

SUNDARAM BUSINESS SERVICES LIMITED

14th ANNUAL REPORT 2018-19



Board of Directors	T. T. Srinivasaraghavan M Ramaswamy T K Sundararajan S Preetha R Venkatraman	Chairman
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Audit Committee	T K Sundararajan S Preetha M Ramaswamy	Chairman
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Nomination & Remuneration Committee	T K Sundararajan S Preetha T .T . Srinivasaraghavan	Chairman
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Corporate Social Responsibility Committee	R Venkatraman T .T . Srinivasaraghavan M Ramaswamy	Chairman
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Chief Executive Officer	Manoj Arvindakshan Nair
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Chief Financial Officer	Suresh I S
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Company Secretary	S Shobana
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Bankers	HDFC Bank Limited Hongkong and Shanghai Banking Corporation Limited State Bank of India
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Auditors	M/s. Sundaram & Srinivasan., Chartered Accountants 23, C.P. Ramaswamy Road, Alwarpet, Chennai 600 018
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Registered Office	21, Patullos Road, Chennai 600 002 CIN: U74140TN2005PLC057179
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Corporate Office	20, Patullos Road, Chennai 600 002 Tel: +91 44 2859 9900 Fax: +91 44 2858 7054 Email: info@sundarambpo.com Website: www.sundarambizserv.com
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Overseas Branches	Australia Suite 605/2 Queen Street, Level 6, Melbourne VIC 3000.
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SUNDARAM BUSINESS SERVICES LIMITED

SUNDARAM BUSINESS SERVICES LIMITED

A wholly-owned subsidiary of



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Board's Report

Your Directors have pleasure in presenting the Fourteenth Annual Report and Audited Accounts of the Company for the year ended 31st March 2019.

The summarised financial results of the Company are given hereunder:

(₹ in lakhs)

Particulars	Year ended 31 March, 2019	Year ended 31 March, 2018
Total Income	4,225	2,874
Total Expenditure	3,738	2,350
Profit before Tax	487	524
Provision for Taxation (includes deferred tax)	127	(36)
Profit after Tax	360	560
Other Comprehensive Income	48	43
Total Comprehensive Income	408	603

AMALGAMATION OF SUNDARAM BPO INDIA LIMITED

Sundaram BPO India Limited (SBIL) was amalgamated with your Company with effect from the 'Appointed Date', i.e., 1st April 2018, pursuant to the Order of the Hon'ble National Company Law Tribunal (NCLT), Single Bench, Chennai, Tamilnadu dated 22nd April 2019 under Sections 230 to 232 of the Companies Act, 2013. Your Company has filed the certified copy of the said Order with Registrar of Companies, Chennai, Tamilnadu, on 1st May 2019, from which date the Scheme has become operative.

Consequent to the amalgamation, the accounts for the financial year ended 31st March 2019 has been prepared after taking into account the transactions of SBIL and, therefore, the figures given herein and elsewhere in the Annual Report are not comparable with those of the previous year.

SUNDARAM BUSINESS SERVICES LIMITED

REVIEW OF OPERATIONS

Your Company posted revenues of ₹4,225 lakhs during the financial year 2018-19 as against revenues of ₹2,874 lakhs for the previous year. The profit after tax for the year was at ₹360 lakhs as against ₹560 lakhs in the previous year.

Revenue from new clients, incremental revenue from existing clients and efficient cost management have been the key profitability drivers for the year. As a standalone entity, your Company's profit after tax would be ₹429 lakhs but due to the merger with Sundaram BPO India Limited our profit after tax went down to ₹360 lakhs.

OUTLOOK

In the coming year, your Company's focus is to :

1. Invest in platform to augment existing service capabilities in Finance and Accounting vertical.
2. Reach out to expanded list of companies in Finance and Accounting Service offering in Australia, United Kingdom and India. It is also expected that there will be higher revenues from existing clients.

DIVIDEND

Your Directors do not recommend any dividend for the year under review.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Sri M Ramaswamy, Director retires by rotation and, being eligible, offers himself for re-election. Necessary resolution is submitted for your approval.

Sri R. Venkatraman is appointed as Independent Director for a period of 5 years from 29th May 2018 to 28th May 2023.

Sri T Kailshapathy, Chief Financial Officer of the company resigned on 30th September 2018, due to personal reasons.

Sri Suresh I S, was appointed as Chief Financial Officer of the Company with effect from 17th January 2019.

DECLARATION OF INDEPENDENCE

The Independent Directors have submitted declarations that they meet the criteria of independence as provided under Section 149 (6) of the Companies Act, 2013.

COMMITTEES OF THE BOARD

The Audit Committee of the Company met 5 times during the year, the Nomination and Remuneration Committee (NRC) met 3 times during the year and the Corporate Social Responsibility Committee met once during the year.

NUMBER OF MEETINGS OF THE BOARD

During the year under review, 7 meetings of the Board of Directors were held.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Your Company has contributed in accordance with the CSR policy of the Company.

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

The composition of Corporate Social Responsibility committee is furnished below:

Sri R Venkatraman, Chairman

Sri T T Srinivasaraghavan, Member

Sri M Ramaswamy, Member

REMUNERATION POLICY

The remuneration policy is attached as part of this report vide Annexure II and also disclosed in the website of the company: <http://www.sundarambizserv.com>

RISK MANAGEMENT POLICY

As part of risk management, the company monitors risks associated with concentration, information security, exchange rate and credit and takes suitable actions.

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 judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the company for that period;
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; and
5. Proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT, 2013

There were no loans or guarantees given by the Company during the year ended 31st March 2019.

RELATED PARTY TRANSACTIONS

During the year, the Company did not enter into any material transaction with related parties, under Section 188 of the Companies

Act, 2013. All transactions entered into by the Company with the related parties were in the ordinary course of business and on an arm's length basis. Form AOC-2, as required under Section 134 (3) (h) of the Act, read with Rule 8 (2) of the Companies (Accounts) Rules 2014, is attached as part of this report vide Annexure III

SECRETARIAL AUDIT

In compliance with Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the company, being a material unlisted subsidiary of Sundaram Finance Holdings Limited, a listed company has appointed Mr. A. Kalyana Subramaniam, Practicing Company Secretary, Chennai as the Secretarial Auditor of the Company. The Secretarial Audit Report as provided by him is annexed to this Report, vide Annexure - IV

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 MGT 9 as on 31st March 2019, is enclosed vide Annexure V and also disclosed in the website of the company: <http://www.sundarambizserv.com>

INFORMATION AS PER SECTION 134(3)(m) OF THE COMPANIES ACT, 2013

In pursuance of the provisions of 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 the year under review, expenditure in foreign currencies amounted to 375.79 lakhs. Foreign Currency earnings amounted to 3020.54 lakhs.

DEPOSITS

Your Company has not accepted any public deposit during the period under review.

AUDITORS

M/s Sundaram & Srinivasan, Chartered Accountants, Chennai, were appointed as Statutory Auditors of your Company to hold office for a term of five (5) consecutive years from the conclusion of the 12th Annual General Meeting until the conclusion of 17th Annual General Meeting in accordance with the provisions of Section 139 of the Companies Act, 2013 read with Rule 6 of the Companies (Audit and Auditors) Rules, 2014 at such remuneration as may be mutually agreed between the Board of Directors of the Company and the Statutory Auditors.

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

The Company has in place a 'Prevention of Sexual Harassment Policy at workplace' in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy. No complaints were received during the year 2018-19.

ACKNOWLEDGEMENT

Your Directors gratefully acknowledge the support and co-operation extended to your company by all customers and the holding company. They also place on record their appreciation to all the employees of the Company for their sincere and dedicated service.

T. T. Srinivasaraghavan

M Ramaswamy

T K Sundararajan

R Venkatraman

S Preetha

Directors

Chennai 600 002

Date: 8th May 2019

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

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

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

<http://www.sundarambizserv.com/>

2. **The Composition of the CSR Committee:**

Sri R Venkatraman, Chairman

Sri T.T. Srinivasaraghavan

Sri M Ramaswamy

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

₹228.96 lakhs

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

₹4.58 lakhs

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

(a) Total amount to be spent for the financial year: ₹4.58 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 Education	Education	Tamilnadu-Chennai	5.39	5.39	5.39	5.39
	TOTAL			5.39	5.39	5.39	5.39

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.

Manoj Arvindakshan Nair

Chief Executive Officer

R Venkatraman

Chairman - CSR Committee

Remuneration Policy

(as amended on 29th April 2017)

Sundaram Business Services Limited (hereinafter referred to as 'the Company') has, 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 of the Wholetime Directors 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 Business Services 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", defined herein by the NRC and as may be modified from time to time by the Board, means the CEO of the Company
- d) "Employee" will mean an employee who has been appointed on the rolls of Sundaram Business Services Limited (hereinafter referred to as 'the Company') and has been issued an appointment order by the Company.

II Remuneration Pattern

The NRC lays down the following remuneration pattern for Non-executive Directors and Independent Directors, Chief Executive Officer, 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, if any, payable for every meeting of the Board and sub-committees of the Board will be decided by the Board, from time to time;

(b) Reimbursement of expenses for attending meetings of the Board and sub-committees of the Board.

2. The remuneration payable to Chief Executive Officer shall consist of:

(a) Salary, allowances and perquisites;

(b) Bonus for each financial year as may be decided by the Board of Directors, based on the performance;

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

3. 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 implementation of the Remuneration Policy of the Company, in respect of all other employees shall be the responsibility of the Managing Director / 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.

Annexure III

Form No. AOC-2

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

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

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

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

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

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

T. T. Srinivasaraghavan

M Ramaswamy

T K Sundararajan

S Preetha

R Venkatraman

Director

Form No. MR-3

Secretarial Audit Report

For the Financial Year Ended 31.03.2019

[Pursuant to Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,
The Members
Sundaram Business Services Limited
CIN-U74140TN2005PLC057179
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 Business Services 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 Business Services Limited's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, I hereby report that in our opinion, the Company has, during the audit period ended on 31.03.2019 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by M/s. Sundaram Business Services Limited for the period ended on 31.03.2019 according to the provisions (to the extent applicable to the Company) of:

- I. The Companies Act, 2013 (the Act) and the Rules made thereunder and the applicable provisions of the Companies Act, 1956;

- II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- IV. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable to the Company :-
 - a. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - b. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, and
 - c. The Memorandum and Articles of Association.

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

Secretarial Standards issued by The Institute of Company Secretaries of India.

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

I further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive

Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

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

The Company has obtained all necessary approvals under the various provisions of the Act; and

There was no prosecution initiated and no fines or penalties were imposed during the year under review under the Act, SEBI Act, SCRA, Depositories Act, , Regulations and Guidelines framed under these Acts against / on the Company, its Directors and Officers.

