passed in circulation, on 35 occasions.

Sri P.N. Srikant, Secretary, is the Compliance Officer. No investor complaint was received during the year. None was pending unresolved as on 31st March 2020.



## V. SEPARATE MEETING OF INDEPENDENT DIRECTORS

A Separate Meeting of Independent Directors was held on 7th February 2020 without the attendance of non-independent directors and members of management. All the Independent Directors attended the meeting and:

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

## VI. FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

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

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

## VII. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

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

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

Name of the Member		No. of Meetings Attended	Meeting dates
Sri S. Prasad	Chairman	1	17.05.2019
Sri T.T. Srinivasaraghavan	Member	1	
Sri Harsha Viji	Member	1	

The Company Secretary is the Secretary to the Committee.

## VIII. NOMINATION & REMUNERATION COMMITTEE

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

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

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

Name of the Member		No. of Meetings attended	Meeting dates
Sri R. Venkatraman	Chairman	2	17.05.2019
Sri S Prasad	Member	2	07.03.2020
Sri Harsha Viji	Member	2	

The Company Secretary is the Secretary to the Committee.

## IX INVESTMENT COMMITTEE

The Investment Committee takes appropriate investment decisions based on the authority delegated by the Board. The Committee also evaluates various investment opportunities from time to time and submits its recommendations to the Board. The terms of reference of the Investment Committee inter alia include:

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

Composition of the Investment Committee and attendance of the members at Committee Meeting are as follows:

Name of the Member		No. of Meetings attended	Meeting dates
Sri T.T. Srinivasaraghavan	Chairman	7	02.05.2019 17.05.2019
Sri R. Venkatraman	Member	8	31.05.2019 05.06.2019
Sri Srivats Ram	Member	5	28.09.2019 05.10.2019
Sri Harsha Viji	Member	8	07.02.2020 16.03.2020

## X. REMUNERATION OF DIRECTORS

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

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

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

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

Name of the Director	Sitting Fee (₹ in lakhs)	Commission (₹ in lakhs)	Number of Shares held individually (as on 31.03.2020)	Relationship with other Directors
Sri T.T. Srinivasaraghavan	–	–	– <sup>(1)#</sup>	–
Sri R. Venkatraman	6.45	5.00	–	–
Sri S. Prasad	4.45	3.00	– <sup>(2)</sup>	–
Ms Shobhana Ramachandhran	2.60	3.00	3,44,720	–
Sri Srivats Ram	–	–	17,01,322 <sup>(3)</sup>	–
Sri Harsha Viji	–	–	16,72,358 <sup>(4)</sup>	–

**Note:**

- Number of shares held jointly with others: <sup>(1)</sup> 3,26,376 <sup>(2)</sup> 25,200 <sup>(4)</sup> 3156
- Number of shares held as Karta of HUF: <sup>(1)</sup> 1,23,192 <sup>(3)</sup> 77,200
- 1,10,000 shares<sup>#</sup> held as trustee

## XI. GENERAL BODY MEETINGS

Details relating to last three Annual General Meetings:

Year	Date	Time	Location	No. of Special Resolutions Passed
2019	15th July 2019	10.00 A.M.	“Kasturi Srinivasan Building” (Mini Hall – The Music Academy), New No.168, Old No.306, TTK Road, Chennai 600 014	One
2018	18th July 2018	10.00 A.M.	“Kasturi Srinivasan Building” (Mini Hall – The Music Academy), New No.168, Old No.306, TTK Road, Chennai 600 014	Nil
2017	18th July 2017	10.00 A.M.	21 Patullos Road, Chennai 600002	Nil

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

## XII. VIGIL MECHANISM / WHISTLE BLOWER POLICY

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

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

### XIII. DISCLOSURES

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

### XIV. POLICIES ON MATERIAL SUBSIDIARIES AND RELATED PARTY TRANSACTIONS

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

### XV. MEANS OF COMMUNICATION

- The annual audited financial results for the year ended 31st March 2019 and the quarterly unaudited financial results for the first three quarters of Financial Year 2019-20 were published in "Financial Express" (English) and Makkal Kural (Tamil). The annual audited financial results for the year ended 31st March 2020 are not being published in the newspapers in accordance with the exemption granted by the Securities and Exchange Board of India.
- The results have been 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 Notice of the 26th Annual General Meeting, together with the Annual Report for the financial year 2019-20, has been sent only in electronic form, in accordance with the relaxation granted by the Securities and Exchange Board of India vide Circular dated 12th May 2020, to those shareholders who have registered their email id with the Company/Depositories.

### XVI. GENERAL SHAREHOLDER INFORMATION

#### Annual General Meeting

Date	Time	Mode
15th July 2020 (Wednesday)	10.00 AM	Video Conference / Other Audio Visual Means

- Financial Year – 1st April 2020 to 31st March 2021
- Book Closure dates – 2nd July 2020 to 15th July 2020 (both days inclusive)
- Dates of payment of dividend

Interim Dividend	27th March 2020	₹0.75 per share (15%)
Final Dividend	16th July 2020	₹0.50 per share (10%)

- 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 2019-20 & 2020-21 to the above stock exchange.
- NSE Stock Code: SUNDARMHLD
- ISIN : INE202Z01029
- Details of outstanding shares in Sundaram Finance Holdings Unclaimed Suspense Account

Particulars	Aggregate Number of shareholders	Outstanding Shares lying in Sundaram Finance Holdings Unclaimed Suspense Account
Opening Balance	82	18646
Less: Requests received for transfer / delivery during 2019-20 and Shares transferred / delivered during 2019-20	–	–
Balance as on 31st March 2020	82	18646

- Following dividends are transferable to the Investor Education and Protection Fund (IEPF), as under, in accordance with the provisions of Section 124 (5) of the Companies Act, 2013.

Nature of Dividend	Transferable to IEPF on
Dividend 2017-18	20th August 2025
Dividend 2018-19	17th August 2026
Interim Dividend 2019-20	7th April 2027

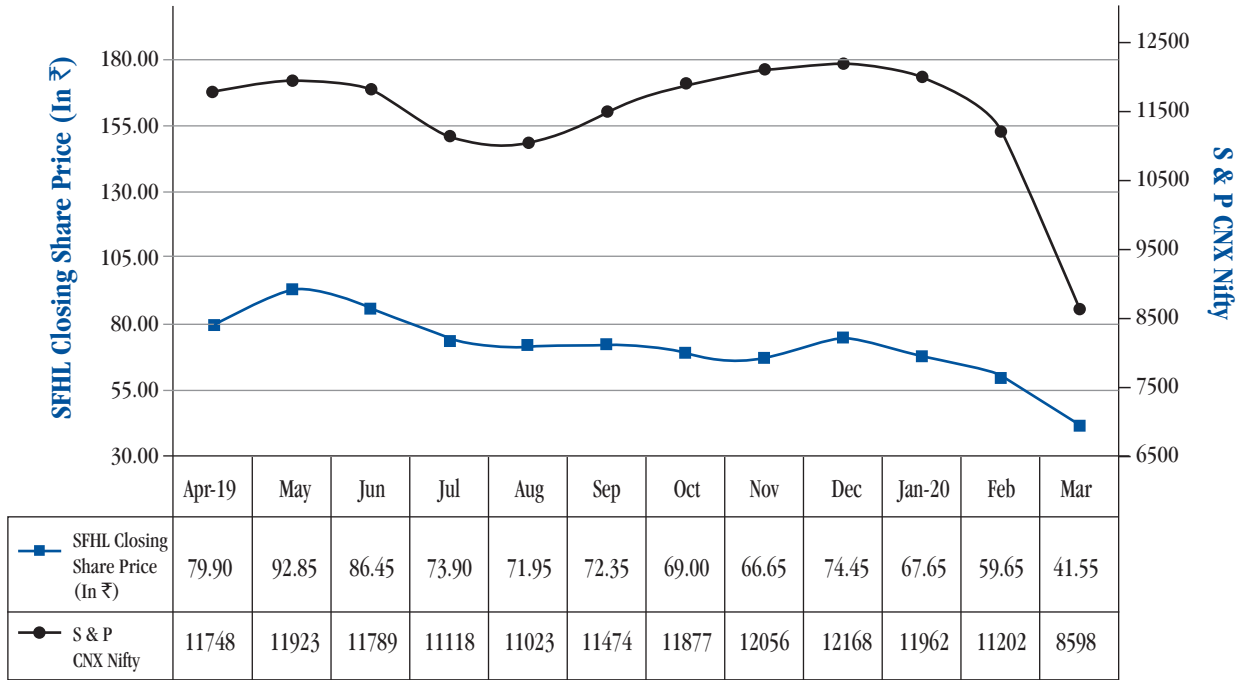
- For the financial year 2019-20, the aggregate amount paid/payable to the Statutory Auditors, M/s. R.G.N. Price & Co., Chartered Accountants, towards fees for all services rendered by them to the Company (excluding taxes and out of pocket expenses) is ₹18.50 lakhs. No fee has been paid by the subsidiary company to M/s. R.G.N. Price & Co.
- Disclosure in relation to Prevention of Sexual Harassment at Workplace forms part of the Board's Report.

#### MARKET PRICE DATA ON THE NATIONAL STOCK EXCHANGE

(In ₹)

Month	Apr 19	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan 20	Feb	Mar	
NSE	High	90.60	97.00	96.00	89.05	88.00	82.30	74.90	70.95	81.55	78.25	69.00	60.40
	Low	79.10	72.95	85.30	73.00	68.00	69.00	65.50	64.00	61.10	67.25	58.55	35.05

### SHARE PRICE PERFORMANCE



#### Period

- Dematerialisation requests have been confirmed within the specified time limit.
- M/s Cameo Corporate Services Ltd, Registrars and Share Transfer Agents of the company have attended to the share transfer formalities regularly. The Registrar and Share Transfer Agents can be contacted by the investors at the following address:

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

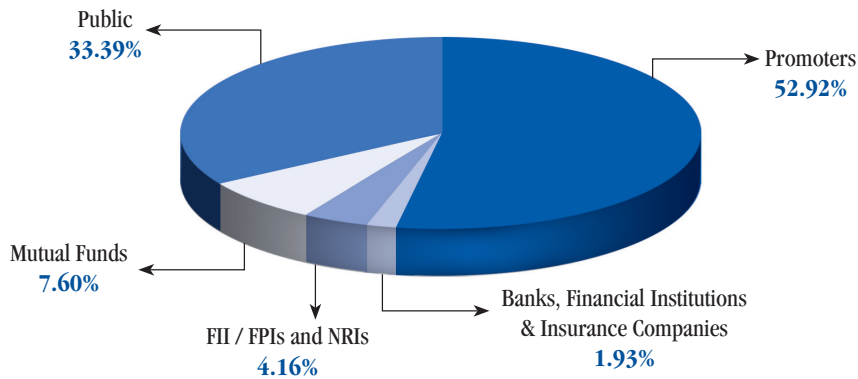
## DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH 2020

No. of Equity Shares Held	Total Shareholders	Total Shares	Total % to Capital
Upto 250	15757	966656	0.64
251 to 500	2762	1082533	0.72
501 to 1000	2121	1667643	1.10
1001 to 5000	2762	6641356	4.40
5001 to 10000	509	3823243	2.53
10001 to 50000	490	11262636	7.45
50001 to 100000	118	8480403	5.61
100001 and above	180	117179390	77.55
<b>Total</b>	<b>24699</b>	<b>151103860</b>	<b>100.00</b>

Total shares held in dematerialised form 97.92%

Public shareholding in dematerialised form 95.28%

## SHAREHOLDING PATTERN AS ON 31.03.2020



**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)

**Sri S. Ravi**  
Chief Executive Officer

**Annexure - II (i)**
**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

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

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

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

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

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

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

Place: Chennai  
Date : 25th May 2020

Name : A Kalyana Subramaniam  
Membership No : 11400  
CP No : 16345  
UDIN : A011400B000277811



**CRITERIA FOR EVALUATION**

(as amended on 29th March 2019)

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

- 1. Composition of the Board and availability of multi-disciplinary skills.**  
Whether the Board comprises of Directors with sufficient qualifications and experience in diverse fields to make SFHL a versatile institution.
- 2. Commitment to good Corporate Governance Practices**
  - a) Whether the company practises high ethical and moral standards.
  - b) Whether the company is fair and transparent in all its dealings with the stake holders.
- 3. Adherence to Regulatory Compliance**  
Whether the company adheres to the various Government regulations..... Local, State and Central, in time.
- 4. Track record of financial performance**  
Whether the Company has been consistently recording satisfactory and profitable financial performance year on year adding to shareholder value.  
Whether the Company is transparent in all its disclosures on financial data.
- 5. Grievance redressal mechanism**  
Whether a proper system is in place to attend to the complaints / grievances from the shareholders, depositors, customers, employees and others quickly and fairly.
- 6. Existence of integrated Risk Management System**  
Whether the Company has an integrated risk management system to cover the business risks.
- 7. Use of Modern technology**  
Whether the Company has an Integrated IT strategy and whether there is any system for periodical technology upgradation covering both hardware and software.
- 8. Commitment to CSR**  
Whether the Company is committed to social causes and CSR and whether there is a system to identify, finance and monitor such social activities.

Criteria for evaluation of Chairman at separate meeting of Independent Directors:

1. Leadership qualities
2. Standard of Integrity
3. Understanding of Macro economic trends and Micro industry trends.
4. Public Relations
5. Future Vision and Innovation

**Criteria for evaluation of Independent Directors by the entire Board:**

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

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

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

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

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

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

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

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

- a) the level and composition of remuneration to non-executive directors is reasonable and appropriate to attract the right talent.
- b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- c) remuneration to key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the company and its goals.

The following policy shall be hereinafter referred to as "Remuneration Policy of Sundaram Finance Holdings Limited".

## **I Definitions**

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

## **II Board Diversity**

It will be the endeavour of the Company to attract people to be on the Board of our Company as Directors from variety of backgrounds which are appropriate to the business interests of the Company. To this end, our Directors over the past decades

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have come from backgrounds as varied as automobile and allied industry, banking and other financial services including insurance and accounting.

### **III Remuneration Pattern**

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

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

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

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

### **IV Implementation of the Remuneration Policy**

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

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

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

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

## Auditor's Certificate on Corporate Governance

The Members of SUNDARAM FINANCE HOLDING LIMITED, Chennai.

I have examined the compliance of the conditions of Corporate Governance by Sundaram Finance Holding Limited, Chennai for the year ended on 31st March, 2020, as stipulated in Regulations 17 to 27 of Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

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

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

Place: Chennai

Date: 25th May 2020

A Kalyana Subramaniam

Practising Company Secretary

ACS No. 11400

CP No. 16345

UDIN: A011400B000277831

## Form No. AOC-2

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

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

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

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

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

The transactions entered into by the Company during the year on an arm's length basis with Sundaram Finance Limited, company having significant influence, aggregating to ₹14 cr., were material in nature in accordance with the definition as provided under Regulation 23(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Approval of the shareholders was obtained for the said transactions vide ordinary resolution dated 18th July 2018.

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

Chennai  
25.05.2020

**T.T. Srinivasaraghavan**  
Chairman

## SFHL Policy on Related Party Transactions

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

(as amended on 29th March 2019)

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

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

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

## Annual Report on CSR Activities for The Financial Year 2019-20

- 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, Member

Sri Harsha Viji, Member

- 3. Average net profit of the company for last three financial years: ₹3146.55 lakhs**

- 4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above): ₹62.93**

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

(a) Total amount to be spent for the financial year: ₹62.93 lakhs

(b) Amount unspent, if any – Nil

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

(₹ in lakhs)

1	2	3	4	5	6	7	8	
Sr No.	CSR project or activity identified	Sector in which the Project is covered	Projects or programmes (1) Local area or other (2) Specify the State and district where projects or programmes were undertaken	Amount outlay (budget) project or programme-wise	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or program (2) Overheads:	Cumulative expenditure up to the reporting period	Amount spent: Direct or through implementing agency	
1	Promoting preventive and general health care (2 institutions)	Health	Tamil Nadu-Chennai	45.00	45.00	45.00	45.00	
				1.00	1.00	46.00	1.00	
2	Promoting education (3 institutions)	Education	Tamil Nadu - Puducherry	5.00	5.00	51.00	5.00	
				Tamil Nadu - Chennai	10.00	10.00	61.00	10.00
					1.00	1.00	62.00	1.00
3	Social Welfare (1 Institution)	Social Welfare	Tamil Nadu - Chennai	1.00	1.00	63.00	1.00	
4	Administrative Expenses			0.30	0.30	63.30	0.30	
	<b>Total</b>			<b>63.30</b>	<b>63.30</b>		<b>63.30</b>	

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

Not applicable

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

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

**Sri S. Ravi**  
Chief Executive Officer

**Sri S. Prasad**  
Chairman - CSR Committee

## Business Responsibility Report for the Financial Year 2019-20

### Section A: General Information about the Company

1. Corporate Identity Number (CIN) : L65100TN1993PLC025996
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 : 2019-20
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 31.03.2020)

1. Paid up Capital (INR) : ₹75.55 cr.
2. Total Turnover (INR) : ₹92.48 cr.
3. Total profit after taxes (INR) : ₹61.39 cr.
4. Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)  
The Company's total spending on CSR is 2.01% 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, Education and Social Welfare.

### 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 company 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	Chairman

- 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
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)

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	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. Annually

## Section E: Principle-wise performance

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

1. 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 and group.

2. 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 2019-20
Shareholders	–

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

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

Not Applicable

2. 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

3. 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

4. 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.

575

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

26

3. Please indicate the Number of permanent women employees.  
215
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 3 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”.

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

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### **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?

No.

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.

No.

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.

### **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)

Yes. Representations had been submitted to the Government and regulatory authorities on various matters for the improvement of public good.

### **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 ₹63.30 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 31.03.2020

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

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

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

Based on my verification of M/s. Sundaram Finance Holdings Limited's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period ended on 31.03.2020 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by M/s. Sundaram Finance Holdings Limited for the period ended on 31.03.2020 according to the provisions of:

- I. The Companies Act, 2013 (the Act) and the Rules made thereunder and the Applicable provisions of the Companies Act, 1956;
- II. The Companies (Amendment) Act, 2017;
- III. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- IV. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- V. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- VI. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable to the Company :-
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
  - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; and
- VII. The Memorandum and Articles of Association of the company.

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

- i. Listing Agreements entered into by the Company with the National Stock Exchange of India Limited as per the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as amended till date; and
- ii. Secretarial Standards issued by The Institute of Company Secretaries of India.  
During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc mentioned above and there are no other specific observations requiring any qualification on non-compliances.

**3. I further report that:**

- i. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- ii. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- iii. While majority decision is carried out, there are no dissenting directors / members' views as part of the minutes.
- iv. The Company has obtained all necessary approvals under the various provisions of the Act; and
- v. There was no prosecution initiated and no fines or penalties were imposed during the year under review under the Act, SEBI Act, SCRA, Depositories Act, Listing Agreement and Rules, Regulations and Guidelines framed under these Acts against / on the Company, its Directors and Officers.
- vi. The Directors have complied with the disclosure requirements in respect of their eligibility of appointment, their being independent and compliance with the Code of Business Conduct & Ethics for Directors and Management Personnel;

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

I further report that:

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

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

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

A Kalyana Subramaniam  
(ACS No.11400)  
(C.P No. 16345)

UDIN: A011400B000277809

Place: Chennai

Date: 25th May 2020



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

(CIN L65100TN1993PLC025996)

**for the year ended 31st March 2020.**

I A Kalyana Subramaniam have examined:

- all the documents and records made available to us and explanation provided by SUNDARAM FINANCE HOLDINGS LIMITED (“the listed entity”),
- the filings/ submissions made by the listed entity to the stock exchanges,
- website of the listed entity,
- any other document/ filing, as may be relevant, which has been relied upon to make this certification, for the year ended 31st March 2020 (“Review Period”) in respect of compliance with the provisions of :
  - the Securities and Exchange Board of India Act, 1992 (“SEBI Act”) and the Regulations, circulars, guidelines issued thereunder; and
  - the Securities Contracts (Regulation) Act, 1956 (“SCRA”), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India (“SEBI”);

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

- Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
- Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; - Not applicable
- Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; - Not applicable
- Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013; - Not applicable
- Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

and circulars/ guidelines issued thereunder; and based on the above examination, I/We hereby report that, during the Review Period:

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

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

Note: NSE, vide their letter no Ref: NSE/LIST/100811 dated 30th January 2020, had advised the Company to submit certain reports / disclosures with respect to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the annual report submitted for the year ended 31st March 2019. The Company complied with the said advice and the reason for non-inclusion of the details, together with the action taken towards addressing the same have been communicated by the Company vide their letter addressed to NSE on 4th February 2020.

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

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

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

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

A Kalyana Subramaniam

ACS NO: 11400

COP NO: 16345

UDIN: A011400B000277875

Place: Chennai

Date : 25th May 2020

SUNDARAM FINANCE HOLDINGS LIMITED

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

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

Names of the Directors	Ratio to Median Remuneration (times)	Inc / Dec in Remuneration
T.T. Srinivasaraghavan, Chairman	NA	NA
R. Venkatraman	6.16	18.04%
S. Prasad	4.01	NA
Shobhana Ramachandhran	3.01	NA
Srivats Ram	NA	NA
Harsha Viji	NA	NA
Paramesh Krishnaier, Chief Executive Officer	29.73	10.60%
V. Vaasen, Chief Financial Officer	17.87	9.63%
P.N. Srikant, Secretary & Compliance Officer	16.35	7.88%

- (iii) The percentage increase in the median remuneration of employees in the financial year: 4.49%
- (iii) The number of permanent employees on the rolls of the Company: 575
- (iv) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

The average increase in salaries of employees other than managerial personnel in 2019-20 was 18.16%. Percentage increase in the managerial remuneration for the year was 17.56%.

- (v) 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.

(vi) 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.  
(vii) 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 Krishnaiter	Chief Executive Officer	55.30	Contractual	B.A., M.L, MBA Has over 4 decades of experience in banking and financial services industry.	12-02-2018	71	Sundaram Finance Limited	-
2	Sri V. Narasimhan	General Manager & Head - Learning & Development	50.05	Others	B.A., (Eco) & Msc (Physics) Has over 3 decades experience in marketing and learning & development.	18-01-2018	59	Sundaram Finance Limited	-
3	Sri V. Prasana	Head Analytics	47.23	Others	B.Tech Has over a decade experience in analytics	06-05-2019	34	Tiger Analytics	-
4	Sri V. Vaasen	Chief Financial Officer	33.24	Others	B.Com, FCA, PGDFM Has over 2 decades of post-qualification experience in finance, accounts, business process outsourcing and related areas.	22-11-2018	51	Matrimony.com Ltd Reliance BPO Private Ltd.	-
5	Sri P.N. Srikant	Secretary & Compliance Officer	30.41	Others	B.Com (H), ACS & MBA Has over 2 decades of experience in financial services industry.	01-08-2017	48	Sundaram Finance Limited	-
6	Sri S. Chandrasekharan	Dy. General Manager - Learning & Development	25.88	Others	B.Sc. (Physics) Nearly 4 decades of experience in the fields of HR and training.	18-01-2018	60	Sundaram Finance Limited	-
7	Sri P. Padmanabhan	Sr. Assistant General Manager	23.35	Others	B.Com Has over 3 decades of experience in financial services industry.	18-01-2018	61	Sundaram Finance Limited	-
8	Ms. Anita M Rathnani	Sr. Assistant General Manager - Learning & Development	22.86	Others	BA (Corpt. Acct. & Co. Law), MDPM Has over a decade experience in Customer Relationship Management / HR, Training & Process Management	01-08-2019	48	Sundaram Fund Services Limited	-
9	Sri S. Rajkumar	Sr. Assistant General Manager - Learning & Development	21.84	Others	B.Sc. (Maths), PGDM and MBA Has over 2 decades of experience in financial services industry.	18-01-2018	48	Sundaram Finance Limited	-
10	Sri Seshanarayanan S	Assistant General Manager - Projects	20.00	Others	B.Sc. (Maths), M.Sc. (IT) Has over a decade experience in delivery & management of IT Services	01-07-2019	43	Sundaram Infotech Solutions Limited	-

## Form No. MGT-9

### Extract of Annual Return as on the financial year ended on 31st March 2020

[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	L65100TN1993PLC025996
(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	100%

**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 Finance Limited		L65191TN1954PLC002429	Associate	—	2 (6)
3	Axles India Limited		U27209TN1981PLC008630	Associate	38.81	2 (6)
4	Sundaram Hydraulics Limited		U71290TN2007PLC065658	Associate	25.71	2 (6)
5	Turbo Energy Private Limited	Regd. Office: No.67, Chamiers Road, Chennai 600 028	U40107TN1982PTC009363	Associate	32.00	2 (6)
6	Transenergy Limited		U40107TN1981PLC008903	Associate	42.31	2 (6)
7	Flometallic India Private Limited		U28113TN2010PTC075244	Associate	40.63	2 (6)
8	Sundaram Dynacast Private Limited	Regd. Office: Plot No.25A/2, SIDCO Industrial Estate, North Phase, Ambattur, Chennai 600 098	U28920TN1993PTC025794	Associate	26.00	2 (6)
9	Dunes Oman LLC (FZC)	P.O. Box: 526, Postal Code: 322, Falaj Al Qabail, Sohar, Sultanate of Oman	Not Applicable	Associate	43.69	2 (6)

