Sundaram Finance Limited

67th Annual Report

2019-20

SUNDARAM FINANCE

Enduring values. New age thinking.



SUNDARAM FINANCE

Enduring values. New age thinking.

Board of Directors	S Viji	Chairman
	S Ram	
	P N Venkatachalam	
	S Mahalingam	
	S Prasad	
	S Ravindran	
	Rajiv C Lochan	
	Shobhana Ramachandhran	
	R Raghuttama Rao	
	T T Srinivasaraghavan	Managing Director
	Harsha Viji	Deputy Managing Director
	A N Raju	Director (Operations)
Audit Committee	S Prasad	Chairman
	S. Ravindran	
	Shobhana Ramachandhran	
Stakeholders Relationship Committee	S Prasad	Chairman
	T T Srinivasaraghavan	
	A N Raju	
Nomination, Compensation & Remuneration Committee	P N Venkatachalam	Chairman
	S Prasad	
	S Ravindran	
Corporate Social Responsibility Committee	Shobhana Ramachandhran	Chairman
	S Ravindran	
	T T Srinivasaraghavan	
Risk Management Committee	T T Srinivasaraghavan	Chairman
	Harsha Viji	
	A N Raju	
	M Ramaswamy	
Asset Liability Management Committee	T T Srinivasaraghavan	Chairman
	Harsha Viji	
	A N Raju	
	M Ramaswamy	
Information Technology Strategy Committee	Sri S Mahalingam	Chairman
	Sri P N Venkatachalam	
	Sri Rajiv C Lochan	
	Sri T T Srinivasaraghavan	
	Sri A N Raju	
	Sri V Ananthanarayanan	
Chief Financial Officer	M Ramaswamy	
Secretary & Compliance Officer	P Viswanathan	
Chief Risk Officer	Rajmohan Vasudeva Pai	
Registered Office	21, Patullos Road, Chennai - 600 002 Tel: 044 2852 1181, Fax: 044 2858 6641 Email: investorservices@sundaramfinance.in Website: www.sundaramfinance.in	
CIN	L65191TN1954PLC002429	
Auditors	M/s. Sundaram & Srinivasan., Chartered Accountants 23, C.P. Ramaswamy Road, Alwarpet, Chennai 600 018	
Information Security Assurance Services	M/s. C.V. Ramaswamy & Co Office No. 1, Vidwan Sundaram Street, Nungambakkam, Chennai 600 034	

Management Team

S Srinivasan	Senior Vice President & Head – Corporate Finance
D Ravindran	Senior Vice President (Sundaram Infotech Solutions)
M J Kulkarni	National Head - MH&CE
K Sankarakumar	Senior Vice President & Head – Distribution
N Ramachandran	National Head - Auto & Head – North
Deepa Ramesh	Vice President (SIS)
S Sivakumar	Vice President & Head – Administration & Corporate Communications
S Sridhar	Vice President & Head - Treasury
V Ananthanarayanan	Chief Information Officer
Rajesh Venkat	Vice President & Head - Western Region
C Balasubramanian	Head - CCPD
C Muralidharan	Senior General Manager & Head – Karnataka
A K Ganesan	Senior General Manager & Head – TN - West
G Vaikuntam	Senior General Manager & Head – Recoveries & ARC
R Sridharan	Senior General Manager & Head – Indirect Taxation
Balachander Gopinath	Senior General Manager & Head – East
H Venkatesan	Senior General Manager & Head – Group Internal Audit
S Balasubramanian	Senior General Manager & Head – Andhra Region
Venkatesh Kumaraswami	Senior General Manager & Head – Deposits
N Sri Raman	National Head - Fleet Cards
P Rajesh Srinivas	National Head - Emerging Corporates Group
R Sekar	Head - Human Resources
Gaurav Mittal	Head - Emerging Financial Institutions
N Raman	Head - Internal Audit
N Narayanan	Head - Legal

Subsidiaries

- Sundaram Home Finance Limited
- Sundaram Asset Management Company Limited
- Sundaram Asset Management Singapore Pte. Limited
- Sundaram Alternate Assets Limited
- Sundaram Trustee Company Limited
- LGF Services Limited
- Sundaram Fund Services Limited

Bankers

- State Bank of India
- Bank of India
- Canara Bank
- Indian Bank
- Bank of Baroda
- HDFC Bank Ltd.
- ICICI Bank Ltd
- Axis Bank Ltd.
- Federal Bank Ltd.
- The Hongkong and Shanghai Banking Corporation Ltd.
- BNP Paribas

Debenture Trustee

Ms. Anjalee Athalye, Vice President - Operations
IDBI Trusteeship Services Limited
Asian Building, Ground Floor, 17, R. Kamani Marg, Ballard Estate, Mumbai – 400001

CURRENCY EQUIVALENTS

₹One Million	=	₹10 Lakhs	US$ 1 = Indian ₹75.3859 *
₹One Billion	=	₹100 Crores or ₹10,000 Lakhs	*RBI Reference Rate as on 31.03.2020

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SUNDARAM FINANCE

Enduring values. New age thinking.

A member of the

International Finance & Leasing Association

Board's Report

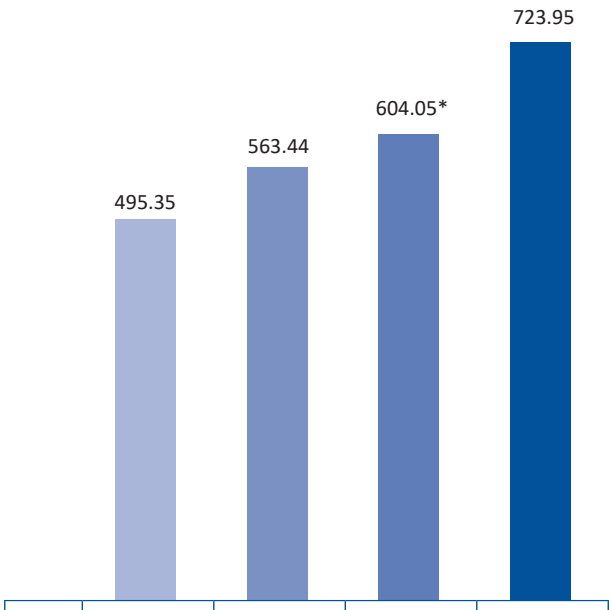
Your directors have pleasure in presenting the 67th Annual Report together with audited accounts for the year ended 31st March 2020. The summarised financial results of the Company are presented hereunder:

FINANCIAL RESULTS: STANDALONE

(₹ in cr.)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Revenue from Operations	3842.09	3321.51
Other Income	84.85	20.56
Total Revenue	**3926.94**	**3342.07**
Less: Total Expenses	**2981.82**	**2446.79**
Profit before exceptional items and tax	945.12	895.28
Add: Exceptional item	NIL	592.43
Profit before tax	**945.12**	**1487.71**
Profit after Tax	**723.95**	**1126.31**
Other Comprehensive Income	55.92	(4.02)
Surplus brought forward	444.76	767.20
Less: Transfer to COVID-19 Reserve (net of deferred tax)	20.34	–
Amount available for appropriation	**1204.28**	**1889.49**
Appropriations to:		
- Statutory Reserve	144.79	225.26
- General Reserve	246.75	997.30
Dividend		
- Interim 2017-18	–	55.55
- Final 2017-18	–	77.77
- Interim 2018-19	–	55.55
- Final 2018-19	138.88	–
- Interim 2019-20	111.10	–
Dividend Tax	43.25	33.30
Surplus carried to balance sheet	**519.51**	**444.76**

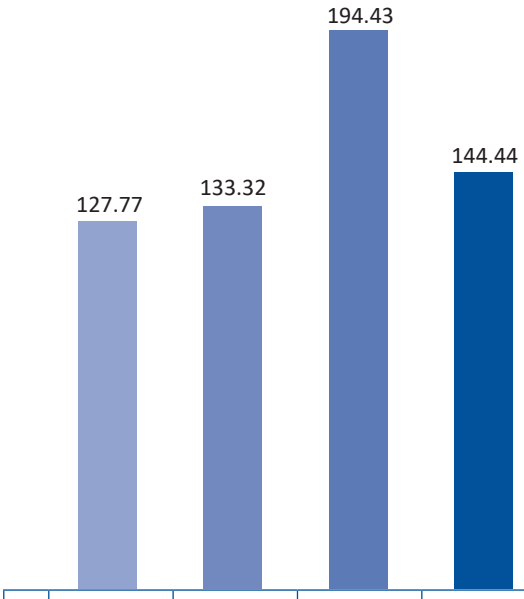
PAT
(₹ in cr.)



FY	2016-17	2017-18	2018-19	2019-20
EPS (₹)	44.58	50.71	54.37	65.16

*excludes Exceptional Profit - ₹522.26 cr.

Dividend
(₹ in cr.)



FY	2016-17	2017-18	2018-19	2019-20
%	115	120	175*	130

*includes Special Dividend - 50%

DIVIDEND

Your Company paid an interim dividend of ₹10/- per share in February 2020. Your directors are pleased to recommend a final dividend of ₹3/- per share, which, together with the interim dividend, would aggregate to a total dividend of ₹13/- per share (130 % on the face value of ₹10/-), representing a dividend pay-out of 22.90% (including dividend d istribution tax)

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

CORPORATE GOVERNANCE

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

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

RELATED PARTY TRANSACTIONS

All transactions entered into by the Company with related parties were in the ordinary course of business and on an

arm's length basis. The Company did not enter into any material transaction with such related parties, under Section 188 of the Companies Act, 2013, during the year. Form AOC-2, as required under Section 134 (3) (h) of the Act, read with Rule 8 (2) of the Companies (Accounts) Rules 2014, is attached as part of this report, vide Annexure III (i). Further, the Company's policy on Related Party Transactions is attached as part of this report, vide Annexure III (ii).

The Company did not enter into any transactions with any person or entity belonging to the promoter or promoter group and holding 10% or more shareholding in the Company.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Your Company, along with its subsidiaries and associates, has always responded in a responsible manner to the growing needs of the communities in which it operates. During the year, your Company has, in consonance with the CSR policy of the Company, undertaken a number of initiatives that contribute to society at large, in the areas of health, education, environment and preservation of the country's rich culture and heritage.

The Annual Report on CSR Activities undertaken by the Company for the Financial Year 2019 – 2020, is annexed with this report, vide Annexure IV.

BUSINESS RESPONSIBILITY REPORT

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

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

The Company has in place a Policy for prevention of Sexual Harassment, in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. An Internal Complaints Committee (ICC) has been set up to redress complaints. All employees (permanent, contractual, temporary, trainees) are covered under this policy. No complaints were received during the financial year nor were any pending unresolved as on 31st March 2020.

SECRETARIAL AUDIT

In terms of Section 204 of the Companies Act, 2013 and the rules thereunder, the Company has appointed M/s Damodaran & Associates, Practising Company Secretaries, as the Secretarial Auditor of the Company. The Secretarial Audit Report as provided by them is annexed to this Report, vide Annexure VI.

REMUNERATION TO DIRECTORS / KEY MANAGEMENT PERSONNEL

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

SUNDARAM FINANCE EMPLOYEE STOCK OPTION SCHEME

Based on the recommendations of the Nomination, Compensation and Remuneration Committee, your Board of Directors has granted, subject to regulatory approvals where necessary, 9,375 stock options to select eligible employees, on 29th May 2020. The disclosure required under SEBI (Share Based Employee Benefits) Regulations, 2014 is furnished, vide Annexure VIII.

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 MGT-9 is annexed as part of this report, vide Annexure IX.

DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS

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

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

Your company has no activity relating to conservation of energy or technology absorption. During 2019 - 2020, expenditure in foreign currencies amounted to ₹85.14 cr. Foreign currency earnings amounted to ₹2.60 cr.

MANAGEMENT DISCUSSION AND ANALYSIS

Global Economy

The IMF in its World Economic Outlook (WEO) Update of January 2020, estimated global output to grow at 2.9 per cent in 2019, declining from 3.6 per cent in 2018 and 3.8 per cent in 2017 representing the slowest growth since the global financial crisis of 2009, arising from a geographically broad-based decline in manufacturing activity and trade. The ongoing strains in trade relations between China and the US have contributed significantly to the decline of world output and trade. The growth of advanced economies and OECD countries declined from 2.5 per cent in 2017 to 2.2 per cent in 2018 and was estimated to further decline to 1.7 per cent in 2019.

The IMF Outlook had projected a rebound in global economic growth in 2020 with a modest uptick to 3.3 per cent. However, the COVID-19 outbreak altered everything within a few short weeks. The COVID-19 pandemic is a global health crisis like none other in living memory. It has triggered the most severe global economic recession in nearly a century and is causing untold damage to people's lives and livelihoods. As per an OECD Report, the global economy is now experiencing the deepest recession since the Great Depression of the 1930s, with GDP declines of more than 20% and a surge in unemployment in many countries. Even in countries where containment measures have been relatively light, early data is already showing that the economic and social costs of COVID-19 will be significant.

Indian Economy

Amidst a weak global environment for manufacturing and trade, India's GDP growth moderated to 4.8 per cent in H1 of 2019-20, from 6.2 per cent in H2 of 2018-19 and is now projected at 4.2% for the year 2019-20. On the other hand, India's external sector fared better, with the Current Account Deficit (CAD) narrowing to 0.2% of GDP in the third quarter of the 2019-20, from 2.7% in the same period a year ago mainly driven by the easing of crude oil prices. This was accompanied by impressive Foreign Direct Investment (FDI) and portfolio inflows, resulting in a healthy accretion to foreign exchange reserves which stood at USD 474 billion at the end of March 2020 as compared to USD 412 billion at the end of the previous year, as per RBI data.

The gross fiscal deficit increased to 3.8% for the year ending March 2020, reflecting a slowing economy and revenue collection pressures, as compared to 3.4% for the year 2018-19. The Rupee witnessed a depreciation of 8.3% against the dollar, ending the fiscal year at ₹74.35.

With the onset of COVID-19 cases in India, mobility constraints on international travel were imposed even before a national "Lockdown" from 25th March 2020. Soon after the lockdown

was announced, the Government came out with a relief package targeted primarily at low income households and MSMEs. This relief took the form of cash transfers, subsidised food grains, free gas cylinders and interest free loans, besides various measures by RBI to encourage bank lending to the MSMEs, small NBFCs and other sectors where resources for restart or revival were critically needed.

On 27th March 2020, RBI reduced the policy (repo) rate by 75 basis points to 4.4%. In order to boost liquidity, RBI unveiled total liquidity support of ₹3,75,000 crores (roughly US$50 billion or 1.7% of GDP) across programs including the targeted longer-term refinancing operations (TLTRO). The RBI also permitted all lending institutions including NBFCs, to offer a moratorium of three months to their borrowers, on repayment of all term loan instalments falling due between March and May 2020.

On 17th April 2020, RBI added to its liquidity measures by announcing a second round of TLTRO aimed specifically at providing liquidity to NBFCs. On 22nd May 2020, RBI reduced the policy rate by a further 40 basis points to 4% and the reverse repo rate by 40 basis points to 3.35%. RBI also permitted the moratorium to be extended for a further period of three months, ending August 31, 2020.

The year was also significant from the standpoint of tax reforms with the government announcing several changes, of which the significant ones were:

- Reduction of the effective corporate tax rate from 34.9% to 25.17%, (inclusive of cess and surcharge) for all domestic companies, subject to the condition that they would not be eligible for any other incentives or exemptions.
- Introduction of Sabka Vishwas Legacy Dispute Resolution Scheme and Vivad Se Vishwas Scheme to reduce litigation in Indirect and Direct taxes.
- Dividends to be taxed in the hands of individuals; Dividend distribution tax scrapped – both effective 1st April 2020.