The Directors have complied with the disclosure requirements in respect of their eligibility of appointment, their being independent and compliance with the Code of Business Conduct & Ethics for Directors and Management Personnel;

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

I further report that:

- a. the Company has complied with the provisions of the Securities and Exchange Board of India (Substantial Acquisition of

Shares and Takeovers) Regulations, 2011 including the provisions with regard to disclosures and maintenance of records required under the said Regulations;

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

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

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

I further report that during the period the company has considered the scheme of Amalgamation between this company and Sundaram BPO India Limited , wherein entire portion of the business portfolio of Sundaram BPO India Limited has been transferred to this company based on the order from NCLT.

A Kalyana Subramaniam

Place: Chennai

(ACS No.11400)

Date:06-May-2019

(C.P No. 16345)

FORM NO. MGT-9**Extract of Annual Return as on the financial year ended on 31st March 2019**

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

I. REGISTRATION AND OTHER DETAILS

(i)	CIN	U74140TN2005PLC057179
(ii)	Registration Date	12th August 2005
(iii)	Name of the Company	Sundaram Business Services Limited
(iv)	Category / Sub-Category of the Company	Company limited by shares / Indian Non-Government Company
(v)	Address of the Registered Office and contact details	21, Patullos Road, Chennai 600 002 Tel. : 044 -2852 1181 www.sundarambizserv.com
(vi)	Whether Listed Company Yes / No	No
(vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	Not applicable

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	Services and undertake activities relating to information technology enabled services in the areas of accounting, insurance, banking, human resources, knowledge process outsourcing, document conversion, data processing, health care, media and publishing, legal, telecom and other areas for and on behalf of banks, companies, bodies corporate, trusts, funds, firms, associations, institutions, individuals and any other person in India and abroad	63	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 Finance Holdings Limited, 21, Patullos Road, Chennai 600 002	L65100TN1993PLC025996	Holding	100%	2(46)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)
(i) Category-wise Share Holding

	Category of Shareholders	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A.	Promoters									
(1)	Indian									
(a)	Individual/HUF	-	-	-	-	-	-	-	-	-
(b)	Central Govt	-	-	-	-	-	-	-	-	-
(c)	State Govt(s)	-	-	-	-	-	-	-	-	-
(d)	Bodies Corp.*	-	150,00,000	150,00,000	100.00	-	150,00,000	150,00,000	100.00	-
(e)	Banks / FI	-	-	-	-	-	-	-	-	-
(f)	Any Other	-	-	-	-	-	-	-	-	-
	Sub-Total (A) (1)	-	150,00,000	150,00,000	100.00	-	150,00,000	150,00,000	100.00	-
(2)	Foreign									
(a)	NRIs - Individuals	-	-	-	-	-	-	-	-	-
(b)	Other - Individuals	-	-	-	-	-	-	-	-	-
(c)	Bodies Corp.	-	-	-	-	-	-	-	-	-
(d)	Banks / FI	-	-	-	-	-	-	-	-	-
(e)	Any Other	-	-	-	-	-	-	-	-	-
	Sub-Total (A) (2)	-	-	-	-	-	-	-	-	-
	Total shareholding of Promoter (A) = (A)(1)+(A)(2)	-	150,00,000	150,00,000	100.00	-	150,00,000	150,00,000	100.00	-
B.	Public Shareholding									
(1)	Institutions									
(a)	Mutual Funds	-	-	-	-	-	-	-	-	-
(b)	Banks / FI	-	-	-	-	-	-	-	-	-
(c)	Central Govt	-	-	-	-	-	-	-	-	-
(d)	State Govt(s)	-	-	-	-	-	-	-	-	-
(e)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
(f)	Insurance Companies	-	-	-	-	-	-	-	-	-

	Category of Shareholders	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(g)	FIIIs									
(h)	Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
(i)	Any Other - Foreign Portfolio Investors	-	-	-	-	-	-	-	-	-
	Sub-Total(B)(1)	-	-	-	-					
2.	Non-Institutions									
(a)	Bodies Corporate	-	-	-	-	-	-	-	-	-
(i)	Indian	-	-	-	-	-	-	-	-	-
(ii)	Overseas	-	-	-	-	-	-	-	-	-
(b)	Individuals	-	-	-	-	-	-	-	-	-
i	Individual shareholders holding nominal shares capital up to ₹1 lakh	-	-	-	-	-	-	-	-	-
ii	Individual shareholders holding nominal shares capital in excess of ₹1 lakh	-	-	-	-	-	-	-	-	-
(c)	Others (specify)	-	-	-	-	-	-	-	-	-
	Sub-Total (B)(2)	-	-	-	-	-	-	-	-	-
	Total Public Shareholding (B)=(B)(1)+(B)(2)	-	-	-	-	-	-	-	-	-
(C)	Shares held by Custodian for GDRs and ADRs	-	-	-	-	-	-	-	-	-
	GRAND TOTAL (A)+(B)+(C)	-	150,00,000	150,00,000	100.00	-	150,00,000	150,00,000	100.00	-

* includes six equity shares held by the nominees of Sundaram Finance Holdings Ltd.

(ii) Shareholding of promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of shares	% of total shares of the company	% of shares pledged / encumbered to total shares	No. of shares	% of total shares of the company	% of shares pledged / encumbered to total shares	
1	Sundaram Finance Holdings Limited	150,00,000	100.00	-	150,00,000	100.00	-	-
	Total	150,00,000	100.00	-	150,00,000	100.00	-	-

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

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
Sundaram Finance Holdings Limited*				
At the beginning of the year	150,00,000	100.00		
Increase / Decrease in Promoters Share holding during the year	-	-		
At the end of the Year			150,00,000	100.00

* Includes 6 equity shares held by the nominees of Sundaram Finance Holdings Limited

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

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
At the beginning of the year	Not Applicable			
Increase / Decrease in Share holding during the year				
At the end of the Year (or on the date of separation, if separated during the year)				

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	For each 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, Director*				
	At the beginning of the year	1	—	—	—
	Increase / Decrease in Share holding during the year	—	—	—	—
	At the end of the Year	—	—	1	—
2	Sri M Ramaswamy, Director*				
	At the beginning of the year	1	—	—	—
	Increase / Decrease in Share holding during the year	—	—	—	—
	At the end of the Year	—	—	1	—
3	Sri T K Sundararajan, Director				
	At the beginning of the year	—	—	—	—
	Increase / Decrease in Share holding during the year	—	—	—	—
	At the end of the Year	—	—	—	—
4	Ms S Preetha, Director				
	At the beginning of the year	—	—	—	—
	Increase / Decrease in Share holding during the year	—	—	—	—
	At the end of the Year	—	—	—	—
5	Sri R Venkatraman, Director (w.e.f from 29-05-2018)				
	At the beginning of the year	—	—	—	—
	Increase / Decrease in Share holding during the year	—	—	—	—
	At the end of the Year	—	—	—	—
6	Sri Manoj Arvindakshan Nair, Chief Executive Officer				
	At the beginning of the year	—	—	—	—
	Increase / Decrease in Share holding during the year	—	—	—	—
	At the end of the Year	—	—	—	—
7	Sri Suresh I S , Chief Financial Officer (w.e.f from 17-01-2019)				
	At the beginning of the year	—	—	—	—
	Increase / Decrease in Shareholding during the year	—	—	—	—
	At the end of the year	—	—	—	—
8	Ms. S Shobana, Company Secretary*				
	At the beginning of the year	—	—	—	—
	Increase / Decrease in Share holding during the year Transfer of share - 1.10.2018	—	—	1	—
	At the end of the Year	—	—	1	—

* 1 Equity Share of ₹10/- each held as nominee of Sundaram Finance Holdings Limited jointly with others.

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

(Amount in ₹)

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

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL
A. Remuneration to Managing Director, Whole-time Directors and / or Manager:

Sl. No.	Particulars of Remuneration	Name of the MD / WTD / Manager	Total Amount
1	Gross Salary	Not Applicable	
	(a) Salary as per provisions contained in Section 17 (1) of the Income-tax Act, 1961		
	(b) Value of perquisites u/s 17 (2) of the Income-tax Act, 1961		
	(c) Profits in lieu of salary under section 17 (3) of the Income-tax Act, 1961		
2	Stock Option		
3	Sweat Equity		
4	Commission		
	- as % of profit		
	- others, specify		
5	Others, please specify		
	Total (A)		
	Ceiling as per the Act		

B. Remuneration to other directors:

(In ₹ lakhs)

Particulars of Remuneration	Fee for attending board / committee meetings	Commission	Others	Total Amount
Independent Directors				
Sri T K Sundararajan	0.80	–	–	0.80
Ms S Preetha	0.80	–	–	0.80
Sri R Venkatraman	0.40	–	–	0.40
Total (1)	2.00	–	–	2.00
Other Non- Executive Directors				
Sri T T Srinivasaraghavan	–	–	–	–
Sri M Ramaswamy	–	–	–	–
Total (2)	–	–	–	–
Total (B) = (1 + 2)	2.00	–	–	2.00
Total Managerial Remuneration				
Overall Ceiling as per the Act	Not Applicable			

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

(In ₹ lakhs)

Sl. No.	Particulars of Remuneration	CEO	CFO #	Secretary*	Total Amount (In ₹)
1	Gross Salary				
	a) Salary as per provisions contained in Section 17 (1) of the Income-tax Act, 1961	32,70,479	13,17,139	–	45,87,618
	b) Value of perquisites u/s 17 (2) of the Income-tax Act, 1961	–	–	–	–
	c) Profits in lieu of salary under section 17 (3) of the Income-tax Act, 1961	–	–	–	–
2	Stock Option	Nil	Nil	Nil	Nil
3	Sweat Equity	Nil	Nil	Nil	Nil
4	Commission				
	- as % of profit	Nil	Nil	Nil	Nil
	- others, specify	Nil	Nil	Nil	Nil
5	Others, please specify	Nil	Nil	Nil	Nil
	Total (A)	32,70,479	13,17,139	–	45,87,618

Remuneration to CFO includes salary paid to Sri T Kailashapathy, Chief Financial Officer upto 30th September 2018 and Sri Suresh I S, Chief Financial Officer with effect from 17th January 2019.

* Ms. Shobana S, Company Secretary was nominated by one of the company in the Group and no remuneration is borne by this company.”

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

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

INDEPENDENT AUDITOR'S REPORT

To the Members of Sundaram Business Services Limited

Report on the Financial Statements

Opinion

We have audited the accompanying financial statements of Sundaram Business Services Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2019, the Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and a summary of the 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 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 the Indian Accounting Standards prescribed under section 133 of the act, read with the Companies (Indian Accounting Standards) Rules 2015 as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2019, and its 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 ("SA") 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 the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other 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 audit opinion on the financial statements.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for other information. The other information comprises the information included in the financial highlights and Board's Report but does not include the Financial Statements and our auditor's report thereon.