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

##### (i) Category-wise Share Holding (as submitted to stock exchange)

	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	
<b>A.</b>	<b>Promoters</b>									
<b>(1)</b>	<b>Indian</b>									
(a)	Individual/HUF	2,81,72,948	97,292	2,82,70,240	18.71	3,50,55,477	-	3,50,55,477	23.20	4.49
(b)	Central Govt	-	-	-	-	-	-	-	-	-
(c)	State Govt(s)	-	-	-	-	-	-	-	-	-
(c)	Bodies Corp	5,11,85,738	-	5,11,85,738	33.87	4,38,35,738	-	4,38,35,738	29.01	-4.86
(d)	Banks / FI	-	-	-	-	-	-	-	-	-
(e)	Any Other ....	-	-	-	-	-	-	-	-	-
	Sub-Total (A)(1)	7,93,58,686	97,292	7,94,55,978	52.58	7,88,91,215	-	7,88,91,215	52.21	-0.37
<b>(2)</b>	<b>Foreign</b>									
(a)	NRIs - Individuals	11,46,904	-	11,46,904	0.76	10,71,904	-	10,71,904	0.71	-0.05
(b)	Other - Individuals	-	-	-	-	-	-	-	-	-
(c)	Bodies Corp.	-	-	-	-	-	-	-	-	-
(d)	Banks / FI	-	-	-	-	-	-	-	-	-
(e)	Any Other ....	-	-	-	-	-	-	-	-	-
	Sub-Total (A)(2)	11,46,904	-	11,46,904	0.76	10,71,904	-	10,71,904	0.71	-0.05
	<b>Total shareholding of Promoter (A)= (A)(1)+(A)(2)</b>	<b>8,05,05,590</b>	<b>97,292</b>	<b>8,06,02,882</b>	<b>53.34</b>	<b>7,99,63,119</b>	<b>-</b>	<b>7,99,63,119</b>	<b>52.92</b>	<b>-0.42</b>
<b>B.</b>	<b>Public Shareholding</b>									
<b>(1)</b>	<b>Institutions</b>									
(a)	Mutual Funds	1,23,85,541	500	1,23,86,041	8.20	1,14,77,322	-	1,14,77,322	7.60	-0.60
(b)	Banks / FI	38,611	800	39,411	0.03	2,200	800	3,000	0.00	-0.02
(c)	Central Govt	-	-	-	-	-	-	-	-	-
(d)	State Govt(s)	-	-	-	-	-	-	-	-	-
(e)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
(f)	Alternate Investment Funds	-	-	-	-	-	-	-	-	-
(g)	Insurance Companies	19,80,700	-	19,80,700	1.31	29,15,662	-	29,15,662	1.93	0.62
(h)	FPIs	8,34,507	250	8,34,757	0.55	9,45,837	100	9,45,937	0.63	0.07
(i)	Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
(j)	Any Other	-	-	-	-	-	-	-	-	-
	Sub- Total (B)(1)	1,52,39,359	1,550	1,52,40,909	10.09	1,53,41,021	900	1,53,41,921	10.15	0.07

	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	
<b>2.</b>	<b>Non- Institutions</b>									
(a)	Bodies Corporate									
(i)	Indian	1,01,40,000	6,800	1,01,46,800	6.72	89,03,714	4,300	89,08,014	5.90	-0.82
(ii)	Overseas	-	-	-	-	-	-	-	-	-
(b)	Individuals									
i	Individual shareholders holding nominal shares capital up to ₹1 lakh	1,37,64,304	14,95,720	1,52,60,024	10.10	1,46,62,690	11,86,962	1,58,49,652	10.49	0.39
ii	Individual shareholders holding nominal shares capital in excess of ₹1 lakh	2,07,98,268	22,96,218	2,30,94,486	15.28	2,21,82,584	16,87,812	2,38,70,396	15.80	0.51
	Non-Resident Indians	47,85,821	2,52,615	50,38,436	3.33	50,68,105	2,49,063	53,17,168	3.52	0.18
	Hindu Undivided Family (HUF)	6,22,834	14,002	6,36,836	0.42	7,52,725	14,002	7,66,727	0.51	0.09
	Foreign National	18,720	-	18,720	0.01	18,720	-	18,720	0.01	0.00
	Trust - Sundaram Finance Employees Welfare Trust	9,60,960	-	9,60,960	0.64	9,60,960	-	9,60,960	0.64	0.00
	Other Trusts	5,600	-	5,600	-	3,590	-	3,590	0.00	0.00
	Clearing Members	71,643	-	71,643	0.05	58,383	-	58,383	0.04	-0.01
	IEPF	26,564	-	26,564	0.02	26,564	-	26,564	0.02	0.00
(c)	Sundaram Finance Holdings Unclaimed Suspense Account	-	-	-	-	18,646	-	18,646	0.01	0.01
	<b>Sub-Total (B)(2)</b>	<b>5,11,94,714</b>	<b>40,65,355</b>	<b>5,52,60,069</b>	<b>36.57</b>	<b>5,26,56,681</b>	<b>31,42,139</b>	<b>5,57,98,820</b>	<b>36.93</b>	<b>0.36</b>
	<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	<b>6,64,34,073</b>	<b>40,66,905</b>	<b>7,05,00,978</b>	<b>46.65</b>	<b>6,79,97,702</b>	<b>31,43,039</b>	<b>7,11,40,741</b>	<b>47.08</b>	<b>0.43</b>
(C)	Shares held by Custodian for GDRs and ADRs	-	-	-	-	-	-	-	-	-
	<b>GRAND TOTAL (A)+(B)+(C)</b>	<b>14,69,39,663</b>	<b>41,64,197</b>	<b>15,11,03,860</b>	<b>100.00</b>	<b>14,79,60,821</b>	<b>31,43,039</b>	<b>15,11,03,860</b>	<b>100.00</b>	<b>-</b>

## ii) Shareholding of Promoters & Promoter Group

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of shares #	% of total shares of the company	% of shares pledged / encumbered to total shares	No. of shares	% of total shares of the company	% of shares pledged / encumbered to total shares	
1	Sundaram Finance Limited	4,00,00,000	26.47	–	3,26,50,000	21.61	–	4.86
2	Mr Ashwathanarayan Ramji & Mr Narayanan Ramji	600	0.00	–	0	0.00	–	0.00
3	Mr Narayanan Ramji & Mr Ashwathanarayan Ramji	56,520	0.04	–	0	0.00	–	-0.04
4	Mr Narayanan Ramji & Mr Ashwathanarayan Ramji	6,884	0.00	–	0	0.00	–	0.00
5	Mr Narayanan Ramji & Ms Aishwarya Ramji	6,884	0.00	–	0	0.00	–	0.00
6	Mr Narayanan Ramji & Mr Ashwathanarayan Ramji	1,008	0.00	–	0	0.00	–	0.00
7	Mr Narayanan Ramji & Ms Aishwarya Ramji	1,008	0.00	–	0	0.00	–	0.00
8	Mr N Ramji & Mrs Sharmila Ramji	788	0.00	–	0	0.00	–	0.00
9	Mr Narayanan Ramji & Mr Ashwathanarayan Ramji	23,600	0.02	–	0	0.00	–	-0.02
10	Mr Srinivas Raghavan	27,040	0.02	–	27,040	0.02	–	0.00
11	Mr Akshay Krishnan	2,00,300	0.13	–	2,00,300	0.13	–	0.00
12	Mr Jaideep Chakravarthy	3,80,756	0.25	–	3,80,756	0.25	–	0.00
13	Mr Pradeep Chakravarthy	3,63,544	0.24	–	3,63,544	0.24	–	0.00
14	Mr S Chakravarthy	6,08,884	0.40	–	6,08,884	0.40	–	0.00
15	Mrs Anuradha Raghavan	3,97,264	0.26	–	3,97,264	0.26	–	0.00
16	Mr S Raghavan	1,03,492	0.07	–	1,03,492	0.07	–	0.00
17	Mrs Usha Raghavan	5,89,992	0.39	–	5,89,992	0.39	–	0.00
18	Mr Barath Rengarajan <sup>§</sup>	4,68,259	0.31	–	0	0.00	–	–
20	Miss Tulsi S Ramanujam	2,70,431	0.18	–	2,70,431	0.18	–	0.00
22	Mr Sumanth Ramanujam	1,10,959	0.07	–	1,10,959	0.07	–	0.00
23	Mr K Vasudevan	2,87,492	0.19	–	2,87,492	0.19	–	0.00
24	Mrs Lily Vijayaraghavan & Mrs Sashi Parthasarathy	3,53,312	0.23	–	3,53,312	0.23	–	0.00
25	Mr K Vasudevan & Mrs Lakshmi Vasudevan	46,392	0.03	–	46,392	0.03	–	0.00
26	Mrs Lakshmi Vasudevan	2,74,816	0.18	–	2,74,816	0.18	–	0.00

<sup>§</sup> Reclassified as public under Reg 31 A(3) (9) of SEBI LODR Regulation 2015, w.e.f. 19th September 2019

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	
27	Mr Sharath Vijayaraghavan (HUF)	2,09,000	0.14	–	2,09,000	0.14	–	0.00
28	Mrs Lily Vijayaraghavan	6,35,436	0.42	–	6,35,436	0.42	–	0.00
29	Mrs Lily Vijayaraghavan & Mr Badri Vijayaraghavan	1,97,776	0.13	–	1,97,776	0.13	–	0.00
30	Mrs Lily Vijayaraghavan & Mr Sharath Vijayaraghavan	1,97,776	0.13	–	1,97,776	0.13	–	0.00
31	Mrs Rama Sridharan	55,920	0.04	–	55,920	0.04	–	0.00
32	Mr N Krishnan	1,01,592	0.07	–	1,06,192	0.07	–	0.00
33	Mr N Krishnan (HUF)	1,01,592	0.07	–	1,01,592	0.07	–	0.00
34	Mr Ananth Krishnan	2,00,300	0.13	–	2,00,300	0.13	–	0.00
35	Mr Shreen Raghavan	94,892	0.06	–	94,892	0.06	–	0.00
36	Mrs Dangety Krishnakumari	20,412	0.01	–	20,412	0.01	–	0.00
37	Mr Dangety Satyanarayanamurty	2,912	0.00	–	2,912	0.00	–	0.00
38	M/s. Rohini Holdings Private Limited	12,94,362	0.86	–	12,94,362	0.86	–	0.00
39	M/s. Allegro Holdings Private Limited	12,47,100	0.83	–	12,47,100	0.83	–	0.00
40	M/s. Silver Oak Holdings Private Limited	14,36,914	0.95	–	14,36,914	0.95	–	0.00
41	M/s. Azorious Holdings Private Limited	8,50,156	0.56	–	8,50,156	0.56	–	0.00
42	M/s. Uthirattadhi Sriram Holdings Private Limited	14,79,560	0.98	–	14,79,560	0.98	–	0.00
43	M/s. Maham Holdings Limited	5,12,720	0.34	–	5,12,720	0.34	–	0.00
44	M/s. Revathi Holdings Private Limited	12,20,460	0.81	–	12,20,460	0.81	–	0.00
45	M/s. Padmalakshmi Holdings Private Limited	12,92,832	0.86	–	12,92,832	0.86	–	0.00
46	M/s. Raghuvamsa Holdings Private Limited	18,51,634	1.23	–	18,51,634	1.23	–	0.00
47	Mrs Indira Krishnaswami	1,62,180	0.11	–	1,62,180	0.11	–	0.00
48	Mr Narayanan Ramji	1,06,760	0.07	–	1,07,548	0.07	–	0.00
49	Mr R. Ramanujam & Mr R. Srikanth	1,77,088	0.12	–	1,77,088	0.12	–	0.00
50	Mr Ananth Ramanujam	6,20,940	0.41	–	6,20,940	0.41	–	0.00
51	Mr T.T. Rangaswamy, Mr T.T. Venkatraghavan & Mr T.T. Srinivasaraghavan	48,628	0.03	–	48,628	0.03	–	0.00
52	Mr T.T. Rangaswamy, Mr T.T. Narendran & Mr T.T. Hayagreevan	49,200	0.03	–	49,200	0.03	–	0.00



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	
53	Mr T T Srinivasaraghavan Mrs Vimala Rangaswamy & Mrs Bagyam Raghavan	85,084	0.06	–	85,084	0.06	–	0.00
54	Mrs Bagyam Raghavan & Mr T T Venkatraghavan	1,13,308	0.07	–	1,13,308	0.07	–	0.00
55	Mr T T Narendran, Mrs Vimala Rangaswamy & Mrs Padmini Narendran	1,62,988	0.11	–	1,62,988	0.11	–	0.00
56	Mrs Padmini Narendran & Mr T T Hayagreevan	1,06,044	0.07	–	1,06,044	0.07	–	0.00
57	Mrs Vimala Rangaswamy, Mr T T Narendran & Mrs Padmini Narendran	95,024	0.06	–	95,024	0.06	–	0.00
58	Mr Srivats Ram	17,01,322	1.13	–	17,01,322	1.13	–	0.00
59	Mr Srikanth Ramanujam	9,14,052	0.60	–	9,14,052	0.60	–	0.00
60	Mr Sriram Viji	12,78,620	0.85	–	12,78,620	0.85	–	0.00
61	Mr R. Ramanujam	2,32,534	0.15	–	26,82,534	1.78	–	1.62
62	Mrs Rupa Srikanth	70,188	0.05	–	70,188	0.05	–	0.00
63	Mr Srikanth Ramanujam & Mrs Rupa Srikanth	4,472	0.00	–	4,472	0.00	–	0.00
64	Mrs Choodamani Narayanan	5,03,094	0.33	–	4,98,494	0.33	–	0.00
65	Mrs Prema Ramanujam	6,43,412	0.43	–	6,43,412	0.43	–	0.00
66	Mrs Aruna Sankaranarayanan	56,840	0.04	–	56,840	0.04	–	0.00
67	Mr S. Ram	5,06,788	0.34	–	29,56,788	1.96	–	1.62
68	Mr Harsha Viji	1,67,23,58	1.11	–	16,72,358	1.11	–	0.00
69	Mr Aditya S. Ramanujam	2,72,930	0.18	–	2,72,930	0.18	–	0.00
70	Mr S. Viji	9,09,780	0.60	–	33,59,780	2.22	–	1.62
71	Mrs Vijaya Rangarajan	12,09,854	0.80	–	12,09,854	0.80	–	0.00
72	Mr Sriram Viji & Mrs Chitra Viji	3,156	0.00	–	3,156	0.00	–	0.00
73	Mr R. Ramanujam & Mr Ananth Ramanujam	25,600	0.02	–	25,600	0.02	–	0.00
74	Mr Harsha Viji & Mrs Chitra Viji	3,156	0.00	–	3,156	0.00	–	0.00
75	Mrs Nivedita Ram	16,49,516	1.09	–	16,49,516	1.09	–	0.00

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	
76	Mrs Chitra Viji	8,34,034	0.55	–	8,34,034	0.55	–	0.00
77	Mrs Gita Ram	11,39,680	0.75	–	11,39,680	0.75	–	0.00
78	Mr S. Viji & Mrs Chitra Viji	8,684	0.01	–	8,684	0.01	–	0.00
79	Mr Arjun Rangarajan	13,08,270	0.87	–	13,08,270	0.87	–	0.00
80	Mr R. Ramanujam (HUF)	9,992	0.01	–	9,992	0.01	–	0.00
81	Mr Srikanth Ramanujam (HUF)	8,000	0.01	–	8,000	0.01	–	0.00
82	Mr Srivats Ram (HUF)	77,200	0.05	–	77,200	0.05	–	0.00
83	Mr S. Viji (HUF)	1,13,988	0.08	–	1,13,988	0.08	–	0.00
84	Mr S. Viji (HUF)	3,65,924	0.24	–	3,65,924	0.24	–	0.00
85	Mrs Vijaya Rangarajan & Mr S. Ram	6,09,896	0.40	–	6,09,896	0.40	–	0.00
86	Mr S. Narayanan	4,600	0.00	–	4,600	0.00	–	0.00
87	Mr Narayanan Ramji (HUF)	1,36,160	0.09	–	1,36,160	0.09	–	0.00
88	Mr Srinivasaraghavan Sundaram	4,000	0.00	–	4,000	0.00	–	0.00
89	Mr A.M. Srinivasan & Mr S. Kishore	452	0.00	–	452	0.00	–	0.00
90	Mr S. Kishore & Mr A.M. Srinivasan	1,13,612	0.08	–	1,13,612	0.08	–	0.00
91	Mr Srikanth Ramanujam & Mr Ananth Ramanujam	8,30,215	0.55	–	8,30,215	0.55	–	0.00
92	Miss Tarika Ram (Minor)	1,15,586	0.08	–	1,15,586	0.08	–	0.00
93	Mr Daya Ambirajan	2,21,747	0.15	–	2,21,747	0.15	–	0.00
94	Master Ranjan Ambirajan	1,08,841	0.07	–	1,08,841	0.07	–	0.00
95	Mr R. Ramanujam & Mrs Prema Ramanujam	9,736	0.01	–	9,736	0.01	–	0.00
96	Mr T T Rangaswamy (HUF)	49,324	0.03	–	49,324	0.03	–	0.00
97	Mr T T Srinivasa Raghavan (HUF)	1,23,192	0.08	–	1,23,192	0.08	–	0.00
98	Mr T T Rangaswamy (HUF)	19,368	0.01	–	19,368	0.01	–	0.00
99	Mr T T Narendran (HUF)	95,068	0.06	–	95,068	0.06	–	0.00
100	Mr T T Srinivasaraghavan & Mr T T Narendran	1,10,000	0.07	–	1,10,000	0.07	–	0.00
101	Mr T T Srinivasaraghavan & Mrs Bagyam Raghavan	1,10,000	0.07	–	1,10,000	0.07	–	0.00
102	Mr T T Narendran & Mrs Padmini Narendran	90,000	0.06	–	80,000	0.05	–	-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	
103	Mr T T Narendran & Mrs Padmini Narendran	90,000	0.06	–	90,000	0.06	–	0.00
104	Mrs Vimala Rangaswamy, Mr T T Srinivasaraghavan & Mr T T Venkatraghavan	82,664	0.05	–	82,664	0.05	–	0.00
105	Mr A M Srinivasan	120	0.00	–	120	0.00	–	0.00
106	Mr Vishnu Vijayaraghavan	75,984	0.05	–	75,984	0.05	–	0.00
107	Mrs Lakshmi Vijayaraghavan	41,155	0.03	–	41,155	0.03	–	0.00
108	Mr Sharath Vijayaraghavan	1,74,844	0.12	–	1,74,844	0.12	–	0.00
109	Miss Gitanjali Jeevan Jose, Rep By M/g Mrs Divya Jeevan Jose	10,000	0.01	–	10,000	0.01	–	0.00
110	Master P Siddhartha Jeevan, Rep By M/g Mrs Divya Jeevan Jose	10,000	0.01	–	10,000	0.01	–	0.00
111	Mr N Krishnan & Mr Akshay Krishnan	3,000	0.00	–	3,000	0.00	–	0.00
112	Mr N Krishnan & Mr Ananth Krishnan	3,000	0.00	–	3,000	0.00	–	0.00
113	Ms Veena Raghavan	75,000	0.05	–	0	0.00	–	-0.05
114	Mr Shreen Raghavan (HUF)	5,115	0.00	–	5,115	0.00	–	0.00
115	Mrs S Hema	10,34,968	0.68	–	10,34,968	0.68	–	0.00
116	Mrs Kavitha Gorur Keshav & Mr T T Hayagreevan	10,000	0.01	–	10,000	0.01	–	0.00
117	Miss Nakshatra Hayareevan (Minor)	10,000	0.01	–	10,000	0.01	–	0.00
118	Mr Shriram Vijayaraghavan (HUF)	1,05,000	0.07	–	1,05,000	0.07	–	0.00
119	Mr S Ravindran	4,91,360	0.33	–	4,91,360	0.33	–	0.00
120	Mrs Thanjam Ravindran	5,74,470	0.38	–	5,74,470	0.38	–	0.00
121	Mr Shreyas Ravindran & Mr Srinivasan Ravindran	1,36,342	0.09	–	1,36,342	0.09	–	0.00
122	Mr C B Srinivasan	9,600	0.01	–	9,600	0.01	–	0.00
123	Master T T Samitinayan, Rep By E/G Mr T T Hayagreevan	0	0.00	–	10,000	0.01	–	0.01
124	Ms Sanjana Tara Ramanujam	74,204	0.05	–	74,204	0.05	–	0.00
	Total	8,06,02,882	53.34	–	7,99,63,119	52.92	–	-0.42

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

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Mr. Narayanan Ramji & Mrs. Sharmila Ramji				
	At the beginning of the year	788	0.00		
	Transfer pursuant to Memorandum of Settlement Order dated 17th March 2018:				
	6th May 2019	-788	0.00	–	–
	At the end of the year			–	–
2	Mr. Narayanan Ramji				
	At the beginning of the year	1,06,760	0.07		
	Acquisition pursuant to Memorandum of Settlement Order dated 17th March 2018:				
	6th May 2019	788	0.00	1,07,548	0.07
	At the end of the year			1,07,548	0.07
3	Mr. Narayanan Ramji & Mr. Ashwathnarayan Ramji				
	At the beginning of the year	56,520	0.04		
	Transfer pursuant to Memorandum of Settlement Order dated 17th March 2018:				
	12th June 2019	-56,520	-0.04	–	–
	At the end of the year			–	–
4	Mr. Narayanan Ramji & Mr. Ashwathnarayan Ramji				
	At the beginning of the year	6,884	0.00		
	Transfer pursuant to Memorandum of Settlement Order dated 17th March 2018:				
	12th June 2019	-6,884	0.00	–	–
	At the end of the year			–	–
5	Mr. Narayanan Ramji & Mr. Ashwathnarayan Ramji				
	At the beginning of the year	1,008	0.00		
	Transfer pursuant to Memorandum of Settlement Order dated 17th March 2018:				
	12th June 2019	-1,008	0.00	–	–
	At the end of the year			–	–
6	Mr. Narayanan Ramji & Mr. Ashwathnarayan Ramji				
	At the beginning of the year	23,600	0.02		
	Transfer pursuant to Memorandum of Settlement Order dated 17th March 2018:				
	12th June 2019	-23,600	-0.02	–	–
	At the end of the year			–	–

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
7	Mr. Ashwathnarayan Ramji & Mr. Narayanan Ramji				
	At the beginning of the year	600	0.00		
	Transfer pursuant to Memorandum of Settlement Order dated 17th March 2018:				
	3rd July 2019	-600	0.00	—	—
	At the end of the year			—	—
8	Mr. Narayanan Ramji & Mr. Aishwarya Ramji				
	At the beginning of the year	6,884	0.00		
	Transfer pursuant to Memorandum of Settlement Order dated 17th March 2018:				
	5th August 2019	-6,884	0.00	—	—
	At the end of the year			—	—
9	Mr. Narayanan Ramji & Mr. Aishwarya Ramji				
	At the beginning of the year	1,008	0.00		
	Transfer pursuant to Memorandum of Settlement Order dated 17th March 2018:				
	5th August 2019	-1,008	0.00	—	—
	At the end of the year			—	—
10	M/s Sundaram Finance Limited				
	At the beginning of the year	4,00,00,000	26.47		
	Off Market Inter-se Transfer				
	16th September 2019	-73,50,000	-4.86	3,26,50,000	21.61
	At the end of the year			3,26,50,000	21.61
11	Mr S Viji				
	At the beginning of the year	9,09,780	0.60		
	Acquisition pursuant Off Market Inter-se Transfer				
	16th September 2019	24,50,000	1.62		
	At the end of the year			33,59,780	2.22
12	Mr S Ram	5,06,788	0.34		
	At the beginning of the year				
	Acquisition pursuant Off Market Inter-se Transfer				
	16th September 2019	24,50,000	1.62	29,56,788	1.96
	At the end of the year			29,56,788	1.96

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
13	Mr R Ramanujam				
	At the beginning of the year	2,32,524	0.15		
	Acqisition pursuant Off Market Inter-se Transfer				
	16th September 2019	24,50,000	1.62	26,82,524	1.78
	At the end of the year			26,82,524	1.78
14	Ms. Veena Raghavan				
	At the beginning of the year	75,000	0.05		
	Sale				
	24th September 2019	-15,724	-0.01	59,276	0.04
	25th September 2019	-33,752	-0.02	25,524	0.02
	26th September 2019	-25,524	-0.02	-	-
	At the end of the year			-	-
15	Mr. T.T. Narendran & Mrs. Padmini Narendran				
	At the beginning of the year	90,000	0.06		
	Inter-se Transfer - Gift				
	18th November 2019	-10,000	-0.01	80,000	0.05
	At the end of the year			80,000	0.05
16	Master T T Samithinjevan Rep E/G Mr T T Hayagreevan *	-	-		
	Acqisition pursuant to Inter-se Transfer - Gift				
	18th November 2019	10,000	0.01	10,000	0.01
	At the end of the year			10,000	0.01
17	Mrs. Choodamani Narayanan				
	At the beginning of the year	5,03,094	0.33		
	Inter-se Transfer - Gift				
	27th November 2019	-4,600	0.00	4,98,494	0.33
	At the end of the year			4,98,494	0.33
18	Mr. N. Krishnan				
	At the beginning of the year	1,01,592	0.07		
	Acqisition pursuant to Inter-se Transfer - Gift				
	27th November 2019	4,600	0.00	1,06,192	0.07
	At the end of the year			1,06,192	0.07

\* Became a person belonging to the promoter group w.e.f. 18.11.2019

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

Sl. No.	Name of the Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Reliance Capital Trustee Company Limited				
	At the beginning of the year	43,85,631	2.90		
	Purchase:				
	05-Apr-19	16,50,000	1.09	60,35,631	3.99
	31-Dec-19	23,744	0.02	60,59,375	4.01
	03-Jan-20	34,393	0.02	60,93,768	4.03
	At the end of the Year			60,93,768	4.03
2	India Motor Parts & Accessories Limited				
	At the beginning of the year	28,53,600	1.89		
	Date wise Increase/Decrease				
	At the end of the Year			28,53,600	1.89
3	Bright Star Investments Pvt. Ltd.				
	At the beginning of the year	26,30,434	1.74		
	Date wise Increase/Decrease				
	At the end of the Year			26,30,434	1.74
4	Axis Mutual Fund Trustee Limited A/c				
	At the beginning of the year	32,94,432	2.18		
	Sale:				
	05-Apr-19	-16,76,339	-1.11	16,18,093	1.07
	10-May-19	-3,179	0.00	16,14,914	1.07
	02-Aug-19	-11,885	-0.01	16,03,029	1.06
	06-Sep-19	-9,384	-0.01	15,93,645	1.05
	13-Sep-19	-5,663	0.00	15,87,982	1.05
	15-Nov-19	-4,383	0.00	15,83,599	1.05
At the end of the Year			15,83,599	1.05	
5	United India Insurance Company Limited				
	At the beginning of the year	15,69,561	1.04		
	Date wise Increase/Decrease				
	At the end of the Year			15,69,561	1.04