Automotive Sector

The year under review continued to be a difficult one for the automotive industry. Among the various segments, commercial vehicles (CV) were the worst affected due to slowing economic growth and excess capacity in the system. The decline in Commercial vehicle sales that began in October 2018, following the announcement of the revised axle load norms in July 2018, continued relentlessly through 2019-20. Overall, CV sales declined 29% with Medium & Heavy Commercial Vehicles and Light Commercial Vehicles declining 56% and 19% respectively, versus the previous year. Demand for commercial vehicles which was tepid to begin with, remained depressed during the first half of the financial year. Deferrals and cancellations of projects and delayed release of funds to contractors by various state governments resulted in tight liquidity conditions for them while natural calamities in a few states also added to the woes of the road transport operators. The expected improvement during the latter part of the year did not materialise, nor did the widely anticipated 'Pre buying', ahead of the imminent transition to the BS 6 emission norms from April 1, 2020. Passenger vehicle sales (PV) declined 18%, reflecting the depressed consumer sentiment. Within PVs, Utility vehicles performed better registering zero growth, while cars declined 24% year on year.

Operating & Financial Performance

Your Company's disbursements at ₹15,175 cr. (PY ₹17,170 cr.) were down by 11.62% during the year under review, reflecting the marked decline in sales across the automotive sector. Disbursements against Commercial Vehicles declined 18% in unit terms as compared to the market drop of 29%; disbursements against passenger cars and utility vehicles also declined 18%, mirroring the overall market.

The fourth quarter of the financial year normally witnesses a surge in sales of both commercial vehicles and passenger cars. However, the general slowdown in economic activity, coupled with the impending switchover to the BS 6 norms and the COVID-19 impact in March 2020, proved to be a significant dampener. Gross receivables managed by the Company as at March 31, 2020 stood at ₹35,088 cr., as against ₹33,447 cr., a growth of 4.91% over the previous year. Your Company's tight rein on operating costs and its ability to raise resources at competitive rates enabled it to maintain its margins at a reasonably healthy level.

Reflecting the economic slowdown and the cash flow strains faced by its customers, the Company's delinquencies increased during the year. Further, the year-end recovery efforts were severely hampered by the nationwide lockdown in March 2020. Stage III assets, Gross and net of ECL provisions, stood at 2.47% (1.33%) and 1.65% (0.83%) respectively, as at 31st March 2020.

In accordance with the COVID-19 Regulatory Package announced by RBI on 27th March 2020, your Company has extended the benefit of moratorium for payment of instalments during March 2020 to May 2020 to all eligible customers. Approximately 42% of the customers, covering 64% of the instalments due have opted for the moratorium. In line with the RBI notification dated 17th April 2020, your Company has made the entire standstill provision of 10% amounting to ₹27.18 Cr., wherever asset classification benefit was extended as on 31st March 2020. RBI has since extended the moratorium for a further three months, ending 31st August 2020. Your company has accordingly decided to extend the moratorium to all eligible customers.

Your company has been maintaining comfortable liquidity in the form of liquid investments and undrawn bank limits, to meet its maturing liabilities and has not opted for moratorium in respect of its debt obligations to its lenders.

As per the RBI notification on implementation of Ind AS, where the provisions made as per Ind AS 109 are less than the provisions required under the IRAC (income recognition and asset classification) norms of RBI, NBFCs are required to create an 'impairment reserve', to provide for such shortfall in provisions. However, your Company has not created such a reserve as the overall provisions are in excess of the regulatory requirements.

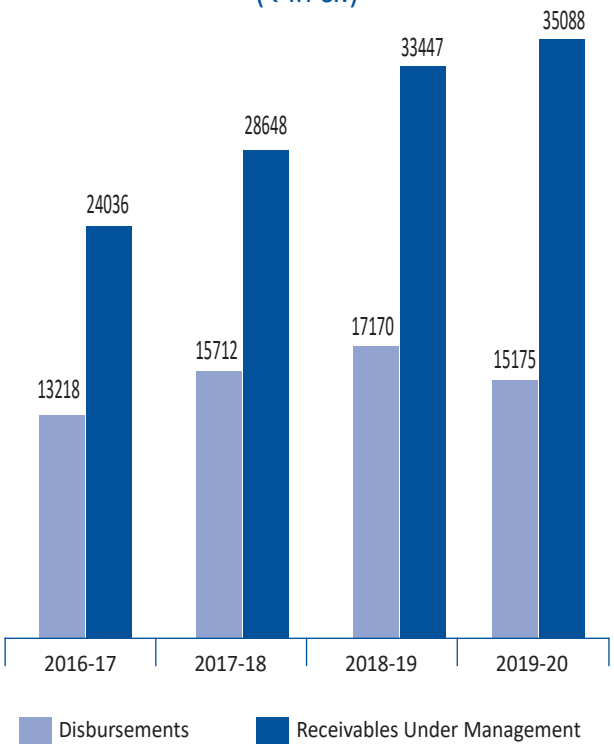
The net profit for the year was ₹723.95 cr., as against ₹604.05 cr. (excluding the exceptional profit (net of tax) of ₹522.26 cr. on sale of 25.9% stake in Royal Sundaram General Insurance Co. Limited) in the previous year. The company's networth stood at ₹5547.36 cr., as on 31.3.2020. Capital adequacy (CRAR) at 18.37% was comfortably higher than the statutory requirement of 15%.

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

	Net Profit Margin(%)			Return on Net Worth(%)		
	March 2020	March 2019	Variance	March 2020	March 2019	Variance
Ratios (including exceptional items)	18.44%	28.63%	(34.35%)	13.67%	24.55%	(44.30%)
Ratios (excluding exceptional items)	18.44%	18.07%	2.00%	13.67%	13.96%	(2.06%)

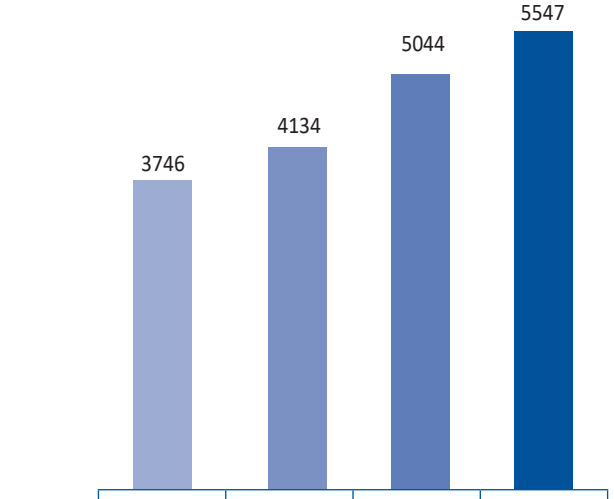
Disbursement and Receivables Under Management

(₹ in cr.)



Own Funds

(₹ in cr.)



	March 2017	March 2018	March 2019	March 2020
Book Value (₹)	337.13	372.09	453.96	499.30

RESOURCE MOBILISATION

a) Deposits

During the year, your Company mobilised fresh deposits aggregating to ₹ 925.41 cr. Renewal of deposits during the year amounted to ₹ 1174.09 cr., representing 86% of the matured Deposits of ₹1374.10 cr. Deposits outstanding at the year-end were at ₹ 3676.19 cr. as against ₹2975.16 cr. in the previous year. The Net accretion for the financial year was ₹ 701.03 cr. representing the highest ever in the history of your Company. As at 31st March 2020, 4372 deposits amounting to ₹52.00 cr. had matured for payment and were due to be claimed or renewed. After close follow-up, these figures are currently 4014 and ₹43.12 cr. respectively. Continuous efforts are being made to arrange for repayment or renewal of these deposits. There has been no default in repayment of deposits or payment of interest thereon during the year. Investor Relation Services – Deposits continue to enjoy the ISO 9001:2015 Certification from Bureau Veritas (India) Private Limited.

b) Term Funding

During the year, your Company raised term funding from Banks, Mutual funds, Insurance companies and others in the form of non-convertible debentures and term loans to the tune of ₹7182 cr., across varying tenors.

c) Bank Finance

As part of the overall funding plan, your Company's working capital limits with Consortium banks were retained at ₹3000 cr. During the year, your Company also issued several tranches of commercial paper aggregating to ₹9160 cr. The maximum amount outstanding at any time was ₹5735 cr. and the amount outstanding at the end of the year was ₹3700 cr.

d) Assets Securitised / Assigned

During the year, your Company raised resources to the extent of ₹3106 cr. through securitisation and assignment of receivables.

CREDIT RATINGS

Your Company's long term credit ratings have been retained at "AAA" (Highest Degree of Safety) with a "Stable Outlook", by both ICRA & CRISIL. The short term borrowings (including commercial paper) are rated "A1+" (very strong degree of safety) by both ICRA and CRISIL. Fixed Deposits are rated "AAA" (Highest Credit Quality) by ICRA and CRISIL.

COVID-19

The widespread disruption caused by the nationwide lockdown posed several challenges both in terms of people safety and technology. As a customer facing business, your Company had to quickly reorient its approach and processes to respond to the emerging situation. While the primary objective was to ensure the safety of our employees and customers, it was vitally important to ensure that customer service levels were not compromised. Taking a cue from developments in other parts of the country, your Company took a number of steps to enable a 'Work from home' environment, ahead of the nationwide lockdown on 25th March 2020. This included putting in place adequate IT security measures to safeguard the technology environment, while providing access to nearly 3000 users on a real time basis. This ensured continuity of operations and service to customers, especially our depositors. All deposit maturities as well redemption of other liabilities were met on or before due dates.

All borrowers were kept continuously informed about the regulatory developments, especially regarding the grant of moratorium. This was done entirely using digital methods and last mile servicing was done by our employees using telephones and digital communications. The digital tools deployed were enhanced to improve the customer experience.

With the staggered resumption of activity across our branches, regional offices and Head office, detailed safety protocols were put in place to ensure that working methodologies including deep cleaning and fumigation, educating and training the staff to wear masks, importance of social distancing and hand sanitisation / washing with soap and avoiding physical contact were widely communicated to all our employees. Posters communicating the above were printed and are displayed at branches for the benefit of employees, customers and visitors. Employees were also encouraged to download the AROGYA SETHU app.

Your Company also harnessed the power of technology to disseminate extensive training to its employees relating to both safety and various functional areas through digital platforms. Digital technology was actively used in regular communication with the employees all over the country as much to ensure adherence to safety standards as to keep their morale high.

In April 2020, the Company made a contribution of ₹8 crores towards COVID-19 relief work, ₹4 crores each to PM CARES FUND and the Tamil Nadu State Government's CMPRF, as part of its CSR commitment for the Financial Year 2020-21.

OUTLOOK

Growth prospects will depend on many factors, not least how the pandemic evolves, the prospect of future shutdowns, the impact of social distancing norms and the implementation of fiscal and monetary policy support. Uncertainty will likely prevail for an extended period. COVID-19 has triggered the deepest global recession in decades. According to the World Bank, the pandemic will result in contractions across the vast majority of emerging market and developing economies. It will also do lasting damage to labour productivity and potential output. In India, output is projected to contract by 3.2% in FY 2020-21, when the impact of the pandemic will

largely hit. Stringent measures to control the spread of the virus will heavily curtail activity, despite some support from fiscal and monetary stimulus. Spill overs from weaker global growth and balance sheet stress in the financial sector will also weigh on activity.

The switch over to BS 6 norms, effective April 1 2020 could not have come at a worse time for the Indian automotive industry. Commercial vehicle sales were already projected to be muted in light of the economic slowdown and the capacity overhang in the haulage segment. With the COVID-19 imposed lockdown coming into play, this situation has been greatly exacerbated. While demand in the first two months of the current financial year has been virtually non-existent, supply chains have been severely affected as well. Unfortunately, the prospects of an early turnaround in CV sales seem dim and will depend heavily on a sustained revival in economic activity and improvement in the movement of goods and passengers. The Infrastructure sector could offer a big opportunity. Budgetary allocations for this sector are significant and if the various projects get underway, they could provide a boost to CV sales.

Passenger Cars, after a dismal performance in the previous year were expected to stage a revival in the current financial year, but the pandemic intervened. There is a school of thought that with social distancing set to become the norm, demand for 'Personal transportation' could see a surge, especially in the entry level segments. If this hypothesis is proved right, it might provide a boost to car sales especially in the latter half of the year.

Much of the credit demand in the near term however, will be for working capital rather than asset acquisition. Small businesses, including transport operators whose livelihoods have been frozen for nearly two months, will need working capital to restart their businesses and regain their livelihoods.

Rural India has thus far been relatively unaffected by the pandemic. A bountiful rabi harvest followed by efficient procurement, the recently announced increase in MSP and the prospect of a normal monsoon in the current year, augur well for the agricultural sector and should lead to a growth in sales of tractors and associated farm equipment.

INTERNAL FINANCIAL CONTROLS

The Company has a well established internal financial control and risk management framework to ensure the highest standards of integrity and transparency in its operations and a strong corporate governance structure. Appropriate controls are in place to ensure:

a) the orderly and efficient conduct of business, including adherence to policies.

b) safeguarding of assets

c) prevention and detection of frauds/errors.

d) accuracy and completeness of accounting records and

e) timely preparation of reliable financial information.

RISK MANAGEMENT

Your Company has built a robust risk management framework over the years. Engaged, as it is, in retail financing, the Company has to manage various risks, including credit risk, liquidity risk, interest rate risk and operational risk. The Risk Management Committee and the Asset Liability Management Committee review and monitor these risks on a regular basis. The Company manages credit risk through stringent credit norms established through several decades of experience in retail lending and continues to follow the time tested practice of personally assessing every borrower, before committing to a credit exposure. The Company monitors ALM on an ongoing basis to mitigate liquidity risk, while interest rate risks arising out of maturity mismatch of assets and liabilities are managed through regular monitoring of the maturity profiles. The Company also measures the interest rate risk by the duration gap method.

Operational risks can arise due to changes in business environment or changes in processes, affecting the control effectiveness. The Internal audit team reviews the processes and controls to ensure the design effectiveness and adequacy of controls to mitigate risk. A stable and experienced management team provides much needed continuity and expertise in managing the dynamic changes in the market environment. The company has well documented standard operating procedures for all processes to ensure better control over transaction processing and regulatory compliance and periodical review of the same ensures that the risks including technology risks are mitigated. While meeting the strategic objectives is the key driver, our values and culture that are enshrined in the Sundaram Way of doing business and the obligations and commitment to our customers, employees, deposit holders and the community around us are the foundations on which our risk framework rests. The detailed Risk Management Framework of your Company has been furnished in the Notes to the Accounts under Note.38, for your information.

In November 2019, Reserve Bank of India revised the extant guidelines on liquidity risk management for NBFCs, in order to strengthen the Asset Liability Management (ALM) framework applicable to these entities. Amongst several other requirements, the guidelines mainly prescribe adherence to Liquidity Coverage Ratio (LCR). LCR seeks to ensure that NBFCs have an adequate stock of unencumbered High-Quality Liquid Assets (HQLA) that can be readily and immediately converted into cash, to meet the liquidity needs for a 30 calendar-day time horizon, under a significantly severe liquidity stress scenario. LCR requirement shall be binding on NBFCs from December 1, 2020 with the minimum HQLA to be held being 50% of the LCR, progressively reaching up to the required level of 100% by December 1, 2024. Your Company is in the process of implementing the liquidity risk framework as required by the regulations.

INTERNAL AUDIT

As part of its efforts to evaluate the effectiveness of the internal control systems, your Company's internal audit department independently evaluates the adequacy of control measures on a periodic basis and recommends improvements, wherever appropriate. The Internal Audit team plays a vital role in continuously monitoring the effectiveness of the Standard Operating Procedures and makes extensive use of software and analytical tools which enables effective offsite or remote auditing. A robust process ensures that the Internal Audit team regularly updates its skills and knowledge base in order to analyse, assess, mitigate and monitor the controls and guard against inadequacies that could pose a threat to the company's strategic objectives. Systematic identification of risks on a proactive basis enables quick decision making on strengthening and redesigning the controls where required, through agile audit plans. The internal audit function is fully geared to meet the emerging challenges in the post COVID-19 era.

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

Additionally, an Information Security Assurance Service is also provided by independent external professionals. Based on their recommendations, the Company has implemented a number of control measures both in operational and IT related areas, apart from information security related measures.

To ensure adequate strengthening of controls surrounding information security and mitigate technology risks, external information systems auditors carry out audits on both network and application systems. They work along with Internal Audit teams to ensure adequate independence while reviewing IT applications infrastructure and network management.