Our opinion on the 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 in the audit or otherwise appears to be materially misstated. If, based on the work we 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 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 including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the

accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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 has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibility for Audit of 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 financial controls 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 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 Act, we give in "Annexure A" to this Report, a statement on the matters specified in para 3 and 4 of the said Order.
- 2) As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under including the Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015;
 - (e) On the basis of the written representations received from the directors as on 31 March 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B";
- (g) As regards Managerial Remuneration paid to Directors, refer to Note No: XI of Annexure A to this Report.
- (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 Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. the Company has disclosed the impact of pending litigations on its financial position in its financial statement – Refer Note 24.8, 24.16, 24.18 and 24.19 to the financial statements;
 - ii. the Company does not have any long-term contracts including derivative contracts, for which there were any material foreseeable losses;
 - iii. there were no amounts which were required to be transferred to the Investor Education and Protection fund by the Company;

For **SUNDARAM AND SRINIVASAN**
Chartered Accountants
(Firm's Registration No. 004207S)

S. USHA
Partner

Place: Chennai
Date: 8th May 2019

Membership No. 211785

ANNEXURE ‘A’ TO THE INDEPENDENT AUDITOR’S REPORT

With reference to the Annexure A referred to in paragraph 1 under the heading “Report on other Legal and Regulatory Requirements” of the Independent Auditor’s report to the members of Sundaram Business Services Limited on the Financial Statements for the year ended 31 March 2019, we report that:

- (i) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets have been physically verified by the Management, in accordance with the regular programme of verification, which in our opinion is reasonable having regard to the size of the Company and the nature of the fixed assets. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
- (c) The Company does not have any immovable properties.
- (ii) The Company does not have any inventory and hence reporting under Clause 3(ii) of the Order is not applicable.
- (iii) In our opinion and according to the information and explanations given to us, the Company has not granted any loans secured or unsecured to companies, firms Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Therefore, clauses (iii) (a), (b) and (c) of paragraph 3 of the Order are not applicable for the year.
- (iv) In our opinion and according to the information and explanations given to us, the company has not granted any loans, made any investments or provided any guarantee or security which will attract the provisions of Section 185 and 186 of the Companies Act, 2013 respectively. Accordingly, reporting under clause 3 (iv) of the Order does not arise.
- (v) The Company has not accepted any deposits within the meaning of sections 73 to 76 or any other relevant provisions of the

Act and the rules framed thereunder. Accordingly, reporting under clause 3 (v) of the Order does not arise.

- (vi) The Central Government has not prescribed the maintenance of cost records for the Company u/s. 148(1) of the Companies Act, 2013. Accordingly, reporting under clause 3 (vi) of the Order does not arise.
- (vii) (a) The Company is generally regular in depositing undisputed statutory dues including provident fund, employees’ state insurance, income-tax, sales tax, service tax, goods and service tax duty of customs, duty of excise, value added tax, cess and other statutory dues applicable to it during the year with appropriate authorities.

There were no undisputed amounts payable in respect of provident fund, employees’ state insurance, income-tax, sales tax, service tax, goods and service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues outstanding as at 31 March 2019 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us and the records of the Company examined by us, the particulars of income tax, sales tax, service tax, duty of excise at 31 March 2019 which have not been deposited on account of a dispute pending are as follows:

Nature of Dues	Amount (₹ in lakhs)
Service Tax-Appeal filed by the company and pending before Commissioner of Service Tax, (Appeals).	2.92
Income Tax- Appeal filed by the company and pending before Commissioner of Income Tax, (Appeals)	1.08

- (viii) The Company did not have any loans or borrowings from any financial institutions, bank or Government and has not issued

- any debentures. Accordingly, reporting under clause 3 (viii) of the Order does not arise.
- (ix) The Company did not have any term loans during the year and has not raised any money by way of initial public offer or further public offer (including debt instruments). Accordingly, reporting under clause 3 (ix) of the Order does not arise.
- (x) During the course of our examination of the 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 come across any instances of fraud by the Company, or any instances of frauds on the Company by its officers or employees, noticed or reported during the year, nor we have been informed of such cases by the management.
- (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, 2013.
- (xii) The Company is not a Nidhi Company. Accordingly, reporting under clause 3(xii) of the Order does not arise.
- (xiii) The transactions with the related parties are in compliance with Sections 177 and 188 of the Companies Act, 2013, where applicable and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
- (xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, reporting under clause 3 (xiv) of the Order does not arise.
- (xv) The Company has not entered into any non-cash transactions with directors or persons connected with the directors during the year. Accordingly, reporting under clause 3 (xv) of the Order does not arise.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, reporting under clause 3 (xvi) of the Order does not arise.

for **SUNDARAM AND SRINIVASAN**
Chartered Accountants
(Firm's Registration No. 004207S)

S. USHA
Partner

Place: Chennai
Date: 8th May 2019

Membership No. 211785

ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 2(f) of our Report of even date]

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

We have audited the internal financial controls over financial reporting with reference to financial statements of Sundaram Business Services Limited, Chennai ("the Company") as of March 31, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls with reference to Financial Statements

The Company's Management is responsible for establishing and maintaining internal financial controls with reference to financial statements based on the internal control over financial reporting criteria established by the Company, considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls with reference to financial statements 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 Companies Act, 2013.

Auditor's Responsibility for Audit of Internal Financial Controls with reference to Financial Statements

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

applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to financial statements were 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting with reference to financial statements included obtaining an understanding of internal financial controls over financial reporting with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting with reference to financial statements 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 with reference to financial statements includes those policies and procedures that;

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

Inherent Limitations of Internal Financial Controls over Financial Reporting with reference to Financial 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 with reference to financial statements over financial reporting may become inadequate because of changes

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting with reference to financial statements and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. Because of the inherent limitations of internal financial controls over financial reporting with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud.

for **SUNDARAM AND SRINIVASAN**
Chartered Accountants
(Firm's Registration No. 004207S)

S. USHA
Partner

Place: Chennai
Date: 8th May 2019

Membership No. 211785

Balance Sheet

as at 31st March, 2019

(In ₹ lakhs)

	Notes	31 Mar 19	31 Mar 18	01 Apr 17
ASSETS				
Non-Current Assets				
(a) Property, Plant and Equipment	2	101.78	105.33	78.50
(b) Other Intangible assets	3	24.06	28.55	53.35
(c) Financial assets others	4	102.13	0.41	0.16
(d) Deferred Tax assets (Net)	5	108.78	147.26	-7.64
(e) Other non-current assets	6	314.09	159.78	238.46
Total Non - Current Assets		650.84	441.33	362.83
Current Assets				
(a) Financial Assets				
(i) Current Investments	7	329.53	155.00	-
(ii) Trade Receivables	8	701.75	549.50	425.74
(iii) Cash and Cash Equivalents	9	454.61	142.81	258.07
(iv) Derivatives	10	247.99	122.34	71.76
(b) Current Tax assets (Net)		68.70	-34.42	0.03
(c) Other Current assets	11	377.29	279.22	203.33
Total Current Assets		2,179.87	1,214.45	958.93
Total Assets		2,830.71	1,655.78	1,321.76
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share Capital	12	1,500.00	1,500.00	1,500.00
(b) Other Equity	13	1,014.66	-61.23	-664.30
Total Equity		2,514.66	1,438.77	835.70
Non-Current Liabilities				
(a) Provisions	14	19.73	1.37	0.17
Current Liabilities				
(a) Financial Liabilities				
(i) Trade Payables	15	92.61	86.92	113.34
(b) Provisions	16	135.62	103.60	127.75
(c) Other Current Liabilities	17	68.09	25.12	244.80
Total Current Liabilities		296.32	215.64	485.89
Total Liabilities		316.05	217.01	486.06
Total Equity and Liabilities		2,830.71	1,655.78	1,321.76
Significant Accounting policies and Notes to the Accounts	(1 to 24)			

As per our report of even date attached
For **Sundaram & Srinivasan**
Chartered Accountants

FRN 004207S

S. USHA

Partner

Membership No. : 211785

Chennai

Date: 08 May 2019

Suresh I S

Chief Financial Officer

Shobana S

Secretary

Manoj Arvindakshan Nair

Chief Executive Officer

T T Srinivasaraghavan

T. K Sundararajan

Directors

SUNDARAM BUSINESS SERVICES LIMITED

Statement of Profit and Loss for the Year Ended 31st March, 2019

(In ₹ lakhs)

	Notes	31 Mar 19	31 Mar 18
Income			
Revenue from Operations	18	4,087.18	2,731.42
Other Income	19	137.65	142.57
Total Revenue		4,224.83	2,873.99
Expenses			
Employee Benefits	20	2,224.43	1,275.06
Administrative and Other Expenses	21	1,207.89	805.35
Sales & Marketing Expenses	22	228.56	202.55
Finance Costs	23	5.77	11.51
Depreciation	2 & 3	71.63	55.59
Total Expenses		3,738.28	2,350.06
Profit Before Tax		486.55	523.93
Current tax		102.88	135.24
Deferred tax		24.32	-171.53
Tax Expense		127.20	-36.29
Profit After Tax		359.35	560.22
Other Comprehensive Income, Net of Deferred Tax			
<i>Items that will be reclassified to Statement to Profit & Loss:</i>			
Changes in fair value of derivative instrument		88.14	60.41
Less: Deferred Tax		24.52	16.64
<i>Items that will not be reclassified to Statement to Profit & Loss:</i>			
Re-measurement of Post Employment Benefit Obligation		21.45	0.92
Add: Current Tax		5.97	0.00
Total Other Comprehensive Income for the year		48.14	42.85
Total Comprehensive Income for the Year		407.49	603.07
Total Profit attributable to Equity Shareholders		359.35	560.22
Earnings per Equity Share:			
Weighted Average Number of Shares considered (Face Value ₹10/- per share)		150,00,000	150,00,000
Basic and Diluted earnings per share (in Rupees)		2.40	3.73
Significant Accounting policies and Notes to the Accounts	(1 to 24)		

As per our report of even date attached
For **Sundaram & Srinivasan**
Chartered Accountants
FRN 004207S
S. USHA
Partner
Membership No. : 211785
Chennai
Date: 08 May 2019

Suresh I S
Chief Financial Officer

Shobana S
Secretary

T T Srinivasaraghavan
T. K Sundararajan
Directors
Manoj Arvindakshan Nair
Chief Executive Officer

STATEMENT OF CHANGES IN EQUITY
or the year ended 31 March 2019

(a) Equity Share Capital

	No of Shares	Amount in ₹ lakhs
AUTHORISED SHARE CAPITAL		
As at 01 April 2017	150,00,000	1,500.00
Increase during the year	-	-
As at 31 March 2018	150,00,000	1,500.00
Increase during the year	-	-
As at 31 March 2019	150,00,000	1,500.00
ISSUED, SUBSCRIBED AND FULLY PAID UP CAPITAL		
As at 01 April 2017	150,00,000	1,500.00
Increase during the year	-	-
As at 31 March 2018	150,00,000	1,500.00
Increase during the year	-	-
As at 31 March 2019	150,00,000	1,500.00