Sl. No.	Name of the Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
6	SBI Mutual Fund				
	At the beginning of the year	18,36,060	1.22		
	21-Jun-19	-235000	-0.01	16,01,060	1.06
	31-Dec-19	-13,500	0.00	15,87,560	1.05
	03-Jan-20	-6,319	0.00	15,81,241	1.05
	24-Jan-20	-48,007	-0.03	15,33,234	1.01
	31-Jan-20	-14,164	-0.01	15,19,070	1.01
	At the end of the Year			15,19,070	1.01
7	Damani Estate And Finance Pvt. Ltd				
	At the beginning of the year	10,32,912	0.68		
	Date wise Increase/Decrease				
	At the end of the Year			10,32,912	0.68
8	ICICI Prudential Fund				
	At the beginning of the year	10,27,850	0.68		
	Sale:				
	31-May-19	-17,897	-0.01	10,09,953	0.67
	09-Aug-19	-27,102	-0.02	9,82,851	0.65
	16-Aug-29	-12,416	-0.01	9,70,435	0.64
	At the end of the Year			9,70,435	0.64
9	Sundaram Finance Employees Welfare Trust				
	At the beginning of the year	9,60,960	0.64		
	Date wise Increase/Decrease				
	At the end of the Year			9,60,960	0.64
10	Ms. Chinmay G Parikh & Mr. Govindlal Parikh				
	At the beginning of the year	34,000	0.02		
	Purchase:				
	09-Aug-19	8,88,383	0.59	9,22,383	0.61
	31-Mar-20	20,000	0.01	9,42,383	0.62
	At the end of the Year			9,42,383	0.62



**(v) Shareholding of Directors and Key Managerial Personnel:**

Sl. No.	Name of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Sri T T Srinivasaraghavan				
	At the beginning 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		
	Date wise Increase / Decrease				
	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	
2	Sri R. Venkatraman				
	At the beginning of the year	–	–		
	Increase / Decrease in Share holding during the year	–	–		
	At the end of the Year			–	–
3	Sri S Prasad				
	At the beginning of the year				
	(i) held individually	12,600	0.01		
	(ii) held jointly with others	–	–		
	Date wise Increase / Decrease				
	Mutual Transfer from individual holding to Joint holding - 27th November 2019	-12600	-0.01	–	–
	Mutual Transfer from individual holding to Joint holding - 27th November 2019	12600	0.01	12,600	0.01
	Acquisition - Gift - 11th March 2020	12600	0.01	25,200	0.02
	At the end of the Year -				
(i) held individually			–	–	
(ii) held jointly with others			25,200	0.02	
4	Ms. Shobhana Ramachandhran				
	At the beginning of the year - held individually	3,44,720	0.23		
	Date wise Increase / Decrease				
	At the end of the Year - held individually			3,44,720	0.23

Sl. No.	Name of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
5	Sri Srivats Ram				
	At the beginning of the year				
	(i) held individually	17,01,322	1.13		
	(ii) held as Karta of HUF	77,200	0.05		
	Date wise Increase / Decrease	–	–		
	At the end of the Year				
	(i) held individually			17,01,322	1.13
	(ii) held as Karta of HUF			77,200	0.05
6	Sri Harsha Viji				
	At the beginning of the year				
	(i) held individually	16,72,358	1.11		
	(ii) held jointly with others	3,156	0.00		
	Date wise Increase / Decrease	–	–		
	At the end of the Year				
	(i) held individually			16,72,358	1.11
	(ii) held jointly with others			3,156	0.00
7	Sri Paramesh Krishanier, Chief Executive Officer				
	At the beginning of the year				
	(i) held individually	400	0.00		
	(ii) held jointly with others	6,000	0.00		
	Date wise Increase / Decrease				
	At the end of the Year				
	(i) held individually			400	0.00
	(ii) held jointly with others			6,000	0.00
8	Sri P N Srikant, Secretary & Compliance Officer				
	At the beginning of the year	25	0.00		
	Date wise Increase / Decrease				
	At the end of the Year			25	0.00
9	Sri V. Vaasen, 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>	NIL			
(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>				

## 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	Total Amount
		Sri Paramesh Krishnaier Chief Executive Officer	
1	Gross Salary		
	(a) Salary as per provisions contained in Section 17 (1) of the Income-tax Act, 1961	42.85	42.85
	(b) Value of perquisites u/s 17 (2) of the Income-tax Act, 1961	2.45	2.45
	(c) Profits in lieu of salary under section 17 (3) of the Income-tax Act, 1961	Nil	Nil
2	Stock Option	Nil	Nil
3	Sweat Equity	Nil	Nil
4	Commission	10.00	10.00
	- as % of profit	0.13%	0.13%
	- others, specify	–	–
5	Contributions to Provident, Superannuation and Gratuity Funds	–	–
	<b>Total (A)</b>	55.30	<b>55.30</b>
	Ceiling as per the Act (5% of Net Profit)		311.22

**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	6.45	5.00	–	11.45
Sri S Prasad	4.45	3.00	–	7.45
Ms Shobhana Ramachandran	2.60	3.00	–	5.60
<b>Total (1)</b>	<b>13.50</b>	<b>11.00</b>	<b>–</b>	<b>24.50</b>
<b>Other Non-Executive Directors</b>				
Sri T T Srinivasaraghavan	–	–	–	–
Sri Harsha Viji	–	–	–	–
Sri Srivats Ram	–	–	–	–
Total (2)	–	–	–	–
<b>Total (B) = (1+2)</b>	<b>13.50</b>	<b>11.00</b>	<b>–</b>	<b>24.50</b>
<b>Total Managerial Remuneration (A) + (B)</b>				<b>79.80</b>
Overall Ceiling as per the Act (6% of Net Profits)				<b>373.47</b>

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

(₹ in lakhs)

Sl. No.	Particulars of Remuneration	Sri P.N. Srikant Company Secretary	Sri V. Vaasen Chief Financial Officer	Total Amount
1	Gross Salary			
	a) Salary as per provisions contained in Section 17 (1) of the Income-tax Act, 1961	27.68	31.47	59.15
	b) Value of perquisites u/s 17 (2) of the Income-tax Act, 1961	0.24	0.24	0.48
	c) Profits in lieu of salary under section 17 (3) of the Income-tax Act, 1961	–	–	–
2	Stock Option	–	–	–
3	Sweat Equity	–	–	–
4	Commission			
	- as % of profit	–	–	–
	- others, specify	–	–	–
5	Contribution to Provident, Superannuation and Gratuity Funds	2.49	1.53	4.02
	<b>Total (A)</b>	<b>30.41</b>	<b>33.24</b>	<b>63.66</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 2020.

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# **INDEPENDENT AUDITOR’S REPORT**

## **Report on the Audit of the Standalone Financial Statements**

### **To the Members of Sundaram Finance Holdings Limited**

#### **Opinion**

We have audited the accompanying standalone financial statements of Sundaram Finance Holdings Limited (“the Company”), which comprise the Balance Sheet as at 31st March 2020, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (“the Act”) in the manner so required and give a true and fair view in conformity with Indian Accounting Standards prescribed under Section 133 of the Act (Ind AS) and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

#### **Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the financial statements section of our report. We are independent of the Company in accordance with Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules

thereunder, and we have fulfilled our ethical responsibilities in accordance with these requirements and the ICAI’s Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

#### **Emphasis of matter**

We draw your attention to Note 32h of the standalone financial statements wherein the Company has disclosed impact assessment due to COVID-19 pandemic. As stated in the said note, the impact assessment carried out by the Management with available information did not indicate any material impact on the carrying value of assets and liabilities of the Company as on the reporting date or any adverse impact on ability of the Company to continue as a going concern. Considering the uncertainties prevailing in the economic conditions globally and in India, such impact assessment done by the Management of the Company is highly dependent on the circumstances as they evolve in subsequent periods.

Our opinion is not modified in respect of this matter.

#### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matter to be communicated in our report.

Key Audit Matter	Our audit procedures with regards to key audit matter
<p><b><i>Valuation of Unquoted investments fair valued through OCI</i></b></p> <p>Refer Note 2.2 “Fair value measurement”, and Note 2.4 “Financial Assets” for relevant accounting policies and significant accounting estimates used by the Company.</p> <p>The investment portfolio is valued at ₹ 1,28,931.27 lakhs which represents almost 99% of the total assets, where unquoted equity investments fair valued through OCI amounts to ₹20,681.10 lakhs (“Investment”) covering about 16% of investment value as at 31st March’20.</p> <p>As the above investment are not traded in the active market, fair value of these investments involved significant management judgment and estimate and were valued based on valuation recommendation provided by Valuation Expert in the Group.</p> <p>Determination of Fair Value includes the market approach according to which the earnings and book value based market multiples of listed peer companies in the same sector as that of the investments have been used to determine the fair value of unquoted equity investments after adjusting for illiquidity discount.</p> <p>This valuation is a Level 3 type of valuation in accordance of Ind AS 113 Fair Value Measurement where one or more significant inputs to the fair value measurement is unobservable. Accordingly, the valuation of unquoted investment was considered to be a Key Audit Matter, due to significant judgments associated with determining the fair value of investment.</p>	<ul style="list-style-type: none"> <li>(i) Reviewed the Accounting Policies used by the Company for accounting and disclosing Investments for compliance with the accounting framework.</li> <li>(ii) Evaluating valuation methodology recommended by Valuation Expert.</li> <li>(iii) Verified the correctness of market inputs used and mathematical accuracy of the valuation analysis.</li> <li>(iv) Assessed the adequacy of internal controls, evaluated the design and tested the operating effectiveness of such controls for initial recognition, subsequent measurement and disclosure of investments as on the reporting date as per applicable regulations.</li> <li>(v) Our team was supported by our in-house valuation specialist, especially in determining whether such valuation methodology is consistent with the market practice.</li> <li>(vi) We also assessed whether the disclosures in relation to investments are compliant with the relevant Indian accounting requirements and appropriately present the sensitivities in the valuations based on alternative outcome.</li> </ul>

### Information Other than the Standalone Financial Statements and Auditor’s Report Thereon

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

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

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

the course of our audit or otherwise appears to be materially misstated.

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

### **Managements Responsibility for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. Their responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or had no realistic alternative but to do so.

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

### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Sub section(11) of Section 143 of the Companies Act 2013, we give in the ANNEXURE "A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
  - i) We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - ii) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
  - iii) The Balance Sheet, the Statement of Profit and Loss Account (including Other Comprehensive Income), Statement of Changes in Equity and the Statement of Cash Flow dealt with in this report are in agreement with the books of account.
  - iv) In our opinion, the financial statements comply with the Ind AS specified under section 133 of the Act.
  - v) On the basis of the written representations received from the directors as on 1st April 2020 taken on records by the Board of Directors, none of the directors is disqualified from being appointed as a director under sub-section (2) of section 164 of the Act.
  - vi) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our Separate report in ANNEXURE "B". Our report



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

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

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

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

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

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

**K. Venkatakrishnan**  
Partner

Place: Chennai  
Date: 25th May 2020

Membership No.208591  
UDIN: 20208591AAAABL3783

**Annexure – “A” referred to in paragraph 1 under ‘Report on Other Legal and Regulatory Requirements’ section of our audit report of even date to the members of Sundaram Finance Holdings Limited (“the Company”) on the financial statements of the Company for the year ended 31st March, 2020**

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 title deeds of immovable properties are held in the name of the Company.
II	Considering the nature of business of the Company, Clause 3(ii) of the Order relating to inventories is not applicable.	
III	According to information and explanations given to us, the Company has not granted any loan, secured or unsecured, to companies, firms or other parties covered in the Register maintained under Section 189 of the Act.	
IV	The Company has complied with the provisions of Sections 185 and 186 of the Act in respect of investments made during the year. According to information and explanations given to us, the Company has not granted any loans or guarantees or securities during the year as envisaged under Section 185 and 186 of the Act.	
V	The Company has not accepted any deposits; Hence the provisions of Section 73 to 76 or any other relevant provisions of the Act and the rules framed 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, Goods and Service Tax, Cess and any other statutory dues applicable to it with appropriate authorities. There are no arrears of undisputed statutory dues outstanding as at 31st March 2020 for a period of more than six months from the date they became payable.
	b.	According to the information and explanations given to us, and records of the Company examined by us, in our opinion, there are no dues of Income Tax, Service Tax, Goods and Service Tax or Cess pending on account of any dispute as at 31st March 2020.
VIII	The Company has not obtained any loans or borrowings from financial institutions, banks, Government nor has issued any debentures during the year. Accordingly, Clause 3(viii) of the Order is not applicable.	
IX	The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) or term loans during the year.	
X	During the course of our examination of books and records of the Company carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither observed any instances of fraud by the Company or any fraud on the Company, by its officers or employees, nor have we been informed of such case by the Management during the year.	
XI	The managerial remuneration has been paid in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act.	

XII	The Company is not a Nidhi Company and hence Clause 3(xii) of the Order is not applicable.
XIII	In our opinion and according to information and explanations given to us, all transactions with related parties are in compliance with Sections 177 and 188 of the Act and the details have been disclosed in the Standalone Financial Statements as required by the applicable Accounting Standards.
XIV	The Company has not made any preferential allotment or private placement of shares or fully convertible or partly convertible debentures during the year under review.
XV	According to the information and explanations given to us and based on our examination of records, the Company has not entered into any non-cash transactions with the directors or persons connected with them contravening Section 192 of the Act.
XVI	The investment of the Company in equity / preference share and debt securities in Group Companies have fallen below 90 % of net assets as at the balance sheet date and as informed to us, Company is in the process of getting registered under Section 45 – IA of the Reserve Bank of India Act, 1934.

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

**K. Venkatakrishnan**  
Partner

Membership No.208591  
UDIN: 20208591AAAABL3783

Place: Chennai  
Date: 25th May 2020

**Annexure – “B” referred to in paragraph 2 Clause (vi) under ‘Report on Other Legal and Regulatory Requirements’ section of our audit report of even date to the members of Sundaram Finance Holdings Limited (“the Company”) on the financial statements of the Company for the year ended 31st March, 2020**

We have audited the internal financial controls over the financial reporting of Sundaram Finance Holdings Limited (“the Company”) as on March 31, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management’s Responsibility for Internal Financial Controls**

The Company’s Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over financial reporting issued by the Institute of Chartered Accountants of India. These responsibilities

include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013

**Auditor’s Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit.

We conducted our audit in accordance with the Guidance Note and the Standards on Auditing prescribed under sections 143(10) of the Act

to the extent applicable to an audit of internal financial controls. The Guidance Note and those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk whether material weakness exists, and testing and evaluating the design and operating effectiveness of internal controls based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

### Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial controls over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that:

1. Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
2. Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in

accordance with authorizations of management and Directors of the Company; and

3. Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

### Inherent Limitations of Internal Financial Controls over Financial Reporting

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

### Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020 based on, the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial reporting issued by ICAI.

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

**K. Venkatakrishnan**  
Partner

Place: Chennai  
Date: 25th May 2020

Membership No. 208591  
UDIN: 20208591AAAABL3783

# Balance Sheet

as at 31st March, 2020

(₹ in lakhs)

Particulars	Notes	March 31, 2020	March 31, 2019
<b>ASSETS</b>			
<b>(1) Financial Assets</b>			
(a) Cash and cash equivalents	1	1,66.29	20.94
(b) Receivables	2	2,75.84	3,52.04
(c) Loans	3	36.15	29.70
(d) Investments	4	1289,31.27	1847,38.90
(e) Other financial assets	5	24.89	19.97
<b>(2) Non-financial Assets</b>			
(a) Current tax assets (Net)	6	1,47.08	–
(b) Investment property	7	1,71.26	1,64.24
(c) Property, plant and equipment	8	1,83.77	1,00.47
(d) Other intangible assets	8	5.14	16.76
(e) Right of Use asset	25	2,02.12	–
(f) Other non-financial assets	9	63.92	63.03
<b>Total Assets</b>		<b>1302,07.72</b>	<b>1855,06.06</b>
<b>LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
<b>(1) Financial liabilities</b>			
(a) Payables	10		
Trade Payables			
(i) Total outstanding dues of micro enterprises and small enterprises		0.67	–
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		38.86	12.76
(b) Other financial liabilities	11	50.43	32.53
(c) Lease liability	25	2,13.68	–
<b>(2) Non-Financial liabilities</b>			
(a) Current tax Liabilities (Net)	12	–	30.66
(b) Provisions	13	1,90.54	1,36.02
(c) Deferred tax liabilities (Net)	14	55,80.06	82,25.60
(d) Other non-financial liabilities	15	77.63	75.84
<b>(3) Equity</b>			
(a) Equity share capital	16	75,55.19	75,55.19
(b) Other equity	17	1165,00.67	1694,37.45
<b>Total Liabilities and Equity</b>		<b>1302,07.72</b>	<b>1855,06.06</b>

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

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

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

Chartered Accountants

ER No: 002785S

**K. Venkatakrishnan**

Partner

M.No : 208591

Date : 25-05-2020

Place : Chennai

**T.T. Srinivasaraghavan**

Chairman

**S.Ravi**

Chief Executive Officer

**Harsha Viji**

Director

**V. Vaasen**

Chief Financial Officer

**R. Venkatraman**

Director

**P.N. Srikant**

Secretary & Compliance Officer

# Statement of Profit and Loss

for the Year Ended 31st March, 2020

(₹ in lakhs)

Particulars	Notes	For the year ended 31 March 2020	For the year ended 31 March 2019
<b>Revenue from operations</b>			
Interest Income	18	2,51.34	3,54.47
Dividend Income		59,48.18	65,31.80
Net gain on fair value changes	19	4,84.99	10,48.00
Net gain on derecognition of Equity instrument under cost category		–	16,66.53
Sale of services	29	25,63.44	22,73.74
<b>Total Revenue from operations</b>		<b>92,47.95</b>	<b>118,74.53</b>
Other Income	20	1,87.33	1,96.07
<b>Total Income</b>		<b>94,35.28</b>	<b>120,70.60</b>
<b>Expenses</b>			
Finance cost	21	27.52	19.29
Employee benefit expenses	22	20,82.56	17,63.07
Depreciation and Amortisation		70.84	29.04
Administrative and Other Expenses	23	7,42.60	7,10.52
<b>Total expenses</b>		<b>29,23.52</b>	<b>25,21.93</b>
Profit before exceptional items and tax		65,11.76	95,48.69
Exceptional items		–	–
<b>Profit before tax</b>		<b>65,11.76</b>	<b>95,48.69</b>
Tax expense	24		
1. Current tax		2,72.65	10,74.77
2. Deferred tax		1,00.24	(19.36)
<b>Total tax</b>		<b>3,72.89</b>	<b>10,55.41</b>
<b>Profit for the period</b>		<b>61,38.88</b>	<b>84,93.28</b>
<b>Other Comprehensive Income</b>			
<b>A. Items that will not be reclassified to profit or loss</b>			
Remeasurements of the defined benefit plans	31	(4.89)	(17.44)
Income tax on above		(1.42)	5.08
Remeasurements of the defined benefit plans (Net of Income tax)		(3.47)	(12.36)
Change in Fair value of equity instruments		(572,19.43)	(608,70.32)
Income tax on above		(27,01.40)	(41,26.60)
Change in Fair value of equity instruments (Net of tax)		(545,18.03)	(567,43.72)
<b>Other Comprehensive Income Net of Tax</b>		<b>(545,21.49)</b>	<b>(567,56.08)</b>
<b>Total Comprehensive Income for the period</b>		<b>(483,82.61)</b>	<b>(482,62.81)</b>
<b>Basic and Diluted Earnings per Equity Share of ₹5/- each</b>	32a	4.06	5.62

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

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

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

Chartered Accountants

ER No: 002785S

**K. Venkatakrishnan**

Partner

M.No : 208591

Date : 25-05-2020

Place : Chennai

**T.T. Srinivasaraghavan**

Chairman

**S.Ravi**

Chief Executive Officer

**Harsha Viji**

Director

**V. Vaasen**

Chief Financial Officer

**R. Venkatraman**

Director

**P.N. Srikant**

Secretary & Compliance Officer

# Cash Flow Statement

(₹ in lakhs)

Particulars	March 31, 2020	March 31, 2019
<b>Cash flow from operating activities</b>		
<b>Profit before tax</b>	65,11.76	95,48.69
Adjustments to reconcile profit before tax to net cash used in operating activities		
Depreciation and Amortisation	70.84	29.03
Fair value change in financial instruments	(4,84.99)	(10,61.27)
Income from Commercial Paper and IRFC bonds	(2,51.34)	(3,54.47)
Gain on derecognition of Equity instrument under cost category	-	(16,66.53)
(Gain)/loss on sale of property, plant and equipment	0.03	0.07
Finance costs paid	27.52	19.29
Net Actuarial gain/(loss) on defined benefit plan	(4.89)	(17.44)
	<b>58,68.93</b>	<b>64,97.38</b>
<b>Working capital adjustments</b>		
(Increase)/ Decrease in trade and other receivables	76.20	(9.10)
(Increase)/ Decrease in Loans	(6.45)	4.83
(Increase)/ Decrease in Other financial assets	(4.92)	15.21
(Increase)/ Decrease in Other non-financial assets	(0.89)	4.36
Increase/ (Decrease) in trade and other payables	26.76	(91.87)
Increase/(Decrease) in financial liabilities	17.90	12.70
Increase/(Decrease) in other non-financial liabilities and provisions	56.31	66.05
	<b>60,33.84</b>	<b>64,99.57</b>
Income Tax paid	(4,93.32)	(11,28.42)
<b>Net cash flows from operating activities</b>	<b>55,40.52</b>	<b>53,71.15</b>
<b>Cash flow from investing activities</b>		
Purchase and construction of property, plant and equipment	(1,16.63)	(27.80)
(Purchase)/Sale of Mutual funds	5.10	(7,33.97)
(Purchase)/Sale of Other Investments	(6,82.31)	(42,30.99)
Proceeds from Capital Reduction by Associates	-	22,05.50
Proceeds from sale of property, plant and equipment	0.06	0.16
Interest received	1.74	1.74
<b>Net cash flows from investing activities</b>	<b>(7,92.05)</b>	<b>(27,85.36)</b>
<b>Cash flow from financing activities</b>		
Dividend Paid (including Dividend distribution tax)	(45,54.17)	(27,32.49)
Lease Liability Principal paid	(21.44)	-
Lease Liability Interest paid	(17.71)	-
Finance costs paid	(9.81)	(19.29)
<b>Net cash flows from financing activities</b>	<b>(46,03.13)</b>	<b>(27,51.78)</b>
Net increase / (decrease) in cash and cash equivalents	1,45.35	(1,66.01)
Cash and cash equivalents at the beginning of the year	20.94	1,86.95
<b>Cash and cash equivalents at the end of the year (Refer Note 1)</b>	<b>1,66.29</b>	<b>20.94</b>

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

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

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

Chartered Accountants

ER No: 002785S

**K. Venkatakrishnan**

Partner

M.No : 208591

Date : 25-05-2020

Place : Chennai

**T.T. Srinivasaraghavan**

Chairman

**S.Ravi**

Chief Executive Officer

**Harsha Viji**

Director

**V. Vaasen**

Chief Financial Officer

**R. Venkatraman**

Director

**P.N. Srikant**

Secretary & Compliance Officer

**STATEMENT OF CHANGES IN EQUITY**
**(a) Equity Share Capital**

(₹in lakhs)

Particulars	Amount
As at April 1, 2018	75,55.19
Changes in equity share capital	–
As at March 31, 2019	75,55.19
Changes in equity share capital	–
As at March 31, 2020	75,55.19

**(b) Other equity**

(₹in lakhs)

Particulars	Reserves and Surplus			Gains / (losses) from equity investments through OCI	Total
	Capital Reserve	General Reserve	Retained Earnings		
<b>Balance as at 01 April, 2018</b>	<b>18,74.68</b>	<b>131,08.02</b>	<b>101,28.43</b>	<b>1953,21.66</b>	<b>2204,32.77</b>
Add: Profit or loss for the period			84,93.28		84,93.28
Add: Other comprehensive income			(12.36)	(567,43.72)	(567,56.08)
Less: Final Dividend for FY 2017-18 paid			(22,66.59)		(22,66.59)
Less: Dividend Tax			(4,65.90)		(4,65.90)
<b>Balance as at 31 March 2019</b>	<b>18,74.68</b>	<b>131,08.02</b>	<b>158,76.85</b>	<b>1385,77.94</b>	<b>1694,37.45</b>
Add: Profit or loss for the period			61,38.88		61,38.88
Add: Other comprehensive income			(3.47)	(545,18.03)	(545,21.49)
Less: Final Dividend for FY 2018-19 paid			(26,44.35)		(26,44.35)
Less: Dividend Tax			(5,43.55)		(5,43.55)
Less: Interim Dividend for FY 2019-20 paid			(11,33.31)		(11,33.31)
Less: Dividend Tax			(2,32.95)		(2,32.95)
<b>Balance as at 31 March 2020</b>	<b>18,74.68</b>	<b>131,08.02</b>	<b>174,58.09</b>	<b>840,59.91</b>	<b>1165,00.67</b>

As per our report of even date attached.

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

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

Chartered Accountants

ER No: 002785S

**K. Venkatakrishnan**

Partner

M.No : 208591

Date : 25-05-2020

Place : Chennai

**T.T. Srinivasaraghavan**  
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Director

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Chief Financial Officer

**R. Venkatraman**  
Director

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



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# NOTES TO THE FINANCIAL STATEMENTS

## 1. COMPANY OVERVIEW

Sundaram Finance Holdings Limited ('the Company') is a Public Limited Company incorporated in India with its registered office located at No.21, Patullos Road, Chennai – 600002. The Company is going to register with the Reserve Bank of India (RBI) as a Non Banking Financial Company (NBFC) since it cease to be exempted Core Investment Company as on 31st March 2020. The Company is primarily engaged in the business of Investments, business processing and support services. The equity shares of the Company are listed on the National Stock Exchange of India Limited.

## 2. SIGNIFICANT ACCOUNTING POLICIES

### 2.1 Basis of Preparation

- The financial statements are prepared in accordance with the Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act”
- The Financial Statements have been prepared on a historical cost basis, except for certain financial instruments that are measured at fair values at the end of each reporting period. Company’s financial statements are prepared in Indian Rupees (₹), which is also its functional currency.