In the wake of COVID-19, the Internal audit team along with the information systems auditors are redefining the scope of coverage to address future risks as part of the risk mitigation strategy and to facilitate strengthening of the internal IT control systems.

INFORMATION TECHNOLOGY

The IT Strategy Committee of the Company has laid down a comprehensive policy relating to Cyber Security, Business Continuity, Outsourcing and Information Security and Technology, in line with its terms of reference.

Your Company is strictly following the IT Framework Master Directions laid down by RBI on Information and Cyber Security where effective IT Governance involves leadership support, organisational structure and processes.

Your Company has a State-of-the-Art Data Centre catering not only to its own needs but also to those of its subsidiaries and associates, with a capacity of over 300 servers, managed by professionals providing 24/7 support, with over 99.99% uptime. The Data Centre is accredited for ISO/IEC 27001:2013 by TUV Rheinland for Information Security Management System. The Disaster Recovery Site for all critical applications is hosted at a separate facility located in a different seismic zone, with near real-time data replication. Your company continues to scale up and modernise its IT infrastructure to provide best-in-class capabilities to support the business needs. Your company has implemented various protocols for managing Information and Cyber security across the organization. In its continuous efforts to ensure a secure environment, your Company has built a robust infrastructure and carries out comprehensive vulnerability assessments and penetration testing periodically, to identify and minimise external threats.

The in house IT Team has mastered a complex landscape of current technologies, marketing approaches, and operational capabilities to cater to the various business applications within the Company. Digital services and operations are raising the competitive bar in every sector. Your Company's digital strategy is driven by the twin objectives of enriching our employee's jobs on the one hand, while enhancing the customer experience, on the other. Our digital initiatives address these very objectives, by enhancing our speed of response to our customers and providing them a host of digital options to interact and transact with us, and a number of productivity enhancements through process automation which free up our people to deliver the unique 'Sundaram Experience' to our customers. Your company is continuously investing in updating its IT application platforms to ensure reliability and minimise any risks of obsolescence.

We are a relationship centric business and have consciously adopted a digital strategy to augment these relationships and be digitally available for our customers, as and when they need us.

CONSOLIDATED FINANCIAL STATEMENTS

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

The Consolidated profit after tax is ₹791.54 cr. as against ₹1160.85 cr. of the previous year. The total comprehensive income for the year was ₹754.81 cr. as against ₹1012.79 cr.

The annual accounts of all the Subsidiary Companies have been posted on your Company's website – www.sundaramfinance.in. Detailed information, including the annual accounts of the Subsidiary Companies will be available for inspection by the members, at the registered office of the Company and will also be made available to the members upon request.

SUBSIDIARIES

- **Sundaram Finance Holdings Limited**

Sundaram Finance Holdings Limited reported a gross income of ₹94.35 cr. as against ₹120.71 cr. in the previous year. Profit after tax was ₹61.39 cr. as compared to ₹84.93 cr. in the previous year, a clear reflection of the downturn in the automotive sector. The company has recommended a final dividend of ₹0.50 per share (10%) for the year ended 31st March 2020. This together with Interim dividend amounting to ₹0.75 per share (15%) already paid, would aggregate to a total dividend of ₹1.25 per share (25% on the face value of ₹5/- per share).

- **Sundaram Home Finance Limited (Formerly Sundaram BNP Paribas Home Finance Limited)**

The company approved loans aggregating to ₹2240 cr. (Previous year ₹2672 cr.). Disbursements during the year were lower by 14% at ₹2113 cr. (PY ₹2449 cr.). The company earned a gross income of ₹1078.87 cr. (PY ₹1006.27 cr.) and reported a profit after tax at ₹218.15 cr. (including one-time reversal of deferred tax liability of ₹60.25 cr.). (PY ₹ 145.47 cr.). The loan portfolio under management as at 31st March 2020 stood at ₹9456 cr. as against ₹9064 cr. in the previous year. Stage III assets, Gross and net of ECL provisions, stood at 3.77% and 1.63% respectively, as at 31st March, 2020. The company has recommended a final dividend of ₹3.00 per share (30%) for the year ended 31st March 2020. This together with Interim dividend amounting to ₹1.20 per share (12%) already paid, would aggregate to a total dividend of ₹4.20 per share (42%).

During the year, your Company acquired the 49.9% equity stake held by BNP Paribas Personal Finance S.A., France, in Sundaram BNP Paribas Home Finance Limited (SHFL) for a consideration of ₹99966.92 lakhs. Consequently, SHFL became a wholly-owned subsidiary of your company effective 30th September 2019 and was rechristened as Sundaram Home Finance Ltd effective 18th November 2019.

- **Sundaram Asset Management Company Limited (On consolidated basis)**

The Company reported a consolidated gross income of ₹300.50 cr. as against ₹330.28 cr. in the previous year. Consolidated Profit after tax was ₹32.69 cr. as compared to ₹28.84 cr. during the previous year. The Average Assets under Management, amounted to ₹36,920 cr. for the year 2019-2020 as compared to ₹35,677 cr. in the previous year. The company has recommended a final dividend of ₹7.50 per share (75%) for the year ended 31st March 2020.

- **Sundaram Trustee Company Limited**

Sundaram Trustee Company Limited earned a gross income of ₹1.49 cr., as against ₹1.51 cr., in the previous year and reported a profit after tax of ₹ 0.80 cr. for the year, as against ₹0.80 cr. in the previous year. The company recommended a dividend of ₹ 140 per share (1400%) for the year ended 31st March 2020.

- **LGF Services Limited**

During the year, the Company reported a gross income of ₹0.19 cr. as against ₹ 0.38 cr. in the previous year. The profit after tax for the year was ₹0.11cr. as against ₹0.25 cr. in the previous year. The company recommended a dividend of ₹6 per share for the year.

- **Sundaram Fund Services Limited (Formerly Sundaram BNP Paribas Fund Services Limited)**

Sundaram Fund Services Limited (formerly Sundaram BNP Paribas Fund Services Limited) earned an income of ₹5.31cr. during the year as against and ₹35.25 cr. in

the previous year. The company reported a profit after tax at ₹0.58 cr. from continuing operations and ₹15.84 cr. from discontinued operations, as against a loss of ₹8.68 cr. in the previous year.

During the year, your Company acquired the 49% equity stake held by BNP Paribas Securities Services, France, in Sundaram BNP Paribas Fund Services Limited (SBFS) for a consideration of ₹150 lakhs. Consequently, SBFS became a wholly-owned subsidiary of your Company on 31st July 2019 and its name was subsequently changed to Sundaram Fund Services Ltd.

In August 2019, the company entered into a slump sale arrangement, pursuant to which it transferred its Business comprising a) Services of a Registrar to an Issue and Share Transfer Agent for Mutual Fund unit schemes and back office functions in relation thereto and b) Back office and Fund Accounting services to alternative investment funds/ Private Equity, to KFin Technologies Private Limited.

JOINT VENTURE

- **Royal Sundaram General Insurance Co. Ltd (Royal Sundaram)**

  Royal Sundaram reported a robust increase of 16% in Gross Written Premium (GWP) at ₹3,710 cr. as compared to ₹3,196 cr. in the previous year. The company however reported a loss after tax of ₹76 cr. for the year as against a profit after tax of ₹113 cr. in the previous year. The current year's results were adversely affected as the Company provided ₹164.11 cr. (net of tax) towards impairment in respect of its debt exposure and MTM on equity investments (Previous year ₹7.71 cr.).

BOARD & AUDIT COMMITTEE

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

KEY MANAGEMENT PERSONNEL

Sri A N Raju, Director (Operations) was reappointed for a period of five years with effect from 1st April 2019

DIRECTORS

Sri A. N. Raju and Sri Harsha Viji, Directors retire by rotation and being eligible, offer themselves for re-election. Based on the recommendations of the Nomination, Compensation and Remuneration Committee, Sri Rajiv C Lochan, an Independent Director on the board of your Company has been appointed as a Wholetime Director with effect from 3rd June 2020 and designated as Director - Strategy. The Company would be taking necessary steps to bring the composition of the Board in line with the regulatory prescriptions, within the timelines prescribed under the regulatory framework.

DECLARATION BY INDEPENDENT DIRECTORS

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

ANNUAL EVALUATION BY THE BOARD

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

DIRECTORS' RESPONSIBILITY STATEMENT

Your directors confirm that:

1. In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
2. The Company has selected such accounting policies and applied them consistently and made 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;

5. Adequate internal financial controls have been put in place and they are operating effectively; and

6. Proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

AUDITORS

M/S SUNDARAM & SRINIVASAN Chartered Accountants, Chennai, have been appointed as Statutory Auditors of your Company, to hold office for a term of five (5) consecutive years from the conclusion of the 64th Annual General Meeting until the conclusion of the 69th Annual General Meeting at such remuneration as may be mutually agreed between the Board of Directors of the Company and the Statutory Auditors.

ACKNOWLEDGEMENT

Your directors gratefully acknowledge the support and co-operation extended to your Company by all its customers, depositors, shareholders and bankers, as also the various mutual funds, insurance companies, automotive manufacturers and dealers.

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

For and on behalf of the Board

Chennai 600 002
29.05.2020

S VIJI
Chairman

Annexure - I

SFL Policy for Distribution of Dividends

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

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

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

1. The Board of Directors may declare one or more interim dividends after considering various financial and other parameters.

   The Board may recommend final dividend after approval of the final audited accounts.

2. Dividends shall generally be declared out of the annual standalone Profit After Tax of the Company relating to the current financial year, subject to any other regulatory provisions that may be introduced from time to time.

3. The Board will generally endeavour to maintain a dividend payout ratio (including dividend distribution tax) of 20% – 30% of the annual standalone profit after tax for each financial year.

4. The factors, internal and external, to be considered by the Board, for determining the quantum of dividend, will include the following:

   (a) Internal Factors
   - Growth in volume of business
   - Quality of assets
   - Profitability position
   - Stability of earnings
   - Carried forward balance in P & L account
   - Accumulated reserves

   (b) External Factors
   - Macro-economic environment
   - Performance of the automotive sector
   - Changes in governmental policies
   - Regulatory changes

5. The retained earnings of the Company may be used, inter alia, for one or more of the following purposes:
   (i) Growth plans;
   (ii) Capital expenditure;
   (iii) Working capital requirements;
   (iv) Capitalisation;
   (v) Investment in new lines of business and / or additional investment in existing lines of business;
   (vi) Repayment of debt;
   (vii) Meeting contingency plans; and
   (viii) Any other purpose as may be permitted by law.

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

Annexure - II

Report on Corporate Governance

Sundaram Finance Limited has been following robust governance practices since its inception. The strong edifice of the Company, built in 1954, is supported by the pillars of Customer Faith, Investor Trust and Employee Loyalty. Your Company continues to maintain the highest standards of integrity and transparency in operations, excellence in service to all stakeholders and strong Corporate Governance standards.

I. BOARD OF DIRECTORS

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

The composition of the Board is in conformity with the listing requirements as on 31st March 2020.

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

Name of the Director	DIN	Attendance Particulars		Directorships in other public limited companies (as on 31st March 2020)				Committees in which Chairman/Member of other public limited companies* (as on 31st March 2020)		Directorship in other listed company	
		Board Meetings	AGM	Chairman		Director		Chairman	Member	Name of the Company	Category of Directorship
				Listed	Unlisted	Listed	Unlisted				
Promoter Directors											
Sri S. Viji Non-executive Chairman	00139043	8	Yes	–	1	1	1	1	1	Wheels India Limited	Non - Executive Director
Sri S. Ram Non-executive Director	00018309	8	Yes	2	1	–	2	2	1	Wheels India Limited India Motor Parts & Accessories Limited	Non - Executive Chairman
Sri S. Ravindran Non- executive Director	00045076	8	Yes	–	–	–	–	–	–	–	–
Sri T. T. Srinivasaraghavan, Managing Director	00018247	8	Yes	1	–	–	5	–	3	Sundaram Finance Holdings Limited	Non - Executive Chairman
Sri Harsha Viji Deputy Managing Director	00602484	8	Yes	–	–	1	4	1	4	Sundaram Finance Holdings Limited	Non - Executive Director
Independent Directors											
Sri R. Raghuttama Rao	00146230	7	Yes	–	–	1	2	–	1	Wheels India Limited	Independent Director
Sri P.N. Venkatachalam	00499442	7	Yes	–	–	1	6	1	6	Edelweiss Financial Services Ltd	Independent Director
Sri S. Mahalingam	00121727	8	Yes	–	–	2	4	4	2	Sundaram Fasteners Limited JSW Steel Limited	Independent Director
Sri S. Prasad	00063667	8	Yes	–	–	3	2	4	2	Wheels India Limited Sundaram Finance Holdings Limited India Motor Parts & Accessories Limited	Independent Director

Name of the Director	DIN	Attendance Particulars		Directorships in other public limited companies (as on 31st March 2020)				Committees in which Chairman/Member of other public limited companies* (as on 31st March 2020)		Directorship in other listed company	
		Board Meetings	AGM	Chairman		Director		Chairman	Member	Name of the Company	Category of Directorship
				Listed	Unlisted	Listed	Unlisted				
Ms Shobhana Ramachandhran	00273837	6	Yes	–	–	3	2	–	1	TVS Srichakra Limited	Executive Director
										Sundaram Brake Linings Limited	Non-Executive Director
										Sundaram Finance Holdings Limited	Independent Director
Sri Rajiv C. Lochan	05309534	6	Yes	–	–	–	1	–	–	–	–
Executive Director											
Sri A N Raju Director (Operations)	00036201	8	Yes	–	–	–	1	–	–	–	–

* Audit Committee and Stakeholders' Relationship Committee considered.

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

Category	Expertise	Skills / Competencies
Non-Executive Non-Independent Directors Sri. S. Viji Sri. S. Ram Sri. S. Ravindran	• In-depth Industry Knowledge • Capital Markets • Legal and Regulatory Framework • Risk Assessment and Management • Business Policies • Strategic Management	• Entrepreneurial • Governance • Behavioural
Independent Directors Ms Shobhana Ramachandhran Sri R. Raghuttama Rao Sri. S. Mahalingam Sri. S. Prasad Sri. Rajiv C Lochan* Sri P.N. Venkatachalam	• In-depth Industry Knowledge • Audit and Financial Management • Treasury • Legal and Regulatory Framework • Risk Assessment and Management • Business Policies • Capital Markets	• Technical/Professional • Analytical • Technological • Behavioural
Executive Directors Sri. T.T. Srinivasaraghavan Sri. Harsha Viji Sri. A.N. Raju	• In-depth Industry Knowledge • Audit and Financial Management • Wealth Management • Treasury Operations and Management • Business Policies • Legal and Regulatory Framework • Capital Markets • Risk Assessment and Management • Asset Liability Management • Strategic Management	• Governance • Leadership • Technical • Analytical • Organisational • Technological • Planning • Resource Management and Utilisation • People Management • Communication • Behavioural

* Sri Rajiv C Lochan, an Independent Director on the board of your Company has been appointed as a Wholetime Director with effect from 3rd June 2020 and designated as Director - Strategy.

II. BOARD MEETINGS

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

During the year under review, 8 meetings of the Board of Directors were held.

26.04.2019	28.09.2019
30.05.2019	11.11.2019
20.06.2019 (2)	10.02.2020
06.08.2019	

All Directors and Senior Management Personnel have re-affirmed compliance with the Code of Conduct approved and adopted by the Board of Directors.

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

A Certificate issued by Sri M. Damodaran, Partner, M/s. M. Damodaran & Associates, Practicing Company Secretaries, under Sch. V.Para C.10(i) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is attached as part of this report vide Annexure II (i).

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

III. AUDIT COMMITTEE

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

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

Name of the Member		No. of Meetings Attended	Meeting dates
Sri S. Prasad	Chairman	11	22.04.2019 27.05.2019 20.06.2019 31.07.2019 06.08.2019 28.09.2019 25.10.2019 11.11.2019 23.12.2019 07.02.2020 16.03.2020
Sri S. Ravindran	Member	11	
Ms Shobhana Ramachandhran	Member	11	

The Company Secretary is the Secretary to the Committee.