(b) Other equity

(₹in lakhs)

Particulars	Reserves and Surplus			OCI (**) Cashflow Hedge Reserve	Total
	Capital Reserve	General Reserve	Retained Earnings		
Balance as at 01 April 2017			(669.61)	5.31	(664.30)
Profit for the year			560.22		560.22
Other Comprehensive Income			(0.92)	43.77	42.85
Balance as at 31 March 2018	-	-	(110.31)	49.08	(61.23)
Profit for the year			359.35		359.35
Other Comprehensive Income			(15.48)	63.62	48.14
Pursuant to Scheme of Amalgamation (*)	210.33	27.00	(305.66)		(68.33)
Balance as at 31 March 2019	210.33	27.00	(72.10)	112.70	277.93

(*) Pursuant to the Scheme of Amalgamation. Refer Note 24.1

(**) OCI - Other Comprehensive Income

As per our report of even date attached
For For Sundaram & Srinivasan
Chartered Accountants
FRN 004207S
S. USHA
Partner
Membership No. : 211785
Chennai
Date: 08 May 2019

Suresh I S
Chief Financial Officer

S. Shobana
Secretary

T T Srinivasaraghavan
T. K Sundararajan
Directors

Manoj Arvindakshan Nair
Chief Executive Officer

SUNDARAM BUSINESS SERVICES LIMITED

CASH FLOW STATEMENT

(In ₹ lakhs)

	31 Mar 19	31 Mar 18
(A) Cash Flow from Operating Activities		
Profit before Taxation	486.55	523.93
Add: Financial Cost	5.77	11.51
Adjustments:		
Depreciation & Amortisation	71.63	55.59
(Profit)/Loss on sale of Investments	(13.76)	(4.12)
(Profit)/Loss on sale of Fixed assets	(0.25)	0.10
Operating Profit before working capital changes	549.94	587.01
Changes in assets and liabilities		
(Increase) Decrease in Other Current Assets	(231.67)	(58.08)
(Increase) Decrease in Other Non Current Assets	(217.56)	(76.47)
(Increase) Decrease in Trade Receivables	(152.25)	(123.76)
(Increase) Decrease in Derivative Asset	(37.51)	9.83
Increase (Decrease) in Other Long-Term Provisions	18.36	1.20
Increase (Decrease) in Other Short-Term Provisions	32.02	(24.15)
Increase (Decrease) in Trade Payables	5.69	(26.42)
Increase (Decrease) in Other Current Liabilities	(16.14)	(179.18)
Cash Generated from Operations	(49.12)	109.98
Less: Direct Tax Paid	(77.60)	(5.13)
Net Cash from Operating Activities	(126.72)	104.85
(B) Cash Flow from Investing Activities		
(Purchase)/Sale of mutual funds units (net)	(160.77)	(150.88)
Sale of Fixed Assets	7.67	0.73
On account of Scheme of Amalgamation	597.05	-
Purchase of Fixed Assets	(29.18)	(58.44)
Net Cash from Investing Activities	414.77	(208.59)
(C) Cash Flow from Financing Activities		
Financial Cost incurred during the year	(5.77)	(11.51)
Net Cash from Financing Activities	(5.77)	(11.51)
Net Increase in Cash And Cash Equivalents (A)+(B)+(C)	282.28	(115.25)
Cash And Cash Equivalents At The Beginning Of The Year (*)	172.33	258.06
Cash And Cash Equivalents at the End of the Year	454.61	142.81
Components of Cash And Cash Equivalents as at the End of the Year		
Bank Balances	454.52	142.76
Cash In Hand	0.09	0.05
Total Cash And Cash Equivalents as at the End of the year	454.61	142.81

* Includes Cash and Cash Equivalents of Sundaram BPO India Ltd as on 31st March 2018 of ₹29.52 lakhs pursuant to scheme of amalgamation

As per our report of even date attached
For Sundaram & Srinivasan
Chartered Accountants
FRN 004207S

S. USHA
Partner
Membership No. : 211785
Chennai
Date: 08 May 2019

Suresh I S
Chief Financial Officer

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T. K Sundararajan
Directors

Manoj Arvindakshan Nair
Chief Executive Officer

Annual Report

NOTES TO THE ACCOUNTS

Notes forming part of the Financial Statements for the year ended 31 March 2019
(All amounts are in Indian Rupees Lakhs, except share data and as otherwise stated)

NOTE 1: COMPANY OVERVIEW AND SIGNIFICANT ACCOUNTING POLICIES

Company Overview

Sundaram Business Services Ltd. (SBS) is a leading global outsourcing company incorporated in India with its registered office at #21, Patullos Road, Chennai 600 002. SBS offers accounting, tax, superannuation, mortgage, portfolio administration and other back office services to large and mid-sized accounting firms, mortgage aggregators and investment companies in Australia, New Zealand, UK and India.

SBS is a 100% subsidiary of Sundaram Finance Holdings Limited.

SIGNIFICANT ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) as prescribed by Ministry of Corporate Affairs under Companies (Indian Accounting Standards) Rules, 2015, provisions of the Companies Act, 2013, to the extent notified and pronouncements of the Institute of Chartered Accountants of India.

The preparation of the financial statements, in conformity with generally accepted accounting principles, requires the use of estimates and assumptions that affect the reported amount of assets and liabilities as at the Balance Sheet date, reported amounts of revenues and expenses during the period and disclosure of contingent liabilities as at that date. The estimates and assumptions used in these financial statements are based upon the management's evaluation of the relevant facts and circumstances as of the date of the financial statements.

These financial statements are the first financial statements of the Company under Ind AS. Disclosures under Ind AS are made only in respect of material items.

The financial statements have been prepared under accrual basis of accounting as a going concern and on the historical cost convention except for certain financial assets and liabilities (as per the accounting policy below), which have been measured at fair value.

1.2 Basis of measurement

The financial statements are prepared and presented under the historical cost convention and on accrual basis, except for the following material items that have been measured at fair value as required by relevant Ind AS

- i) Derivative financial instruments;
- ii) Certain financial assets and liabilities measured at fair value
- iii) Defined benefit plans and other long-term employee benefits

1.3 Operating Cycle

The assets and liabilities have been classified as current and non-current based on 12 month operating cycle.

1.4 Use of estimates

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions that affect the reported amounts of revenues and expenses, balances of assets and liabilities, and disclosure of contingent liabilities as at the date of the financial statements. Actual results could differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognized prospectively in the current and future periods.

1.5 Measurement of Fair Values

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

NOTES TO THE ACCOUNTS (Contd.)

The Company'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 Company 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.

1.6 Revenue Recognition

The Ministry of Corporate Affairs (MCA) notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 (the 'Rules') on March 28, 2018. The rules notify the new revenue standard Ind AS 115, Revenue from contracts with customers and also bring in amendments to existing Ind AS. The rules shall be effective from reporting periods beginning on or after April 1, 2018 and cannot be early adopted. Accordingly, the Group shall be adopting the said rules from April 1, 2018.

Nature of change:

Ind AS 115, Revenue from contracts with customers deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers.

Revenue is recognized when a customer obtains control of a promised good or service and thus has the ability to direct the use and obtain the benefits from the good or service in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services. The standard replaces Ind AS 18 Revenue and Ind AS 11 Construction contracts and related appendices. A new five-step process must be applied before revenue can be recognized:

- identify contracts with customers
- identify the separate performance obligation
- determine the transaction price of the contract
- allocate the transaction price to each of the separate performance obligations, and
- recognize the revenue as each performance obligation is satisfied.

The Company assessed the impact of Ind AS 115 and reasonably estimated that there is no material impact on the revenue recognition on its financial statement.

Revenue is measured at the fair value of the consideration received or receivable and net of returns, trade allowances, rebates and amounts collected on behalf of third parties. It excludes Value Added Tax, Central Sales Tax and Goods and Service tax.

Revenue from Services:

Revenue from Services is recognized in the accounting period in which the services are rendered and when invoices are raised.

Other income:

Other income primarily comprises of interest, foreign exchange gain/loss on financial assets / financial liabilities and on translation of other assets and liabilities.

- i) Interest income is recognized in the Statement of Profit and Loss using effective interest method at the time of accrual.
- ii) Foreign currency gain or loss is reported on net basis and includes gain or loss in respect of concluded forward contracts.

1.7 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.

An item is recognized 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 recognized as separate asset.

Depreciation commences when the assets are ready for their intended use.

Depreciation is recognized 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 internal assessment, which are different in certain cases from those prescribed in Schedule II to the Act, are as follows:

Computer Equipment: Servers	10 years
Computer Equipment: End User devices	7 Years
Office Equipment	8 Years
Electrical Equipment	15 Years

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 derecognized 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 recognized in profit and loss.

1.8 Intangible assets and amortization

Intangible assets represent Computer Software acquired/developed whose cost is amortized over 36 months (expected useful life).

Intangible assets are recognized 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.

1.9 Leases

Leases that do not transfer substantially all the risks and rewards of ownership are classified as operating leases. Lease payments are recorded as expense in the Statement of Profit and Loss on a straight line basis over the period of lease. Only those leases which have escalations more than the expected general inflation are straight lined.

1.10 Impairment

i) Non-financial Assets

The Company assesses at each balance sheet date whether there is any indication that a carrying amount of a non-financial asset or a group of non-financial assets may not be recoverable and hence require to be impaired. If any such indication exists, the Company estimates the recoverable amount of these assets. Recoverable amount is the higher of an asset's fair value adjusted for costs of disposal and the value in use.

ii) Financial Assets

a) Receivables

The Company recognizes impairment loss allowances based on life time expected credit loss at each reporting period from its initial recognition.

b) Other financial assets

For all other financial assets, expected credit losses (ECL) are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case the same is measured at lifetime ECL.

1.11 Investments

Investments in Mutual Funds are measured at fair value and accounted through Profit and Loss (FVTPL)

1.12 Derivative financial instruments

The Company holds derivative financial instruments such as foreign exchange forward contracts to mitigate the risk of changes in foreign exchange rates on forecasted cash flows denominated in foreign currencies. 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.

1.13 Foreign Currency Translation

The functional currency of the Company is the Indian Rupee. These financial statements are presented in Indian Rupee.

Foreign currency transactions are translated and accounted at the prevailing rates of exchange on the date of the transaction.

Monetary items denominated in foreign currencies are restated at the prevailing rates of exchange at the Balance Sheet date. Gain or loss arising out of fluctuations in exchange rates is accounted for in Statement of Profit and Loss.

1.14 Cash and Cash Equivalents

For the purpose of presentation in the Statement of Cash flows, cash and cash equivalents include cash on hand and highly liquid investments that are readily convertible to known amounts of cash which are subject to an insignificant change in value.

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.