### 2.2 Measurement of fair values

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

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

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

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

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

### 2.3 Revenue Recognition:

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

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

## NOTES TO THE FINANCIAL STATEMENTS (Contd.)

### **Dividends:**

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

### **Interest Income:**

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

### **Rental Income:**

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

## **2.4. Financial Assets**

### **Initial Recognition**

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

### **Subsequent Measurement**

#### **Financial Asset measured at Amortised Cost (AC)**

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

#### **Financial Assets at Fair Value through Other Comprehensive Income: (FVTOCI)**

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

#### **Financial Assets at Fair Value Through Profit or Loss: (FVTPL)**

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

### **Investments in Subsidiary and Associates**

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

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## NOTES TO THE FINANCIAL STATEMENTS (Contd.)

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

### 2.5. Financial Liabilities

#### Initial Recognition

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

#### Subsequent Measurement

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

#### De-Recognition

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

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

#### Impairment of Financial Assets

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

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

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

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

#### Offsetting of financial instruments

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

## NOTES TO THE FINANCIAL STATEMENTS (Contd.)

### 2.6. Leases

The Company's lease asset classes primarily consist of leases for land and buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- (i) the contract involves the use of an identified asset
- (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and
- (iii) the Company has the right to direct the use of the asset.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment of whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

### 2.7. Employee Benefits

#### SHORT TERM EMPLOYEE BENEFITS

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

#### POST EMPLOYMENT BENEFITS

##### a. Defined Contribution plans

###### i. Superannuation

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

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## NOTES TO THE FINANCIAL STATEMENTS (Contd.)

### ii. Provident Fund

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

### b. Defined benefit plans

#### i. Gratuity

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

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

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

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

### c. Other Long Term Employee Benefits

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

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

## NOTES TO THE FINANCIAL STATEMENTS (Contd.)

### 2.8 Income Taxes

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

#### Current tax

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

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

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

#### Deferred Tax

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

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

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

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

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

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

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

## NOTES TO THE FINANCIAL STATEMENTS (Contd.)

### Current and Deferred tax for the year - OCI

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

### 2.9. Property, plant and equipment

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

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

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

Freehold land is not depreciated.

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

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

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

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

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

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

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

## NOTES TO THE FINANCIAL STATEMENTS (Contd.)

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

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

### 2.10 Investment Property

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

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

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

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

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

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

### 2.11. Intangible Assets

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

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

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

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



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## NOTES TO THE FINANCIAL STATEMENTS (Contd.)

### 2.12. Impairment of Assets

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

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

### 2.13. Foreign Currency Transactions

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

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

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

### 2.14. Dividend

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

### 2.15. Cash Flow Statement

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

### 2.16. Provisions and Contingent Liabilities

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

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a

## NOTES TO THE FINANCIAL STATEMENTS (Contd.)

provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material). When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities are disclosed when

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

### 2.17 Earnings Per Share

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

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

## 3. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

### Useful lives of Property Plant and Equipment / Intangible Assets

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

### Impairment of Financial Assets

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

## NOTES TO THE ACCOUNTS

### Note 1: Cash and cash equivalents

(₹ in lakhs)

Particulars	March 31, 2020	March 31, 2019
Cash on hand	0.09	0.15
Balances with Banks in Current Accounts	1,45.75	13.34
Earmarked balances with banks (For Unpaid dividend)	20.45	7.46
	<b>1,66.29</b>	<b>20.94</b>

### Note 2: Receivables

(₹ in lakhs)

Particulars	March 31, 2020	March 31, 2019
Trade receivables		
– Considered good-Secured		
– Considered good-Unsecured *	2,75.84	3,52.04
– Receivables having significant increase in credit risk	–	–
– Credit Impaired	–	–
Less: Allowance for impairment loss	–	–
Debts due by Directors and others	–	–
	<b>2,75.84</b>	<b>3,52.04</b>

\* Refer Note 30 for related party transactions

### Note 3: Loans

(₹ in lakhs)

Loans	31st March 2020				31st March 2019			
	Amortised cost	At Fair value		Total	Amortised cost	At Fair value		Total
		Through other comprehensive income	Through profit or loss			Through other comprehensive income	Through profit or loss	
<b>Loans (Unsecured)</b>								
Staff advance	36.15	–	–	36.15	29.70	–	–	29.70
<b>Gross Loans</b>	<b>36.15</b>	<b>–</b>	<b>–</b>	<b>36.15</b>	<b>29.70</b>	<b>–</b>	<b>–</b>	<b>29.70</b>
<b>Less: Impairment Loss allowance</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Net Loans</b>	<b>36.15</b>	<b>–</b>	<b>–</b>	<b>36.15</b>	<b>29.70</b>	<b>–</b>	<b>–</b>	<b>29.70</b>

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

(₹ in lakhs)

Particulars	Face Value (₹)	As at 31.03.2020		As at 31.03.2019	
		Holding (Number)	Carrying Amount	Holding (Number)	Carrying Amount
<b>At Cost:</b>					
<b>Equity Instruments</b>					
<i><b>Subsidiary</b></i>					
- Sundaram business services Limited	10	2,23,67,291	29,12.79	1,50,00,000	29,12.79
			<b>29,12.79</b>		<b>29,12.79</b>
<i><b>Associates</b></i>					
- Flometallic India Private Limited	1,00,000	3,800	32,50.00	3,800	32,50.00
- The Dunes Oman LLC (FZC)	1 *	2293,725	21,55.89	18,34,980	21,55.89
- Sundaram Hydraulics Limited	10	1,12,50,000	1,05.77	1,12,50,000	1,05.77
- Axles India Limited	10	98,91,754	10,15.70	98,91,754	10,15.70
- Turbo Energy Private Limited	10	25,60,000	1,88.41	25,60,000	1,88.41
- Transenergy Limited	100	1,20,000	1,87.50	1,20,000	1,87.50
- Sundaram Dynacast Private Limited	10	11,70,000	1,17.00	11,70,000	1,17.00
			<b>70,20.27</b>		<b>70,20.27</b>
<b>Total - A</b>			<b>99,33.06</b>		<b>99,33.06</b>
<b>At fair value through other comprehensive income:</b>					
<b>Equity Instruments</b>					
- Wheels India Limited	10	32,69,096	188,14.52	26,67,482	249,22.39
- Brakes India Private Limited	100	1,59,460	121,69.89	1,59,460	273,49.69
- India Motor Parts & Accessories Limited	10	23,20,005	134,95.32	15,40,784	135,93.51
- Sundaram Clayton Limited	5	22,73,081	457,03.24	22,73,081	744,66.64
- TVS Investments Private Limited	5	22,73,085	21,88.55	22,73,085	22,15.57
- Lucas-TVS Limited	100	63,224	29,23.22	63,224	66,78.49
- Delphi TVS Technologies Limited	10	2,52,896	11,96.02	2,52,896	11,21.84
- Techtran Polylenes Limited	10	2,50,000	-	2,50,000	-
- Vishnu Forge Industries Limited	10	2,97,110	1,14.68	2,97,110	1,05.84
- D2C Consulting Services Private Limited	100		1.75		
- Fettle tone LLP			20,87.00		
<b>Total - B</b>			<b>986,94.19</b>		<b>1504,53.96</b>

NOTES TO THE ACCOUNTS (Contd.)

(₹ in lakhs)

Particulars	Face Value (₹)	As at 31.03.2020		As at 31.03.2019	
		Holding (Number)	Carrying Amount	Holding (Number)	Carrying Amount
<b>At Fair Value through Profit and Loss:</b>					
<b>Mutual Funds</b>					
- Sundaram Money Fund-Growth		85,53,868	35,81.47	30,69,054	12,09.54
- Sundaram Low Duration Fund-Growth		–	–	4,83,54,744	127,23.73
- Sundaram Ultra Short term Fund-Growth		6,83,97,132	72,15.35	–	–
- Sundaram Banking PSU & Debt Fund		1,05,01,895	33,65.52	–	–
- Sundaram Money market fund		3,76,78,370	42,20.81	3,97,23,282	41,45.60
- JM Financial yield enhancer (Distressed Opportunity) Fund I - Series I		100	1,00.00	–	–
<b>- Preference Shares</b>					
- D2C Consulting Services Private Limited-0.1% Cumulative Convertible Preference Shares	100	17,014	2,98.26	–	–
<b>Total - C</b>			<b>187,81.40</b>		<b>180,78.87</b>
At amortised cost:					
<b>- Preference Shares</b>					
Sundaram Asset Management Company - 6.75% Redeemable Cumulative Non-Convertible Preference Shares	100	15,00,000	15,00.00	15,00,000	15,00.00
<b>- Government securities</b>					
- IRFC tax free bonds	1,000	2,175	22.62	2,175	22.62
- Commercial Paper:		–	–	–	–
- Cholamandalam investment and finance company		–	–	–	23,70.16
- HDB Financial services		–	–	–	23,80.24
<b>Total - D</b>			<b>15,22.62</b>		<b>62,73.02</b>
<b>Total Investments A+B+C+D</b>			<b>1289,31.27</b>		<b>1847,38.90</b>
<b>Less: Allowance for Impairment loss</b>			–		–
<b>Total Investments</b>			<b>1289,31.27</b>		<b>1847,38.90</b>
Investment outside India			21,55.89		21,55.89
Investment in India			1267,75.39		1825,83.02

**NOTES TO THE ACCOUNTS (Contd.)**
**Investments - Categorywise**

(₹ in lakhs)

Particulars	As at 31.03.2020	As at 31.03.2019
Aggregate amount of Quoted Investments	780,35.71	1130,05.15
Aggregate amount of Unquoted Investments (Net of allowance for Impairment loss)	508,95.56	717,33.75
<b>Total</b>	<b>1289,31.27</b>	<b>1847,38.90</b>

\* Face value in Omani Riyal

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

(₹ in lakhs)

-Investments held during/at the end of reporting period	2019-20	2018-19
- Brakes India Private Limited	6,98.43	9,04.14
- Lucas TVS Limited	1,20.13	1,20.12
- Delphi TVS Technologies Limited	53.11	40.46
- Sundaram Clayton Limited	7,04.66	8,18.32
- Wheels India Limited	2,24.78	2,06.73
- Indian Motor Parts & Accessories Limited	5,08.46	1,69.49
- Vishnu Forge Industries Limited	2.08	1.78
- TVS Investments Private Limited	–	5.22
<b>Total Dividend</b>	<b>23,11.64</b>	<b>22,66.26</b>

NOTES TO THE ACCOUNTS (Contd.)

**Note 5 : Other Financial assets (Unsecured )**

(₹ in lakhs)

Particulars	March 31, 2020	March 31, 2019
Security Deposits	21.15	19.97
Other Assets	3.74	—
	<u>24.89</u>	<u>19.97</u>

**Note 6 : Current Tax Assets (net)**

(₹ in lakhs)

Particulars	March 31, 2020	March 31, 2019
Advance Income Tax and Tax Deducted at source (Net of Provision for Tax)	1,47.08	—
	<u>1,47.08</u>	<u>—</u>

**Note 7 : Investment Property**

(₹ in lakhs)

Particulars	Land	Building
<b>As at 01-04-2019</b>	1,28.75	43.19
Additions	—	11.09
Sub-total	1,28.75	54.28
(-) Sales / deletion	—	—
<b>Total</b>	<u>1,28.75</u>	<u>54.28</u>
<b>Depreciation</b>		
Upto 1st April 2019	—	7.69
For the year	—	4.08
Sub-total	—	11.77
(-) Withdrawn on assets sold / deleted	—	0.00
<b>Total</b>	<u>—</u>	<u>11.77</u>
<b>Net Carrying amount</b>		
<b>As at 31-03-2020</b>	<u>128.75</u>	<u>42.51</u>

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

(₹ in lakhs)

Particulars	Land	Building
<b>As at 01-04-2018</b>	1,28.75	39.14
Additions	–	–
Sub-total	1,28.75	39.14
Sales / deletion	–	–
<b>Total</b>	<b><u>1,28.75</u></b>	<b><u>39.14</u></b>
Depreciation		
Upto 31 March 2018	–	–
For the year	–	3.65
Sub-total	–	3.65
Withdrawn on assets sold / deleted	–	0.00
<b>Total</b>	<b><u>–</u></b>	<b><u>3.65</u></b>
Net Carrying amount		
<b>As at 31-03-2019</b>	<b><u>1,28.75</u></b>	<b><u>35.49</u></b>

(₹ in lakhs)

Net Block	Land	Building
As on 31 March 2020	1,28.75	42.51
As on 31 March 2019	1,28.75	35.49

(₹ in lakhs)

Fair Value	Land	Building
At 31 March 2020	445,83.81	2,93.10
At 31 March 2019	445,83.81	2,93.10

**Measurement of Fair Value**
**Fair Value Hierarchy**

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

**Valuation Techniques**

The Company follows discounted cash flows technique. The valuation model considers the present value of net cash flows to be generated from the property, taking into account the expected rental growth rate, vacant periods, occupancy rate, lease incentive costs such as rent-free periods and other costs not paid by tenants. The expected net cash flows are discounted using risk-adjusted discount rates. Among other factors, the discount rate estimation considers the quality of a building and its location (prime vs secondary), tenant credit quality and lease terms. Investment property comprises a number of commercial properties that are leased to third parties. No contingent rents are charged.



## NOTES TO THE ACCOUNTS (Contd.)

### Information regarding income and expenditure of Investment property

(₹ in lakhs)

Particulars	31.03.20	31.03.19
Rental Income derived from Investment Properties	1,74.89	1,74.89
Direct Operating Expenses (including repairs and maintenance)	18.09	11.56
<b>Profit arising from Investment Properties before Depreciation and Indirect Expenses</b>	156.8	1,63.33
Depreciation	4.08	3.65
<b>Profit arising from Investment Properties before Indirect Expenses</b>	1,52.72	1,59.68

### Note 8 : Property, Plant & Equipment And Intangible Assets

(₹ in lakhs)

Description	Property, Plant & Equipment							Intangible	Total (tangible and intangible)
	Free hold land	Buildings	Plant & equipment	Furniture & fixtures	Office equipment	Vehicles	Total	Software-Bought out	
<b>Cost of assets</b>									
As at 01-04-2019	31.86	3.08	37.77	27.54	16.38	13.71	1,30.35	35.52	1,65.86
Additions			98.27	6.35	0.92		1,05.54		1,05.54
Sub-total	31.86	3.08	1,36.05	33.89	17.30	13.71	2,35.89	35.52	2,71.40
(-) Sales / deletion	–	–	–	–	0.15	–	0.15	–	0.15
<b>Total</b>	<b>31.86</b>	<b>3.08</b>	<b>1,36.05</b>	<b>33.89</b>	<b>17.15</b>	<b>13.71</b>	<b>2,35.74</b>	<b>35.52</b>	<b>2,71.25</b>
<b>Depreciation</b>									
Upto 31-03-2019	–	–	12.46	10.56	4.55	2.31	29.89	18.76	48.65
For the year	–	–	11.17	5.00	3.03	2.95	22.15	11.62	33.77
Sub-total	–	–	23.63	15.55	7.59	5.27	52.04	30.38	82.42
(-) Withdrawn on assets sold / deleted	–	–	–	–	0.06	–	0.06	–	0.06
<b>Total</b>	<b>–</b>	<b>–</b>	<b>23.63</b>	<b>15.55</b>	<b>7.52</b>	<b>5.27</b>	<b>51.97</b>	<b>30.38</b>	<b>82.36</b>
Net Carrying amount									
<b>As at 31-03-2020</b>	<b>31.86</b>	<b>3.08</b>	<b>1,12.42</b>	<b>18.34</b>	<b>9.62</b>	<b>8.45</b>	<b>1,83.77</b>	<b>5.14</b>	<b>1,88.90</b>

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

(₹ in lakhs)

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

**Note 9 : Other Non-Financial Assets**

(₹ in lakhs)

Particulars	March 31, 2020	March 31, 2019
Prepaid expenses	31.08	40.88
Other advances	18.45	11.93
GST Input Credit	14.39	10.22
	<b>63.92</b>	<b>63.03</b>

## NOTES TO THE ACCOUNTS (Contd.)

### Note 10 : Trade payables

(₹ in lakhs)

Particulars	March 31, 2020	March 31, 2019
(i) Total outstanding due to micro and small enterprises (Refer Note 32f)	0.67	–
(ii) Total outstanding due of creditors other than micro and small enterprises		
- For Expenses *	38.86	12.76
- For Others	–	–
	<u>39.53</u>	<u>12.76</u>

\* Refer Note 30 for related party transactions

### Note 11 : Other Financial Liabilities

(₹ in lakhs)

Particulars	March 31, 2020	March 31, 2019
Accrued expenses	21.78	21.27
Other Liabilities	28.65	11.26
	<u>50.43</u>	<u>32.53</u>

### Note 12 : Current Tax Liabilities

(₹ in lakhs)

Particulars	March 31, 2020	March 31, 2019
Provision for Income Tax (Net of Advance Tax and TDS)	–	30.66
	<u>–</u>	<u>30.66</u>

### Note 13 : Provisions

(₹ in lakhs)

Particulars	March 31, 2020	March 31, 2019
Provision for Employee Benefits	162.92	116.30
Provision for expenses	27.62	19.72
	<u>190.54</u>	<u>136.02</u>

### Note 14 : Deferred taxes

(₹ in lakhs)

Particulars	March 31, 2020	March 31, 2019
<b>Deferred tax liabilities</b>		
On Investments	60,19.84	86,38.49
<b>Deferred tax assets</b>		
On Investments	(1,32.72)	(1,54.18)
On Employee Benefits	(16.96)	(16.17)
On Property, Plant & Equipment	(8.37)	(3.86)
On Security Deposits	(0.58)	(0.46)
Minimum Alternate Tax (MAT) credit	(281.16)	(238.22)
<b>Net Deferred tax liabilities</b>	<u>55,80.06</u>	<u>82,25.60</u>

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

(₹ in lakhs)

Particulars	March 31, 2020	March 31, 2019
Statutory Liabilities	77.63	75.84
<b>TOTAL</b>	<b>77.63</b>	<b>75.84</b>

**Note 16 : Equity Share Capital**

(₹ in lakhs)

Particulars	31.03.2020	31.03.2019
Authorised:		
16,00,00,000 Equity shares of face value of ₹5/- each	80,00.00	80,00.00
	<b>80,00.00</b>	<b>80,00.00</b>
Issued, Subscribed and fully paid up:		
15,11,03,860 Equity shares of face value of ₹5/- each	75,55.19	75,55.19
	<b>75,55.19</b>	<b>75,55.19</b>

**(a) Reconciliation of Share Capital**

	As at 31st March 2020		As at 31st March 2019	
	No. of Shares	₹ in lakhs	No. of Shares	₹ in lakhs
<b>Balance at the beginning of the year</b>	<b>15,11,03,860</b>	<b>75,55.19</b>	<b>15,11,03,860</b>	<b>75,55.19</b>
Changes in equity share capital during the year				
Share Issued / Redeemed during the year	–	–	–	–
<b>Balance at the end of the year</b>	<b>15,11,03,860</b>	<b>75,55.19</b>	<b>15,11,03,860</b>	<b>75,55.19</b>

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 31.03.2020	No. of Shares	% held as at 31.03.2019
Sundaram Finance Limited	Promoter	3,26,50,000	21.61%	4,00,00,000	26.47%

## NOTES TO THE ACCOUNTS (Contd.)

### Note 17

#### (b) Other equity

(₹ in lakhs)

Particulars	Reserves and Surplus			Gains / (losses) from equity investments through OCI *	Total
	Capital Reserve	General Reserve #	Retained Earnings		
<b>Balance as at 1st April 2019</b>	<b>18,74.68</b>	<b>131,08.02</b>	<b>158,76.85</b>	<b>1385,77.94</b>	<b>1694,37.45</b>
Add: Profit or loss for the period			61,38.88		61,38.88
Add: Other comprehensive income			(3.47)	(545,18.03)	(545,21.49)
Less: Final Dividend for FY 2018-19 paid			(26,44.35)		(26,44.35)
Less: Dividend Tax			(5,43.55)		(5,43.55)
Less: Interim Dividend for FY 2019-20 paid			(11,33.28)		(11,33.28)
Less: Dividend Tax			(2,32.95)		(2,32.95)
<b>Balance as at 1st April 2019</b>	<b>18,74.68</b>	<b>131,08.02</b>	<b>174,58.12</b>	<b>840,59.91</b>	<b>1165,00.70</b>

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

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

### Profit & Loss Account

#### Note 18 : Interest Income

(₹ in lakhs)

Particulars	For the year ended 31 March 2020			For the year ended 31st March 2019		
	On financial assets measured at FVTOCI	On financial assets measured at amortised cost	On financial assets classified at FVTPL	On financial assets measured at FVTOCI	On financial assets measured at amortised cost	On financial assets classified at FVTPL
Interest income from investments	–	2,51.34	–	–	3,54.47	–
	–	<b>2,51.34</b>	–	–	<b>3,54.47</b>	–

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

(₹ in lakhs)

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
Net gain/(Loss) on financial instruments at FVTPL		
- On Trading Portfolio - Investments	4,84.99	10,48.00
Fair Value changes:		
- Realised	2,00.79	9,01.69
- Unrealised	2,84.20	1,46.31
<b>Total Net gain/(Loss) on fair value changes</b>	<b><u>4,84.99</u></b>	<b><u>10,48.00</u></b>

**Note 20 : Other Income**

(₹ in lakhs)

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
Interest Receipts	8.43	7.32
Rent Receipts	1,78.84	1,74.89
Interest income from Financial Asset at Amortized Cost	—	13.28
Other Non-Operating Income	0.07	0.58
	<b><u>1,87.33</u></b>	<b><u>1,96.07</u></b>

**Note 21 : Finance Costs**

(₹ in lakhs)

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
Interest on Income Tax	9.81	19.29
Interest-others	17.71	—
	<b><u>27.52</u></b>	<b><u>19.29</u></b>

**Note 22 : Employee Benefit Expense**

(₹ in lakhs)

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
Salaries, bonus and commission	18,73.72	15,71.55
Contribution to Provident and Other Funds (Refer Note 31)	1,44.75	1,28.81
Staff welfare expenses	55.69	56.09
Staff Recruitment and Training Expenses	8.42	6.63
	<b><u>20,82.56</u></b>	<b><u>17,63.07</u></b>

## NOTES TO THE ACCOUNTS (Contd.)

### Note 23 : Administrative and Other Expenses

(₹ in lakhs)

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
Rent (Refer Note 25)	1,01.14	95.55
Rates and taxes	16.73	16.30
Electricity expenses	36.35	31.56
Communication expenses	51.58	66.07
Outsourcing cost	1,50.23	2,19.16
Audit Fees (Refer Note 32g)	18.50	14.10
Repairs and Maintenance	61.83	64.45
Professional fees	79.66	46.05
Commission to KMP and Directors	21.00	15.00
Director sitting fees	13.50	11.25
Filing Fees	0.18	0.20
CSR Expenditure (Refer Note 32e)	63.00	37.00
Miscellaneous expenses	1,28.91	93.83
	<u>7,42.60</u>	<u>7,10.52</u>

### Note 24 : Income Tax

#### A. Reconciliation of effective tax rate

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

(₹ in lakhs)

Particulars	31 March 2020	31 March 2019
Income tax expenses pertaining to current year	2,77.64	10,74.77
Previous year reversal	(4.99)	—
Income tax expenses recognized in the Statement of Profit and Loss	<u>2,72.65</u>	<u>10,74.77</u>

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

(₹ in lakhs)

Particulars	31 March 2020	31 March 2019
<b>Profit before tax</b>	65,11.76	95,48.69
Enacted income tax rate in India	29.12%	29.12%
Tax using the Company's domestic tax rate :	18,96.23	27,80.58
<b>Effect of:</b>		
Exempted / Non taxable income	(14,59.88)	(11,18.60)
Tax on overseas income	(1,17.90)	(5,61.75)
Expenses disallowed	63.89	83.97
Additional allowance / adjustments	(1,04.69)	(1,09.44)
<b>Income tax expenses recognized in the Statement of Profit and Loss</b>	<b>2,77.64</b>	<b>10,74.77</b>

**B. Recognised deferred tax assets and liabilities**

Deferred tax assets / liabilities as at 31st March 2020:

(₹ in lakhs)

Particulars	As at 1st April 2019	Recognized in Statement of Profit or Loss*	Recognized in Other Comprehensive Income	As at 31st March 2020
<b>Deferred tax Assets</b>				
Property, plant and Equipment	3.86	4.51	—	8.37
Investments at fair value through profit or loss	1,54.18	(21.46)	—	1,32.72
Minimum Alternate Tax (MAT) Credit	2,38.22	42.94	—	2,81.16
Provisions - employee benefits	16.17	(0.63)	1.42	16.96
Other items	0.46	0.12	—	0.58
	<u>4,12.89</u>	<u>25.47</u>	<u>1.42</u>	<u>4,39.79</u>
<b>Deferred tax Liabilities</b>				
Investments at fair value through profit or loss	73.09	82.75	—	1,55.84
Investments at fair value through OCI	85,65.40	—	(27,01.40)	58,64.00
	<u>86,38.49</u>	<u>82.75</u>	<u>(27,01.40)</u>	<u>60,19.84</u>
<b>Net deferred tax (Assets) / Liabilities</b>	<b>82,25.60</b>	<b>57.28</b>	<b>(27,02.82)</b>	<b>55,80.06</b>

\* Includes MAT movement



NOTES TO THE ACCOUNTS (Contd.)