IV. STAKEHOLDERS RELATIONSHIP COMMITTEE

The Stakeholders Relationship Committee

i) approves and monitors transfers, transmission, splits and consolidation of securities of the Company,

ii) reviews and resolves the grievances of security holders / depositors / debenture holders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, non-receipt of interest on deposits/debentures, issue of new/duplicate certificates, general meetings etc., and

iii) reviews the compliances with various statutory and regulatory requirements.

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

Name of the Member		No. of Meetings Attended	Meeting date
Sri S. Prasad	Chairman	1	23.12.2019
Sri T.T. Srinivasaraghavan	Member	1	
Sri A.N. Raju	Member	1	

Besides, Transfer/Transmission of shares were approved by resolutions passed in circulation on 14 occasions.

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

V. RISK MANAGEMENT COMMITTEE AND ASSET LIABILITY MANAGEMENT COMMITTEE

The Risk Management Committee (RMC) and the Asset Liability Management Committee (ALCO), formed in accordance with the Directions of the Reserve Bank of India, function under the supervision of the Audit Committee.

The RMC formulates policies and strategies for identification, measurement and reporting on market risks, credit risks and operational risks.

Sri Rajmohan Vasudev Pai has been appointed as 'Chief Risk Officer' of the Company for a period of 2 years with effect from 1st October 2019, in accordance with the circular dated 16th May 2019 issued by Reserve Bank of India.

The ALCO is responsible for:

- managing the balance sheet within the performance / risk parameters laid down by the RMC
- monitoring and managing the market risk.

Composition of the Risk Management Committee and Asset Liability Management Committee and attendance of the members at Committee meetings are as follows:

Name of the Member		No. of RMC Meetings attended	RMC Meeting dates	No. of ALCO Meetings attended	ALCO Meeting dates
Sri T.T. Srinivasaraghavan	Chairman	5	11.04.2019 27.06.2019 27.09.2019 29.11.2019 06.03.2020	11	05.04.2019 27.05.2019 27.06.2019 26.07.2019 10.09.2019 27.09.2019 07.11.2019 29.11.2019 02.01.2020 04.02.2020 06.03.2020
Sri Srinivas Acharya[#]	Member	5		10	
Sri Harsha Viji	Member	4		11	
Sri A.N. Raju	Member	5		11	
Sri M. Ramaswamy	Member	5		10	

The Company Secretary is the Secretary to the Committee.

[#] Sri Srinivas Acharya demitted his membership from RMC & ALCO w.e.f 31st March 2020

VI. SEPARATE MEETING OF INDEPENDENT DIRECTORS

A Separate Meeting of Independent Directors was held on 20th December 2019 without the attendance of Non-Independent Directors and members of management. All the Independent Directors attended the meeting and:

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

(ii) reviewed the performance of the Chairman of the company, taking into account the views of Executive Directors and Non-Executive Directors;

(iii) assessed the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

VII. FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

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

https://www.sundaramfinance.in/investor info

VIII. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

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

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

Name of the Member		No. of Meetings Attended	Meeting dates
Ms Shobhana Ramachandhran	Chairman	1	26.04.2019
Sri S. Ravindran	Member	1	
Sri T.T. Srinivasaraghavan	Member	1	

The Company Secretary is the Secretary to the Committee.

IX. NOMINATION, COMPENSATION & REMUNERATION COMMITTEE

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

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

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

Name of the Member		No. of Meetings attended	Meeting dates
Sri P.N. Venkatachalam	Chairman	2	30.05.2019 & 28.09.2019
Sri S. Prasad	Member	2	
Sri S. Ravindran	Member	2	

The Company Secretary is the Secretary to the Committee.

X. INFORMATION TECHNOLOGY STRATEGY COMMITTEE

The Information Technology Strategy Committee has been constituted with the following terms of reference:

a) Approving IT strategy and policy documents and ensuring that the management has put an effective strategic planning process in place;
b) Ascertaining that management has implemented processes and practices that ensure that the IT delivers value to the business;
c) Ensuring IT investments represent a balance of risks and benefits and that budgets are acceptable;
d) Monitoring the method that management uses to determine the IT resources needed to achieve strategic goals and provide high-level direction for sourcing and use of IT resources;
e) Ensuring proper balance of IT investments for sustaining Company's growth and becoming aware about exposure towards IT risks and controls;
f) deliberating and deciding on any other matter which may be referred to the Committee by the Board of Directors or which in the opinion of the Committee will affect the IT Governance of the Company.

Composition of the Information Technology Strategy Committee and attendance of the members at Committee Meeting is as follows:

Name of the Member		No. of Meeting attended	Meeting dates
Sri S. Mahalingam	Chairman	2	06.05.2019 & 21.10.2019
Sri P.N. Venkatachalam	Member	2	
Sri Rajiv C. Lochan	Member	2	
Sri T.T. Srinivasaraghavan	Member	2	
Sri A.N. Raju	Member	2	
Sri V. Ananthanarayanan	Member	2	

The Company Secretary is the Secretary to the Committee.

XI. REMUNERATION OF DIRECTORS

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

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

The Non-Executive Directors are remunerated by way of commission for each financial year as decided by the Board of Directors within the ceiling of 1% of the net profits of the Company approved by the shareholders. The details of remuneration paid to the Non-Executive Directors and number of shares held by them are as follows:

Name of the Director	Sitting Fee (₹ in lakhs)	Commission (₹ in lakhs)	Number of Shares held individually (as on 31.03.2020)	Relationship with other Directors
Sri S. Viji	2.00	8.00	9,09,780 [1]	Brother of Sri S. Ram and Father of Sri Harsha Viji
Sri S. Ram	2.00	8.00	5,06,788 [2]	Brother of Sri S. Viji
Sri R. Raghuttama Rao	1.85	8.00	–	–
Sri P.N. Venkatachalam	2.85	12.00	–	–
Sri S. Mahalingam	2.60	12.00	3,200	–
Sri S. Prasad	5.45	15.00	– [3]	–
Sri S. Ravindran	5.35	12.00	4,91,360 [4]	–
Ms Shobhana Ramachandhran	4.45	12.00	3,02,000	–
Sri Rajiv C. Lochan	2.10	12.00	–	–

Note: • Number of shares held jointly with others: [1] 8684 [2] 6,09,896 [3] 25,200 [4] 1,36,342

• Number of shares held as Karta of HUF: [1] 4,79,912

Amount of deposits placed by the Non-Executive Directors in the Company aggregated to ₹809.26 lakhs as on March 31, 2020. The interest on these deposits paid / credited during the year 2019-2020 amounted to ₹64.41 lakhs.

The Executive Directors of the Company are appointed on contractual basis, on terms approved by the shareholders. Their remuneration comprises salary, allowances, commission and perquisites. The quantum of commission payable to them is decided by the Nomination, Compensation and Remuneration Committee and Board of Directors. The remuneration is within the limits prescribed under Schedule V to the Companies Act, 2013.

The details of remuneration paid to the Executive Directors for the financial year 2019-2020 are as follows:

(₹ in lakhs)

Nature of Payment	Sri T.T. Srinivasaraghavan Managing Director	Sri Harsha Viji* Deputy Managing Director	Sri A.N. Raju Director (Operations)
Salary and allowances	1,66.06	1,42.30	1,14.42
Commission	3,25.00	2,40.00	1,25.00
Contributions to Provident, Superannuation and Gratuity Funds	14.62	12.40	11.59
Perquisites	3.80	2.02	0.45
Stock Options	Nil	Nil	38.97 # ^
Total	5,09.48	3,96.72	2,90.43

* Son of Sri S. Viji, Chairman

\# Value of 2,500 stock options exercised during the financial year 2019-20

^ 2,500 stock options were granted at ₹10/- per share (at par) on 30th May 2019. The said Options would vest on 2nd June 2020 and would be exercisable between 3rd June 2020 and 2nd August 2020.

XII. GENERAL BODY MEETINGS

Details relating to last three Annual General Meetings:

Year	Date	Time	Location	No. of Special Resolutions Passed
2019	19th July 2019	10.00 AM	The Music Academy, New No.168, Old No.306, TTK Road, Chennai 600 014	–
2018	20th July 2018	10.00 AM	The Music Academy, New No.168, Old No.306, TTK Road, Chennai 600 014	Two
2017	20th July 2017	10.00 AM	The Music Academy, New No.168, Old No.306, TTK Road, Chennai 600 014	One

Following Special Resolution was passed through Postal Ballot and E-voting, as per the procedure prescribed under Section 110 of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2011 under the overall supervision of the Scrutinizer, Sri T K Bhaskar, Partner, HSB Partners, Advocates, Chennai.

Sl. No.	Details of Resolution(s)	Resolution(s) Passed on	Total No. of votes in favour	Total No. of votes against	% of votes in favour	% of votes against
1.	Raising the present limit of borrowing (including foreign currency Loans), from ₹30,000 cr. to ₹40,000 cr. (excluding exchange fluctuations in respect of foreign currency Loans)	23.03.2020	6,78,91,956	82,028	99.88	0.12

The results of the postal ballots were announced by Sri. T.T. Srinivasaraghavan, Managing Director, at the Registered Office of the Company and posted on the website.

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

XIII. VIGIL MECHANISM / WHISTLE BLOWER POLICY

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

The Whistle Blower Policy is available under the following web link:

https://www.sundaramfinance.in/investor-info

XIV. DISCLOSURES

- There were no materially significant related party transactions having potential conflict with the interests of the company at large.
- Information pertaining to the Credit Ratings assigned by various Credit Rating Agencies for the Company's short term and long term borrowings, including fixed deposits, has been provided in the Board's Report on page no.11 and as part of the Notes to the Accounts (Note: 44.09) on page no. 162.
- All the mandatory requirements specified in Regulations 17 to 27 and Regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 have been complied with.
- The Company will continue to adopt other non-mandatory requirements as appropriate.
- The Company has a record of unqualified financial statements since inception.

XV. POLICIES ON MATERIAL SUBSIDIARIES AND RELATED PARTY TRANSACTIONS

The company's policies on Material Subsidiaries and Related Party Transactions are available on the website under the following web link:
https://www.sundaramfinance.in/investor-info

XVI. MEANS OF COMMUNICATION

- The annual audited financial results for the year ended 31st March 2019 and the quarterly unaudited financial results for the first three quarters of Financial Year 2019-20 were published in "Business Line" (English) and "Makkal Kural" (Tamil). The annual audited financial results for the year ended 31st March 2020 are not being published in the newspapers in accordance with the exemption granted by the Securities and Exchange Board of India.

- The results and press releases were also displayed on the Company's website at www.sundaramfinance.in.
- Shareholders have been provided with an opportunity to provide their email id for receiving correspondence and annual report in electronic form.
- The Notice of the 67th Annual General Meeting, together with the Annual Report for the financial year 2019-20, has been sent only in electronic form, in accordance with the relaxation granted by the Securities and Exchange Board of India vide Circular dated 12th May 2020, to those shareholders who have registered their email id with the Company/Depositories.

XVII. GENERAL SHAREHOLDER INFORMATION

Annual General Meeting

Date	Time	Mode
22nd July 2020 (Wednesday)	10.00 AM	Video Conference / Other Audio Visual Means (OAVM)

- Financial Year – 1st April 2020 to 31st March 2021
- Book Closure dates – 4th July 2020 to 22nd July 2020 (both days inclusive)
- Dates of payment of dividend

Interim	6th March 2020	₹10.00 per share (100%)
Final	On or after 23rd July 2020	₹3.00 per share (30%)

- The company's shares are listed on:
  National Stock Exchange of India Limited
  Exchange Plaza, 5th Floor
  Plot No. C/1, G Block
  Bandra-Kurla Complex
  Bandra (E), Mumbai 400 051
- The Company has paid the listing fees for the financial years 2019-20 & 2020-21 to the above stock exchange.
- NSE Stock Code: SUNDARMFIN
- ISIN : INE660A01013
- Details of outstanding shares in Sundaram Finance Limited Unclaimed Shares Suspense Account.

Particulars	Aggregate Number of shareholders	Outstanding shares lying in Sundaram Finance Limited Unclaimed Shares Suspense Account
Opening Balance as on 1st April 2019	83	24,965
Less: Requests received for transfer / delivery during 2019-20 and Shares transferred / delivered during 2019-20	Nil	Nil
Closing Balance as on 31st March 2020	83	24,965

- Details of outstanding shares in Sundaram Finance Limited Investor Education and Protection Fund Authority, Ministry of Corporate Affairs.

Particulars	Aggregate Number of shareholders	Outstanding shares lying in Sundaram Finance Limited IEPF Account
Opening Balance as on 1st April 2019	115	39,013
Less: Requests received for transfer / delivery during 2019-20 and Shares transferred / delivered during 2019-20	1	200
Add : Transfer of shares to Investor Education and Protection Fund Authority Ministry of Corporate Affairs during 2019-20		
Shares transferred on 17.09.2019	6	3,600
Balance as on 31st March 2020	120	42,413

Statutory Reminders are sent to members, in respect of shares transferred to the Unclaimed Share Suspense Account and IEPF authority in addition to the reminders through e-mails and phone contacts. Members who have not yet made claims are, therefore, requested to contact the Company / Registrar and Share Transfer Agents immediately.

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

Nature of Dividend	Transferable to IEPF on	Nature of Dividend	Transferable to IEPF on
Final Dividend 2012-13	18th August 2020	Interim Dividend 2016-17	20th April 2024
Dividend 2013-14	23rd August 2021	Final Dividend 2016-17	21st August 2024
Interim Dividend 2014-15	2nd March 2022	Interim Dividend 2017-18	28th May 2025
Final Dividend 2014-15	23rd August 2022	Final Dividend 2017-18	20th August 2025
Interim Dividend 2015-16	1st March 2023	Interim Dividend 2018-19	4th March 2026
2nd Interim Dividend 2015-16	8th April 2023	Final Dividend 2018-19	19th August 2026
Final Dividend 2015-16	22nd August 2023	Interim Dividend 2019-20	12th March 2027

Reminders are sent to members for encashing unclaimed and unpaid dividends, on a regular basis, in addition to the reminders through e-mails and phone contacts. Members who have not yet made claims are, therefore, requested to contact the Company / Registrar and Share Transfer Agents immediately.

- Fees paid to M/s. Sundaram & Srinivasan, Chartered Accountants, Statutory Auditors, for all services:

Sl. No.	Name of the Company	Total Fees Paid (₹ in lakhs)
1.	Sundaram Finance Limited	1,10.00
2.	Sundaram Home Finance Limited	56.00
3.	Sundaram Asset Management Company Limited	58.17
4.	Sundaram Trustee Company Limited	1.60
	Total	2,25.77

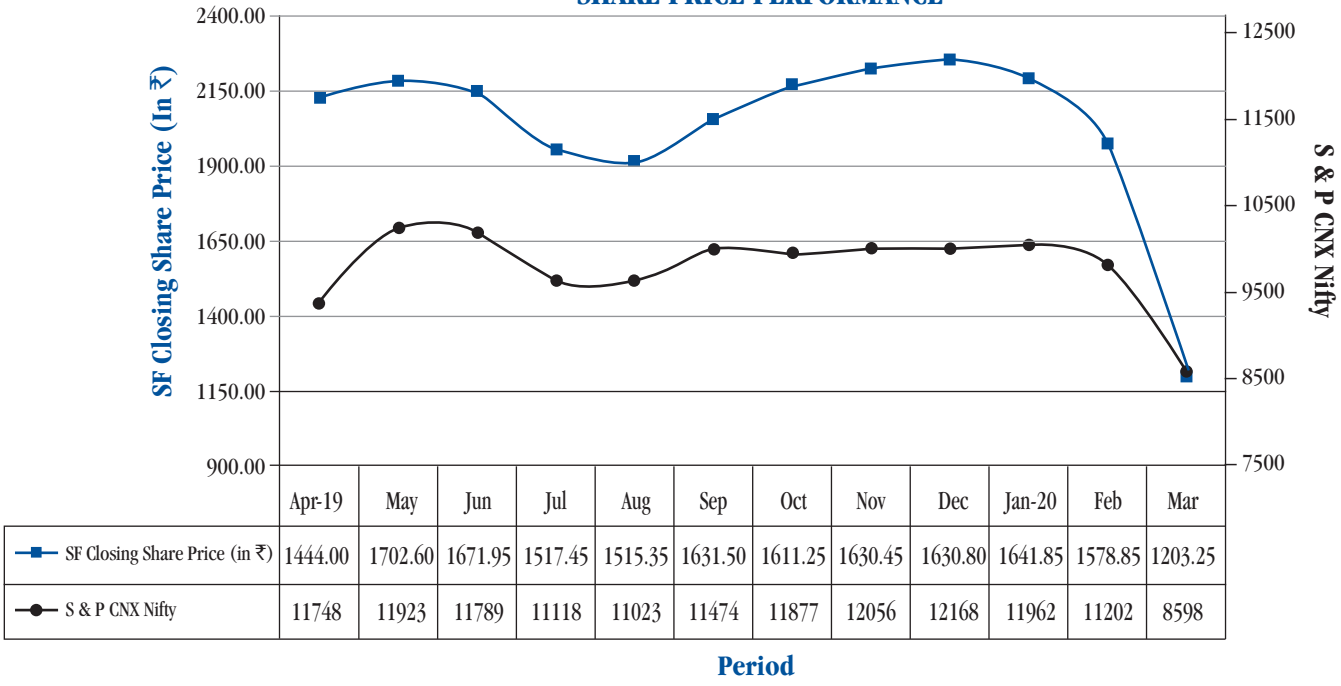
- Disclosure in relation to Prevention of Sexual Harassment at Workplace is available as part of the Board's Report.