1.15 Employee benefits

i) 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.

ii) Defined contribution plans

a) 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.

b) 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 accounted for as defined contribution plans and recognized as employee benefit expense in statement of profit and loss.

iii) Defined Benefit Plans

a) Gratuity:

The Company makes an annual contribution to a Gratuity Fund administered by trustees and managed by Life Insurance Corporation of India (LIC). The Company accounts its liability based on actuarial valuation as at Balance Sheet date, determined every year by LIC using the projected unit credit method.

b) Leave Encashment:

The Company makes an annual contribution to a staff leave encashment scheme managed by SBI Life Insurance Company Limited. The Company accounts its liability based on actuarial valuation as at Balance Sheet date, determined every year using the projected unit credit method.

1.16 Taxation

Income-tax expense comprises current tax 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.

i) 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.

ii) Deferred Income Tax

Deferred tax liabilities are recognized 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 judgment, are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

iii) Current and Deferred tax for the year

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

1.17 Provision and Contingent Liabilities

i) Provision

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

ii) Contingent Liability

Contingent liabilities are disclosed when

- 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)
- 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.

1.18 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.

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

The adoption of Ind AS has been carried out in accordance with Ind AS 101, First Time Adoption of Indian Accounting Standards. Ind AS 101 requires that all Ind AS standards and interpretations that are issued and effective for the first Ind AS financial statements be applied retrospectively and consistently for all financial years presented. Accordingly, the Company has prepared financial statements which comply with Ind AS for year ended 31 March 2019, together with the comparative information as at and for the year ended 31 March 2018 and the opening Ind AS Balance Sheet as at 01 April 2017, the date of transition to Ind AS.

In preparing these Ind AS financial statements, the Company has availed certain exemptions and exceptions in accordance with Ind AS 101, as explained below. The resulting difference between the carrying values of the assets and liabilities in the financial statements as at the transition date under Ind AS and Previous GAAP have been recognized directly in equity (retained earnings or another appropriate category of equity). This note explains the adjustments made by the Company in restating its financial statements prepared under previous GAAP, including the Balance Sheet as at 1st April, 2017 and the financial statements as at and for the year ended 31st March, 2018.

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

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

The Company has opted to adopt the carrying amount determined in accordance with the previous GAAP for Property, Plant and Equipment and Intangible Assets as deemed cost on transition.

ii) De-recognition of financial assets and financial liabilities

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

iii) Past Business Combinations

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

Reconciliations:

The following reconciliations provide the explanations and quantification of differences arising from the transition from Previous GAAP to Ind AS in accordance with Ind AS 101:-

i) Reconciliation of Equity as at 01 April 2017

ii) Reconciliation of Equity as at 31 March 2018

iii) Reconciliation of Statement of Profit and Loss for the year ended 31 March 2018

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

Reconciliation between Previous GAAP and Ind AS

i) Equity Reconciliation:

₹ lakhs

	As at 31 Mar 2018	As at 31 Mar 2017
As reported under Previous GAAP	(58.75)	(714.58)
Fair valuation of Employee Loans (net of taxes)	(0.75)	(0.55)
Impairment for Trade Receivables (ECL; net of taxes)	(2.51)	(1.16)
Fair Valuation of Mutual Fund Investments (net of taxes)	0.78	-
Derivatives accounted on MTM basis (net of taxes)	-	51.98
Equity under Ind AS	(61.23)	(664.30)

ii) Total Comprehensive Income Reconciliation:

₹ lakhs

	As at 31 Mar 2018
Total Comprehensive Income under Previous GAAP	655.83
Derivatives on MTM basis	(71.76)
Fair valuation of Employee Loans	(0.28)
Impairment for Trade Receivables (ECL)	(1.87)
Fair Valuation of Mutual Fund Investments	1.10
Taxes on all the above items	20.05
Total Comprehensive Income under IND AS	603.07

(*) ECL – Expected Credit Loss (*) MTM – Mark to Market

Notes to reconciliation between previous GAAP and Ind AS

i) Fair valuation of Investments in mutual funds:

Under previous GAAP, current investments in mutual funds were measured at lower of cost or fair value. Under Ind AS, these investments in mutual funds have been classified as FVTPL (Fair Value through Profit and Loss statement). This has resulted in increase of equity by ₹ 0.78 lakhs (net of taxes) as at 31st March 2018.

ii) Impairment for Trade Receivables:

Under Ind AS expected credit loss (ECL) is calculated on our Trade Receivables and provision for doubtful debts is accounted in our books. This has resulted in decrease in equity for the year ended 31 March 2017 by ₹ 1.16 lakhs and decrease in equity by ₹ 2.51 lakhs for the year ended 31 March 2018.

iii) Fair Valuation of Employee Advances:

Under previous GAAP, loans to employees are accounted at historical cost. Under Ind AS, loans to employees are re-measured at fair value on the report date. This has resulted in decrease in equity for the year ended 31 March 2017 by ₹0.55 lakhs and decrease in equity by 0.75 lakhs for the year ended 31 March 2018.

NOTES TO THE ACCOUNTS (Contd.)
NOTE 2: PROPERTY, PLANT AND EQUIPMENT

in ₹ lakhs

Description	Gross Block				Depreciation				Net Block		
	As at 1 April 2018	On account of scheme of Amalgamation	Additions	Deletions	As at 31 March 2019	As at 1 April 2018	Additions	Deletions	As at 31 March 2019	As at 31 March 2019	As at 31 March 2018
IT Network, Servers	69.02	11.74	4.27	0.42	84.61	11.28	23.31		34.59	50.02	57.74
Desktops, Laptop and Printer	15.31	14.17	4.20	0.41	33.27	4.87	10.33	0.20	15.00	18.27	10.44
Electrical Equipment	17.11	1.32	-	-	18.43	2.35	2.21	-	4.56	13.87	14.76
Furniture and Fixtures	4.84	-	3.16	-	8.00	1.27	1.51	-	2.78	5.22	3.57
Motor Cars	9.17	-	-	6.45	2.72	2.29	0.43		2.72	-	6.88
Office Equipments	15.54	4.56	2.83	0.70	22.23	3.60	4.60	0.37	7.83	14.40	11.94
Total	130.99	31.79	14.46	7.98	169.26	25.66	42.39	0.57	67.48	101.78	105.33

in ₹ lakhs

Description	Gross Block				Depreciation				Net Block		
	As at 1 April 2017	On account of scheme of Amalgamation	Additions	Deletions	As at 31 March 2018	As at 1 April 2017	Additions	Deletions	As at 31 March 2018	As at 31 March 2018	As at 31 March 2017
IT Network, Servers	22.76	-	46.26		69.02	-	11.28	-	11.28	57.74	22.76
Desktops, Laptop and Printer	11.75	-	4.38	0.82	15.31	-	5.25	0.38	4.87	10.44	11.75
Electrical Equipment	17.11	-	-	-	17.11	-	2.35	-	2.35	14.76	17.11
Furniture and Fixtures	4.84	-	-	-	4.84	-	1.27	-	1.27	3.57	4.84
Motor Cars	9.17	-	-	-	9.17	-	2.29	-	2.29	6.88	9.17
Office Equipments	12.87	-	3.30	0.63	15.54	-	3.85	0.25	3.60	11.94	12.87
Total	78.50	-	53.94	1.45	130.99	-	26.29	0.63	25.66	105.33	78.50

NOTE 3: OTHER INTANGIBLE ASSETS

in ₹ lakhs

Description	Gross Block				Depreciation				Net Block		
	As at 1 April 2018	On account of scheme of Amalgamation	Additions	Deletions	As at 31 Mar 19	As at 01 Apr 18	Additions	Deletions	As at 31 Mar 19	As at 31 Mar 19	As at 31 Mar 18
Computer Software	57.85	10.03	14.72	-	82.60	29.30	29.24	-	58.54	24.06	28.55
Total	57.85	10.03	14.72	0.00	82.60	29.30	29.24	0.00	58.54	24.06	28.55

in ₹ lakhs

Description	Gross Block				Depreciation				Net Block		
	As at 01 April 2017	On account of scheme of Amalgamation	Additions	Deletions	As at 31 March 2018	As at 01 April 2017	Additions	Deletions	As at 31 March 2018	As at 31 March 2018	As at 31 March 2017
Computer Software	53.35		4.50	-	57.85	-	29.30	-	29.30	28.55	53.35
Total	53.35	0.00	4.50	0.00	57.85	0.00	29.30	0.00	29.30	28.55	53.35

NOTES TO THE ACCOUNTS (Contd.)

NOTE 4: FINANCIALS ASSETS - OTHERS

in ₹ lakhs

	31st March 2019	31st March 2018	1st April 2017
Rent and Other Deposits	102.13	0.41	0.16
Total	102.13	0.41	0.16

NOTE 5: DEFERRED TAX ASSET (NET)

in ₹ lakhs

	31st March 2019	31st March 2018	1st April 2017
Provision for doubtful debts	13.37	1.19	2.00
Depreciation	8.90	0.82	0.00
Provision for employee benefits	5.15	0.00	0.00
Others	1.03	0.94	0.65
MAT Credit Entitlement	138.52	144.31	13.89
Deferred Tax Asset	166.97	147.26	16.54
Derivatives	58.01	0.00	19.77
Depreciation			4.41
Others	0.18		0.00
Deferred Tax Liability	58.19	0.00	24.18
Deferred Tax Asset (NET)	108.78	147.26	-7.64

NOTE 6: OTHER NON-CURRENT ASSETS

in ₹ lakhs

	31st March 2019	31st March 2018	1st April 2017
Prepaid Expenses	17.82	1.89	0.76
Advances to Staff	3.19	4.72	5.60
Capital Advance			2.56
Advance Income Tax and Tax Deducted at Source	293.08	153.17	229.54
Total	314.09	159.78	238.46

NOTE 7: CURRENT INVESTMENTS

in ₹ lakhs

	31st March 2019	31st March 2018	1st April 2017
Unquoted			
Investment in Mutual Funds			
836,115 units in Sundaram Money Fund	329.53	155.00	0.00
Face Value of ₹ 10 per unit			
Total	329.53	155.00	0.00

NOTES TO THE ACCOUNTS (Contd.)
NOTE 8: TRADE RECEIVABLES

in ₹ lakhs

	31st March 2019	31st March 2018	1st April 2017
Secured			
Secured Considered good	0.00	0.00	0.00
UnSecured			
Unsecured Considered good	701.75	549.50	425.74
Increase in Credit Risk	13.24	3.47	1.60
Allowance for doubtful debts - Increase in Credit Risk	-13.24	-3.47	-1.60
Net Credit Risk	0.00	0.00	0.00
Credit Impaired	32.33	1.55	6.07
Allowance for doubtful debts - Credit Impaired	-32.33	-1.55	-6.07
Net Credit Impaired	0.00	0.00	0.00
Total	701.75	549.50	425.74

Movement in Expected Credit Loss (ECL) Allowance

in ₹ lakhs

	31st March 2019	31st March 2018	1st April 2017
Opening balance	5.02	7.66	6.07
Ind AS transition impact			1.59
Effect of Merger on 1 Apr 2018 (Sundaram BPO India Limited)	63.86		
Change in Loss allowance (Write Back)	-23.41	-11.90	
Allowances for Current Year ECL	9.78	1.88	
Additional provision	0.81	7.38	
Write off as bad debts	-10.48		
Closing Balance	45.58	5.02	7.66

NOTE 9: CASH AND CASH EQUIVALENTS

in ₹ lakhs

	31st March 2019	31st March 2018	1st April 2017
Cash on hand	0.09	0.05	0.13
Balances with Scheduled Banks	454.52	142.76	257.94
Total	454.61	142.81	258.07

NOTE 10: DERIVATIVES

in ₹ lakhs

	31st March 2019	31st March 2018	1st April 2017
Derivative asset on receivables	247.99	122.34	71.76
Total	247.99	122.34	71.76

NOTES TO THE ACCOUNTS (Contd.)