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

(₹ in lakhs)

Particulars	As at 1st April 2018	Recognized in Statement of Profit or Loss*	Recognized in Other Comprehensive Income	As at 31st March 2019
<b>Deferred tax Assets</b>				
Property, plant and Equipment	3.46	0.40	—	3.86
Investments at fair value through profit or loss	1,03.12	51.06	—	1,54.18
Minimum Alternate Tax (MAT) Credit	1,09.86	1,28.36	—	2,38.22
Provisions - employee benefits	0.76	10.33	5.08	16.17
Other items	0.30	0.16	—	0.46
	<u>2,17.50</u>	<u>1,90.30</u>	<u>5.08</u>	<u>4,12.89</u>
<b>Deferred tax Liabilities</b>				
Investments at fair value through profit or loss	30.49	42.60	—	73.09
Investments at fair value through OCI	126,92.00	—	(41,26.60)	85,65.40
	<u>127,22.50</u>	<u>42.60</u>	<u>(41,26.60)</u>	<u>86,38.49</u>
<b>Net deferred tax (Assets) / Liabilities</b>	<b>125,05.00</b>	<b>(1,47.70)</b>	<b>(41,31.68)</b>	<b>82,25.60</b>

\* Includes MAT movement

**NOTES TO THE ACCOUNTS (Contd.)**
**Note 25: Leases**
**(i) Company as Lessee**

Details regarding the contractual maturities of lease liabilities as at March 31, 2020 on an undiscounted basis

**Future minimum Lease Payable**

(₹ in Lakhs)

Particulars	31st March 2020
Not later than 1 year	39.60
Later than 1 year and not later than 5 years	1,75.48
Later than 5 years	58.06

**Movement of right of use Asset**

(₹ in Lakhs)

Particulars	31st March 2020
Right of Use asset accounted as per IND AS 116	2,35.12
Additions	–
Depreciation on Right of Use Assets	33.00
Closing balance	2,02.12

**Movement of Lease Liability**

(₹ in Lakhs)

Particulars	31st March 2020
Lease liability accounted as per IND AS 116	2,35.12
Additions	–
Repayments	21.44
Closing balance	2,13.68

**Other Rental expenses categorised as short term and low value**

(₹ in Lakhs)

Particulars	31st March 2020
Equipment Rent (Low value)	45.73
Immovable Property Rent ( Short term)	53.46

**(ii) Company as Lessor**

Undiscounted lease payments to be received on annual basis for first 5 years - ₹1,78.84 lakhs

## NOTES TO THE ACCOUNTS (Contd.)

### Note 26 : Capital Management

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

### Note 27 : Financial instruments – Fair values and risk management

#### A. Accounting classification and fair values

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

(₹ in Lakhs)

As at 31 March 2020	Carrying amount	Level 1	Level 2	Level 3
<b>Financial assets measured at</b>				
<b>Amortized cost</b>				
Preference securities	15,00.00	–	15,00.00	–
Bonds	22.62	–	22.62	–
Trade receivables	2,75.84	–	–	–
Cash and cash equivalents	1,66.29	–	–	–
Other Financial Assets	24.89	–	24.89	–
Loans	36.15	–	36.15	–
<b>FVTPL</b>				
Mutual Funds	184,83.15	183,83.15	–	1,00.00
Preference securities	2,98.26	–	–	2,98.26
<b>FVTOCI</b>				
Equity instruments*	986,94.19	780,13.09	–	206,81.10
<b>Financial Liabilities measured at</b>				
<b>Amortized cost</b>				
Trade and other payables	39.53	–	–	–
Lease Liability	2,13.68	–	2,13.68	–
Other Financial Liabilities	50.43	–	–	–

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

(₹ in Lakhs)

As at 31 March 2019	Carrying amount	Level 1	Level 2	Level 3
<b>Financial assets measured at</b>				
<b>Amortized cost</b>				
Preference securities	15,00.00	–	15,00.00	–
Commercial Paper	47,50.40	–	47,50.40	–
Bonds	22.62	–	22.62	–
Trade receivables	3,52.04	–	–	–
Cash and cash equivalents	20.94	–	–	–
Other Financial Assets	19.97	–	19.97	–
Loans	29.70	–	29.70	–
<b>FVTPL</b>				
Mutual Funds	180,78.87	180,78.87	–	–
<b>FVTOCI</b>				
Equity instruments*	1504,53.96	1129,82.53	–	374,71.43
<b>Financial Liabilities measured at</b>				
<b>Amortized cost</b>				
Trade and other payables	12.76	–	–	–
Other Financial Liabilities	32.53	–	–	–

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

**Fair Value hierarchy**

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

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

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

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

**B. Measurement of fair values**

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

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

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

## NOTES TO THE ACCOUNTS (Contd.)

### Note 28 : Financial Risk Management

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

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

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

#### (a) Liquidity Risk

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

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

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

(₹ in Lakhs)

Particulars	31 March 2020	31 March 2019
Trade payables	39.53	12.76
Other financial Liabilities	50.43	32.53

#### (b) Credit Risk

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

##### (i) Trade receivables:

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

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

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

(₹ in Lakhs)

Particulars	31 March 2020	31 March 2019
Trade receivables	2,75.84	3,52.04
Loss allowance	–	–
Carrying amount	2,75.84	3,52.04

**(ii) Other financial assets:**

The Company has exposure in Cash and cash equivalents, employee loans and investment carried at amortised cost. The Company's maximum exposure to credit risk as at 31st March, 2020 is the carrying value of each class of financial assets as on that date.

**Cash and Cash equivalents**

The Company held cash and cash equivalents of INR 166.29 lakhs as on March 31, 2020 (March 31, 2019 : INR 20.94 lakhs). The cash and cash equivalents are held in hand and with bank. (Refer Note 1).

**(c) Market Risk**

Market risk is the risk that the fair value of a financial instrument will fluctuate because of changes in market prices in case of equity investments and Net Asset Value (NAV) in case of mutual fund investments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

Company is having certain investments in unlisted companies in automobile sector where the valuation takes place based on certain market multiples of similar listed automobile companies after duly adjusted for discounts to the same.

**Sensitivity analysis**

(₹ in Lakhs)

Sensitivity analysis	Change in assumption		Impact on carrying value of investments			
			Increase in assumption		Decrease in assumption	
Details	31 March 2020	31 March 2019	31 March 2020	31 March 2019	31 March 2020	31 March 2019
Quoted Equity investments	1%	1%	7,80.13	11,29.83	(7,80.13)	(11,29.83)
Unquoted Equity investments	1%	1%	1,50.83	3,40.28	(1,50.93)	(3,40.28)
Mutual Fund investments	1%	1%	1,83.83	1,80.79	(1,83.83)	(1,80.79)

**Risk management structure**

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

## NOTES TO THE ACCOUNTS (Contd.)

### Note 29: Revenue Recognition

#### Sale of Services:

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

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

When the terms of the agreement specify service level parameters that must be met, the Company monitors such service level parameters and determine if there are any service credits or penalties that needs to be accounted for. The Company's revenue is only from group companies, hence it is believed that there is no significant credit risk.

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

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

#### Contracts with customers

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

#### Contract Balances

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

### Note 29a

Revenue from sale of services and the trade receivable for the year ended March 31, 2020 and March 31, 2019 is as follows:

(₹ in Lakhs)

Particulars	31st March 2020	31st March 2019
Sale of Services		
- Support Services	23,72.15	21,35.40
- Learning Income	1,91.29	1,38.33
Trade Receivables	2,75.84	3,52.04

## NOTES TO THE ACCOUNTS (Contd.)

### Note 30: Related Party Transactions

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

#### Related Parties:

##### Holding Company

Sundaram Finance Limited

##### Subsidiary

Sundaram Business Services Limited

##### Fellow Subsidiaries

Sundaram Asset Management Company Ltd

LGF Services Limited

Sundaram Alternate Assets Limited

Sundaram Trustee Company Limited

Sundaram Asset Management Singapore Pte Ltd.

Sundaram Fund Services Ltd

Sundaram Home Finance Ltd

##### Joint Venture of Holding Company

Royal Sundaram General Insurance Co. 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 (KMP):

Sri. T.T.Srinivasaraghavan-Chairman

Sri. Harsha Viji - Director

Sri. Paramesh Krishnaier-Chief Executive Officer (Till 18th May 2020)

Sri. S.Ravi-Chief Executive Officer (With effect from 19th May 2020)

Sri V. Vaasen - Chief Financial Officer

##### Others

Sundaram Finance Holdings Gratuity Trust #



## 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:

#### Transactions during the year

(₹ in lakhs)

Nature of Transactions	Holding Company	Subsidiary	Associates	Fellow Subsidiaries	Joint Venture of Holding Company	KMP	2019-20	2018-19
<b>Income</b>								
<b>Dividend Income</b>								
Sundaram Dynacast Private Limited	–	–	2,57.40	–	–	–	2,57.40	1,63.80
Turbo Energy Private Limited	–	–	15,36.00	–	–	–	15,36.00	5,12.00
Dunes Oman LLC (FZC)	–	–	10,12.22	–	–	–	10,12.22	26,92.23
Axles India Limited	–	–	3,95.67	–	–	–	3,95.67	2,96.75
Transenergy Limited	–	–	9.00	–	–	–	9.00	12.00
Flometallic India Private Limited	–	–	3,25.00	–	–	–	3,25.00	4,87.50
Sundaram Asset Management Company Ltd	–	–	–	1,01.25	–	–	1,01.25	101.25
<b>Income from Services</b>								
Sundaram Finance Limited	12,45.76	–	–	–	–	–	12,45.76	10,62.24
Sundaram Asset Management Company Ltd	–	–	–	2,37.79	–	–	2,37.79	307.81
Sundaram Fund Services Ltd	–	–	–	12.23	–	–	12.23	35.21
Sundaram Home Finance Ltd	–	–	–	48.84	–	–	48.84	47.17
Royal Sundaram General Insurance Co. Ltd	–	–	–	–	9,08.13	–	9,08.13	6,80.82
Sundaram Alternate Assets Limited	–	–	–	2.88	–	–	2.88	0.72
Turbo Energy Private Limited	–	–	0.50	–	–	–	0.50	0.90
Sundaram Business Services Ltd	–	0.75	–	–	–	–	0.75	–
Transenergy Limited	–	–	0.11	–	–	–	0.11	–

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

(₹ in lakhs)

Nature of Transactions	Holding Company	Subsidiary	Associates	Fellow Subsidiaries	Joint Venture of Holding Company	KMP	2019-20	2018-19
<b>Other Income</b>								
<b>Rental Income</b>								
Turbo Energy Private Limited	–	–	34.40	–	–	–	34.40	39.39
Sundaram Finance Limited	94.39	–	–	–	–	–	94.39	94.39
<b>Expenses</b>								
<b>Sundaram Finance Ltd</b>								
Rent & other Amenities	53.46	–	–	–	–	–	53.46	32.32
Internal Audit fees	4.00	–	–	–	–	–	4.00	4.00
<b>Sundaram Business Services Limited</b>								
Outsourcing Cost	–	1,29.62	–	–	–	–	1,29.62	1,98.94
<b>Royal Sundaram General Insurance Co. Limited</b>								
Insurance	–	–	–	–	3.63	–	3.63	3.67
Remuneration paid to KMP*	–	–	–	–	–	85.35	85.35	60.98
<b>Other Advances given</b>								
<b>Sundaram Finance Ltd</b>								
Procurement of Software	–	–	–	–	–	–	–	7.50
<b>Turbo Energy Private Limited</b>								
Procurement of Solar Panel	–	–	29.50	–	–	–	29.50	–
<b>Other Transactions - Investments</b>								
Capital Reduction - Dunes Oman LLC (FZC)	–	–	–	–	–	–	–	22,05.50
Redemption of Preference Shares - Sundaram Hydraulics Limited	–	–	–	–	–	–	–	1,66.67

## NOTES TO THE ACCOUNTS (Contd.)

### Closing balance of Assets / Liabilities

(₹ in lakhs)

Nature of Transactions	Holding Company	Subsidiary	Associates	Fellow Subsidiaries	Joint Venture of Holding Company	KMP	As at 31 Mar 2020	As at 31 Mar 2019
<b>Carrying Value of Equity Shares</b>								
Sundaram Business Services Limited	–	29,12.79	–	–	–	–	29,12.79	29,12.79
Flometallic India Private Limited	–	–	32,50.00	–	–	–	32,50.00	32,50.00
Dunes Oman LLC (FZC)	–	–	21,55.89	–	–	–	21,55.89	21,55.89
Sundaram Hydraulics Limited	–	–	1,05.77	–	–	–	1,05.77	1,05.77
Axles India Limited	–	–	10,15.70	–	–	–	10,15.70	10,15.70
Turbo Energy Private Limited	–	–	1,88.41	–	–	–	1,88.41	1,88.41
Transenergy Limited	–	–	1,87.50	–	–	–	1,87.50	1,87.50
Sundaram Dynacast Private Limited	–	–	1,17.00	–	–	–	1,17.00	1,17.00
<b>Carrying Balance of Preference Shares</b>								
Sundaram Asset Management Company Ltd	–	–	–	15,00.00	–	–	15,00.00	15,00.00
<b>Other Advances-Closing Balance</b>								
<b>Sundaram Finance Ltd</b>								
Procurement of Software	7.50	–	–	–	–	–	7.50	7.50
<b>Insurance Deposit</b>								
Royal Sundaram General Insurance Co. Ltd	–	–	–	–	0.01	–	0.01	0.20

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

(₹ in lakhs)

Nature of Transactions	Holding Company	Subsidiary	Associates	Fellow Subsidiaries	Joint Venture of Holding Company	KMP	As at 31 Mar 2020	As at 31 Mar 2019
<b>Receivables:</b>								
Sundaram Finance Limited	1,78.28	–	–	–	–	–	1,78.28	1,62.35
Sundaram Asset Management Company Ltd	–	–	–	7.54	–	–	7.54	35.29
Sundaram Fund Services Ltd	–	–	–	0.34	–	–	0.34	1.90
Sundaram Home Finance Ltd	–	–	–	–	–	–	–	8.55
Royal Sundaram General Insurance Co. Ltd	–	–	–	–	85.22	–	85.22	86.35
Sundaram Alternate Assets Limited	–	–	–	0.28	–	–	0.28	0.28
<b>Payables:</b>								
Sundaram Business Services Limited	–	11.88	–	–	–	–	11.88	–

# Transactions with respect to contribution to the gratuity trust is mentioned in Note 31b.

\*Remuneration to KMP

(₹ in Lakhs)

Particulars	2019-20	2018-19
Short term Employee benefits	75.35	50.98
Post Employment benefits	–	–
Other long term employee benefits	–	–
Termination benefits	–	–
Others (Commission)	10.00	10.00
<b>TOTAL</b>	<b>85.35</b>	<b>60.98</b>

## NOTES TO THE ACCOUNTS (Contd.)

### Note 31 : Employee Benefits: Defined Contribution Plan

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

#### Note 31a : Contribution to PF & Other Funds:

(₹ in lakhs)

Particulars	2019-20	2018-19
Contribution to Provident Fund	42.62	34.64
Contribution to Pension Fund	60.30	54.97
Contribution to Superannuation Fund	5.42	6.11
Contribution to Labour Welfare Fund	0.13	0.12

### Note 31b : Employee Benefits: Defined Benefit Plan - Gratuity

#### (i) A. Reconciliation of opening and closing balances of the present value of the defined benefit obligation

(₹ in lakhs)

Particulars	31st March 2020	31st March 2019
Present Value of Defined Benefit Obligation at the beginning of the Period	154.96	122.96
Service Cost		
a. Current Service Cost	35.97	34.67
b. Past Service Cost	—	—
c. (Gain)/Loss on Curtailments	—	—
d. (Gain)/Loss on Settlements	—	—
Interest Expense	11.70	8.65
Remeasurements		
a. Effect of Changes in Demographic Assumptions	—	—
b. Effect of Changes in Financial Assumptions	(1.33)	10.79
c. Effect of Experience Adjustments	5.27	0.43
Cashflows		
a. Benefit Payments		
(i) From the Plan	(20.55)	(22.53)
(ii) Directly from the Employer	—	—
b. Settlement Payments from the Plan	—	—
c. Participant Contributions	—	—
Effect of Business Combinations / Disposals	—	—
<b>Present Value of Defined Benefit Obligation at the end of the Period</b>	<b>1,86.01</b>	<b>1,54.96</b>

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

(₹ in lakhs)

Particulars	31st March 2020	31st March 2019
Fair value of plan assets as at the beginning of the period	1,47.95	1,23.32
Interest Income on Plan Assets	11.39	10.34
Cash Flows		
a. Benefit Payments		
(i) From the Plan	(20.55)	(22.53)
(ii) Directly from the Employer	–	–
b. Settlement Payments from the Plan	–	–
c. Participant Contributions	–	–
d. Total Employer Contributions	–	–
(i) Employer Contributions	43.59	43.03
(ii) Employer Direct Benefit Payments	–	–
Remeasurements		
a. Actual Return on Plan Assets	(0.96)	(6.22)
Effect of Business Combinations / Disposals	–	–
Effect of Changes in Foreign Exchange Rates	–	–
<b>Fair value of plan assets as at the end of the period*</b>	<b>1,81.42</b>	<b>1,47.95</b>

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

(₹ in lakhs)

Particulars	31st March 2020	31st March 2019
Present Value of Defined Benefit Obligation	1,86.01	1,54.96
Fair value of plan assets	1,81.42	1,47.95
Net Assets (Liability) recognized in the Balance Sheet	(4.59)	(7.01)
Effect of Asset Ceiling	–	–
<b>Net Assets (Liability)</b>	<b>(4.59)</b>	<b>(7.01)</b>

## NOTES TO THE ACCOUNTS (Contd.)

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

(₹ in lakhs)

Particulars	31st March 2020	31st March 2019
Service Cost		
a. Current Service Cost	35.97	34.67
b. Past Service Cost	–	–
c. (Gain)/Loss on Curtailments	–	–
d. (Gain)/Loss on Settlements	–	–
e. Total Service Cost	35.97	34.67
Net Interest Expense		
a. Interest Expense on DBO	11.70	8.65
b. Interest Income on Plan Assets	(11.39)	(10.34)
c. Interest Income on Reimbursement Rights	–	–
d. Interest Income on Asset Ceiling	–	–
e. Total Net Interest Cost	0.31	(1.69)
Remeasurements		
a. Effect of Changes in Demographic Assumptions	–	–
b. Effect of Changes in Financial Assumptions	(1.33)	10.79
c. Effect of Experience Adjustments	5.27	0.43
d. Actual Return on Plan Assets	0.96	6.22
e. Actual Return on Reimbursement Rights	–	–
f. Actual Change in Asset Ceiling	–	–
g. Total Remeasurements	4.89	17.44
Defined Benefit Cost included in Profit & Loss Account	36.28	32.97
Defined Benefit Cost included in Other Comprehensive Income	4.89	17.44

\*All the plan assets are funded with LIC

### E. Principal Actuarial Assumptions (Expressed as weighted averages)

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

Particulars	31st March 2020	31st March 2019
Discount Rate	6.47%	7.36%
Salary Escalation	5.00%	6.00%
Attrition	10.00%	10.00%

## NOTES TO THE ACCOUNTS (Contd.)

### (ii) Sensitivity analysis

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

(₹ in lakhs)

Gratuity	Change in assumption		Impact on defined benefit obligation			
			Increase in assumption		Decrease in assumption	
Details	31st March 2020	31st March 2019	31st March 2020	31st March 2019	31st March 2020	31st March 2019
Discount rate	0.50%	0.50%	(4.59)	(4.03)	4.85	4.27
Salary growth rate	0.50%	0.50%	4.89	4.30	(4.67)	(4.10)
Attrition rate	5.00%	5.00%	0.17	0.14	(0.19)	(0.16)
Mortality rate	5.00%	5.00%	0.02	0.01	(0.02)	(0.01)

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

### (iii) Maturity profile of defined benefit obligation

(₹ in lakhs)

Particulars	FUNDED	
	Gratuity	
	31.03.2020	31.03.2019
Year 1	46.65	34.11
Year 2	18.93	18.48
Year 3	16.07	15.63
Year 4	26.34	13.57
Year 5	19.21	20.63
Next 5 years	68.10	60.94

### (iv) Risk exposure

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

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



## NOTES TO THE ACCOUNTS (Contd.)

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

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

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

- (v) The expected contribution to the plan for the next year amounts to ₹5.19 lakhs

### Note 32c : Other Long Term Employee Benefits

The Company's liability towards other long - term benefits are provided based on actuarial valuation as at 31st March 2020. The details are given below:

Particulars	(₹ in lakhs)	
	2019-20	2018-19
Leave encashment	35.22	22.74
Employee Assured Bonus Scheme	38.25	31.44

### Note 32

#### 32a : Earnings Per Share

##### Basic and diluted earnings per share

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

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

Particulars	(₹ in lakhs)	
	Year ended	
	March 31, 2020	March 31, 2019
Profit/ (Loss) for the year, attributable to the equity holders	61,38.88	84,93.28

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

Particulars	As at March 31, 2020	As at March 31, 2019
Opening balance	1511038,60	1511038,60
Effect of fresh issue of shares for cash	—	—
Effect of share options exercised	—	—
Weighted average number of equity shares for the year	1511038,60	1511038,60

Earnings per share	March 31, 2020	March 31, 2019
Basic earnings per share (in ₹)	4.06	5.62
Diluted earnings per share (in ₹)	4.06	5.62

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

## NOTES TO THE ACCOUNTS (Contd.)

### 33b: Dividend

Interim dividend paid and accounted during the year is ₹0.75/- per share.

Final dividend of ₹0.5/- per share has been recommended by the Board for the year ended 31st March 2020

### 33c : Contingent liabilities and commitments

- (i) Uncalled liability on partly paid equity shares of Flomettallic India Private Limited ₹550 lakhs.
- (ii) Estimated amount of investment to be made in JM Financial yield enhancer (Distressed Opportunity) Fund I - Series I for Capital Commitment - ₹900 Lakhs.
- (iii) Estimated amount of capital commitments for Property, Plant and equipment and Investment property ₹54.13 lakhs

### 33d: Earnings in foreign currency

The company has received dividend from an Associate company of ₹1012.21 lakhs (Previous Year ₹4897.73 lakhs)

### 33e: Details of Corporate Social Responsibility (CSR)

- (a) Gross amount required to be spent by the Company during the year : ₹63 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	63.00	–	63.00

### 33f: MSME

Disclosure under the MSME Act 2006, (As per the intimation received from the vendor)

(₹ in lakhs)

Particulars	31.03.2020	31.03.2019
Principal amount remaining unpaid	0.67	–
Interest amount remaining unpaid	–	–
Interest and principal amount paid beyond appointed date	–	–
Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointment day during the year) but without adding the interest specified under this Act	–	–
Interest accrued and remaining unpaid	–	–
Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise	–	–

## NOTES TO THE ACCOUNTS (Contd.)

### 32g : Audit Fees

(₹ in lakhs)

Particulars	31.03.2020	31.03.2019
As Statutory auditors	14.50	10.00
Taxation matters	2.75	2.50
Certification matters	1.25	1.60
<b>Total</b>	<b>18.50</b>	<b>14.10</b>

### 32h : COVID - 19

The outbreak of Coronavirus disease (COVID-19) pandemic globally and in India is causing significant disruption of economic activity. The Company has considered the possible effects that may result from the pandemic on the carrying amount of Investment, receivables and other assets. Based on the internal and external information up to the date of approval of these financial results, the Company expects to recover the carrying amount of these assets and it believes that there is no impact on its ability to continue as a going concern. However, the Company will continue to closely monitor any material changes to future economic conditions.

### 32i : Adoption of Financial Statements

The Board has adopted the financial statements at its meeting held on 25th May 2020.

As per our report of even date attached.

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

Chartered Accountants

ER No: 002785S

**K. Venkatakrisnan**

Partner

M.No : 208591

Date : 25-05-2020

Place : Chennai

**T.T. Srinivasaraghavan**

Chairman

**S.Ravi**

Chief Executive Officer

**Harsha Viji**

Director

**V. Vaasen**

Chief Financial Officer

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

**R. Venkatraman**

Director

**P.N. Srikant**

Secretary & Compliance Officer

*Consolidated Financial  
Statements  
2019-20*

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# INDEPENDENT AUDITOR'S REPORT

## Report on the Audit of the Consolidated Financial Statements

### To the Members of Sundaram Finance Holdings Limited

#### Opinion

We have audited the accompanying consolidated financial statements of Sundaram Finance Holdings Limited (hereinafter referred to as the "Holding Company") and its subsidiary (Holding Company and its subsidiary together referred to as "the Group") and its associates, which comprise the consolidated Balance Sheet as at March 31, 2020, the consolidated Statement of Profit and Loss, the Consolidated Statement of Changes in Equity and the Consolidated Cash Flows Statement for the year then ended, and notes to the Consolidated Financial Statements, including a summary of Significant Accounting Policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with Indian Accounting Standards prescribed under section 133 of the Act (Ind AS) and the other accounting principles generally accepted in India, of their consolidated state of affairs of the Group and its associates as at March 31, 2020, of Consolidated Profit and total comprehensive income, Consolidated Changes in Equity and its Consolidated Cash Flows for the year then ended.

#### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent

of the Group in accordance with the Code of Ethics issued by Institute of Chartered Accountant (ICAI) and we have fulfilled our other ethical responsibilities in accordance with provision of the Act. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

#### Emphasis of Matter

We draw your attention to Note 32h of the consolidated financial statements wherein the Holding Company has disclosed impact assessment due to COVID-19 pandemic. As stated in the said note, the impact assessment carried out by the Management with available information did not indicate any material impact on the carrying value of assets and liabilities of the Group as on the reporting date or any adverse impact on ability of the Group to continue as a going concern. Considering the uncertainties prevailing in the economic conditions globally and in India, such impact assessment done by the Management is highly dependent on the circumstances as they evolve in subsequent periods.

Our opinion is not modified in respect of this matter.