MARKET PRICE DATA ON THE NATIONAL STOCK EXCHANGE

(In ₹)

Month		Apr – 19	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan – 20	Feb	Mar
NSE	High	1570.00	1732.90	1719.90	1691.90	1659.00	1677.30	1650.10	1725.00	1716.95	1700.50	1784.95	1618.10
	Low	1436.10	1382.20	1501.00	1453.25	1440.00	1452.05	1585.00	1565.00	1582.30	1594.30	1532.25	982.05

SHARE PRICE PERFORMANCE



	Apr-19	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan-20	Feb	Mar
SF Closing Share Price (in ₹)	1444.00	1702.60	1671.95	1517.45	1515.35	1631.50	1611.25	1630.45	1630.80	1641.85	1578.85	1203.25
S & P CNX Nifty	11748	11923	11789	11118	11023	11474	11877	12056	12168	11962	11202	8598

Period

- Share transfers were processed and share certificates despatched within the specified time limit from lodgement in accordance with the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015.

  Dematerialisation requests have been confirmed within the specified time limit.

  Investor Relation Services - Shares continue to enjoy the ISO 9001:2015 certification by Bureau Veritas Certification (India) Private Limited.

  M/s Cameo Corporate Services Ltd, Registrars and Share Transfer Agents of the company have attended to the share transfer formalities regularly. The Registrar and Share Transfer Agents can be contacted by the investors at the following address:

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

Debenture Trustee	Ms. Anjalee Athalye Vice President - Operations IDBI Trusteeship Services Limited Asian Building, Ground Floor, No.17, R. Kamani Marg Ballard Estate, Mumbai – 400 001 Tel: 022 40807018 Fax: 022 66311776 Email: anjalee@idbitrustee.com

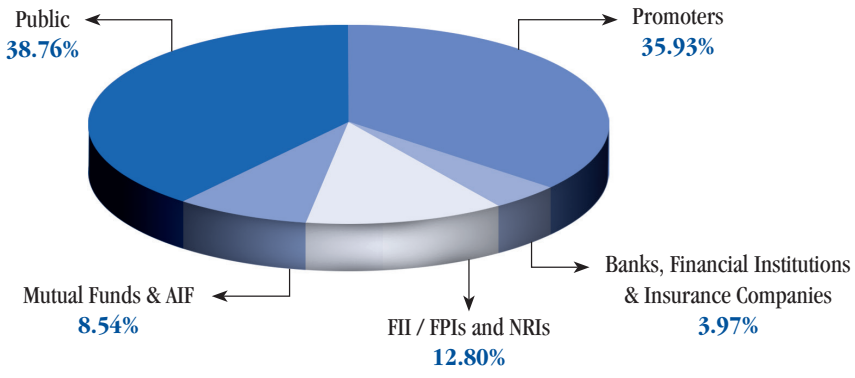
DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH 2020

No. of Equity Shares Held	Total Shareholders	Total Shares	Total % to Capital
Upto 250	20,354	10,70,343	0.96
251 to 500	2,173	8,22,844	0.74
501 to 1000	1,607	12,20,241	1.10
1001 to 5000	2,061	49,92,846	4.49
5001 to 10000	388	29,36,277	2.64
10001 to 50000	427	97,62,796	8.79
50001 to 100000	125	91,28,524	8.22
100001 and above	202	8,11,69,989	73.06
Total	27,337	11,11,03,860	100.00

Total shares held in dematerialised form 96.95%

Public shareholding in dematerialised form 95.24%

SHAREHOLDING PATTERN AS ON 31.03.2020



For your queries / grievances / complaints, please contact:

Sri P Viswanathan
Secretary & Compliance Officer
Sundaram Finance Limited
21, Patullos Road, Chennai - 600 002
Ph : 044-28881207
Fax : 044-28550290
Mobile : 9444399168
E mail : investorservices@sundaramfinance.in

T T Srinivasaraghavan
Managing Director

Annexure - II (i)

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

To,

The Members of SUNDARAM FINANCE LIMITED,
21, PATULLOS ROAD, CHENNAI – 600 002.

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of SUNDARAM FINANCE LIMITED having CIN - L65191TN1954PLC002429 and having registered office at 21, Patullos Road, Chennai – 600002 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

Sr. No.	Name of Director	DIN	Date of appointment in Company
1.	Sri. Thiruvallur Thattai Srinivasaraghavan	00018247	01/02/1998
2.	Sri. Santhanam Ram	00018309	27/09/1988
3.	Sri. Ayalur Natarajan Raju	00036201	01/06/2014
4.	Sri. Srinivasan Ravindran	00045076	29/07/2008
5.	Sri. Raghavendra Raghuttama Rao	00146230	01/04/2019
6.	Sri. Sreenivasan Prasad	00063667	28/10/2008
7.	Sri. Mahalingam Seturaman	00121727	26/05/2014
8.	Sri. Santhanam Viji	00139043	17/01/1986
9.	Ms. Shobhana Ramachandhran	00273837	27/01/2014
10.	Sri. Pudugramam Narayanaswamy Venkatachalam	00499442	28/01/2011
11.	Sri. Harsha Viji	00602484	24/09/2010
12.	Sri. Rajiv Lochan Chellappa	05309534	25/11/2016

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

For **M DAMODARAN & ASSOCIATES LLP**
M. DAMODARAN
Managing Partner
Membership No.: 5837
COP. No.: 5081
ICSI UDIN No.: F005837B000288341

Place: Chennai
Date: 25th May 2020

CRITERIA FOR EVALUATION

(as amended on 29th March 2019)

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

1. **Composition of the Board and availability of multi-disciplinary skills.**

   Whether the Board comprises of Directors with sufficient qualifications and experience in diverse fields to make SF a versatile institution.

2. **Commitment to good Corporate Governance Practices**

   a) Whether the company practises high ethical and moral standards.

   b) Whether the company is fair and transparent in all its dealings with the stake holders.

3. **Adherence to Regulatory Compliance**

   Whether the company adheres to the various Government regulations.....Local, State and Central, in time.

4. **Track record of financial performance**

   Whether the Company has been consistently recording satisfactory and profitable financial performance year on year adding to share holder value.

   Whether the Company is transparent in all its disclosures on financial data.

5. **Grievance redressal mechanism**

   Whether a proper system is in place to attend to the complaints / grievances from the shareholders, depositors, customers, employees and others quickly and fairly.

6. **Existence of integrated Risk Management System**

   Whether the Company has an integrated risk management system to cover the business risks.

7. **Use of Modern technology**

   Whether the Company has an Integrated IT strategy and whether there is any system for periodical technology upgradation covering both hardware and software.

8. **Commitment to CSR**

   Whether the Company is committed to social causes and CSR and whether there is a system to identify, finance and monitor such social activities.

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

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

Criteria for evaluation of Independent Directors by the entire Board:

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

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

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

SUNDARAM FINANCE LIMITED REMUNERATION POLICY

(as amended on 29th March 2019)

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

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

Section 178 (2), (3) and (4) of the Companies Act, 2013 read with the applicable rules thereto and Schedule II. Part D of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 provide that the Nomination, Compensation and Remuneration Committee (NCRC) 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 NCRC 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 Whole time Directors is clear and meets appropriate performance benchmarks; and

c) remuneration to working directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the company and its goals. This includes ESOP granted to Eligible Directors / Senior Management.

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

I Definitions

a) "Remuneration" means any monetary benefit or its equivalent extended to any person for services rendered by him/her and includes perquisites as defined under the Income-tax Act, 1961.

b) "Key Managerial Personnel" means,

   i) Managing Director, Chief Executive Officer or Manager;

   ii) Whole-time Director;

   iii) Chief Financial Officer;

   iv) Company Secretary.

c) "Senior Management" means all executives one level below the Managing Director/Whole-time Directors, and shall include the Chief Financial Officer and Company Secretary.

d) "Employee" will mean an employee who has been appointed on the rolls of Sundaram Finance Limited (hereinafter referred to as 'the Company') and has been issued an appointment order by the Company.

e) "Employee Stock Option (ESOP)" means stock options granted under the Sundaram Finance Employee Stock Option Scheme – 2008, which is in line with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.

II Board Diversity

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

III Remuneration Pattern

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

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

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

   As provided under the existing regulatory framework, all Directors, except Independent Directors and Promoter Directors, are eligible for ESOP.
3. The remuneration payable to Key Managerial Personnel, Senior Management and other employees of the company shall consist of:
   (a) 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.
   (b) ESOPs to "Eligible Employees", as may be selected from time to time by the Managing Director

IV Implementation of the Remuneration Policy

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

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

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

The NCRC 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.

Certificate on Corporate Governance

The Members of SUNDARAM FINANCE LIMITED, Chennai.

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

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

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

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

For **M. Damodaran & Associates**
M. Damodaran
(Practicing Company Secretary)
(C.P. No: 5081)
ICSI UDIN No.: F005837B000288405

Place : Chennai
Date : 25th May 2020

Annexure III (i)

Form No. AOC-2

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

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

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

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

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

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

Chennai
29th May 2020

S VIJI
Chairman

Annexure III (ii)

Policy On Related Party Transactions

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

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

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

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

Annexure IV

Annual Report on CSR Activities for the Financial Year 2019-20

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

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

   https://www.sundaramfinance.in/assets/app_docs/investor-info/corporate_governance/policies/csr.pdf

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

   Ms Shobhana Ramachandhran, Chairman

   Sri S. Ravindran

   Sri T.T. Srinivasaraghavan

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

   ₹775,48.64 lakhs

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

   ₹15,50.97 lakhs

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

   (a) Total amount to be spent for the financial year: ₹15,50.97 lakhs

   (b) Amount unspent, if any - Nil

   (c) Manner in which the amount spent during the financial year is detailed below: (₹15,78.31 lakhs) Details enclosed.

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.

	Sd/-	Sd/-
Place: Chennai	**T.T. Srinivasaraghavan**	**Shobhana Ramachandhran**
Date: 28th May 2020	Managing Director	Chairman - CSR Committee

Annexure - IV (i)

CSR Amount spent during the period 01-04-2019 to 31-03-2020

(₹ 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 by providing financial assistance to deserving and meritorius students and also Educational Institutions which work for this cause (46 Institutions)	Education	Tamilnadu- Chennai	2,74.00	2,74.00	2,74.00	2,74.00
			Tamilnadu- Kanchipuram	2.00	2.00	2,76.00	2.00
			Tamilnadu-Sirgazhi	0.50	0.50	2,76.50	0.50
			Tamilnadu - Thanjavur	75.00	75.00	3,51.50	75.00
			Tamilnadu - Cuddalore	2.00	2.00	3,53.50	2.00
			Tamilnadu - Pudukkottai	5.00	5.00	3,58.50	5.00
			Tamilnadu-Dindigul	10.00	10.00	3,68.50	10.00
			Tamilnadu- Trichy	5.00	5.00	3,73.50	5.00
			Tamilnadu - Kaniyakumari	25.00	25.00	3,98.50	25.00
			Tamilnadu - Srivilliputtur	0.50	0.50	3,99.00	0.50
			Karnataka-Bengaluru	25.00	25.00	4,24.00	25.00
			Karnataka- Udupi	2.00	2.00	4,26.00	2.00
			Pondicherry	3.00	3.00	4,29.00	3.00
			Gujarat-Ahmedabad	0.10	0.10	4,29.10	0.10
			New Delhi-Delhi	10.00	10.00	4,39.10	10.00
2.	Environmental sustainability, ecological balance, conservation of natural resources, Solar Projects (6 institutions)	Environment	Tamilnadu-Chennai	49.16	49.16	4,88.26	49.16
			Tamilnadu-Tripur	10.00	10.00	4,98.26	10.00
			Karnataka - Bengaluru	50.00	50.00	5,48.26	50.00
			New Delhi - Delhi	25.16	25.16	5,73.42	25.16
			All over India	64.00	64.00	6,37.42	64.00
3.	Promoting preventive and general health care (23 Institutions)	Health	Tamilnadu - Chennai	6,38.79	6,38.79	12,76.21	6,38.79
			Tamilnadu - Coimbatore	2.00	2.00	12,78.21	2.00
			Tamilnadu - Ranipet	10.00	10.00	12,88.21	10.00
			Tamilnadu - Tiruvannamalai	10.00	10.00	12,98.21	10.00
			Maharashtra - Mumbai	5.00	5.00	13,03.21	5.00
			All over India	17.43	17.43	13,20.64	17.43
4.	Social Welfare (8 Institutions)	Social Welfare	Tamilnadu-Chennai	16.17	16.17	13,36.81	16.17
			Tamilnadu- Nilgris	0.50	0.50	13,37.31	0.50
5.	Protection of national heritage, art and culture (30 Institutions)	National Heritage, Art and Culture	Tamilnadu - Chennai	79.25	79.25	14,16.56	79.25
			Tamilnadu - Thanjavur	0.50	0.50	14,17.06	0.50
			Tamilnadu - Tiruvannamalai	4.50	4.50	14,21.56	4.50
			Tamilnadu - Kanchipuram	0.10	0.10	14,21.66	0.10
			Tamilnadu - Madurai	0.20	0.20	14,21.86	0.20
			Maharashtra - Mumbai	5.00	5.00	14,26.86	5.00
			Karnataka - Bengaluru	5.20	5.20	14,32.06	5.20
6.	Rural Development (2 Institution)	Rural Areas	Tamilnadu - Chennai	25.00	25.00	14,57.06	25.00
			New Delhi- Delhi	10.00	10.00	14,67.06	10.00
7.	Sports Development (2 Institutions)	Sports	Tamilnadu - chennai	6.25	6.25	14,73.31	6.25
8.	Disaster Relief Fund	Disaster Relief	Odisha - Bhubaneswar	25.00	25.00	14,98.31	25.00
			Karnataka - Bengaluru	50.00	50.00	15,48.31	50.00
9.	Administrative Expenses			30.00	30.00	15,78.31	30.00
Total				15,78.31	15,78.31		15,78.31

Annexure - V

Business Responsibility Report for the Financial Year 2019-20

Section A: General Information about the Company

1. Corporate Identity Number (CIN) : L65191TN1954PLC002429
2. Name of the Company : Sundaram Finance Limited
3. Registered address : 21, Patullos Road, Chennai 600 002
4. Website : www.sundaramfinance.in
5. E-mail id : investorservices@sundaramfinance.in
6. Financial Year reported : 2019-20
7. Sector(s) that the Company is engaged in (industrial activity code-wise)

   As per National Industrial Classification – 2008:

   Section K - Financial and Insurance Activities

   Division 64 – Financial service activities, except insurance and pension funding.
8. List three key ~~products~~ / services that the Company ~~manufactures~~ / provides (as in balance sheet)

   A. Providing finance for purchase of commercial vehicles, cars, multi-utility vehicles, construction equipment, tractors and working capital finance.