NOTE 11: OTHER CURRENT ASSETS

in ₹ lakhs

	31st March 2019	31st March 2018	1st April 2017
Employee Advances	9.51	0.74	4.98
GST and Cenvat Input Credit	278.64	176.39	117.94
Prepaid expenses	44.99	39.51	42.35
Unbilled Revenue	29.63	55.62	25.58
Other Advances	12.73	6.96	12.48
Other Deposits	1.79		
Unsecured, Considered doubtful			
Loans due from ex-employees	2.49	2.49	2.49
Salary recoverable	0.00	0.29	0.30
Less: Provision for Doubtful Loans and Advances	(2.49)	(2.78)	(2.79)
Total	377.29	279.22	203.33

NOTE 12: EQUITY

in ₹ lakhs

	31st March 2019	31st March 2018	1st April 2017
Authorised Share Capital			
1,50,00,000 Equity Shares of ₹ 10/- each (Previous period: 1,50,00,000 Equity Shares of ₹ 10 each)	1,500.00	1,500.00	1,500.00
Issued, Subscribed and Fully paid up capital			
1,50,00,000 Equity Shares of ₹ 10/- each (Previous period: 1,50,00,000 Equity Shares of ₹ 10 each)	1,500.00	1,500.00	1,500.00
Total	1,500.00	1,500.00	1,500.00

The company has single class of shares - equity shares of face value of ₹ 10 each. All equity shares rank pari passu with regard to dividends and share in the company's residual assets. Every shareholder is entitled to one vote per share.

	31st March 2019	31st March 2018	1st April 2017
Details of number of shares held by	Number of Shares held (*)		
Name : Sundaram Finance Holding Limited	150,00,000	150,00,000	150,00,000
Status : Holding Company			
Class of Shares : Equity Shares			

(*) Includes equity shares held by nominees

The reconciliation of the number of shares outstanding as at 31 March 2019 is set out below:

	31st March 2019	31st March 2018	1st April 2017
Shares outstanding at the beginning of the period	150,00,000	150,00,000	150,00,000
Add: Shares issued during the period	0	0	0
Shares outstanding at the end of the period	150,00,000	150,00,000	150,00,000

SUNDARAM BUSINESS SERVICES LIMITED

NOTES TO THE ACCOUNTS (Contd.)
NOTE 13: OTHER EQUITY

in ₹ lakhs

	31st March 2019	31st March 2018	1st April 2017
Capital Reserve	210.33	0.00	0.00
Amount towards allotment of Shares (*)	736.73	0.00	0.00
General Reserve	27.00	0.00	0.00
Profit & Loss Statement			
Opening Balance	-110.31	-669.61	-836.27
Less: On account of Scheme of Amalgamation	-305.66	0.00	0.00
Add: Profit / (Loss) for the year	359.35	560.22	166.66
Add: Other Comprehensive Income (Employee Benefits)	-15.48	-0.92	
Closing balance	-72.10	-110.31	-669.61
Other Comprehensive Income (Cash Hedge Reserve)			
Opening Balance	49.08	5.31	5.31
Added during the year	63.62	43.77	0.00
Closing balance	112.70	49.08	5.31
Total	1,014.66	(61.23)	(664.30)

(*) Amount towards pending allotment of Shares pursuant to Scheme of Amalgamation. Refer Note 24.1

NOTE 14: NON-CURRENT LIABILITIES

in ₹ lakhs

	31st March 2019	31st March 2018	1st April 2017
Provision for Employee Benefits: Leave Encashment	19.73	1.37	0.17
Total	19.73	1.37	0.17

NOTE 15: TRADE PAYABLES

in ₹ lakhs

	31st March 2019	31st March 2018	1st April 2017
(i) Total outstanding due to micro and small enterprises	0.00	0.00	0.00
(ii) Total outstanding due to creditors other than micro and small enterprises	92.61	86.92	113.34
Total	92.61	86.92	113.34

NOTE 16: PROVISIONS

in ₹ lakhs

	31st March 2019	31st March 2018	1st April 2017
Provision for Employee Benefits	77.84	72.31	69.16
Provision for Expenses	57.78	31.29	58.59
Total	135.62	103.60	127.75

NOTES TO THE ACCOUNTS (Contd.)

NOTE 17: OTHER CURRENT LIABILITIES

in ₹ lakhs

	31st March 2019	31st March 2018	1st April 2017
TDS Payable	13.07	7.88	13.49
GST Payable	22.46	6.68	0.27
EPF Payable	20.11	6.53	6.20
ESI Payable	4.41	2.45	2.12
IWF Payable	0.00	0.00	0.07
Professional Tax Payable	0.62	0.06	0.00
Salary Payable	1.38	0.40	0.31
Cash Credit	0.00	0.00	21.01
Inter Corporate Loan	0.00	0.00	200.00
Others Payable	6.04	1.12	1.33
Total	68.09	25.12	244.80

NOTE 18: REVENUE FROM OPERATIONS

in ₹ lakhs

	31st March 2019	31st March 2018
Business Process Outsourcing and Related Activities	4,087.18	2,731.42
Total	4,087.18	2,731.42

NOTE 19: OTHER INCOME

in ₹ lakhs

	31st March 2019	31st March 2018
Profit / (Loss) on sale of investments	13.76	4.12
Profit / (Loss) on Investments carried at FVTPL	0.64	1.10
Profit / (Loss) on sale of Fixed Assets	0.25	-0.10
Other income / interest received	15.32	14.48
Net gain/(loss) on Exchange Fluctuation	44.91	127.86
Profit / (Loss) on Derivative instruments	37.51	-9.82
Miscellaneous Income	1.85	0.41
Provision for doubtful debts written back	23.41	4.52
Total	137.65	142.57

NOTE 20: EMPLOYEE BENEFITS

in ₹ lakhs

	31st March 2019	31st March 2018
Salaries, Allowances, Bonus etc	2,039.83	1,191.64
Contribution to Provident and other funds	144.49	63.08
Staff Welfare Expenses	40.11	20.34
Total	2,224.43	1,275.06

NOTE 21: ADMINISTRATIVE AND OTHER EXPENSES

in ₹ lakhs

	31st March 2019	31st March 2018
Rent	400.61	207.63
Electricity Expenses	133.22	68.18
Security and Housekeeping Expenses	36.30	42.06
Communication expenses	74.87	35.16
Rates and Taxes	7.46	1.69
Insurance	33.92	13.79
Outsourcing Cost	151.07	155.92
Travelling and Conveyance	107.59	94.17
Professional Charges	41.26	28.37
Technology Expenses	56.82	60.92
Subscriptions	9.98	6.71
Repairs & Maintenance - Equipments	44.53	41.18
Repairs & Maintenance - Others	45.13	12.57
Training and Recruitment Expenses	13.73	14.04
Printing and Stationery	5.78	1.89
Bank Charges and Commission	13.37	6.86
Provision for Bad debts	10.59	1.87
CSR Donations	5.39	0.00
Miscellaneous expenses	16.27	12.34
Total	1,207.89	805.35

NOTE 22: SALES AND MARKETING EXPENSES

in ₹ lakhs

	31st March 2019	31st March 2018
Sales and Marketing expenses	228.56	202.55
Total	228.56	202.55

NOTE 23: FINANCE COST

in ₹ lakhs

	31st March 2019	31st March 2018
Interest Others	5.69	0.46
Term Loan	0.00	10.77
Others	0.08	0.28
Total	5.77	11.51

NOTE 24 : GENERAL DISCLOSURES

NOTE 24.1 : SCHEME OF AMALGAMATION

The National Company Law Tribunal, Division Bench, Chennai vide Order No. CP/403/CAA/2019 dated 22 April 2019 approved the scheme of Amalgamation (Scheme) between the Company and Sundaram BPO India Limited. The Scheme was to be effective from the Appointed Date i.e. 1st April 2018, and is operative from the Effective Date i.e. 1st May 2019. The Scheme envisages the following:

- Amalgamation of Sundaram BPO India Limited (SBIL) into the Company. Pursuant to the scheme, the authorized equity share capital of the Company stands increased by 1,52,50,000 equity shares of ₹ 10/- each aggregating to ₹ 1525.00 lakhs.
- Consequent to the merger, the shareholders of SBIL will be allotted 73,67,291 equity shares of ₹ 10 each in the Company, which is in the ratio of 1 : 1.215.
- All the assets, liabilities, rights, powers and duties of SBIL is transferred to the Company. The results for the year ended 31 March 2019 presented in this report is for the merged entity as contemplated under the scheme.