#### Key Audit Matters

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

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

Key Audit Matter	Our audit procedures with regards to key audit matter
<p><b>Valuation of Unquoted investments fair valued through OCI</b></p> <p>Refer Note 2.2 “Fair value measurement”, and Note 2.4 “Financial Assets” for relevant accounting policies and significant accounting estimates used by the Group.</p> <p>The investment portfolio is valued at ₹ 1,87,870 Lakhs which represents almost 98% of the total assets, where unquoted equity investments valued through OCI amounts to ₹ 20,681 Lakhs (“Investment”) covering about 11% of investment value as at 31st March’20.</p> <p>As the above investment are not traded in the active market, fair value of these investments involved significant management judgment and estimate and were valued based on recommendation provided by Valuation Expert in the Group.</p> <p>Determination of Fair Value includes the market Approach according to which the earnings and book value based market multiples of listed peer companies in the same sector as that of the investments have been used to determine the fair value of unquoted equity investments after adjusting for illiquidity discount.</p> <p>This valuation is a Level 3 type of valuation in accordance of Ind AS 113 Fair Value Measurement where one or more significant inputs to the fair value measurement is unobservable. Accordingly, the valuation of unquoted investment was considered to be a Key Audit Matter, due to significant judgments associated with determining the fair value of investment.</p>	<ul style="list-style-type: none"> <li>(i) Reviewed the Accounting Policies used by the Holding Company for accounting and disclosing Investments for compliance with the accounting framework.</li> <li>(ii) Evaluating valuation methodology recommended by Valuation Expert in the Group.</li> <li>(iii) Verified the correctness of market inputs used and mathematical accuracy of the valuation analysis.</li> <li>(iv) Assessed the adequacy of internal controls, evaluated the design and tested the operating effectiveness of such controls for initial recognition, subsequent measurement and disclosure of investments as on the reporting date as per applicable regulations.</li> <li>(v) Our team was supported by our in-house valuation specialist, especially in determining whether such valuation methodology is consistent with the market practice.</li> <li>(vi) We also assessed whether the disclosures in relation to investments are compliant with the relevant Indian accounting requirements and appropriately present the sensitivities in the valuations based on alternative outcome.</li> </ul>

**Information Other than the Consolidated Financial Statements and Auditor’s Report Thereon**

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

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

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

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

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

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows of the Group including its Associates in accordance with Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group and of its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associates are responsible for assessing the ability of the Group and of its associates to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or

has no realistic alternative but to do so.

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

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

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

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

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

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

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

We also provide those charged with governance with a statement

that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

#### **Other Matters**

We did not audit the financial statements of the subsidiary, whose financial statements and financial information reflect total assets of ₹ 3,463.43 Lakhs as at 31st March, 2020, total revenues of ₹3,673.31 Lakhs and net cash inflows amounting to ₹377.70 Lakhs for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit of ₹4,884.24 Lakhs for the year ended 31st March, 2020, as considered in the consolidated financial statements, in respect of seven associates, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associates, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and associates, is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to



our reliance on the work done and the reports of the other auditors.

### Report on Other Legal and Regulatory Requirements

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

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements.
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive Income), Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- (d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors of the Holding Company as on 1st April, 2020 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary and associate companies, none of the directors of the Group companies, and associate companies incorporated in India is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of internal financial controls over financial reporting of the Group and the operating

effectiveness of such controls, refer to our separate report in Annexure A. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

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

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

- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Group has disclosed the impact of pending litigations on the consolidated financial position of the Group and its associates in Note 32c.
- ii. The Group and its associate entities did not have any material foreseeable losses on long-term contracts including derivative contracts.
- iii. There has been no delays in transferring amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies and its associate companies incorporated in India.

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

**K. Venkatakrishnan**  
Partner

Place: Chennai  
Date: 25th May 2020

Membership No.208591  
UDIN: 20208591AAAABM2019

**Annexure – “A” referred to in Clause (f) under ‘Report on Other Legal and Regulatory Requirements’ section of our audit report of even date to the members of Sundaram Finance Holdings Limited (“the Holding Company”) on the Consolidated Financial Statements of the Company for the year ended 31st March, 2020**

In conjunction with our audit of the Consolidated Financial Statements of the Holding Company as of and for the year ended 31st March 2020, we have audited the internal financial controls over the financial reporting of Sundaram Finance Holdings Limited (“the Holding Company”) and its subsidiary and associate companies, which are companies incorporated in India as of that date.

**Management’s Responsibility for Internal Financial Controls**

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

**Auditor’s Responsibility**

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

We conducted our audit in accordance with the Guidance Note and the Standards on Auditing prescribed under sections 143(10) of the Act to the extent applicable to an audit of internal financial controls. The Guidance Note and those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal controls based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by other auditors in terms of their report too in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of aforesaid entities.

**Meaning of Internal Financial Controls Over Financial Reporting**

A Company’s internal financial controls over financial reporting is a process designed to provide reasonable assurance regarding

the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that:

1. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
2. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and
3. provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, to the best of our information and according to the explanations given to us the Holding company, its subsidiary and its associate companies, which are companies incorporated in India, have in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31,2020 based on, the internal control over financial reporting criteria established by these entities considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial reporting issued by the ICAI.

### **Other Matters**

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

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

**K. Venkatakrishnan**  
Partner

Place: Chennai  
Date: 25th May 2020

Membership No.208591  
UDIN: 20208591AAAABM2019

# Consolidated Balance Sheet

as at 31st March, 2020

(₹ in lakhs)

Particulars	Notes	Mar 31, 2020	Mar 31, 2019
<b>ASSETS</b>			
<b>(1) Financial Assets</b>			
(a) Cash and cash equivalents	1	9,98.60	4,75.55
(b) Derivative financial instruments	2	5,75.74	2,47.99
(c) Receivables	3	7,74.10	10,53.79
(d) Loans	4	44.47	33.92
(e) Investments	5	1878,65.49	2419,66.87
(f) Other financial assets	6	1,62.19	1,51.71
<b>(2) Non-financial Assets</b>			
(a) Current tax assets (Net)	7	4,67.66	3,31.11
(b) Investment property	8	1,71.26	1,64.26
(c) Property, plant and equipment	9	3,31.92	2,02.25
(d) Other intangible assets	9	24.20	40.84
(e) Goodwill		1,56.08	1,56.08
(f) Right of Use asset	25	2,02.12	—
(g) Other non-financial assets	10	4,35.07	4,27.46
<b>Total Assets</b>		<b>1922,08.90</b>	<b>2452,51.83</b>
<b>LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
<b>(1) Financial liabilities</b>			
(a) Payables	11		
<b>Trade Payables</b>			
(i) Total outstanding dues of micro enterprises and small enterprises		0.67	—
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		86.26	1,05.37
(b) Other financial liabilities	12	1,27.90	90.27
(c) Lease Liability	25	2,13.68	—
<b>(2) Non-Financial liabilities</b>			
(a) Provisions	13	3,11.12	2,33.58
(b) Deferred tax liabilities (Net)	14	56,16.13	81,16.82
(c) Other non-financial liabilities	15	1,26.87	1,44.01
<b>(3) Equity</b>			
(a) Equity share capital	16	75,55.19	75,55.19
(b) Other equity	17	1781,71.08	2290,06.59
<b>Total Liabilities and Equity</b>		<b>1922,08.90</b>	<b>2452,51.83</b>

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

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

Chartered Accountants

ER No: 002785S

**K. Venkatakrishnan**

Partner

M.No : 208591

Date : 25-05-2020

Place : Chennai

**T.T. Srinivasaraghavan**

Chairman

**S.Ravi**

Chief Executive Officer

**Harsha Viji**

Director

**V. Vaasen**

Chief Financial Officer

**R. Venkatraman**

Director

**P.N. Srikant**

Secretary &amp; Compliance Officer

# Consolidated Statement of Profit and Loss

(₹ in lakhs)

Particulars	Note	For the year ended 31 March 2020	For the year ended 31 March 2019
<b>Revenue from operations</b>			
Interest Income	18	2,51.34	3,54.47
Dividend Income		24,12.90	23,67.51
Net gain on fair value changes	19	5,08.56	10,62.40
Sale of services	29	60,82.81	61,61.96
<b>Total Revenue from operations</b>		<b>92,55.61</b>	<b>99,46.34</b>
Other Income	20	5,91.25	3,18.89
<b>Total Income</b>		<b>98,46.85</b>	<b>102,65.23</b>
<b>Expenses</b>			
Finance cost	21	27.52	24.64
Employee benefit expenses	22	42,36.58	40,01.21
Depreciation and Amortisation		1,33.04	1,00.66
Administrative and Other Expenses	23	19,72.28	19,34.32
<b>Total expenses</b>		<b>63,69.42</b>	<b>60,60.83</b>
Profit before exceptional items and tax		34,77.44	42,04.40
Exceptional items		-	-
<b>Profit before tax</b>		<b>34,77.44</b>	<b>42,04.40</b>
Tax expense	24		
1. Current tax		4,12.11	11,77.65
2. Deferred tax		1,36.07	4.96
<b>Total tax</b>		<b>5,48.18</b>	<b>11,82.61</b>
<b>Profit for the period</b>		<b>29,29.25</b>	<b>30,21.79</b>
Share of net profits from associates		48,84.24	107,24.44
<b>Profit after tax</b>		<b>78,13.49</b>	<b>137,46.23</b>
<b>Other Comprehensive Income</b>			
<b>A. Items that will not be reclassified to profit or loss</b>			
Remeasurements of the defined benefit plans	31	18.43	(38.89)
Income tax on above		5.07	11.05
Remeasurements of the defined benefit plans (Net of Income tax)		13.36	(27.84)
Change in Fair value of equity instruments		(572,19.43)	(608,70.32)
Income tax on above		(27,01.41)	41,26.60
Change in Fair value of equity instruments (Net of tax)		(545,18.02)	(567,43.72)
Share of other comprehensive income from associates using equity method (Net of tax)		(63.78)	(55.06)
<b>B. Items that will be reclassified to profit or loss</b>			
Change in fair value of derivative instrument		3,12.99	88.14
Income tax on above		49.27	(24.52)
Change in fair value of derivative instrument (Net of tax)		2,63.72	63.62
Share of other comprehensive income from associates using equity method		(5,20.09)	7,36.64
Foreign currency Translation Reserve		7,29.97	4,12.72
<b>Other Comprehensive Income Net of Tax</b>		<b>(540,94.83)</b>	<b>(556,13.63)</b>
<b>Total Comprehensive Income for the period</b>		<b>(462,81.33)</b>	<b>(418,67.41)</b>
<b>Basic and Diluted Earnings per Equity Share of ₹5 each</b>		<b>5.17</b>	<b>9.10</b>

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

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

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

Chartered Accountants

ER No: 002785S

**K. Venkatakrishnan**

Partner

M.No : 208591

Date : 25-05-2020

Place : Chennai

**T.T. Srinivasaraghavan**

Chairman

**S.Ravi**

Chief Executive Officer

**Harsha Viji**

Director

**V. Vaasen**

Chief Financial Officer

**R. Venkatraman**

Director

**P.N. Srikant**

Secretary & Compliance Officer

# Consolidated Cash Flow Statement

for the year ended 31st March, 2020

(₹ in lakhs)

Particulars	March 31, 2020	March 31, 2019
<b>Cash flow from operating activities</b>		
<b>Profit before tax</b>	<b>34,77.44</b>	<b>42,04.40</b>
<i>Adjustments to reconcile profit before tax to net cash used in operating activities</i>		
Depreciation and Amortisation	1,33.04	1,00.66
Fair value change in financial instruments	(5,08.56)	(10,75.04)
Interest income	(2,51.34)	(3,54.47)
(Gain)/loss on sale of property, plant and equipment	0.04	(0.18)
Finance costs paid	27.52	24.64
On account of Scheme of Amalgamation	–	5,97.05
Net Actuarial gain/(loss) on defined benefit plan	18.43	(17.44)
Add: Dividend received from associates	35,35.28	41,64.28
	<b>64,31.85</b>	<b>76,43.91</b>
<b>Working capital adjustments</b>		
(Increase)/ Decrease in trade and other receivables	2,79.69	(1,61.35)
(Increase)/ Decrease in Loans	(10.55)	4.83
(Increase)/ Decrease in Other financial assets	(25.24)	(22.30)
(Increase)/ Decrease in Other non-financial assets	(7.61)	(4,44.89)
Increase/ (Decrease) in trade and other payables	(18.44)	(86.18)
Increase/(Decrease) in financial liabilities	37.63	12.70
Increase/(Decrease) in other non-financial liabilities and provisions	60.40	1,00.29
	<b>67,47.74</b>	<b>70,47.02</b>
Income Tax paid	(5,38.36)	(12,06.02)
<b>Net cash flows from operating activities</b>	<b>62,09.38</b>	<b>58,41.00</b>
<b>Cash flow from investing activities</b>		
Purchase of property, plant and equipment and intangible assets	(2,20.64)	(56.98)
(Purchase)/Sale of Mutual funds	(1,82.51)	(8,94.74)
(Purchase)/Sale of other investments	(6,82.31)	(42,30.95)
Proceeds from Capital Reduction by Associates	–	22,05.50
Proceeds from sale of property, plant and equipment	0.52	7.83
Interest received	1.74	1.74
<b>Net cash flows from investing activities</b>	<b>(10,83.20)</b>	<b>(29,67.60)</b>
<b>Cash flow from financing activities</b>		
Dividend Paid	(45,54.17)	(27,32.49)
Lease Liability Principal	(21.44)	–
Finance charges-Lease Liability Interest	(17.71)	–
Finance charges paid	(9.81)	(24.64)
<b>Net cash flows from financing activities</b>	<b>(46,03.13)</b>	<b>(27,57.13)</b>
Net increase / (decrease) in cash and cash equivalents	5,23.05	1,16.27
Cash and cash equivalents at the beginning of the year	4,75.55	3,59.28
<b>Cash and cash equivalents at the end of the year (Note 1)</b>	<b>9,98.60</b>	<b>4,75.55</b>

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

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

Chartered Accountants

ER No: 002785S

**K. Venkatakrishnan**

Partner

M.No : 208591

Date : 25-05-2020

Place : Chennai

**T.T. Srinivasaraghavan**

Chairman

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Director

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Chief Financial Officer

**R. Venkatraman**

Director

**P.N. Srikant**

Secretary &amp; Compliance Officer

**STATEMENT OF CHANGES IN EQUITY****(a) Equity Share Capital**

(₹ in lakhs)

Particulars	Amount
As at April 1, 2018	75,55.19
Changes in equity share capital	–
As at March 31, 2019	75,55.19
Changes in equity share capital	–
As at March 31, 2020	75,55.19

**(b) Other equity**

(₹ in lakhs)

Particulars	Reserves and Surplus				Gains / (losses) from equity investments through OCI	Total
	Capital Reserve	General Reserve	FCTR	Retained Earnings		
<b>Balance as at 01 April, 2018</b>	<b>25,69.62</b>	<b>131,35.01</b>	<b>6,04.70</b>	<b>622,14.62</b>	<b>1950,82.54</b>	<b>2736,06.48</b>
Add: Profit or loss for the period				137,46.23		137,46.23
Add: Other comprehensive income			4,12.72	(27.84)	(559,98.52)	(556,13.63)
Less: Final Dividend for FY 2017-18 paid				(22,66.59)		(22,66.59)
Less: Dividend Tax				(4,65.90)		(4,65.90)
<b>Balance as at 31 March, 2019</b>	<b>25,69.62</b>	<b>131,35.01</b>	<b>10,17.42</b>	<b>732,00.51</b>	<b>1390,84.02</b>	<b>2290,06.59</b>
Add: Profit or loss for the period				78,13.49		78,13.49
Add: Other comprehensive income			7,29.97	(3,06.78)	(545,18.02)	(540,94.83)
Less: Final Dividend for FY 2018-19 paid				(26,44.35)		(26,44.35)
Less: Dividend Tax				(5,43.55)		(5,43.55)
Less: Interim Dividend for FY 2019-20 paid				(11,33.31)		(11,33.31)
Less: Dividend Tax				(2,32.95)		(2,32.95)
<b>Balance as at 31 March 2020</b>	<b>25,69.62</b>	<b>131,35.01</b>	<b>17,47.39</b>	<b>761,53.05</b>	<b>845,66.00</b>	<b>1781,71.08</b>

As per our report of even date attached.

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

Chartered Accountants

E.R No: 002785S

**K. Venkatakrishnan**

Partner

M.No : 208591

Date : 25-05-2020

Place : Chennai

**T.T. Srinivasaraghavan**

Chairman

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Director

**V. Vaasen**

Chief Financial Officer

**R. Venkatraman**

Director

**P.N. Srikant**

Secretary &amp; Compliance Officer

# Notes to the Consolidated Financial Statements

## 1. COMPANY OVERVIEW

Sundaram Finance Holdings Limited ('the Parent Company') is a Public Limited Company domiciled in India and incorporated under the provisions of Companies Act 1956. The equity shares of the Company are listed on the National Stock Exchange of India Limited. The Company is going to register with the Reserve Bank of India as Non Banking Financial company (NBFC) since it cease to be exempted Core Investment Company as on 31st March 2020. The Company is primarily engaged in the business of Investments, business processing and support services and having a 100% subsidiary (Collectively, the Group) which is an outsourcing company offering various support services to large and mid-sized firms in India. The company's registered office is at No.21, Patullos Road, Chennai – 600002.

## 2. SIGNIFICANT ACCOUNTING POLICIES

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

### 2.1 Basis of Preparation

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

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

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

#### **Principles of Consolidation:**

The consolidated Financial statements comprise the financial statements of the parent company and its subsidiary which is controlled by the parent company.

#### **Subsidiaries:**

Subsidiaries are all entities over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The group combines the financial statements of the parent and its subsidiary line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between group



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

companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset.

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

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

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

### Associates:

Associates are all entities over which the group has significant influence but not control or joint control. (This is generally the case where the group holds between 20% and 50% of the voting rights). Investments in associates are accounted for using the equity method of accounting after initially being recognized at cost.

Name of the Associates	Country of Incorporation	Proportion of Ownership Interest (%)
Axles India Limited	India	38.81
Turbo Energy Private Limited	India	32.00
Transenergy Limited	India	42.31
Sundaram Dynacast Private Limited	India	26.00
Sundaram Hydraulics Limited	India	25.71
Flometallic India Private Limited	India	40.63
Dunes Oman LLC (FZC)	Sultanate of Oman	43.69

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

Unrealised gains on transactions between the group and its associates are eliminated to the extent of the group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)****2.2 Measurement of fair values**

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

The Group's policy on Fair Valuation is stated below.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole;

**Level 1** - The fair value of financial instruments traded in active markets (such as publicly traded securities) is based on quoted (unadjusted) market prices at the end of the reporting period. The quoted market price used for financial assets held by the Group is the current bid price.

**Level 2** - The fair valuation of instruments not traded in active markets is determined using valuation techniques. These valuation techniques maximize the use of observable market data and minimize the use of entity specific estimates (All significant inputs to the fair value measurement is observable)

**Level 3** - Valuation techniques for one or more significant inputs to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

**2.3 Revenue Recognition:**

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

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

**Dividends:**

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

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

### **Interest Income:**

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

### **Rental Income:**

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

## **2.4. Financial Assets**

### **Classification**

The Group classifies its financial assets in the following categories:

- Those to be measured subsequently at fair value (either through comprehensive income or through statement of profit and loss), and
- Those measured at amortised cost

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flow.

### **Initial Measurement**

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

### **Subsequent Measurement**

#### **Financial Asset measured at Amortised Cost (AC)**

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

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

Financial assets are subsequently measured at fair value through other comprehensive income if these financial assets are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets

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

and the contractual terms of financial asset give rise on specified dates to cash flows that are solely payments of principal and the interest on the principal outstanding.

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

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

**2.5. Financial Liabilities****Initial Recognition**

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

**Subsequent Measurement**

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

**De-Recognition**

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

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

**Impairment of Financial Assets**

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

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

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

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

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

### **Offsetting of financial instruments**

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

### **Derivative financial instruments**

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

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

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

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

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

## **2.6. Leases**

The Group's lease asset classes primarily consist of leases for land and buildings. The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether: (i) the contract involves the use of an identified asset (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Group has the right to direct the use of the asset.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount

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

(i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Group changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

**2.7. Employee Benefits****SHORT TERM EMPLOYEE BENEFITS**

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

**POST EMPLOYMENT BENEFITS****a. Defined Contribution plans****i. Superannuation**

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

**ii. Provident Fund**

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

**b. Defined benefit plans****i. Gratuity**

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

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

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

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

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

### c. Other Long Term Employee Benefits

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

#### ii) Leave Encashment:

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

## 2.8 Income Taxes

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

### Current tax

Current tax is measured at the amount expected to be paid in respect of taxable income for the year in accordance with the Income Tax Act, 1961. Current tax comprises the tax payable on the taxable income or loss for the year and any adjustment

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

to the tax payable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date.

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

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

**Deferred Tax**

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

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

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

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

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

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

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

**Current and Deferred tax for the year - OCI**

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



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

### 2.9. Property, plant and equipment

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

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

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

Freehold land is not depreciated.

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

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

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

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

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

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

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

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

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

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

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

**2.10 Investment Property**

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

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

Subsequent expenditure is capitalized to the asset carrying amount only when it is probable that the future economic benefit associated with the expenditure will flow to the Group and cost can be measured reliably.

The fair value of investment property has been determined by property valuer, having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued.

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

Items of Investment property	Useful Lives (Total)
Freehold Land	N.A
Building	30 years

Though the Group measures investment property using cost based measurement, the fair value of investment property is disclosed in the notes.

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

### 2.11. Intangible Assets

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

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

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

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

### 2.12. Impairment of Assets

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

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

### 2.13. Foreign Currency Transactions

#### **Functional and Presentation Currency:**

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

#### **Foreign Currency Transactions and balances:**

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

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

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

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

**2.14. Cash Flow Statement**

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

**2.15. Provisions and Contingent Liabilities**

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

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

A Contingent liability is

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

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

**2.16 Earnings Per Share**

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

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

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

### 2.17 Cash and Cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily Convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

### 2.18 Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

## 3. Critical accounting judgments and key sources of estimation uncertainty

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

### Useful lives of Property Plant and Equipment / Intangible Assets

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

### Impairment of Financial Assets

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

**Note 1: Cash and cash equivalents**

(₹ in lakhs)

Particulars	March 31, 2020	March 31, 2019
Cash on hand	0.15	0.24
Balances with Banks in Current Accounts	9,78.00	4,67.85
Earmarked balances with banks (for unpaid dividend)	20.45	7.46
	<b>9,98.60</b>	<b>4,75.55</b>

**Note 2 : Derivative Financial instruments**

(₹ in lakhs)

Particulars	March 31, 2020			March 31, 2019		
	Notional Amounts	Fair value Assets	Fair value Liabilities	Notional Amounts	Fair value Assets	Fair value Liabilities
<b>Part I</b>						
(i) Currency Derivatives						
- Spot and forwards	–	5,75.74	–	–	2,47.99	–
Total Derivatives Financial instruments	–	5,75.74	–	–	2,47.99	–
<b>Part II</b>						
Included in above (Part I) are derivatives held for hedging and risk management purpose as follows						
(i) Cash flow hedging						
- Currency derivatives	–	5,75.74	–	–	2,47.99	–
	–	<b>5,75.74</b>	–	–	<b>2,47.99</b>	–

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

Derivatives are recognised and measured at fair value.