   B. Distribution of full range of financial products like mutual fund, deposits, insurance etc.
9. Total number of locations where business activity is undertaken by the Company

   i. Number of International Locations (Provide details of major 5)
   Nil

   ii. Number of National Locations
   610 locations
10. Markets served by the Company – Local / State / National / International
    National

Section B: Financial Details of the Company (as on 31.03.2020)

1. Paid up Capital (INR) : ₹111.10 cr.
2. Total Turnover (INR) : ₹3926.94 cr.
3. Total profit after taxes (INR) : ₹723.95 cr.
4. Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)

   The Company's total spending on CSR is 2.04% of the average profit after taxes in the previous three financial years.
5. List of activities in which expenditure in 4 above has been incurred:-

   A. Health
   B. Education
   C. Social Welfare
   D. Environment
   E. Promotion of culture and heritage
   F. Disaster Management
   G. Sports and Rural Development

Section C: Other Details

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

   Yes.

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

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

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

   No.

Section D: BR Information

1. Details of Director / Directors responsible for BR

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

DIN Number	00018247
Name	Sri T T Srinivasaraghavan
Designation	Managing Director

   b) Details of the BR head

S. No.	Particulars	Details
1.	DIN Number (if applicable)	–
2.	Name	Sri P Viswanathan
3.	Designation	Secretary & Compliance Officer
4.	Telephone Number	044 2888 1207
5.	Email id	pv@sundaramfinance.in

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

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

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

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

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

* https://www.sundaramfinance.in/assets/app_docs/investor-info/corporate_governance/policies/policies_on_brr.pdf

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

3. Governance related to BR

- Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year
  Annually.
- Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?
  Yes.
  https://www.sundaramfinance.in/assets/app_docs/investor-info/corporate_governance/policies/policies_on_brr.pdf
  Annually

Section E: Principle-wise performance

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

1. Does the policy relating to ethics, bribery and corruption cover only the company? Yes / No. Does it extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?
   Yes. The Policy covers the company, group and joint ventures.
2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

From	Received and Resolved during the year 2019-2020
Shareholders	–
Depositors	–
Customers	1158

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

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.
   Not Applicable
2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):
   i. Reduction during sourcing / production / distribution achieved since the previous year throughout the value chain?
   ii. Reduction during usage by consumers (energy, water) has been achieved since the previous year?
   Not Applicable
3. Does the company have procedures in place for sustainable sourcing (including transportation)?
   i. If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.
   Not Applicable
4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?
   If yes, what steps have been taken to improve their capacity and capability of local and small vendors?
   Yes, wherever possible.
5. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.
   Yes, wherever possible.

Principle 3: Businesses should promote the wellbeing of all employees

1. Please indicate the Total number of employees.
   4213
2. Please indicate the Total number of employees hired on temporary / contractual / casual basis.
   2446
3. Please indicate the Number of permanent women employees.
   193
4. Please indicate the Number of permanent employees with disabilities
   The Company does not specifically track the number of disabled employees. The Company gives equal opportunities and treats all employees at par. Based on the income-tax declarations which enable claiming income-tax deduction for self-disability, the Company has 4 employees.
5. Do you have an employee association that is recognized by management.
   Yes
6. What percentage of your permanent employees is members of this recognized employee association?
   20.81%

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

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

8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?
   A. Permanent Employees
   B. Permanent Women Employees
   C. Casual / Temporary / Contractual Employees
   D. Employees with Disabilities

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

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

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

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

Principle 5: Businesses should respect and promote human rights

1. Does the policy of the company on human rights cover only the company or extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?
   This is covered under our Policies on Business Responsibility Report.
   Refer
   https://www.sundaramfinance.in/assets/app_docs/investor-info/corporate_governance/policies/policies_on_brr.pdf
2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?
   Refer Serial no.2 of Principle 1.

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

1. Does the policy related to Principle 6 cover only the company or extends to the Group / Joint Ventures / Suppliers / Contractors / NGOs / others.
   Not Applicable
2. Does the company have strategies / initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.
   Not Applicable
3. Does the company identify and assess potential environmental risks? Y / N
   Not Applicable
4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?
   Please refer to Annual Report on CSR Activities.

5. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y / N. If yes, please give hyperlink for web page etc.
   Please refer to Annual Report on CSR Activities.

6. Are the Emissions / Waste generated by the company within the permissible limits given by CPCB / SPCB for the financial year being reported?
   Not Applicable.

7. Number of show cause / legal notices received from CPCB / SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.
   Not Applicable.

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

1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:
   A. Madras Chamber of Commerce & Industry
   B. Finance Companies' Association (India)
   C. Finance Industry Development Council

2. Have you advocated / lobbied through above associations for the advancement or improvement of public good? Yes / No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)
   Yes. Representations had been submitted from time to time to the Government and Regulatory Authorities on various matters for the improvement of public good.

Principle 8: Businesses should support inclusive growth and equitable development

1. Does the company have specified programmes / initiatives / projects in pursuit of the policy related to Principle 8? If yes details thereof.
   Not Applicable.

2. Are the programmes / projects undertaken through in-house team / own foundation / external NGO / government structures / any other organization?
   Not Applicable.

3. Have you done any impact assessment of your initiative?
   Not Applicable.

4. What is your company's direct contribution to community development projects - Amount in INR and the details of the projects undertaken.
   Amount spent ₹15,78.31 lakhs. Please refer to Annual Report on CSR Activities for details.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.
   Please refer to Annual Report on CSR Activities.

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

1. What percentage of customer complaints / consumer cases are pending as on the end of financial year.
   Nil.

2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes / No / N.A. / Remarks (additional information)
   Not Applicable.

3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and / or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.
   No.

4. Did your company carry out any consumer survey / consumer satisfaction trends?
   Yes, this is done periodically.

Annexure - VI (i)

Form No. MR-3

Secretarial Audit Report for the Financial Year ended 31.03.2020

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

To.

The Members,

SUNDARAM FINANCE LIMITED

(CIN: L65191TN1954PLC002429)

21, Patullos Road, Chennai-600002.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. SUNDARAM FINANCE LIMITED (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

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

We have examined the books, papers, minute books, forms and returns filed and other records maintained by M/s. SUNDARAM FINANCE LIMITED ("the Company") for the financial year ended on 31.03.2020 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(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)

  (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

  (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

  (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

  (d) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

  (e) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act, dealing with client and ESOP;

  (f) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

(vi) Reserve Bank of India Act, 1934 and RBI Directions and Guidelines as applicable to the NBFCs.

We have also examined compliance with the applicable Regulations and standards of the following:

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

ii. Secretarial Standards (SS-1) for Board Meeting and Secretarial Standards (SS-2) for General Meeting 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 subject to the following Observations:

NIL

We 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. As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.

We 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.

We further report that during the audit period the company has;

a) issued Redeemable Non-Convertible Debentures on various dates on private placement basis.

b) redeemed the Redeemable Non-Convertible Debentures on various dates.

c) made acquisition of 5,05,25,965 equity shares of ₹10/- each of M/s. Sundaram BNP Paribas Home Finance Limited from BNP Paribas Personal Finance S.A.

d) made acquisition of 2,20,51,470 equity shares of ₹10/- each of M/s. Sundaram BNP Paribas Fund Services Limited from BNP Paribas Securities Services France.

e) passed Special Resolution through postal ballot result dated 23rd March, 2020 under section 180(1)(c) of the Companies Act, 2013 to increase the present limit of Borrowing of the Company from ₹30,000 cr (Rupees Thirty Thousand Crore Only) to ₹40,000 cr (Rupees Forty Thousand Crore Only).

For **M DAMODARAN & ASSOCIATES LLP**
M. DAMODARAN
Managing Partner
Membership No.: 5837
COP. No.: 5081
ICSI UDIN No.: F005837B000275777

Place: Chennai
Date: 25th May 2020

Disclaimer Certificate

To,

The Members,

SUNDARAM FINANCE LIMITED

(CIN: L65191TN1954PLC002429)

21, Patullos Road,

Chennai - 600002.

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For **M DAMODARAN & ASSOCIATES LLP**
M. DAMODARAN
Managing Partner
Membership No.: 5837
COP. No.: 5081
ICSI UDIN No.: F005837B000275777

Place: Chennai
Date: 25th May 2020

Secretarial Compliance Report of Sundaram Finance Limited for the year ended 31.03.2020

We, M Damodaran & Associates LLP have examined:

a) all the documents and records made available to us and explanation provided by Sundaram Finance Limited ("the listed entity"),
b) the filings/ submissions made by the listed entity to the stock exchanges,
c) website of the listed entity,
d) any other document/ filing, as may be relevant, which has been relied upon to make this certification,

for the year ended 31.03.2020 in respect of compliance with the provisions of:

a) the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued there under; and
b) the Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made there under and the Regulations, circulars, guidelines issued there under by the Securities and Exchange Board of India ("SEBI");

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

a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.
c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 – Not Applicable.
e) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.
f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008.
g) Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013 – Not Applicable.
h) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.
i) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client and ESOP.
j) Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018.

and circulars/ guidelines issued thereunder;

and based on the above examination, We hereby report that, during the Review Period:

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

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

The provisions of the SEBI circular CIR/CFD/CMD1/114/2019 dated 18th October 2019 on changes in terms of appointment of Statutory Auditors, do not apply to the Company since no such situation of resignation / appointment / reappointment arises.

b) The listed entity has maintained proper records under the provisions of the above Regulations and circulars / guidelines issued there under insofar as it appears from our examination of those records.

c) The following are the details of actions taken against the listed entity/ its promoters/ directors/ material subsidiaries either by SEBI or by Stock Exchanges - (including under the Standard Operating Procedures issued by SEBI through various circulars) under the aforesaid Acts/ Regulations and circulars/ guidelines issued thereunder:

Sr. No.	Action taken by	Details of violation	Details of action taken E.g. fines, warning letter, debarment, etc.	Observations/ remarks of the Practicing Company Secretary, if any.
	Not Applicable			

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

Sr. No.	Observations of the Practicing Company Secretary in the previous reports	Observations made in the secretarial compliance report for the year ended 31.03.2019	Actions taken by the listed entity, if any	Comments of the Practicing Company Secretary on the actions taken by the listed entity
	Not Applicable			

For **M DAMODARAN & ASSOCIATES LLP**
M. DAMODARAN
Managing Partner
Membership No.: 5837
COP. No.: 5081
ICSI UDIN No.: F005837B000275777

Place: Chennai
Date: 25th May 2020

Annexure - VII

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

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

Names of the Directors / Key Managerial Personnel	Ratio to Median Remuneration (times)	Ratio to Mean Remuneration (times)	Inc / Dec in Remuneration
S. Viji, Chairman	1.56	1.18	-4.76%
S. Ram	1.56	1.18	-4.76%
R. Raghuttamma Rao	1.53	1.16	Not Applicable
P.N. Venkatachalam	2.31	1.75	-6.31%
S. Mahalingam	2.27	1.72	0.00%
S. Prasad	3.19	2.41	-1.68%
S. Ravindran	2.70	2.05	2.36%
Shobhana Ramachandhran	2.56	1.94	-2.08%
Rajiv C Lochan	2.20	1.66	-6.62%
T.T. Srinivasaraghavan, Managing Director	79.36	60.07	3.74%
Harsha Viji, Deputy Managing Director	59.29	44.87	4.23%
A.N. Raju, Director (Operations)	45.24	34.24	3.89%
M. Ramaswamy, Chief Financial Officer	31.41	23.77	-2.82%
P. Viswanathan, Secretary & Compliance Officer	19.61	14.85	-4.64%

(iii) The percentage increase in the median remuneration of employees in the financial year: 5%

(iv) The number of permanent employees on the rolls of the Company: 3,813

(v) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

The average increase in salaries of employees other than managerial personnel in 2019-20 was 11.54%. Percentage increase in the managerial remuneration for the year was 2.24%.

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

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

(vii) Names of top ten employees in terms of remuneration drawn during the year 2019-20

Sl. No.	Name of the Employee	Designation	Remuneration (₹ in cr)	Nature of Employment	Qualification and Experience	Date of Commencement of Employment	Date of Birth	Age	Last employment	Relative of any director
1	Sri T.T. Srinivasaraghavan	Managing Director	5.09	Contractual	BCom, MBA (Gannon University, Pennsylvania) Has 4 decades of experience in Banking and Financial Services industry. He is the Managing Director of the Company since 2003.	02-09-1996	19-01-1955	65	G.E. Capital Services India Limited	–
2	Sri Harsha Viji	Deputy Managing Director	3.97	Contractual	BCom, ACA, MBA (Ann Arbor, Michigan) Nearly 2 decades experience in areas of specialisation particularly, strategy formulation, joint venture negotiations, new business development etc.	14-11-2005	28-08-1975	44	Mckinsey & Company	Son of Sri S. Viji, Chairman
3	Sri A.N. Raju	Director (Operations)	2.90	Contractual	BSc (Engineering), MBA Has over 3 decades of experience in Automobiles, Engineering and Financial Sector.	02-07-1997	15-05-1959	60	G.E. Capital Services India Limited	–
4	Sri M. Ramaswamy	Chief Financial Officer	2.02	Others	B.Sc. Statistics, ACA Has over 3 decades of experience in accounts, taxation and treasury in finance services Industry.	07-06-1986	28-07-1961	58	Brahmayya & Co.	–
5	Sri P. Viswanathan	Secretary & Compliance Officer	1.26	Others	B.Com, FCS Has over 4 decades of experience in statutory compliance in financial services industry	01-10-1982	28-07-1955	64	Lakshmi General Finance Limited	–
6	Sri V. Ananthanarayanan	Chief Information Officer	0.73	Others	M.sc., Statistics and Computer Applications, MBA, IT & Finance Has over 3 decades of experience in Information Technology Industry	02-12-2013	12-10-1962	57	Aegis Limited	–
7	Sri Rajesh Venkat	Vice President - Operations	0.65	Others	B.A (Economics), MBA Nearly 2 decades experience in financial services industry	01-07-2017	27-08-1974	45	Sundaram Business Services Limited	–
8	Sri D. Ravindran	Senior Vice President	0.59	Others	M.sc. (Mathematics) Nearly 4 decades of experience in Information Technology	01-12-1993	26-05-1960	59	Chemicals & Plastics India Limited	–
9	Sri S. Srinivasan	Senior Vice President & Head - Corporate Finance	0.59	Others	B.Com, ICWA Has over 3 decades of experience in financial services industry	01-04-1983	29-09-1961	58	–	–
10	Sri K. Sankarakumar	Senior Vice President & Head - Distribution	0.58	Others	M.Sc. Maths, PGDM Has over 3 decades of experience in Automobile & financial Services Industry	01-05-2004	07-05-1961	58	Maruti Udyog Limited	–

Annexure - VIII

Disclosure under Rule 12 (9) of the Companies (Share Capital and Debentures) Rules, 2014 read with Clause 14 of the SEBI (Share Based Employee Benefits) Regulations, 2014

"The Sundaram Finance Employee Stock Options Scheme-2008 (the Scheme) came into existence with effect from 24th July 2008, pursuant to the approval obtained from the shareholders. The scheme was framed with the object of granting equity stock options not exceeding 1% of the paid-up capital of the Company (adjusted for corporate actions, if any) in one or more tranches, to eligible employees and Directors of the Company and its subsidiaries. The Scheme is being administered by the Nomination, Compensation and Remuneration Committee (NCRC), through the Sundaram Finance Employees Welfare Trust.

Accordingly, the Board of Directors grants Stock Options at par to the eligible employees / Directors of the Company and its subsidiaries based on the recommendations of the NCRC.