NOTE 24.2 : DISCLOSURES AS PER IND AS 19

Employee Benefits: Defined Contribution Plan

During the year, the Company has recognized the following amounts in the Profit and Loss Statement, which are included in Employee Benefits:

	in ₹ lakhs				
Particulars	2018-19	2017-18	2016-17	2015-16	2014-15
Contribution to Provident Fund	116.96	35.55	37.65	38.35	40.00
Contribution to Employees' State Insurance	40.43	18.19	11.70	7.71	9.03
Contribution to Superannuation Fund	0.21	0.21	0.20	0.34	0.39

Employee Benefits: Defined Benefit Plan - Gratuity

A. Change in the Present Value of Defined Benefit Obligation (DBO)

	in ₹ lakhs	
Particulars	31st March 2019	31st March 2018
Present Value of Defined Benefit Obligation at the beginning of the Period	46.56	47.25
Service Cost		
a. Current Service Cost	21.70	8.21
b. Past Service Cost		
c. (Gain)/Loss on Curtailments		
d. (Gain)/Loss on Settlements		
Interest Expense	2.41	3.43
Remeasurements		
a. Effect of Changes in Demographic Assumptions	-1.96	
b. Effect of Changes in Financial Assumptions	1.31	-0.14
c. Effect of Experience Adjustments	18.31	-9.95
Cash flows		
a. Benefit Payments		
(i) From the Plan	-27.31	-2.24
(ii) Directly from the Employer		
b. Settlement Payments from the Plan		
c. Participant Contributions		
Effect of Business Combinations / Disposals	11.47	
Present Value of Defined Benefit Obligation at the end of the Period	72.49	46.56

B. Changes in the fair value of Plan Assets

in ₹ lakhs

Particulars	31st March 2019	31st March 2018
Fair value of plan assets as at the beginning of the period	36.38	27.28
Interest Income on Plan Assets	3.35	2.61
Cash Flows		
a. Benefit Payments		
(i) From the Plan	(27.31)	(2.24)
(ii) Directly from the Employer		
b. Settlement Payments from the Plan		
c. Participant Contributions		
d. Total Employer Contributions		
(i) Employer Contributions	45.80	19.74
(ii) Employer Direct Benefit Payments		
Remeasurements		
a. Actual Return on Plan Assets	(3.79)	(11.01)
Effect of Business Combinations / Disposals	8.12	
Effect of Changes in Foreign Exchange Rates		
Fair value of plan assets as at the end of the period	62.55	36.38

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

in ₹ lakhs

Particulars	31st March 2019	31st March 2018
Present Value of Defined Benefit Obligation	72.49	46.56
Fair value of plan assets	62.55	36.38
Net Assets (Liability) recognized in the Balance Sheet	(9.94)	(10.18)
Effect of Asset Ceiling		
Net Assets (Liability)	(9.94)	(10.18)

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

in ₹ lakhs

Particulars	31st March 2019	31st March 2018
Service Cost		
a. Current Service Cost	21.70	8.21
b. Past Service Cost		
c. (Gain)/Loss on Curtailments		
d. (Gain)/Loss on Settlements		
e. Total Service Cost	21.70	8.21
Net Interest Expense		
a. Interest Expense on DBO	2.41	3.43
b. Interest Income on Plan Assets	-3.35	-2.61
c. Interest Income on Reimbursement Rights		
d. Interest Income on Asset Ceiling		
e. Total Net Interest Cost	-0.94	0.82
Remeasurements		
a. Effect of Changes in Demographic Assumptions	-1.96	
b. Effect of Changes in Financial Assumptions	1.31	-0.14
c. Effect of Experience Adjustments	18.31	-9.95
d. Actual Return on Plan Assets	3.79	11.01
e. Actual Return on Reimbursement Rights		
f. Actual Change in Asset Ceiling		
g. Total Remeasurements	21.45	0.92
Defined Benefit Cost included in Profit & Loss Account	20.76	9.03
Defined Benefit Cost included in Other Comprehensive Income	21.45	0.92

E. Defined Benefit Obligation

in ₹ lakhs

Particulars	31st March 2019	31st March 2018
Defined Benefit Obligation by Participant Status		
a. Actives	72.48	46.55
b. Vested Deferred		
c. Retiree Beneficiaries		
d. Total	72.48	46.55

F. Principal Actuarial Assumptions (Expressed as weighted averages)

Particulars	31st March 2019	31st March 2018
Discount Rate	6.84%	7.34%
Salary Escalation	5.00%	5.00%
Attrition	30.00%	24.00%

G. Sensitivity Analysis

in ₹ lakhs

Particulars	31st March 2019	31st March 2018
Discount - 0.5%	73.54	47.37
Discount + 0.5%	71.46	45.77
Escalation - 0.5%	71.44	45.75
Escalation + 0.5%	73.55	47.38
Mortality x 95%	72.48	46.55
Mortality x 105%	72.49	46.55
Attrition x 95%	72.97	46.66
Attrition x 105%	72.00	46.44
₹ 1,000,000 Benefit Ceiling	72.48	46.55
No Benefit Ceiling	72.48	46.55

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

in ₹ lakhs

Particulars	31st March 2019	31st March 2018	31st March 2017	31st March 2016	31st March 2015
Defined Benefit Obligation	72.49	46.56	47.25	29.48	26.56
Plan Assets	62.55	36.38	27.28	24.96	16.08
Surplus / (Deficit)	-9.94	-10.18	-19.97	-4.51	-10.48
Experience adjustments on plan liabilities	-18.31	9.95	2.59	-1.87	18.91

Other Long Term Employee Benefits

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

Particulars	2018-19	2017-18	2016-17	2015-16	2014-15
Leave encashment	19.73	1.37	0.17	1.49	0.03

Employee Benefits: Defined Benefit Plan - Leave Encashment

A. Change in the Present Value of Defined Benefit Obligation (DBO)

in ₹ lakhs

Particulars	31st March 2019	31st March 2018
Present Value of Defined Benefit Obligation at the beginning of the Period	12.60	14.21
Service Cost		
a. Current Service Cost		
b. Past Service Cost		
c. (Gain)/Loss on Curtailments		
d. (Gain)/Loss on Settlements		
Interest Expense	0.55	0.85
Remeasurements		
a. Effect of Changes in Demographic Assumptions	0.36	
b. Effect of Changes in Financial Assumptions	0.40	-1.56
c. Effect of Experience Adjustments	-1.60	6.65
Cash flows		
a. Benefit Payments		
(i) From the Plan	(10.12)	(4.51)
(ii) Directly from the Employer		(3.04)
b. Settlement Payments from the Plan		
c. Participant Contributions		
Effect of Business Combinations / Disposals	27.59	
Present Value of Defined Benefit Obligation at the end of the Period	29.78	12.60

B. Changes in the fair value of Plan Assets

in ₹ lakhs

Particulars	31st March 2019	31st March 2018
Fair value of plan assets as at the beginning of the period	11.23	14.04
Interest Income on Plan Assets	0.45	0.82
Cash Flows		
a. Benefit Payments		
(i) From the Plan	(10.12)	(4.51)
(ii) Directly from the Employer		(3.04)
b. Settlement Payments from the Plan		
c. Participant Contributions		
d. Total Employer Contributions		
(i) Employer Contributions		0.79
(ii) Employer Direct Benefit Payments		3.04
Remeasurements		
a. Actual Return on Plan Assets	0.59	0.10
Effect of Business Combinations / Disposals	7.90	
Effect of Changes in Foreign Exchange Rates		
Fair value of plan assets as at the end of the period	10.05	11.23

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

in ₹ lakhs

Particulars	31st March 2019	31st March 2018
Present Value of Defined Benefit Obligation	29.78	12.60
Fair value of plan assets	10.05	11.23
Net Assets (Liability) recognized in the Balance Sheet	(19.73)	(1.37)
Effect of Asset Ceiling		
Net Assets (Liability)	(19.73)	(1.37)

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

in ₹ lakhs

Particulars	31st March 2019	31st March 2018
Service Cost		
a. Current Service Cost		
b. Past Service Cost		
c. (Gain)/Loss on Curtailments		
d. (Gain)/Loss on Settlements		
e. Total Service Cost	0.00	0.00
Net Interest Expense		
a. Interest Expense on DBO	0.55	0.85
b. Interest Income on Plan Assets	(0.45)	(0.82)
c. Interest Income on Reimbursement Rights		
d. Interest Income on Asset Ceiling		
e. Total Net Interest Cost	0.10	0.03
Remeasurements		
a. Effect of Changes in Demographic Assumptions	0.36	
b. Effect of Changes in Financial Assumptions	0.40	(1.56)
c. Effect of Experience Adjustments	(1.60)	6.65
d. Actual Return on Plan Assets	(0.59)	(0.10)
e. Actual Return on Reimbursement Rights		
f. Actual Change in Asset Ceiling		
g. Total Remeasurements	(1.43)	4.99
Defined Benefit Cost included in Profit & Loss Account	1.33	5.03
Defined Benefit Cost included in Other Comprehensive Income	0.00	0.00

E. Defined Benefit Obligation

in ₹ lakhs

Particulars	31st March 2019	31st March 2018
Defined Benefit Obligation by Participant Status		
a. Actives	29.79	12.60
b. Vested Deferred		
c. Retiree Beneficiaries		
d. Total	29.79	12.60

F. Principal Actuarial Assumptions (Expressed as weighted averages)

Particulars	31st March 2019	31st March 2018
Discount Rate	6.88%	7.34%
Salary Escalation	5.00%	5.00%
Attrition	30.00%	24.00%

NOTE 24.3 : AUDIT FEES

Miscellaneous Expenses under Administrative and Other Expenses include remuneration to auditors (excluding Service Tax) towards

in ₹ lakhs

Particulars	31st March 2019	31st March 2018
Statutory Audit	3.75	3.75
Tax Audit	1.00	1.00

NOTE 24.4 : EARNINGS PER SHARE (BASIC AND DILUTED)

Particulars	31st March 2019	31st March 2018
A. Loss/Profit for the year after taxation (₹ lakhs)	359.35	560.22
B. Total number of equity shares of ₹10/- each outstanding at the end of the year (in numbers)	150,00,000	150,00,000
C. Basic and diluted earnings per share (₹) (A/B)	2.40	3.73

NOTE 24.5 : RELATED PARTY TRANSACTIONS

Parties	Relationship
Sundaram Finance Holding Limited	Holding Company
Sundaram Finance Limited	Company having control over the entity
Royal Sundaram General Insurance Company Ltd	Fellow subsidiary (till Feb 2019)
Key Management Personnel:	
Sri. Manoj Arvindakshan Nair	Chief Executive Officer
Sri. T Kailashapathy	Chief Financial Officer - till 30th Sep 2018
Sri. Suresh I S	Chief Financial Officer - from 17th Jan 2019
Ms. S Shobana	Secretary

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

in ₹ lakhs

Nature of Transactionns	Holding Company	Company having control	Joint Venture/ Associates	31st March 2019	31st March 2018
Income					
Outsourcing Cost					
Sundaram Finance Holdings Ltd	198.93			198.93	-

in ₹ lakhs

Nature of Transactions	Holding Company	Company having control	Fellow Subsidiary	KMP	31st March 2019	31st March 2018
Expenses						
Sundaram Finance Limited						
a) Rent	-	110.02	-	-	110.02	94.72
b) Internal Audit	-	10.00	-	-	10.00	4.50
c) Web Hosting	-	1.03	-	-	1.03	0.77
d) Interest on Loan	-	-	-	-	-	10.77
e) ITVO Charges	-	0.51	-	-	0.51	0.31
g) Fuel Expenses	-	11.80	-	-	11.80	0.89
Royal Sundaram General Insurance Company Ltd						
Insurance Premium	-	-	2.87	-	2.87	1.74
Employee Benefit Expenses	-	-	-	45.88	45.88	55.31
Liabilities						
Equity Shares						
Sundaram Finance Holdings Limited	2,236.73	-	-	-	2,236.73	1,500.00
Payables					-	-
Remuneration Payable to KMP	-	-	-	5.15	5.15	3.30

NOTE 24.6 : FOREIGN CURRENCY TRANSACTION

in ₹ lakhs

Particulars	31st March 2019	31st March 2018
Earnings in Foreign Currency		
Income from Services	3,020.54	2,715.11
Expenditure in Foreign Currency		
Salaries, Travel, Office Expenses	375.79	434.39