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

### Note 3: Receivables

(₹ in lakhs)

Particulars	March 31, 2020	March 31, 2019
Trade receivables		
- Considered good-Secured		
- Considered good-Unsecured *	7,74.10	10,53.79
- Receivables having significant increase in credit risk	33.20	13.24
Less : Allowance for impairment loss	(33.20)	(13.24)
- Credit Impaired	5.64	32.33
Less : Allowance for impairment loss	(5.64)	(32.33)
Debts due by Directors and others	—	—
	<b>7,74.10</b>	<b>10,53.79</b>

\* Refer Note 30 for related party transactions

### Note 4 : Loans

(₹ in lakhs)

Loans	31st March 2020				31st March 2019			
	Amortised cost	At Fair value		Total	Amortised cost	At Fair value		Total
		Through other comprehensive income	Through profit or loss			Through other comprehensive income	Through profit or loss	
<b>Loans (Unsecured)</b>	—	—	—	—	—	—	—	—
Staff advance	46.96	—	—	46.96	36.41	—	—	36.41
<b>Gross Loans</b>	<b>46.96</b>	—	—	<b>46.96</b>	<b>36.41</b>	—	—	<b>36.41</b>
Less: Impairment Loss allowance	2.49	—	—	2.49	2.49	—	—	2.49
<b>Net Loans</b>	<b>44.47</b>	—	—	<b>44.47</b>	<b>33.92</b>	—	—	<b>33.92</b>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Note 5: Investments

(₹ in lakhs)

Particulars	Note No.	Face Value (₹)	As at 31.03.2020		As at 31.03.2019	
			Holding (Number)	Carrying Amount	Holding (Number)	Carrying Amount
<b>At Carrying amount</b>						
<b>- Associates</b>						
-Flometallic India Private Limited		1,00,000	3,800	61,95.44	3,800	63,74.22
-The Dunes Oman LLC (FZC)	(i)	1	22,93,725	88,92.95	18,34,980	85,83.48
-Sundaram Hydraulics Limited		10	1,12,50,000	–	1,12,50,000	–
-Axles India Limited		10	98,91,754	53,29.20	98,91,754	53,59.28
-Turbo Energy Private Limited		10	25,60,000	461,25.28	25,60,000	449,42.87
-Transenergy Limited		100	1,20,000	3,87.98	1,20,000	3,94.52
-Sundaram Dynacast Private Limited		10	11,70,000	13,95.71	11,70,000	11,77.13
				<b>683,26.57</b>		<b>668,31.50</b>
<b>Total - A</b>				<b>683,26.57</b>		<b>668,31.50</b>
<b>At fair value through other comprehensive income:</b>						
<b>Equity Instruments</b>						
-Wheels India Limited		10	32,69,096	188,14.52	26,67,482	249,22.39
-Brakes India Private Limited		100	1,59,460	121,69.89	1,59,460	273,49.69
-India Motor Parts & Accessories Limited		10	23,20,005	134,95.32	15,40,784	135,93.51
-Sundaram Clayton Limited		5	22,73,081	457,03.24	22,73,081	744,66.64
-TVS Investments Private Limited		5	22,73,085	21,88.55	22,73,085	22,15.57
-Lucas-TVS Limited		100	63,224	29,23.22	63,224	66,78.49
-Delphi TVS Technologies Limited		10	2,52,896	11,96.02	2,52,896	11,21.84
-Techtran Poly lenses Limited		10	2,50,000	–	2,50,000	–
-Vishnu Forge Industries Limited		10	2,97,110	1,14.68	2,97,110	1,05.84
-D2C Consulting Services Private Limited		10	–	1.75	–	–
Fettle Tone LLP			–	20,87.00	–	–
- Senbonzakura Consultancy Private Ltd		10	10	–	10	–
<b>Total - B</b>				<b>986,94.19</b>		<b>1504,53.96</b>



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

(₹ in lakhs)

Particulars	Note No.	Face Value (₹)	As at 31.03.2020		As at 31.03.2019	
			Holding (Number)	Carrying Amount	Holding (Number)	Carrying Amount
<b>At fair value through profit and loss:</b>						
<b>- Mutual Funds</b>						
- Sundaram Money Fund-Growth			98,45,279	41,22.18	39,05,169	15,39.07
- Sundaram Ultra Short term Fund-Growth			6,83,97,132	72,15.35	4,83,54,744	127,23.73
- Sundaram Banking PSU & Debt Fund			1,05,01,895	33,65.52	–	–
- Sundaram Money market fund			3,76,78,370	42,20.81	–	41,45.60
- JM Financial yield enhancer (Distressed Opportunity) Fund I - Series I			100	1,00.00	–	–
- D2C Consulting Services Private Limited -0.1% Cumulative Convertible Preference Shares		100	17,014	2,98.26	–	–
<b>Total - C</b>			–	<b>193,22.11</b>	–	<b>184,08.40</b>
<b>At amortised cost:</b>						
<b>- Preference Shares</b>						
Sundaram Asset Management Company-6.75% Redeemable Cumulative Non-Convertible Preference Shares		100	15,00,000	15,00.00	15,00,000	15,00.00
<b>- Government securities</b>						
- IRFC tax free bonds		1,000	2,175	22.62	2,175	22.62
<b>- Commercial Paper:</b>						
- Cholamandalam Investment and Finance Company			–	–	–	23,70.16
-HDB Financial Services			–	–	–	23,80.24
				15,22.62		62,73.02
<b>Total Investments A+B+C+D</b>				<b>1878,65.49</b>		<b>2419,66.87</b>
<b>Less: Allowance for Impairment loss</b>				–		–
<b>Total Investments</b>				<b>1878,65.49</b>		<b>2419,66.87</b>

Investment outside India	88,92.95	85,83.48
Investment in India	1789,72.54	2333,83.39

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

(₹ in lakhs)

**Investments - Categorywise**

Particulars	As at 31.03.2020	As at 31.03.2019
Aggregate amount of Quoted Investments	780,35.71	1130,05.15
Aggregate amount of Unquoted Investments (Net of allowance for Impairment loss)	1098,29.78	1289,61.72
<b>Total</b>	<b>1878,65.49</b>	<b>2419,66.87</b>

**Note**

(i) Face value in Omani Riyal

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

(₹ in lakhs)

- Investments held during/at the end of reporting period	2019-20	2018-19
- Brakes India Private Limited	6,98.43	9,04.14
- Lucas TVS Limited	1,20.13	1,20.12
- Delphi TVS Technologies Limited	53.11	40.46
- Sundaram Clayton Ltd	7,04.66	8,18.32
- Wheels India Limited	2,24.78	2,06.73
- Indian Motor Parts & Accessories Limited	5,08.46	1,69.49
- Vishnu Forge Industries Ltd	2.08	1.78
- TVS Investments Private Limited	–	5.22
<b>Total Dividend</b>	<b>23,11.64</b>	<b>22,66.26</b>

**Note 6: Other Financial assets (Unsecured)**

(₹ in lakhs)

Particulars	March 31, 2020	March 31, 2019
Security Deposits	1,33.26	1,22.10
Unbilled Revenue	25.20	29.61
Other Assets	3.74	–
	<b>1,62.19</b>	<b>1,51.71</b>

**Note 7: Current Tax Assets (net)**

(₹ in lakhs)

Particulars	March 31, 2020	March 31, 2019
Advance Income Tax and Tax Deducted at source (Net of Provision for tax)	4,67.66	3,31.11
	<b>4,67.66</b>	<b>3,31.11</b>

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

### Note 8 : Investment Property

(₹ in lakhs)

Particulars	Land	Building
<b>As at 01-04-2019</b>	1,28.75	43.19
Additions	–	11.09
Sub-total	1,28.75	54.27
Sales / deletion	–	–
<b>Total</b>	<b>1,28.75</b>	<b>54.27</b>
Depreciation		
Upto 31st March 2019	–	7.68
For the year	–	4.04
Sub-total	–	11.72
Withdrawn on assets sold / deleted	–	–
<b>Total</b>	<b>–</b>	<b>11.72</b>
Net Carrying amount		
<b>As at 31-03-2020</b>	<b>1,28.75</b>	<b>42.55</b>

(₹ in lakhs)

Particulars	Land	Building
<b>As at 01-04-2018</b>	1,28.75	39.16
Additions	–	–
Sub-total	1,28.75	39.16
Sales / deletion	–	–
<b>Total</b>	<b>1,28.75</b>	<b>39.16</b>
Depreciation		
Upto 31st March 2018	–	–
For the year	–	3.65
Sub-total	–	3.65
Withdrawn on assets sold / deleted	–	–
<b>Total</b>	<b>–</b>	<b>3.65</b>
Net Carrying amount		
<b>As at 31-03-2019</b>	<b>1,28.75</b>	<b>35.51</b>

(₹ in lakhs)

Fair Value	Land	Building
At 31st March 2020	445,83.81	2,93.10
At 31st March 2019	445,83.81	2,93.10

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

**Measurement of Fair Value****Fair Value Hierarchy**

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

**Valuation Techniques**

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

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

**Information regarding income and expenditure of Investment property**

(₹ in lakhs)

Particulars	31.03.2020	31.03.2019
Rental Income derived from Investment Properties	1,74.89	1,74.89
Direct Operating Expenses (including repairs and maintenance)	18.09	11.56
<b>Profit arising from Investment Properties before Depreciation and Indirect Expenses</b>	<b>1,56.80</b>	<b>1,63.33</b>
Depreciation	4.08	3.65
<b>Profit arising from Investment Properties before Indirect Expenses</b>	<b>1,52.72</b>	<b>1,59.68</b>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

**Note 9 : Property, Plant & Equipment and Intangible Assets**

(₹ in lakhs)

Description	Property, Plant & Equipment								Intangible	Total (tangible and intangible)
	Free hold land	Buildings	Plant & equipment	Furniture & fixtures	Office equipment	Electrical Equipment	Vehicles	Total	Software- Bought out	
As at 01-04-2019	31.86	3.08	1,69.31	35.55	38.65	18.65	16.44	3,13.53	1,22.86	4,36.39
Additions	–	–	1,75.11	7.91	10.01	1.56	–	1,94.59	14.96	2,09.55
Sub-total	31.86	3.08	3,44.43	43.46	48.66	20.21	16.44	5,08.12	1,37.82	6,45.94
(-) Sales / deletion	–	–	0.38	–	0.30	–	2.72	3.40	–	3.40
<b>Total</b>	<b>31.86</b>	<b>3.08</b>	<b>3,44.05</b>	<b>43.46</b>	<b>48.36</b>	<b>20.21</b>	<b>13.72</b>	<b>5,04.72</b>	<b>1,37.82</b>	<b>6,42.54</b>
<b>Depreciation</b>										
Upto 31-03-2019	–	–	75.71	13.33	12.42	4.78	5.04	1,11.28	82.02	1,93.29
For the year	–	–	45.02	6.42	8.04	4.89	–	64.37	31.60	95.97
Sub-total	–	–	1,20.73	19.74	20.47	9.67	5.04	1,75.65	1,13.61	2,89.26
(-) Withdrawn on assets sold / deleted	–	–	0.04	–	0.08	–	2.72	2.84	–	2.84
<b>Total</b>	<b>–</b>	<b>–</b>	<b>1,20.69</b>	<b>19.74</b>	<b>20.38</b>	<b>9.67</b>	<b>2.32</b>	<b>1,72.80</b>	<b>1,13.61</b>	<b>2,86.42</b>
Net Carrying amount										
<b>As at 31-03-2020</b>	<b>31.86</b>	<b>3.08</b>	<b>2,23.35</b>	<b>23.71</b>	<b>27.98</b>	<b>10.54</b>	<b>11.40</b>	<b>3,31.92</b>	<b>24.20</b>	<b>3,56.12</b>

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

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

**Note 10: Other Non-Financial Assets**

(₹ in lakhs)

Particulars	March 31, 2020	March 31, 2019
Prepaid expenses	77.65	1,03.71
Capital Advance	–	1.79
SEIS Scrip Incentive	1,06.23	–
Other advance	30.14	33.13
Service Tax / GST Input Credit	2,21.06	2,88.83
	<u>4,35.07</u>	<u>4,27.46</u>

**Note 11: Trade Payables**

(₹ in lakhs)

Particulars	March 31, 2020	March 31, 2019
(i) Total outstanding due to micro and small enterprises (Refer Note 32 f)	0.67	–
(ii) Total outstanding due of creditors other than micro and small enterprises		
- For Expenses *	86.26	1,05.37
- For Others	–	–
	<u>86.93</u>	<u>1,05.37</u>

\* Refer Note 30 for related party transactions

**Note 12 : Other Financial Liabilities**

(₹ in lakhs)

Particulars	March 31, 2020	March 31, 2019
Accrued expenses	95.71	79.06
Other Liabilities	32.18	11.21
	<u>1,27.90</u>	<u>90.27</u>

**Note 13 : Provisions**

(₹ in lakhs)

Particulars	March 31, 2020	March 31, 2019
Provision for Employee Benefits	2,83.50	2,18.58
Provision for expenses	27.62	15.00
	<u>3,11.12</u>	<u>2,33.58</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

**Note 14 : Deferred taxes**

(₹ in lakhs)

Particulars	March 31, 2020	March 31, 2019
<b>Deferred tax liabilities</b>		
On Investments	60,19.92	86,38.49
On Derivatives	1,45.08	58.01
Others	2.87	0.18
<b>Deferred tax assets</b>		
On Investments	(1,32.72)	(1,54.18)
On Employee Benefits	(22.11)	(21.32)
On Provision for doubtful debts	(11.50)	(13.37)
On Property, Plant & Equipment	(21.88)	(12.76)
On Security Deposits	(0.58)	(0.46)
On others	(2.95)	(1.03)
Minimum Alternate Tax (MAT) credit	(3,60.01)	(3,76.74)
<b>Net Deferred tax liabilities</b>	<b>56,16.13</b>	<b>81,16.82</b>

**Note 15 : Other non-financial liabilities**

(₹ in lakhs)

Particulars	March 31, 2020	March 31, 2019
Statutory Liabilities	1,26.87	1,44.01
	<b>1,26.87</b>	<b>1,44.01</b>

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

## Note 16 : Equity share capital

(₹ in lakhs)

Particulars	March 31, 2020	March 31, 2019
<b>Authorised:</b>		
16,00,00,000 Equity shares of face value of ₹5/- each	80,00.00	80,00.00
	<b>80,00.00</b>	<b>80,00.00</b>
<b>Issued, Subscribed and fully paid up:</b>		
15,11,03,860 Equity shares of face value of ₹5/- each	75,55.19	75,55.19
	<b>75,55.19</b>	<b>75,55.19</b>

## (a) Reconciliation of Share Capital

	As at 31 March 2020		As at 31 March 2019	
	No. of Shares	₹ in Lakhs	No. of Shares	₹ in Lakhs
<b>Balance at the beginning of the year</b>	<b>15,11,03,860</b>	<b>75,55.19</b>	<b>15,11,03,860</b>	<b>75,55.19</b>
Changes in equity share capital during the year				
Shares Issued / Redeemed during the year	—	—	—	—
<b>Balance at the end of the year</b>	<b>15,11,03,860</b>	<b>75,55.19</b>	<b>15,11,03,860</b>	<b>75,55.19</b>

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 31.03.20	No. of Shares	% held as at 31.03.19
Sundaram Finance Limited	Promoter	3,26,50,000	21.61%	4,00,00,000	26.47%



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

### Note 17 : Other Equity

(₹ in lakhs)

Particulars	Reserves and Surplus				Gains / (losses) from equity investments through OCI	Total
	Capital Reserve	General Reserve	FCTR	Retained Earnings		
<b>Balance as at 01 April 2019</b>	<b>25,69.62</b>	<b>131,35.01</b>	<b>10,17.42</b>	<b>732,00.51</b>	<b>1390,84.02</b>	<b>2290,06.59</b>
Add: Profit or loss for the period	–	–	–	78,13.49	–	78,13.49
Add: Other comprehensive income	–	–	7,29.97	(3,06.78)	(545,18.02)	(540,94.83)
Less: Final Dividend for FY 2018-19 paid	–	–	–	(26,44.35)	–	(26,44.35)
Less: Dividend Tax	–	–	–	(5,43.55)	–	(5,43.55)
Less: Interim Dividend for FY 2019-20 paid	–	–	–	(11,33.31)	–	(11,33.31)
Less: Dividend Tax	–	–	–	(2,32.95)	–	(2,32.95)
<b>Balance as at 31 March 2020</b>	<b>25,69.62</b>	<b>131,35.01</b>	<b>17,47.39</b>	<b>761,53.05</b>	<b>845,66.00</b>	<b>1781,71.08</b>

## PROFIT & LOSS ACCOUNT

### Note 18 : Interest Income

(₹ in lakhs)

Particulars	For the year ended 31st March 2020			For the year ended 31st March 2019		
	On financial assets measured at FVTOCI	On financial assets measured at amortised cost	On financial assets classified at FVTPL	On financial assets measured at FVTOCI	On financial assets measured at amortised cost	On financial assets classified at FVTPL
Interest income from investments	–	2,51.34	–	–	3,54.47	–
	–	<b>2,51.34</b>	–	–	<b>3,54.47</b>	–

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

**Note 19 : Net gain/(Loss) on fair value changes**

(₹ in lakhs)

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
Net gain/(Loss) on financial instruments at FVTPL		
- On trading portfolio - Investments	5,08.56	10,62.40
Fair Value changes:		
- Realised	2,16.23	9,15.65
- Unrealised	2,92.33	1,46.75
	<u>5,08.56</u>	<u>10,62.40</u>

**Note 20 : Other Income**

(₹ in lakhs)

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
Interest Receipts	29.95	21.69
Rent Receipts	1,78.84	1,74.89
Interest income from Financial Asset at Amortized Cost	—	13.28
Other Non-Operating Income	0.49	3.20
Net gain on Exchange Fluctuation	1,80.04	44.92
Excess provisions/liabilities written back	29.90	23.41
Export Incentive SEIS	1,57.28	—
Derivative income/(loss)	14.76	37.51
	<u>5,91.25</u>	<u>3,18.89</u>

**Note 21 : Finance Costs**

(₹ in lakhs)

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
Interest on Income Tax	9.81	19.29
Interest-others	17.71	5.34
	<u>27.52</u>	<u>24.64</u>

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

### Note 22 : Employee benefit expense

(₹ in lakhs)

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
Salaries, bonus and commission	38,11.34	36,11.37
Contribution to Provident and Other Funds (Refer Note 31)	2,83.12	2,67.09
Staff welfare expenses	1,42.13	1,22.75
	<b><u>42,36.58</u></b>	<b><u>40,01.21</u></b>

### Note 23 : Administrative and Other Expenses

(₹ in lakhs)

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
Rent (Refer Note 25)	4,91.97	4,96.16
Rates and taxes	26.31	23.75
Electricity expenses	1,56.22	1,64.79
Sales and Marketing expenses	2,80.18	2,28.57
Communication expenses	87.05	1,40.94
Outsourcing cost	1,60.92	1,71.30
Audit Fees (Refer Note 32g)	18.50	14.10
Repairs and Maintenance - others	1,28.81	1,83.84
Professional fees	1,31.08	98.56
Commission to KMP and Directors	21.00	15.00
Director sitting fees	13.50	11.25
Filing Fees	0.18	0.20
Travelling and Conveyance	1,00.75	1,16.86
Allowance for doubtful debts (Net)	23.17	10.57
CSR Expenditure (Refer Note 32e)	70.25	42.39
Miscellaneous expenses	2,62.39	2,16.04
	<b><u>19,72.28</u></b>	<b><u>19,34.32</u></b>

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

**Note 24 : Income Tax****A. Reconciliation of effective tax rate**

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

(₹ in lakhs)

Particulars	31st March 2020	31st March 2019
Income tax expenses pertaining to current year	4,17.11	11,77.65
Previous year reversal	(4.99)	—
Income tax expenses recognized in the Statement of Profit and Loss	4,12.12	11,77.65

(₹ in lakhs)

Particulars	31st March 2020	31st March 2019
<b>Profit before tax</b>	34,77.44	42,04.41
Enacted income tax rate in India	29.12%	29.12%
Tax using the Company's domestic tax rate :	10,12.63	12,24.32
<b>Effect of:</b>		
Exempted / Non taxable income	(7,25.16)	(6,89.93)
Tax on overseas income	1,76.85	707.52
Expenses disallowed	63.89	87.63
Additional allowance / adjustments	(1,11.10)	(1,51.89)
<b>Income tax expenses recognized in the Statement of Profit and Loss</b>	<b>4,17.11</b>	<b>11,77.65</b>

**B. Recognised deferred tax assets and liabilities**

**Deferred tax assets / liabilities as at 31st March 2020:**

Particulars	As at 1 April 2019	Recognized in Statement of Profit or Loss*	Recognized in Other Comprehensive Income #	As at 31st March 2020
<b>Deferred tax Assets</b>				
Property, plant and Equipment	12.76	9.12	–	21.88
Investments at fair value through profit or loss	1,54.18	(21.46)	–	1,32.72
Minimum Alternate Tax (MAT) Credit	3,76.74	(16.73)	–	3,60.01
Provisions - employee benefits	21.32	(0.63)	1.42	22.11
Provision for doubtful debts	13.37	(1.87)	–	11.50
Others	1.49	2.04	–	3.53
	<b>5,79.86</b>	<b>(29.53)</b>	<b>1.42</b>	<b>5,51.75</b>
<b>Deferred tax Liabilities</b>				
Investments at fair value through profit or loss	73.09	82.83	–	1,55.92
Investments at fair value through OCI	85,65.40	–	(2701.41)	58,64.00
Change in fair value of derivative instrument	58.01	37.80	49.27	1,45.08
Others	0.18	2.70	–	2.88
	<b>86,96.68</b>	<b>1,23.33</b>	<b>(26,52.13)</b>	<b>61,67.88</b>
<b>Net deferred tax (Assets) / Liabilities</b>	<b>81,16.82</b>	<b>1,52.86</b>	<b>(26,53.56)</b>	<b>56,16.13</b>

# Excludes impact of income tax on remeasurement of employee benefit

\* Includes MAT movement

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

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

(₹ in lakhs)

Particulars	As at 1 April 2018	Recognized in Statement of Profit or Loss*	Recognized in Other Comprehensive Income	As at 31st March 2019
<b>Deferred tax Assets</b>				
Property, plant and Equipment	6.45	6.31	–	12.76
Investments at fair value through profit or loss	1,03.12	51.06	–	1,54.18
Minimum Alternate Tax (MAT) Credit	2,62.83	1,13.91	–	3,76.74
Provisions - employee benefits	5.53	4.74	11.05	21.32
Provision for doubtful debts	17.87	(4.50)	–	13.37
Other items	2.21	(0.72)	–	1.49
	<b>3,98.01</b>	<b>1,70.80</b>	<b>11.05</b>	<b>5,79.86</b>
<b>Deferred tax Liabilities</b>				
Investments at fair value through profit or loss	30.49	42.60	–	73.09
Investments at fair value through OCI	126,92.00	–	(41,26.60)	85,65.40
Change in fair value of derivative instrument	–	33.49	24.52	58.01
Others	–	0.18	–	0.18
	<b>127,22.49</b>	<b>76.27</b>	<b>(41,02.08)</b>	<b>86,96.68</b>
Net deferred tax (Assets) / Liabilities	<b>123,24.48</b>	<b>(94.53)</b>	<b>(41,13.13)</b>	<b>81,16.82</b>

\* Includes MAT movement

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

### Note 25: Leases

#### (i) Group as a lessee

Details regarding the contractual maturities of lease liabilities as at March 31, 2020 on an undiscounted basis

#### Future minimum lease payable

(₹ in Lakhs)

Particulars	31st March 2020
Not later than 1 year	39.60
Later than 1 year and not later than 5 years	1,75.48
Later than 5 years	58.06

#### Movement of Right of Use asset

(₹ in Lakhs)

Particulars	31st March 2020
Right of Use asset accounted as per IND AS 116	2,35.12
Additions	—
Depreciation on Right of Use Assets	33.00
Closing balance	2,02.12

#### Movement of Lease Liability

(₹ in Lakhs)

Particulars	31st March 2020
Lease liability accounted as per IND AS 116	2,35.12
Additions	—
Repayments	21.44
Closing balance	2,13.68

#### Other Rental expenses categorised as short term and low value

(₹ in Lakhs)

Particulars	31st March 2020
Equipment Rent (Low value)	85.65
Immovable Property Rent ( Short term)	4,04.37

#### (ii) Group as a lessor

Undiscounted lease payments to be received on annual basis for first 5 years - ₹1,78.84 lakhs

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

**Note 26 : Capital Management**

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

**Note 27 : Financial instruments – Fair values and risk management****A. Accounting classification and fair values**

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

(₹ in Lakhs)

As at 31 March 2020	Carrying amount	Level 1	Level 2	Level 3
<b>Financial assets measured at</b>				
<b>Amortized cost</b>				
Preference securities	15,00.00	–	15,00.00	–
Bonds	22.62	–	22.62	–
Trade receivables	7,74.10	–	–	–
Cash and cash equivalents	9,98.60	–	–	–
Other Financial Assets	1,62.19	–	1,36.99	25.20
Loans	44.47	–	44.47	–
<b>FVTPL</b>				
Derivatives	54.25	54.25	–	–
Mutual Funds	190,23.86	189,23.86	–	1,00.00
Preference securities	2,98.26			2,98.26
<b>FVTOCI</b>				
Equity instruments *	986,94.19	780,13.09	–	206,81.10
Derivatives	5,21.50	5,21.50	–	–
<b>Financial Liabilities measured at</b>				
<b>Amortized cost</b>				
Trade and other payables	86.93	–	–	–
Lease Liability	2,13.68	–	2,13.68	–
Other Financial Liabilities	1,27.90	–	–	–



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

(₹ in Lakhs)

As at 31 March 2019	Carrying amount	Level 1	Level 2	Level 3
<b>Financial assets measured at</b>				
<b>Amortized cost</b>				
Preference securities	15,00.00	–	15,00.00	–
Commercial Paper	47,50.40	–	47,50.40	–
Bonds	22.62	–	22.62	–
Trade receivables	10,53.79	–	–	–
Cash and cash equivalents	4,75.55	–	–	–
Other Financial Assets	1,51.71	–	1,22.10	29.61
Loans	33.92	–	33.92	–
<b>FVTPL</b>				
Derivatives	39.49	–	39.49	–
Mutual Funds	184,08.39	18408.39	–	–
<b>FVTOCI</b>				
Equity instruments *	1504,53.96	112982.53	–	374,71.42
Derivatives	2,08.51	208.51	–	–
<b>Financial Liabilities measured at</b>				
<b>Amortized cost</b>				
Trade and other payables	1,05.37	–	–	–
Other Financial Liabilities	90.27	–	–	–

\* Excludes Investments in Associates (Refer Note 5)

**Fair Value hierarchy**

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

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

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

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

**B. Measurement of fair values**

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

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

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

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

**Note 28 : Financial Risk Management**

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

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

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

**(a) Liquidity Risk**

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

The Group regularly monitors the rolling forecasts and the actual cash flows to service the financial liabilities on a day-to-day basis through cash generation from business.

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

(₹ in Lakhs)

Particulars	31st March 2020	31st March 2020
Trade payables	86.93	1,05.37
Other financial Liabilities	1,27.90	90.27

**(b) Credit Risk**

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

**(i) Trade receivables:**

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

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

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

(₹ in Lakhs)

Particulars	31st March 2020	31st March 2020
Trade receivables	8,12.94	10,99.36
Loss allowance	38.84	45.57
Carrying amount	7,74.10	10,53.79

### (ii) Other financial assets:

The Group has exposure in Cash and cash equivalents, employee loans and investment carried at amortised cost. The Group's maximum exposure to credit risk as at 31st March, 2020 is the carrying value of each class of financial assets as on that date.

#### Cash and Cash equivalents

The Group held cash and cash equivalents of INR 998.60 lakhs as on March 31, 2020 (March 31, 2019 : INR 475.55 lakhs). The cash and cash equivalents are held in hand and with bank. (Refer Note 1)

### (c) Market Risk

Market risk is the risk that the fair value of a financial instrument will fluctuate because of changes in market prices in case of equity investments and Net Asset Value (NAV) in case of mutual fund investments & currency risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

Group is having certain investments in unlisted companies in automobile sector where the valuation takes place based on certain market multiples of similar listed automobile companies after duly adjusted for discounts to the same.

The Group is exposed to foreign exchange currency risk on account of having sales revenue in foreign currency.

The Group has a forex policy in place whose objective is to reduce foreign exchange risk by deploying the appropriate hedging strategies (forward contracts ) and also by maintaining reasonable open exposures within approved parameters depending on the future outlook on currencies.

(a) The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities based on gross exposure at the end of the reporting period is as under:

Particulars	31st March 2020		31st March 2019	
	AUD (A\$'000)	₹ Lakhs	AUD (A\$'000)	₹ Lakhs
<b>Monetary Assets</b>				
Cash and Cash Equivalent	1608.29	7,41.02	800.58	3,92.44
Trade Receivables	956.96	4,40.92	1044.51	5,12.01
<b>Monetary Liabilities</b>				
Trade Payable	65.73	30.29	58.49	28.67

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

(b) Sensitivity analysis

(₹ in Lakhs)

Sensitivity analysis	Change in assumption		Impact on Carrying Value of investments			
			Increase in assumption		Decrease in assumption	
Details	31st March 2020	31st March 2019	31st March 2020	31st March 2019	31st March 2020	31st March 2019
Quoted Equity investments	1%	1%	7,80.13	11,29.83	(7,80.13)	(11,29.83)
Unquoted Equity investments	1%	1%	1,50.83	3,40.28	(1,50.93)	(3,40.28)
Mutual Fund investments	1%	1%	1,89.24	1,84.08	(1,89.24)	(1,84.08)

(c) The foreign currency risk on above exposure is mitigated by derivative contracts. The outstanding contracts as at the Balance Sheet date are as follows:

(₹ in Lakhs)

Particulars	31st March 2020		31st March 2019	
	Buy	Sell	Buy	Sell
Forward Contract: Cashflow Hedge				
AUD/INR (in A\$ '000)	–	114,93.00	–	76,20.00
AUD/INR (in ₹ Lakhs)	–	62,21.15	–	41,35.80

As at the Balance Sheet date, the Group's net foreign exchange exposures that are not hedged by a derivative instrument or otherwise is below:

Particulars	GBP	USD	NZD	Equivalent in INR
Unhedged	8559.20	6001.83	8750.00	1647200.69

**Risk management structure**

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

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

### Note 29 : Revenue Recognition

#### Sale of Services:

The Group derives revenue from providing support services to our captive clients, which primarily include providing back office administration, data management, contact centre management, accounting, tax, superannuation, portfolio management, mortgage and training. The Group recognizes revenue when the significant terms of the arrangement are enforceable, services are being delivered and the collectability is reasonably assured. The Group recognizes revenue on an accrual basis when services are performed.