S. No	Particulars	Sundaram Finance Employee Stock Option Scheme-2008	
a)	Options Granted from the introduction of the Scheme	2,09,075	
b)	Exercise Price	₹10/- per share (at par)	
c)	Options vested	1,80,950	
d)	Options exercised	1,80,200	
e)	The total number of shares arising as a result of exercise of Option.	1,80,200	
f)	Options lapsed	NIL*	
g)	Variation of terms of Options	Not Applicable	
h)	Money realized by exercise of Option (Amount ₹)	18,02,000	
i)	Total number of Options in force	28,125	
j)	Employee-wise details of Options granted on 30th May 2019 (Grant 11) & 29th May 2020 (Grant 12)		
	i) Key Managerial Personnel	1. Sri. A.N. Raju, Director (Operations)	3,500
		2. Sri. M. Ramaswamy, Chief Financial Officer	3,500
		3. Sri. P. Viswanathan, Secretary & Compliance Officer	2,750
	ii) Any other employee who receives a grant in any one year of Option amounting to 5% or more of Option granted during that year/s:	1. Sri Srinivas Acharya, Managing Director, Sundaram Home Finance Limited (upto 31st March 2020)	2,500
	Identified employees who were granted Option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant	Not Applicable	

* 750 options not exercised, awaiting regulatory approval

Other details relating to stock options granted have been furnished vide Note No. 41 forming part of the Notes to the Accounts.

Form No. MGT-9

Extract of Annual Return

as on the financial year ended on 31st March 2020

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

I. REGISTRATION AND OTHER DETAILS

(i)	CIN	L65191TN1954PLC002429
(ii)	Registration Date	11th August 1954
(iii)	Name of the Company	Sundaram Finance Limited
(iv)	Category / Sub-Category of the Company	Public Company / NBFC
(v)	Address of the Registered Office and contact details	21, Patullos Road, Chennai 600 002 Tel: 044 2852 1181 Fax: 044 2858 6641 www.sundaramfinance.in Email: investorservices@sundaramfinance.in
(vi)	Whether Listed Company Yes / No	Yes
(vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	M/s. Cameo Corporate Services Ltd. 'Subramanian Building' No.1, Club House Road, Chennai 600 002 Ph: 044 2846 0390 to 0395 Email: investor@cameoindia.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated

Name and Description of main products / services	NIC Code of the Product / Service	% to total turnover of the company
Interest income on Hypothecation Loan / Hire Purchase	As per National Industrial Classification – 2008: Section K - Financial and Insurance Activities Division 64 – Financial service activities, except insurance and pension funding.	95.93%

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 Home Finance Limited	Regd. Office: 21, Patullos Road, Chennai 600 002	U65922TN1999PLC042759	Subsidiary	100.00	2 (87) (ii)
2	Sundaram Asset Management Company Limited		U93090TN1996PLC034615	Subsidiary	100.00	2 (87) (ii)
3	Sundaram Alternate Assets Limited		U65990TN2018PLC120641	Subsidiary*	–	2 (87) (ii)
4	Sundaram Trustee Company Limited		U65999TN2003PLC052058	Subsidiary	100.00	2 (87) (ii)
5	LGF Services Limited		U67190TN2004PLC052384	Subsidiary	100.00	2 (87) (ii)
6	Sundaram Fund Services Limited		U67120TN2008PLC068388	Subsidiary	100.00	2 (87) (ii)
7	Royal Sundaram General Insurance Co. Limited		U67200TN2000PLC045611	Associate$	50.00	2 (6)
8	Sundaram Finance Holdings Limited		L67120TN1993PLC025996	Associate#	21.61	2 (6)
9	Sundaram Asset Management Singapore Pte. Limited		Not Applicable	Subsidiary*	–	2 (87) (ii)

* Wholly-owned subsidiaries of Sundaram Asset Management Company Limited

$ Joint Venture Company

Treated as subsidiary for the purpose of Ind AS accounting

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

(i) Category-wise Share Holding (as submitted to Stock Exchange)

	Category of Shareholders	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A.	**Promoters**									
(1)	**Indian**									
(a)	Individual/HUF	2,82,93,803	8,286	2,83,02,089	25.47	2,77,21,271	–	2,77,21,271	24.95	-0.52
(b)	Central Govt	–	–	–	–	–	–	–	–	–
(c)	State Govt(s)	–	–	–	–	–	–	–	–	–
(d)	Bodies Corp.	1,11,85,738	–	1,11,85,738	10.07	1,11,85,738	–	1,11,85,738	10.07	–
(e)	Banks / FI	–	–	–	–	–	–	–	–	–
(f)	Any Other ….	–	–	–	–	–	–	–	–	–
	Sub-Total (A)(1)	**3,94,79,541**	**8,286**	**3,94,87,827**	**35.54**	**3,89,07,009**	**–**	**3,89,07,009**	**35.02**	**-0.52**
(2)	**Foreign**									
(a)	NRIs - Individuals	10,27,480	–	10,27,480	0.92	10,09,710	–	10,09,710	0.91	-0.01
(b)	Other - Individuals	–	–	–	–	–	–	–	–	–
(c)	Bodies Corp.	–	–	–	–	–	–	–	–	–
(d)	Banks / FI	–	–	–	–	–	–	–	–	–
(e)	Any Other ….	–	–	–	–	–	–	–	–	–
	Sub-Total (A)(2)	**10,27,480**	**–**	**10,27,480**	**0.92**	**10,09,710**	**–**	**10,09,710**	**0.91**	**-0.01**
	Total shareholding of Promoter (A)= (A)(1)+(A)(2)	**4,05,07,021**	**8,286**	**4,05,15,307**	**36.46**	**3,99,16,719**	**–**	**3,99,16,719**	**35.93**	**(0.53)**
B.	**Public Shareholding**									
(1)	**Institutions**									
(a)	Mutual Funds	1,08,27,459	–	1,08,27,459	9.74	93,70,137	–	93,70,137	8.43	-1.31
(b)	Banks / FI	13,832	600	14,432	0.01	7,977	600	8,577	0.00	-0.01
(c)	Central Govt	–	–	–	–	–	–	–	–	–
(d)	State Govt(s)	–	–	–	–	–	–	–	–	–
(e)	Venture Capital Funds	–	–	–	–	–	–	–	–	–
(f)	Alternate Investment Funds	45,313	–	45,313	0.04	1,17,135	–	1,17,135	0.10	0.06
(g)	Insurance Companies	19,80,652	–	19,80,652	1.78	44,04,585	–	44,04,585	3.96	2.18
(h)	FIIs & FPIs	80,05,401	100	80,05,501	7.21	93,23,626	100	93,23,726	8.39	1.18
(i)	Foreign Venture Capital Investors	–	–	–	–	–	–	–	–	–
(j)	Any Other - Foreign Portfolio Investors	–	–	–	–	–	–	–	–	–
	Sub-Total (B)(1)	**2,08,72,657**	**700**	**2,08,73,357**	**18.78**	**2,32,23,460**	**700**	**2,32,24,160**	**20.90**	**2.12**

	Category of Shareholders	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
2.	**Non-Institutions**									
(a)	**Bodies Corporate**									
	(i) Indian	1,04,82,035	4,750	1,04,86,785	9.44	83,31,237	4,750	83,35,987	7.50	-1.94
	(ii) Overseas	–	–	–	–	–	–	–	–	–
(b)	**Individuals**									
	i) Individual shareholders holding nominal shares capital up to Rs.1 lakh	83,48,091	12,30,138	95,78,229	8.62	85,66,332	9,95,520	95,61,852	8.61	-0.01
	ii) Individual shareholders holding nominal shares capital in excess of Rs.1 lakh	2,06,77,186	27,00,208	2,33,77,394	21.04	2,07,35,718	21,27,648	2,28,63,366	20.58	-0.46
	Non Resident Indian	45,89,276	2,50,980	48,40,256	4.36	46,37,218	2,45,028	48,82,246	4.39	0.03
	Resident Hindu Undivided Family	3,64,537	14,002	3,78,539	0.34	4,00,273	14,002	4,14,275	0.37	0.03
	Foreign National	18,720	–	18,720	0.02	18,720	–	18,720	0.02	0.00
	Trust - Sundaram Finance Employees Welfare Trust	9,60,960	–	9,60,960	0.86	9,41,710	–	9,41,710	0.85	-0.01
	Other Trusts	6,125	–	6,125	0.00	12,934	–	12,934	0.01	0.01
	Clearing Members	4,210	–	4,210	0.00	8,64,513	–	8,64,513	0.78	0.78
	Investor Education and Protection Fund. No voting rights in respect of these shares	39,013	–	39,013	0.04	42,413	–	42,413	0.03	-0.01
(c)	**Others (specify)**									
	Sundaram Finance Limited Unclaimed Suspense Account. No voting rights in respect of these shares	24,965	–	24,965	0.02	24,965	–	24,965	0.02	0.00
	Sub- Total (B)(2)	**4,55,15,118**	**42,00,078**	**4,97,15,196**	**44.75**	**4,45,76,033**	**33,86,948**	**4,79,62,981**	**43.17**	**-1.58**
	Total Public Shareholding (B)= (B)(1)+(B)(2)	**6,63,87,775**	**42,00,778**	**7,05,88,553**	**63.53**	**6,77,99,493**	**33,87,648**	**7,11,87,141**	**64.07**	**0.54**
(C)	**Shares held by Custodian for GDRs and ADRs**	–	–	–	–	–	–	–	–	–
	GRAND TOTAL (A)+(B)+(C)	**10,68,94,796**	**42,09,064**	**11,11,03,860**	**100.00**	**10,77,16,212**	**33,87,648**	**11,11,03,860**	**100.00**	–

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	Mr Ashwathanarayan Ramji & Mr Narayanan Ramji	600	0.00	–	–	0.00	–	0.00
2	Mr Narayanan Ramji & Mr Ashwathanarayan Ramji	88,012	0.08	–	–	0.00	–	-0.08
3	Mr Narayanan Ramji & Miss Aishwarya Ramji	6,884	0.01	–	–	0.00	–	-0.01
4	Mr Narayanan Ramji & Miss Aishwarya Ramji	1,008	0.00	–	–	0.00	–	0.00
5	Mr N Ramji & Mrs Sharmila Ramji	394	0.00		–	0.00		0.00
6	Mr Narayanan Ramji & Mrs Sharmila Ramji	394	0.00	–	–	0.00	–	0.00
7	Mr Srinivas Raghavan	27,040	0.02	–	27,040	0.02	–	0.00
8	Mr Akshay Krishnan	1,97,770	0.18	–	1,97,770	0.18	–	0.00
9	Mr Jaideep Chakravarthy	3,80,756	0.34	–	3,80,756	0.34	–	0.00
10	Mr Pradeep Chakravarthy	3,63,544	0.33	–	3,63,544	0.33	–	0.00
11	Mr S Chakravarthy	6,08,884	0.55	–	6,08,884	0.55	–	0.00
12	Mrs Anuradha Raghavan	3,97,264	0.36	–	3,97,264	0.36	–	0.00
13	Mr S Raghavan	1,03,492	0.09	–	1,03,492	0.09	–	0.00
14	Mrs Usha Raghavan	5,89,992	0.53	–	5,89,992	0.53	–	0.00
15	Mr Barath Rengarajan*	4,61,484	0.42	–	–	–	–	–
16	Mr Sumanth Ramanujam	96,914	0.09	–	96,914	0.09	–	0.00
17	Mr K Vasudevan	2,87,492	0.26	–	2,87,492	0.26	–	0.00
18	Mrs Lily Vijayaraghavan & Mrs Sashi Parthasarathy	3,45,712	0.31	–	3,35,112	0.30	–	-0.01
19	Mr K Vasudevan & Mrs Lakshmi Vasudevan	46,392	0.04	–	46,392	0.04	–	0.00
20	Mrs Lakshmi Vasudevan	2,74,816	0.25	–	2,74,816	0.25	–	0.00
21	Mr Sharath Vijayaraghavan (HUF)	2,09,000	0.19	–	2,09,000	0.19	–	0.00
22	Mrs Lily Vijayaraghavan	6,35,436	0.57	–	6,35,436	0.57	–	0.00
23	Mrs Lily Vijayaraghavan & Mr Badri Vijayaraghavan	1,97,776	0.18	–	1,97,776	0.18	–	0.00

* Reclassified as public under Reg 31 A(3)(9) of SEBI LODR Regulation 2015, w.e.f. 16th September 2019.

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of shares	% of total shares of the company	% of shares pledged / encumbered to total shares	No. of shares	% of total shares of the company	% of shares pledged / encumbered to total shares	
24	Mrs Lily Vijayaraghavan & Mr Sharath Vijayaraghavan	1,97,776	0.18	–	1,97,776	0.18	–	0.00
25	Mrs Rama Sridharan	55,920	0.05	–	55,920	0.05	–	0.00
26	Mr N Krishnan	1,01,592	0.09	–	88,422	0.08	–	-0.01
27	Mr N Krishnan (HUF)	1,01,592	0.09	–	1,01,592	0.09	–	0.00
28	Mr Ananth Krishnan	1,97,770	0.18	–	1,80,000	0.16	–	-0.02
29	Mr Shreen Raghavan	94,892	0.09	–	94,892	0.09	–	0.00
30	Mrs Dangety Krishnakumari	20,412	0.02	–	20,412	0.02	–	0.00
31	Mr Dangety Satyanarayanamurty	2,912	0.00	–	2,912	0.00	–	0.00
32	M/s. Rohini Holdings Private Limited	12,94,362	1.17	–	12,94,362	1.17	–	0.00
33	M/s. Allegro Holdings Private Limited	12,47,100	1.12	–	12,47,100	1.12	–	0.00
34	M/s. Silver Oak Holdings Private Limited	14,36,914	1.29	–	14,36,914	1.29	–	0.00
35	M/s. Azorius Holdings Private Limited	8,50,156	0.77	–	8,50,156	0.77	–	0.00
36	M/s. Uthirattadhi Sriram Holdings Private Limited	14,79,560	1.33	–	14,79,560	1.33	–	0.00
37	M/s. Maham Holdings Private Limited	5,12,720	0.46	–	5,12,720	0.46	–	0.00
38	M/s. Revathi Holdings Private Limited	12,20,460	1.10	–	12,20,460	1.10	–	0.00
39	M/s. Padmalakshmi Holdings Private Limited	12,92,832	1.16	–	12,92,832	1.16	–	0.00
40	M/s. Raghuvamsa Holdings Private Limited	18,51,634	1.67	–	18,51,634	1.67	–	0.00
41	Mrs Indira Krishnaswami	1,62,180	0.15	–	1,62,180	0.15	–	0.00
42	Mr Narayanan Ramji	1,06,760	0.10	–	1,07,548	0.10	–	0.00
43	Mr R. Ramanujam & Mr R. Srikanth	1,77,088	0.16	–	1,77,088	0.16	–	0.00
44	Mr Ananth Ramanujam	5,81,576	0.52	–	5,81,576	0.52	–	0.00
45	Mr T.T. Rangaswamy, Mr T.T. Venkatraghavan & Mr T.T. Srinivasaraghavan	48,628	0.04	–	48,628	0.04	–	0.00
46	Mr T.T. Rangaswamy, Mr T.T. Narendran & Mr T.T. Hayagreevan	49,200	0.04	–	49,200	0.04	–	0.00