NOTE 24.7 : DISCLOSURE UNDER MSME DEVELOPMENT ACT, 2016

There is no amount due to small scale industries in terms of "The Micro, Small and Medium Enterprises Development Act, 2006"

in ₹ lakhs

Particulars	31st March 2019	31st March 2018
a) Principal amount and the interest due to Suppliers under the Act	-	-
b) Interest paid to Suppliers in terms of Section 16 of the Act, along with payment made beyond the appointed day	-	-
c) Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Act	-	-
d) Interest accrued and remaining unpaid at the end of the year	-	-
e) Further interest remaining due and payable even in the succeeding years, until such date, when interest dues above are actually paid in the small enterprise, for the purpose of disallowance of a deductible expenditure under Section 23 of the Act	-	-

NOTE 24.8 : CLAIMS AGAINST THE COMPANY NOT ACKNOWLEDGED AS DEBT:

in ₹ lakhs

Particulars	31st March 2019	31st March 2018
Service Tax matters - appeal filed by the company	2.92	2.92
Income Tax matters - appeal filed by the company	1.38	1.38

NOTE 24.9 : ACCOUNTING CLASSIFICATIONS, FAIR VALUE AND FAIR VALUE HIERARCHY
Accounting Classifications and fair values

The following table shows the carrying amount and fair value of financial assets

As at 31 March 2019 (in ₹ lakhs)	Carrying amount (Cost)				Fair value
	Mandatorily at FVTPL: Others"	Other financial assets: amortized cost	Other financial assets: recognized through OCI	Total carrying amount (Cost)	
Financial assets					
Equity Investments	-	-	-	-	-
Mutual fund investments	327.31	-	-	327.31	329.52
Trade receivables	-	714.99	-	714.99	697.96
Derivatives	-	-	247.99	247.99	247.99
Cash and cash equivalents	-	454.61	-	454.61	454.61
Rental Deposit	-	121.18	-	121.18	102.13
Unbilled Revenue	-	29.63	-	29.63	29.63
Staff Loans	-	14.52	-	14.52	12.69
Financial Liabilities					
Borrowings	-	-	-	-	-
Trade payables	-	92.61	-	92.61	92.61
As at 31 March 2018 (in ₹ lakhs)	Carrying amount (Cost)				Fair value
	Mandatorily at FVTPL: Others	Other financial assets: amortized cost	Other financial assets: recognized through OCI	Total carrying amount (Cost)	
Financial assets					
Equity Investments	-	-	-	-	-
Mutual fund investments	153.90	-	-	153.90	155.00
Trade receivables	-	552.97	-	552.97	549.50
Derivatives	-	-	122.34	122.34	122.34
Cash and cash equivalents	-	142.81	-	142.81	142.81
Rental Deposit	-	0.41	-	0.41	0.41
Unbilled Revenue	-	55.62	-	55.62	55.62
Staff Loans	-	6.51	-	6.51	4.96
Financial Liabilities					
Borrowings	-	-	-	-	-
Trade payables	-	86.92	-	86.92	86.92
As at 01 April 2017 (in ₹ lakhs)	Carrying amount (Cost)				Fair value
	Mandatorily at FVTPL: Others	Other financial assets: amortized cost	Other financial assets: recognized through OCI	Total carrying amount (Cost)	
Financial assets					
Equity Investments	-	-	-	-	-
Mutual fund investments	-	-	-	-	-
Trade receivables	-	427.34	-	427.34	425.74
Derivatives	-	-	-	-	71.76
Cash and cash equivalents	-	258.06	-	258.06	258.06
Rental Deposit	-	0.16	-	0.16	0.16
Unbilled Revenue	-	25.58	-	25.58	39.61
Staff Loans	-	10.57	-	10.57	9.15
Financial Liabilities					
Borrowings	-	200.00	-	200.00	200.00
Trade payables	-	113.34	-	113.34	113.34

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 - includes Financial Instruments for which one or more of the significant inputs are not based on observable market data. This is applicable for unlisted securities.

in ₹ lakhs

	Level 1	Level 2	Level 3
As at 31 March 2019			
Financial assets :			
Equity shares			
Derivatives	247.99		
Trade Receivable			697.96
Mutual fund investments	329.53		
Unbilled Revenue			29.63
Rent Deposit		102.13	
Staff Loans		12.60	
As at 31 March 2018			
Financial assets :			
Equity shares			
Derivatives	122.34		
Trade Receivable			549.50
Mutual fund investments	155.00		
Unbilled Revenue			55.62
Staff Loans		4.96	
As at 01 April 2017			
Financial assets :			
Equity shares			
Derivatives	71.76		
Trade Receivable			425.74
Unbilled Revenue			39.61
Staff Cost		9.15	

NOTE 24.10: FINANCIAL RISK MANAGEMENT

The Company's business activities are exposed to liquidity risk and credit risk. The Risk management policies have been established to identify and analyze the risks faced by the Company, to set and monitor appropriate risk limits and controls, periodically review and reflect the changes in the policy accordingly.

(a) Management of Liquidity Risk

Liquidity risk is the risk that the Company will face in meeting its obligations associated with its financial liabilities. The Company's approach in managing liquidity is to ensure that it will have sufficient funds to meet its liabilities. In doing this, management considers both normal and stressed conditions.

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

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

in ₹ lakhs

	Not Due	0-60 days	60-180 days	180-365 days	> 365 days
Trade Receivables	444.25	226.59	11.83	17.09	1.98

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

	31st March 2019	31st March 2018	1st April 2017
Payable within one year			
Trade payable	92.61	86.92	113.34
Borrowings	–	–	221.01

b) Management of Credit Risk

Credit risk is the risk of financial loss to the Company if the other party to the financial assets fails to meet its contractual obligations.

i) Trade receivables:

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. Hence, trade receivables are considered to be a single class of financial assets.

ii) Other financial assets:

The Company has exposure in Cash and cash equivalents and term deposits with banks. The Company's maximum exposure to credit risk as at 31st March, 2019 is the carrying value of each class of financial assets as on that date.

C) Management of Market Risk

Market risk is the risk the Company will face due to its exposure to market rate changes.

The Company is exposed to foreign exchange currency risk on account of having sales revenue in foreign currency.

The Company 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 Company's foreign currency denominated monetary assets and monetary liabilities based on gross exposure at the end of the reporting period is as under:

	31 Mar 19		31 Mar 18	
	AUD (A\$ '000)	₹ lakhs	AUD (A\$ '000)	₹ lakhs
Monetary Assets				
Cash and Cash Equivalent	800.58	392.44	145.05	72.59
Trade Receivables	1,044.51	512.01	788.71	394.71
Monetary Liabilities				
Trade Payable	58.48	28.67	80.56	40.32

- (b) The foreign currency risk on above exposure is mitigated by derivative contracts. The outstanding contracts as at the Balance Sheet date are as follows:

	31 Mar 19		31 Mar 18	
	Buy	Sell	Buy	Sell
Forward Contract: Cashflow Hedge				
AUD/INR (in A\$ '000)	-	7,620.00	-	8,107.79
AUD/INR (in ₹ lakhs)	-	4,135.80	-	4,299.74

NOTE 24.11: SEGMENT INFORMATION

- (a) Description of segments and principal activities

The Company is providing Business Support Services within India and Outside India.

The Chief Operating Decision Makers (CODM) of the company i.e., Board of Directors, CEO & CFO of the Company evaluate the company's performance, allocates resources based on analysis of various performance indicators of the Company as a single unit. Therefore there is no reportable segment for the Company. The company is domiciled in India.

- (b) Entity wide disclosures

- (i) Revenue from geographical areas

The segment revenue is measured in the same way as in the statement of profit or loss:

	31 Mar 19	31 Mar 18
Segment revenue by location of Customer		
Outside India	2993.36	2715.11
Within India	1093.82	16.31
Total	4087.18	2731.42

- (ii) information about major customers

Revenues from major customers (more than 10% of entity's revenue) amounts to ₹1,113.73

NOTE 24.12: INCOME TAX RECONCILIATION

Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:

	31 Mar 19	31 Mar 18
Tax at the Indian Tax Rate of	27.82%	27.55%
Profit Before Income Tax	486.55	523.93
Tax at the Indian Tax Rate of	135.36	144.36
Permanent Differences		
Expenses not deductible for Tax Purposes	3.12	0.08
Change in effective Tax Rate	0.50	0.00
Setoff of Brought Forward Business Loss	(49.97)	(180.73)
Others	38.19	0.00
Income Tax Expenses	127.20	(36.29)

NOTE 24.13:

The Liability in respect of Guarantee issued by bank amount to ₹50 lakhs.

NOTE 24.14:

Directors Sitting Fees paid during the year to the Directors for attending the Board/Committee meetings is ₹ 2.00 lakhs (Last Year - ₹ 1.90 lakhs)

NOTE 24.15:

- a) Sri T Kailashpathy, Chief Financial Officer was nominated by Sundaram Finance Holdings Limited (holding company) till 30th Sep 2018 and no remuneration is borne by this company.
- b) Ms. Shobana S, Company Secretary during the year was nominated by Sundaram Finance Limited our earlier holding company and no remuneration is borne by the company.

NOTE 24.16:

The pending litigation as on 31st March, 2019 have been compiled by the company and reviewed by the Statutory Auditors. The effect of the current position of the litigations have been evaluated and appropriately considered and disclosed in the financial statements.

NOTE 24.17:

As at the Balance Sheet date, the company's net foreign exchange exposures that are not hedged by a derivative instrument or otherwise is below:

	GBP	Equivalent in INR
Hedged	-	-
Unhedged	2,021	1,82,928
Total	2,021	1,82,928

NOTE 24.18:

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. The said amount has been grouped under Loans and Advances in the Balance Sheet.

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.

NOTE 24.19:

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. The said amount has been grouped under Loans and Advances in the Balance Sheet.

NOTE 24.20:

Estimated amount of contractual commitments for the acquisition of Fixed Assets - ₹ NIL (31st Mar 2018 is NIL)

NOTE 24.21:

Employee Benefits includes ₹ 45.88/- lakhs paid as managerial remuneration.

NOTE 24.22 :

The Company has spent an amount of ₹ 5.39 lakhs (2017-18 - NIL) towards Corporate Social Responsibility (CSR) under section 135 of the Companies Act 2013.

NOTE 24.23:

Figures for the current year are after giving effect to the Scheme of Amalgamation (Note 24.1) and hence not comparable with the previous year. Prior year figures have been regrouped/reclassified wherever necessary to confirm to current year's classification.

As per our report of even date attached
For **For Sundaram & Srinivasan**
Chartered Accountants
FRN 004207S
S. USHA
Partner
Membership No. : 211785
Chennai
Date: 08 May 2019

Suresh I S
Chief Financial Officer

S. Shobana
Secretary

T T Srinivasaraghavan
T. K Sundararajan
Directors
Manoj Arvindakshan Nair
Chief Executive Officer