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

When the terms of the agreement specify service level parameters that must be met, the Group monitors such service level parameters and determine if there are any service credits or penalties that we need to account for.

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

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

#### Contracts with customers

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

#### Contract Balances

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

Revenue from sale of services and the trade receivable for the year ended March 31, 2020 and March 31, 2019 is as follows:

#### Note 29.a

(₹ in Lakhs)

Particulars	31st March 2020	31st March 2019
Sale of Services		
- Support Services	58,91.52	60,23.63
- Learning Income	1,91.29	1,38.33
Trade Receivables	7,74.10	10,53.79

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Note 30

**Related Party Transactions**

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

**Related Parties:**

**Holding Company**

Sundaram Finance Limited

**Associate Companies**

Flometallic India Private Limited

Dunes Oman LLC (FZC)

**Fellow Subsidiaries**

Sundaram Asset Management Company Ltd

Sundaram Hydraulics Limited

Axles India Limited

Sundaram Fund Services Ltd

Turbo Energy Private Limited

Sundaram Home Finance Ltd

Transenergy Limited

Sundaram Asset Management Singapore Pte Ltd.

Sundaram Dynacast Private Limited

LGF Services Limited

Sundaram Alternate Assets Limited

**Key Management Personnel:**

Sundaram Trustee Company Limited

Sri. T.T.Srinivasaraghavan - Chairman

Sri. Harsha Viji - Director

**Joint Venture of Holding Company**

Royal Sundaram General Insurance Co. Ltd

Sri. Paramesh Krishnaier - Chief Executive Officer  
(Till 18th May 2020)

Sri. S.Ravi - Chief Executive Officer  
(With effect from 19th May 2020)

Sri V. Vaasen - Chief Financial Officer

**Others**

Sundaram Finance Holdings Gratuity Trust #

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

### Related Party Transactions:

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

### Transactions during the year

							(₹ in lakhs)	
Nature of Transactions	Holding Company	Associates	Fellow Subsidiaries	Joint Venture of Holding Company	KMP	2019-20	2018-19	
<b>Income</b>								
<b>Dividend Income</b>								
Sundaram Dynacast Private Limited	—	2,57.40	—	—	—	2,57.40	1,63.80	
Turbo Energy Private Limited	—	15,36.00	—	—	—	15,36.00	5,12.00	
Dunes Oman LLC (FZC)	—	10,12.22	—	—	—	10,12.22	26,92.23	
Axles India Limited	—	3,95.67	—	—	—	3,95.67	2,96.75	
Transenergy Limited	—	9.00	—	—	—	9.00	12.00	
Flometallic India Private Limited	—	3,25.00	—	—	—	3,25.00	4,87.50	
Sundaram Asset Management Company Ltd.	—	—	1,01.25	—	—	1,01.25	1,01.25	
<b>Income from Services</b>								
Sundaram Finance Limited	12,45.76	—	—	—	—	12,45.76	10,62.25	
Sundaram Asset Management Company Ltd	—	—	2,37.79	—	—	2,37.79	3,07.81	
Sundaram Fund Services Ltd	—	—	12.23	—	—	12.23	35.21	
Sundaram Home Finance Ltd	—	—	48.84	—	—	48.84	47.17	
Royal Sundaram General Insurance Co. Ltd	—	—	—	9,08.13	—	9,08.13	6,80.82	
Sundaram Alternate Assets Limited	—	—	2.88	—	—	2.88	0.72	
Turbo Energy Private Limited	—	0.50	—	—	—	0.50	0.90	
Transenergy Limited	—	0.11	—	—	—	0.11	—	
<b>Other Income</b>								
<b>Rental Income</b>								
Turbo Energy Private Limited	—	34.40	—	—	—	34.40	39.39	
Sundaram Finance Limited	94.39	—	—	—	—	94.39	94.39	
<b>Expenses</b>								
<b>Sundaram Finance Limited</b>								
Rent & other Amenities	1,64.38	—	—	—	—	1,64.38	1,42.34	
Internal Audit fees	12.00	—	—	—	—	12.00	14.00	
ITVO Charges	0.06	—	—	—	—	0.06	0.51	
Website Maintenance	1.03	—	—	—	—	1.03	1.03	
Fuel Expenses	9.27	—	—	—	—	9.27	11.80	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

(₹ in lakhs)

Nature of Transactions	Holding Company	Associates	Fellow Subsidiaries	Joint Venture of Holding Company	KMP	2019-20	2018-19
<b>Royal Sundaram General Insurance Co. Limited</b>							
Insurance	—	—	—	6.60	—	6.60	4.62
Remuneration paid to KMP	—	—	—	—	85.35	85.35	60.98
<b>Other Advances given</b>							
<b>Sundaram Finance Limited</b>							
Procurement of Software	—	—	—	—	—	—	7.50
<b>Turbo Energy Private Limited</b>							
Procurement of Solar Panel	—	29.50	—	—	—	29.50	—
<b>Other Transactions - Investments</b>							
Capital Reduction - Dunes Oman LLC (FZC)	—	—	—	—	—	—	22,05.50
Redemption of Preference Shares - Sundaram Hydraulics Limited	—	—	—	—	—	—	1,66.67

**Closing Balance of Assets / Liabilities**

(₹ in lakhs)

Nature of Transactions	Holding Company	Associates	Fellow Subsidiaries	Joint Venture of Holding Company	KMP	As at 31st March 2020	As at 31st March 2019
<b>Carrying Value of Equity Shares</b>							
Flometallic India Private Limited	—	61,95.44	—	—	—	61,95.44	63,74.22
Dunes Oman LLC (FZC)	—	88,92.95	—	—	—	88,92.95	85,83.48
Sundaram Hydraulics Limited	—	—	—	—	—	—	—
Axles India Limited	—	53,29.20	—	—	—	53,29.20	53,59.28
Turbo Energy Private Limited	—	461,25.28	—	—	—	461,25.28	449,42.87
Transenergy Limited	—	3,87.98	—	—	—	3,87.98	3,94.52
Sundaram Dynacast Private Limited	—	13,95.71	—	—	—	13,95.71	11,77.13
<b>Carrying Balance of Preference Shares</b>							
Sundaram Asset Management Company Ltd	—	—	15,00.00	—	—	15,00.00	15,00.00



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Nature of Transactions	Holding Company	Associates	Fellow Subsidiaries	Joint Venture of Holding Company	KMP	As at 31st March 2020	As at 31st March 2019
<b>Insurance Deposit</b>							
Royal Sundaram General Insurance Co. Ltd	—	—	—	0.01	—	0.01	0.20
<b>Other Advances</b>							
<b>Sundaram Finance Limited</b>							
Procurement of Software	7.50	—	—	—	—	7.50	7.50
<b>Receivables:</b>							
Sundaram Finance Limited	1,78.28	—	—	—	—	1,78.28	1,62.35
Sundaram Asset Management Company Ltd	—	—	7.54	—	—	7.54	35.29
Sundaram Fund Services Ltd	—	—	0.34	—	—	0.34	1.90
Sundaram Home Finance Ltd	—	—	—	—	—	—	8.55
Royal Sundaram General Insurance Co. Ltd	—	—	—	85.22	—	85.22	86.35
Sundaram Alternate Assets Limited	—	—	0.28	—	—	0.28	0.28
<b>Payables:</b>							
Sundaram Finance Limited	12.66	—	—	—	—	12.66	—

# Transactions with respect to contribution to the gratuity trust is mentioned in Note 31b.

\* Remuneration to KMP

(₹ in Lakhs)

Particulars	2019-20	2018-19
Short term Employee benefits	75.35	50.98
Post Employment benefits	—	—
Other long term employee benefits	—	—
Termination benefits	—	—
Others(Commission)	10.00	10.00
<b>TOTAL</b>	<b>85.35</b>	<b>60.98</b>

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

**Note 31: Employee Benefits: Defined Contribution Plan**

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

**Note 31a : Contribution to PF & Other Funds**

(₹ in Lakhs)

Particulars	2019-20	2018-19
Contribution to Provident Fund	2,10.20	2,06.58
Contribution to Superannuation Fund	5.64	6.32
Contribution to Labour Welfare Fund	0.41	0.46

**Note 31b : Employee Benefits: Defined Benefit Plan - Gratuity****(i) A. Reconciliation of opening and closing balances of the present value of the defined benefit obligation**

(₹ in Lakhs)

Particulars	31st March 2020	31st March 2019
<b>Present Value of Defined Benefit Obligation at the beginning of the Period</b>	<b>2,27.45</b>	<b>1,80.99</b>
Service Cost		
a. Current Service Cost	65.88	56.37
b. Past Service Cost	–	–
c. (Gain)/Loss on Curtailments	–	–
d. (Gain)/Loss on Settlements	–	–
Interest Expense	16.66	11.06
Remeasurements		
a. Effect of Changes in Demographic Assumptions	–	(1.96)
b. Effect of Changes in Financial Assumptions	1.40	12.10
c. Effect of Experience Adjustments	(20.78)	18.74
Cashflows		
a. Benefit Payments		
(i) From the Plan	(20.6)	(49.84)
(ii) Directly from the Employer	–	–
b. Settlement Payments from the Plan	–	–
c. Participant Contributions	–	–
Effect of Business Combinations / Disposals	–	–
<b>Present Value of Defined Benefit Obligation at the end of the Period</b>	<b>270.05</b>	<b>227.45</b>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

**B. Reconciliation of opening and closing balances of the fair value of plan assets**

(₹ in Lakhs)

Particulars	31st March 2020	31st March 2019
<b>Fair value of plan assets as at the beginning of the period</b>	<b>2,10.50</b>	<b>1,67.82</b>
Interest Income on Plan Assets	15.67	13.69
Cash Flows		
a. Benefit Payments		
(i) From the Plan	(20.6)	(49.84)
(ii) Directly from the Employer	–	–
b. Settlement Payments from the Plan	–	–
c. Participant Contributions	–	–
d. Total Employer Contributions		
(i) Employer Contributions	43.59	88.83
(ii) Employer Direct Benefit Payments	–	–
Remeasurements		
a. Actual Return on Plan Assets	(1.0)	(10.0)
Effect of Business Combinations / Disposals	–	–
Effect of Changes in Foreign Exchange Rates	–	–
<b>Fair value of plan assets as at the end of the period*</b>	<b>2,48.25</b>	<b>2,10.50</b>

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

(₹ in Lakhs)

Particulars	31st March 2020	31st March 2019
Present Value of Defined Benefit Obligation	2,70.05	2,27.45
Fair value of plan assets	2,48.25	2,10.50
Net Assets (Liability) recognized in the Balance Sheet	(21.80)	(16.95)
Effect of Asset Ceiling	–	–
<b>Net Assets (Liability)</b>	<b>(21.80)</b>	<b>(16.95)</b>

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

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

(₹ in Lakhs)

Particulars	31st March 2020	31st March 2019
<b>Service Cost</b>		
a. Current Service Cost	65.88	56.37
b. Past Service Cost	—	—
c. (Gain)/Loss on Curtailments	—	—
d. (Gain)/Loss on Settlements	—	—
e. Total Service Cost	65.88	56.37
<b>Net Interest Expense</b>		
a. Interest Expense on DBO	16.66	11.06
b. Interest Income on Plan Assets	(15.67)	(13.69)
c. Interest Income on Reimbursement Rights	—	—
d. Interest Income on Asset Ceiling	—	—
e. Total Net Interest Cost	0.99	(2.63)
<b>Remeasurements</b>		
a. Effect of Changes in Demographic Assumptions	—	(1.96)
b. Effect of Changes in Financial Assumptions	1.40	12.10
c. Effect of Experience Adjustments	(20.78)	18.74
d. Actual Return on Plan Assets	0.96	10.01
e. Actual Return on Reimbursement Rights	—	—
f. Actual Change in Asset Ceiling	—	—
g. Total Remeasurements	(18.43)	38.89
Defined Benefit Cost included in Profit & Loss Account	66.87	53.73
Defined Benefit Cost included in Other Comprehensive Income	(18.43)	38.89

\*All the plan assets are funded with LIC

**E. Principal Actuarial Assumptions (Expressed as weighted averages)**

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

Particulars	31st March 2020	31st March 2019
Discount Rate	6.47%	7.36%
Salary Escalation	5.00%	6.00%
Attrition	10.00%	10.00%

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

### (ii) Sensitivity analysis

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

(₹ in Lakhs)

Gratuity	Change in assumption		Impact on defined benefit obligation			
			Increase in assumption		Decrease in assumption	
Details	31st March 2020	31st March 2019	31st March 2020	31st March 2019	31st March 2020	31st March 2019
Discount rate	0.50%	0.50%	(5.80)	(5.06)	6.09	5.32
Salary growth rate	0.50%	0.50%	6.14	5.36	(5.89)	(5.15)
Attrition rate	5.00%	5.00%	(0.43)	(0.35)	0.43	0.32
Mortality rate	5.00%	5.00%	0.02	0.01	(0.03)	(0.02)

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

### (iii) Maturity profile of defined benefit obligation

(₹ in Lakhs)

Particulars	31.03.2020	31.03.2019
Year 1	67.84	53.08
Year 2	36.91	33.86
Year 3	32.60	28.58
Year 4	38.11	25.79
Year 5	28.33	28.93
Next 5 years	87.33	78.81

### (iv) Risk exposure

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

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

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

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

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

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

(v) **The expected contribution to the plan for the next year amounts to ₹5.19 lakhs**

**Note 31c : Other Long Term Employee Benefits**

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

(₹ in Lakhs)		
Particulars	2019-20	2018-19
Leave encashment	60.56	42.47
Employee Assured Bonus Scheme	38.25	31.44

**Note 32****32a : Earnings Per Share****Basic and diluted earnings per share**

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

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

(₹ in Lakhs)		
Particulars	Year ended 31st March 2020	Year ended 31st March 2019
Profit/ (Loss) for the year, attributable to the equity holders	78,13.49	13746.23

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

Particulars	As at 31st March 2020	As at 31st March 2019
Opening balance	15,11,03,860	15,11,03,860
Effect of fresh issue of shares for cash	-	-
Effect of share options exercised	-	-
<b>Weighted average number of equity shares for the year</b>	<b>15,11,03,860</b>	<b>15,11,03,860</b>

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

### Earnings per share

(₹ in Lakhs)

Particulars	31st March 2020	31st March 2019
Basic earnings per share (in ₹)	5.17	9.10
Diluted earnings per share (in ₹)	5.17	9.10

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

### 32b : Dividend

Interim dividend paid and accounted during the year is ₹0.75/- per share.

Final dividend of ₹0.50/- per share has been recommended by the Board for the year ended 31st March 2020.

### 32c : Contingent liabilities and commitments

- (i) Uncalled liability on partly paid equity shares of Flomettallic India Private Limited ₹550 lakhs.
- (ii) Estimated amount of investment to be made in JM Financial yield enhancer (Distressed Opportunity ) Fund I - Series I for Capital Commitment ₹900 Lakhs.
- (iii) Estimated amount of capital commitments for Property, Plant and equipment and Investment property ₹54.13 lakhs.
- (iv) The Liability in respect of Guarantee issued by bank amount to ₹50 lakhs.
- (v) ESI Claims against the erstwhile Professional Management Consultants Limited (PMCL) not accepted by the company ₹2.06 lakhs (previous year ₹2.06 lakhs). Against this claim, PMCL filed an appeal before the Employees' Insurance (EI) Court and a stay was obtained, on a payment of 20% of the disputed amount. Accordingly, PMCL has deposited a sum of ₹0.41 lakhs with the EI Court.
- (vi) In an earlier year, the above appeal was dismissed by the ESI Court and PMCL has since filed an appeal before Hon'ble High Court of Chennai and has obtained a stay against the order of the ESI Court. The case is yet to be posted for hearing.
- (vii) ESI Claims against the company not acknowledged as debts ₹1.25 lakhs (Previous Year - ₹1.25 lakhs). The company has filed an appeal against the Order dated 19.02.2016 Accordingly, the Company has deposited a sum of ₹0.63 lakhs with EI Court.

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

**32d : Transactions in foreign currency**

(₹ in Lakhs)

Particulars	31st March 2020	31st March 2019
Earnings in Foreign Currency		
Income from Services	28,71.61	30,20.54
Dividend from an Associate Company	10,12.21	26,92.23
Capital Reduction from an Associate Company	–	22,05.50
Expenditure in Foreign Currency		
Travel and Office Expenses	4,21.77	3,75.79

**32e : Details of Corporate Social Responsibility (CSR)**

(a) Gross amount required to be spent by the Group during the year :

(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	70.25	–	70.25

**32f : Disclosure Under Msme Development Act, 2016**

Disclosure under the MSME Act 2006, (As per the intimation received form the vendor)

(₹ in Lakhs)

Particulars	31.03.2020	31.03.2019
Principal amount remaining unpaid	0.67	–
Interest amount remaining unpaid	–	–
Interest and principal amount paid beyond appointed date	–	–
Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointment day during the year) but without adding the interest specified under this Act	–	–
Interest accrued and remaining unpaid	–	–
Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise	–	–



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

### 32g : Audit Fees

(₹ in Lakhs)

Particulars	31st March 2020	31st March 2019
As Statutory auditors	14.50	10.00
Taxation matters	2.75	2.50
Certification matters	1.25	1.60
Total	18.50	14.10

### 32h : COVID-19

The outbreak of Coronavirus disease (COVID-19) pandemic globally and in India is causing significant disruption of economic activity. The Group has considered the possible effects that may result from the pandemic on the carrying amount of Investment, receivables and other assets. Based on the internal and external information up to the date of approval of these financial results, the Group expects to recover the carrying amount of these assets and it believes that there is no impact on its ability to continue as a going concern. However, the Group will continue to closely monitor any material changes to future economic conditions.

### 32i : Adoption of Financial Statements

The Board has adopted the financial statements at its meeting held on 25th May 2020

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

**Note 33 : Segment Reporting**

- (i) The Group has following operating segments namely Investments, Domestic Support Services and Overseas Support Services. The operating segments are established on the basis of individual segment's revenue being more than 10% of the combined revenue of all operating segments.

(₹ in Lakhs)

Business Segments	Investments		Support services				Eliminations		Total	
	2019-20	2018-19	Domestic		Overseas		2019-20	2018-19	2019-20	2018-19
			2019-20	2018-19	2019-20	2018-19				
<b>REVENUE</b>										
Segment Revenue	31,72.80	37,84.38	33,00.57	32,17.21	28,30.84	29,93.35	(48.60)	(48.60)	92,55.61	99,46.34
<b>RESULT</b>										
Segment Result	31,30.69	37,46.80	92.29	62.22	2,33.93	5,13.78	-	-	34,56.91	43,22.80
Unallocated income / (expenses) (Net)	-	-	-	-	-	-	-	-	20.53	(1,18.40)
Profit before tax	-	-	-	-	-	-	-	-	34,77.44	42,04.40
<b>Less:</b> Income tax	-	-	-	-	-	-	-	-	5,48.18	11,82.61
Profit after tax before share of profits from associates	-	-	-	-	-	-	-	-	29,29.25	30,21.78
<b>Add:</b> Share of profit from Associates	-	-	-	-	-	-	-	-	48,84.24	107,24.44
Profit after tax	-	-	-	-	-	-	-	-	78,13.49	137,46.23
<b>OTHER INFORMATION</b>										
Segment Assets	1881,82.95	2419,43.82	13,98.91	11,63.41	17,98.14	17,93.24	-	-	1913,80.00	2449,00.47
Unallocated Assets	-	-	-	-	-	-	-	-	8,28.90	3,51.36
<b>Total Assets</b>									1922,08.90	2452,51.83
Segment Liabilities	584,87.20	84,84.32	5,25.34	2,87.91	2,98.47	1,41.03	-	-	67,11.01	89,13.26
Unallocated Liabilities	-	-	-	-	-	-	-	-	(2,28.38)	(2,23.21)
<b>Total Liabilities</b>	-	-	-	-	-	-	-	-	<b>64,82.63</b>	<b>86,90.05</b>
Capital Expenditure	-	-	-	-	-	-	-	-	220.64	56.99
Depreciation	-	-	-	-	-	-	-	-	133.04	100.66

- (ii) The Group is generating 12% of the total revenue from a single customer

**Entity wide disclosures:**

- (i) Revenue from overseas is already disclosed as above  
(ii) The group is not holding any non current assets outside India

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

**Note 34 : Additional information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary/Associates as at Mar 2020**

(₹ in Lakhs)

Name of the entity	Net Assets, i.e., Total Assets minus Total Liabilities		Share in Total Profit or Loss		Share in other comprehensive income		Share in Total Comprehensive Income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated Total Comprehensive Income	Amount
<b>Sundaram Finance Holdings Ltd.</b>	63.45	1240,55.86	54.09	61,38.88	1,00.79	(545,21.49)	1,13.19	(483,82.61)
<b>Subsidiary:</b>								
<b>Indian:</b>								
Sundaram Business Services Ltd.	1.60	31,20.86	2.87	3,25.65	(0.52)	2,80.55	(1.42)	6,06.20
<b>Associates:</b>								
<b>Indian:</b>								
Axles India Ltd.	2.73	53,29.20	3.44	3,90.65	0.05	(25.05)	(0.86)	3,65.59
Turbo Energy Private Ltd.	23.59	461,25.28	25.74	29,21.40	0.38	(2,02.98)	(6.36)	27,18.41
Transenergy Ltd.	0.20	3,87.98	0.02	2.34	0.00	0.12	(0.01)	2.46
Sundaram Dynacast Private Ltd.	0.71	13,95.71	4.25	4,81.79	0.01	(5.80)	(1.11)	4,75.99
Sundaram Hydraulics Ltd.	0.00	0.00	0.00	0.00	–	0.00	0.00	0.00
Flometallic India Private Ltd.	3.17	61,95.44	3.04	3,45.51	0.37	(199.29)	(0.34)	1,46.22
<b>Foreign:</b>								
Dunes Oman LLC (FZC)	4.55	88,92.95	6.54	7,42.56	(1.07)	5,79.11	(3.09)	13,21.69
	1,00.00	1955,03.29	1,00.00	113,48.77	1,00.00	(540,94.83)	1,00.00	(427,46.05)
Adjustments arising out of consolidation		(97,77.03)		(35,35.28)		–		(35,35.28)
<b>Total</b>		<b>1857,26.27</b>		<b>78,13.49</b>		<b>(540,94.83)</b>		<b>(462,81.33)</b>

As per our report of even date attached.

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

Chartered Accountants

FR No: 002785S

**K. Venkatakrishnan**

Partner

M.No : 208591

Date : 25-05-2020

Place : Chennai

**T.T. Srinivasaraghavan**

Chairman

**S.Ravi**

Chief Executive Officer

**Harsha Viji**

Director

**V. Vaasen**

Chief Financial Officer

**R. Venkatraman**

Director

**P.N. Srikant**

Secretary & Compliance Officer

**Form AOC-I**

(Pursuant to first provision to sub-section (3) of section 129 of the Companies Act, 2013,  
read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of Subsidiaries/Associate companies/Joint Ventures

**Part "A": Subsidiaries**

(₹ in lakhs)

1	Sl. No.	1
2	Name of the subsidiary	Sundaram Business Services Limited
3	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	NA
4	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	NA
5	Share capital	22,36.73
6	Reserves & surplus	8,84.13
7	Total assets	34,63.43
8	Total Liabilities	3,42.57
9	Investments	5,40.71
10	Turnover	36,49.74
11	Profit/(Loss) before taxation	5,00.95
12	Provision for taxation	1,75.30
13	Profit/(Loss) after taxation	3,25.65
14	Proposed Dividend	—
15	% of shareholding	100.00%

**Part “B”: Associates and Joint Ventures**

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

(₹ in lakhs)

Name of Associates / Joint Ventures	Axles India Limited	Turbo Energy Private Limited	Transenergy Limited	Sundaram Dynacast Private Limited	Sundaram Hydraulics Limited	Flometallic India Private Limited	Dunes Oman LLC (FZC)
1 Latest audited Balance Sheet Date	31-03-2020	31-03-2020	31-03-2020	31-03-2020	31-03-2020	31-03-2020	31-03-2020
2 Shares of Associate held by the company on the year end							
Number	98,91,754	25,60,000	1,20,000	11,70,000	1,12,50,000	3,800	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	21,55.89
Extent of Holding %	38.81%	32.00%	42.31%	26.00%	25.71%	40.63%	43.69%
3 Description of how there is significant influence	By Virtue of Holdings being 20% or more						
4 Reason why the Associate/Joint Venture is not consolidated	NA	NA	NA	NA	NA	NA	NA
5 Networth attributable to Shareholding as per latest audited Balance Sheet	53,10.52	461,15.19	3,78.54	13,92.20	44.10	61,95.22	87,01.93
6 Profit / Loss for the year							
i. Considered in Consolidation	4,71.98	32,37.12	4.19	5,34.70	-	4,12.32	7,42.56
ii. Not Considered in Consolidation	7,44.20	68,78.88	5.71	15,21.83	(5,36.35)	6,02.61	9,57.04

As per our report of even date attached.

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

Chartered Accountants

ER No: 0027855

**K. Venkatakrishnan**

Partner

M.No : 208591

Date : 25-05-2020

Place : Chennai

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

**T.T. Srinivasaraghavan**  
Chairman

**Harsha Viji**  
Director

**R. Venkatraman**  
Director

**S.Ravi**  
Chief Executive Officer

**V. Vaasen**  
Chief Financial Officer

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