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of shares	% of total shares of the company	% of shares pledged / encumbered to total shares	No. of shares	% of total shares of the company	% of shares pledged / encumbered to total shares	
47	Mr T T Srinivasaraghavan Mrs Vimala Rangaswamy & Mrs Bagyam Raghavan	85,084	0.08	–	85,084	0.08	–	0.00
48	Mrs Bagyam Raghavan & Mr T T Venkatraghavan	1,13,308	0.10	–	1,13,308	0.10	–	0.00
49	Mr T T Narendran, Mrs Vimala Rangaswamy & Mrs Padmini Narendran	1,62,988	0.15	–	1,62,988	0.15	–	0.00
50	Mrs Padmini Narendran & Mr T T Hayagreevan	1,06,044	0.10	–	1,09,412	0.10	–	0.00
51	Mrs Vimala Rangaswamy, Mr T T Narendran & Mrs Padmini Narendran	95,024	0.09	–	95,024	0.09	–	0.00
52	Mr Srivats Ram	17,01,322	1.53	–	17,01,322	1.53	–	0.00
53	Mr Srikanth Ramanujam	9,14,052	0.82	–	9,14,052	0.82	–	0.00
54	Mr Sriram Viji	12,78,620	1.15	–	12,78,620	1.15	–	0.00
55	Mr R. Ramanujam	2,32,534	0.21	–	2,32,534	0.21	–	0.00
56	Mrs Rupa Srikanth	70,188	0.06	–	70,188	0.06	–	0.00
57	Mr Srikanth Ramanujam & Mrs Rupa Srikanth	4,472	0.00	–	4,472	0.00	–	0.00
58	Mrs Choodamani Narayanan	5,08,154	0.46	–	5,09,094	0.46	–	0.00
59	Mrs Prema Ramanujam	6,43,412	0.58	–	6,43,412	0.58	–	0.00
60	Mrs Aruna Sankaranarayanan	56,840	0.05	–	56,840	0.05	–	0.00
61	Mr S. Ram	5,06,788	0.46	–	5,06,788	0.46	–	0.00
62	Mr Harsha Viji	16,91,704	1.52	–	16,91,704	1.52	–	0.00
63	Mr Aditya S. Ramanujam	2,61,548	0.24	–	2,61,548	0.24	–	0.00
64	Mr S. Viji	9,09,780	0.82	–	9,09,780	0.82	–	0.00
65	Mrs Vijaya Rangarajan	10,86,265	0.98	–	10,86,265	0.98	–	0.00
66	Mr Sriram Viji & Mrs Chitra Viji	3,156	0.00	–	3,156	0.00	–	0.00
67	Mr R. Ramanujam & Mr Ananth Ramanujam	25,600	0.02	–	25,600	0.02	–	0.00
68	Mr Harsha Viji & Mrs Chitra Viji	3,156	0.00	–	3,156	0.00	–	0.00
69	Mrs Nivedita Ram	16,49,516	1.48	–	16,49,516	1.48	–	0.00
70	Mrs Chitra Viji	8,34,034	0.75	–	8,34,034	0.75	–	0.00

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of shares	% of total shares of the company	% of shares pledged / encumbered to total shares	No. of shares	% of total shares of the company	% of shares pledged / encumbered to total shares	
71	Mrs Gita Ram	11,39,680	1.03	–	11,39,680	1.03	–	0.00
72	Mr S. Viji & Mrs Chitra Viji	8,684	0.01	–	8,684	0.01	–	0.00
73	Mr Arjun Rangarajan	13,08,270	1.18	–	13,08,270	1.18	–	0.00
74	Mr R. Ramanujam (HUF)	9,992	0.01	–	9,992	0.01	–	0.00
75	Mr Srikanth Ramanujam (HUF)	8,000	0.01	–	8,000	0.01	–	0.00
76	Mr Srivats Ram (HUF)	77,200	0.07	–	77,200	0.07	–	0.00
77	Mr S. Viji (HUF)	1,13,988	0.10	–	1,13,988	0.10	–	0.00
78	Mr S. Viji (HUF)	3,65,924	0.33	–	3,65,924	0.33	–	0.00
79	Mr S. Narayanan	4,600	0.00	–	4,600	0.00	–	0.00
80	Mr Narayanan Ramji (HUF)	1,36,160	0.12	–	1,36,160	0.12	–	0.00
81	Mr Srinivasaraghavan Sundaram	4,000	0.00	–	4,000	0.00	–	0.00
82	Mr A.M. Srinivasan & Mr S. Kishore	452	0.00	–	3,50,452	0.32	–	0.32
83	Mr S. Kishore & Mr A.M. Srinivasan	1,13,612	0.10	–	4,63,612	0.42	–	0.32
84	Mr Srikanth Ramanujam & Mr Ananth Ramanujam	8,30,215	0.75	–	8,30,215	0.75	–	0.00
85	Miss Tarika Ram (Minor)	1,64,380	0.15	–	1,64,380	0.15	–	0.00
86	Miss Tulsi S. Ramanujam	2,67,767	0.24	–	2,67,767	0.24	–	0.00
87	Mr Daya Ambirajan	2,70,539	0.24	–	2,70,539	0.24	–	0.00
88	Master Ranjan Ambirajan	1,57,633	0.14	–	1,57,633	0.14	–	0.00
89	Mr R. Ramanujam & Mrs Prema Ramanujam	9,736	0.01	–	9,736	0.01	–	0.00
90	Mr T T Rangaswamy (HUF)	49,324	0.04	–	49,324	0.04	–	0.00
91	Mr T T Srinivasaraghavan (HUF)	1,23,192	0.11	–	1,23,192	0.11	–	0.00
92	Mr T T Rangaswamy (HUF)	19,368	0.02	–	0	0.00	–	-0.02
93	Mr T T Narendran (HUF)	95,068	0.09	–	95,068	0.09	–	0.00
94	Mr T T Srinivasaraghavan & Mr T T Narendran	1,10,000	0.10	–	1,18,000	0.11	–	0.01
95	Mr T T Srinivasaraghavan & Mrs Bagyam Raghavan	1,10,000	0.10	–	1,18,000	0.11	–	0.01
96	Mr T T Narendran & Mrs Padmini Narendran	90,000	0.08	–	80,000	0.07	–	-0.01
97	Mr T T Narendran & Mrs Padmini Narendran	90,000	0.08	–	90,000	0.08	–	0.00

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of shares	% of total shares of the company	% of shares pledged / encumbered to total shares	No. of shares	% of total shares of the company	% of shares pledged / encumbered to total shares	
98	Mrs Vimala Rangaswamy, Mr T T Srinivasaraghavan & Mr T T Venkatraghavan	82,664	0.07	–	82,664	0.07	–	0.00
99	Mr A M Srinivasan	120	0.00	–	120	0.00	–	0.00
100	Mr Vishnu Vijayaraghavan	75,984	0.07	–	75,984	0.07	–	0.00
101	Mrs Lakshmi Vijayaraghavan	42,955	0.04	–	42,955	0.04	–	0.00
102	Mr Sharath Vijayaraghavan	1,74,844	0.16	–	1,74,844	0.16	–	0.00
103	Miss Gitanjali Jeevan Jose, Rep By M/G Mrs Divya Jeevan Jose	10,000	0.01	–	10,000	0.01	–	0.00
104	Master P Siddhartha Jeevan, Rep By M/G Mrs Divya Jeevan Jose	10,000	0.01	–	10,000	0.01	–	0.00
105	Mr N Krishnan & Mr Akshay Krishnan	3,000	0.00	–	3,000	0.00	–	0.00
106	Mr N Krishnan & Mr Ananth Krishnan	3,000	0.00	–	3,000	0.00	–	0.00
107	Mr Shreen Raghavan(HUF)	5,115	0.00	–	5,115	0.00	–	0.00
108	Mrs S Hema	10,34,968	0.93	–	3,34,968	0.30	–	-0.63
109	Mrs Kavitha Gorur Keshav & Mr T T Hayagreevan	10,000	0.01	–	10,000	0.01	–	0.00
110	Miss Nakshatra Hayagreevan (Minor)	10,000	0.01	–	10,000	0.01	–	0.00
111	Mr Shriram Vijayaraghavan	1,05,000	0.09	–	1,05,000	0.09	–	0.00
112	Ms Vijaya Rangarajan & Mr Santhanam Ram	6,09,896	0.55	–	6,09,896	0.55	–	0.00
113	Mr S Ravindran	4,91,360	0.44	–	4,91,360	0.44	–	0.00
114	Mrs Thanjam Ravindran	5,74,470	0.52	–	5,74,470	0.52	–	0.00
115	Mr C B Srinivasan	9,600	0.01	–	9,600	0.01	–	0.00
116	Mr Shreyas Ravindran & Mr Srinivasan Ravindran	1,36,342	0.12	–	1,36,342	0.12	–	0.00
117	Ms Sanjana Tara Ramanujam	99,524	0.09	–	99,524	0.09	–	0.00
118	Master T T Samitinjayan Rep By F/G Mr T T Hayagreevan	–	–	–	10,000	0.01	–	0.01
	Total	**3,92,04,011**	**36.46**	–	**3,99,16,719**	**35.93**	–	**-0.53**

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

Sl. No.	Name of the Promoters	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Mr Narayanan Ramji & Mrs Sharmila Ramji				
	At the beginning of the year	394	0.00		
	Transfer pursuant to Memorandum of Settlement Order dated 17th March 2018:				
	6th May 2019	(394)	0.00	0	0.00
	At the end of the Year			0	0.00
2	Mr Narayanan Ramji & Ms Ashwathanarayan Ramji				
	At the beginning of the year	88,012	0.08		
	Transfer pursuant to Memorandum of Settlement Order dated 17th March 2018:				
	6th May 2019	(88,012)	(0.08)	0	0.00
	At the end of the Year			0	0.00
3	Mrs Lily Vijayaraghavan & Mrs Sashi Parthasarathy				
	At the beginning of the year	3,45,712	0.31		
	Sale:				
	10th June 2019	(2,500)	0.00	3,43,212	0.31
	11th June 2019	(3,364)	0.00	3,39,848	0.31
	12th June 2019	(2,136)	0.00	3,37,712	0.30
	13th June 2019	(2,600)	0.00	3,35,112	0.30
	At the end of the Year			3,35,112	0.30
4	Mr T T Rangaswamy (HUF)				
	At the beginning of the year	19,368	0.02		
	Inter-se Transfer -Gift - 1st July 2019	(19368)	(0.02)	0	0.00
	At the end of the Year			0	0.00
5	Mr T T Srinivasaraghavan & Mrs Bagyam Raghavan				
	At the beginning of the year	1,10,000	0.10		
	Inter-se Acquisition - Gift - 1st July 2019	8,000	0.01	1,18,000	0.11
	At the end of the Year			1,18,000	0.11

Sl. No.	Name of the Promoters	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
6	Mr T T Srinivasaraghavan & Mr T T Narendran				
	At the beginning of the year	1,10,000	0.10		
	Inter-se Acquisition - Gift - 1st July 2019	8,000	0.01	1,18,000	0.11
	At the end of the Year			1,18,000	0.11
7	Mrs Padmini Narendran & Mr T T Hayagreevan				
	At the beginning of the year	1,06,044	0.10		
	Inter-se Acquisition - Gift - 1st July 2019	3,368	0.00	1,09,412	0.10
	At the end of the Year			1,09,412	0.10
8	Mrs S Hema				
	At the beginning of the year	10,34,968	0.93		
	Inter-se Transfer - Gift - 2nd July 2019	(7,00,000)	(0.63)	3,34,968	0.30
	At the end of the Year			3,34,968	0.30
9	Mr A M Srinivasan & Mr S Kishore				
	At the beginning of the year	452	0.00		
	Inter-se Acquisition - Gift - 2nd July 2019	3,50,000	0.32	3,50,452	0.32
	At the end of the Year			3,50,452	0.32
10	Mr S Kishore & Mr A M Srinivasan				
	At the beginning of the year	1,13,612	0.10		
	Inter-se Acquisition - Gift - 2nd July 2019	3,50,000	0.32	4,63,612	0.42
	At the end of the Year			4,63,612	0.42
11	Mr Ashwathanarayan Ramji & Mr Narayanan Ramji				
	At the beginning of the year	600	0.00		
	Transfer pursuant to Memorandum of Settlement Order dated 17th March 2018:				
	3rd July 2019	(600)	0.00	0	0.00
	At the end of the Year			0	0.00

Sl. No.	Name of the Promoters	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
12	Mr Narayanan Ramji & Mrs Sharmila Ramji				
	At the beginning of the year	394	0.00		
	Transfer pursuant to Memorandum of Settlement Order dated 17th March 2018:				
	8th July 2019	(394)	0.00	0	0.00
	At the end of the Year			0	0.00
13	Mr Narayanan Ramji				
	At the beginning of the year	0	0.00		
	Transfer pursuant to Memorandum of Settlement Order dated 17th March 2018:				
	6th May 2019	394	0.00		
	8th July 2019	394	0.00	788	0.00
	At the end of the Year			788	0.00
14	Mr Narayanan Ramji & Miss Aishwarya Ramji				
	At the beginning of the year	6,884	0.01		
	Transfer pursuant to Memorandum of Settlement Order dated 17th March 2018:				
	5th August 2019	(6,884)	(0.01)	0	0.00
	At the end of the Year			0	0.00
15	Mr Narayanan Ramji & Miss Aishwarya Ramji				
	At the beginning of the year	1,008	0.00		
	Transfer pursuant to Memorandum of Settlement Order dated 17th March 2018:				
	5th August 2019	(1,008)	0.00	0	0.00
	At the end of the Year			0	0.00
16	Mr Barath Rengarajan				
	At the beginning of the year	4,61,484	0.42		
	Reclassified as public under Reg 31 A(3)(9) of SEBI LODR Regulation 2015, w.e.f. 16th September 2019.				
	At the end of the Year			0	0.00

Sl. No.	Name of the Promoters	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
17	Mrs Choodamani Narayanan				
	At the beginning of the year	5,08,154	0.46		
	Inter-se Transfer - Gift - 27th November 2019	(4,600)	0.00	5,03,554	0.45
	Purchase - 25th February 2020	5,540	0.01	5,09,094	0.46
	At the end of the Year			5,09,094	0.46
18	Mr N Krishnan				
	At the beginning of the year	1,01,592	0.09		
	Inter-se Acquisition - Gift - 27th November 2019	4,600	0.00	1,06,192	0.10
	Sale - 25th February 2020	(17,770)	(0.02)	88,422	0.08
	At the end of the Year			88,422	0.08
19	Mr Ananth Krishnan				
	At the beginning of the year	1,97,770	0.18		
	Sale:				
	20th February 2020	(15,000)	(0.01)	1,82,770	0.16
	25th February 2020	(2,770)	0.00	1,80,000	0.16
	At the end of the Year			1,80,000	0.16
20	Mr T T Narendran & Mrs Padmini Narendran				
	At the beginning of the year	90,000	0.08		
	Inter-se Transfer - Gift - 18th November 2019	(10,000)	(0.01)	80,000	0.07
	At the end of the Year			80,000	0.07
21	Master T.T. Samitinjayan*				
	rep. by F/G. Mr T.T. Hayagreevan				
	At the beginning of the year	–	–		
	Inter-se acquisition- Gift - 18th November 2019			10,000	0.01
	At the end of the Year			10,000	0.01

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

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

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No of shares	% of total shares of the company	No of shares	% of total shares of the company
1	AXIS MUTUAL FUND TRUSTEE LIMITED A/C AXIS MUTUAL FUND A/C				
	At the beginning of the year	49,10,368	4.42	–	–
	Sale:				
	05 April 2019	(35,769)	(0.03)	48,74,599	4.39
	26 April 2019	(3,13,285)	(0.28)	45,61,314	4.11
	17 May 2019	(9,876)	(0.01)	45,51,438	4.10
	Purchase:				
	31 May 2019	1,52,170	0.14	47,03,608	4.23
	Sale:				
	31 May 2019	(574)	0.00	47,03,034	4.23
	Purchase:				
	7 June 2019	2,12,116	0.19	49,15,150	4.42
	Sale:				
	7 June 2019	(1,902)	0.00	49,13,248	4.42
	Sale:				
	21 June 2019	(30,000)	(0.03)	48,83,248	4.40
	28 June 2019	(3,12,409)	(0.28)	45,70,839	4.11
	11 July 2019	(4,14,742)	(0.37)	41,56,097	3.74
	12 July 2019	(32,806)	(0.03)	41,23,291	3.71
	Purchase:				
	19 July 2019	32,894	0.03	41,56,185	3.74
	Sale:				
	02 August 2019	(2,00,000)	(0.18)	39,56,185	3.56
	Purchase:				
	02 August 2019	13,400	0.01	39,69,585	3.57
	Purchase:				
	16 August 2019	43,182	0.04	40,12,767	3.61
	Sale:				
	23 August 2019	(7,657)	(0.01)	40,05,110	3.60
	13 September 2019	(6,242)	(0.01)	39,98,868	3.60
	20 September 2019	(65,574)	(0.06)	39,33,294	3.54
	Purchase:				
	20 September 2019	63,502	0.06	39,96,796	3.60

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No of shares	% of total shares of the company	No of shares	% of total shares of the company
	Sale:				
	27 September 2019	(2,000)	0.00	39,94,796	3.60
	Purchase:				
	01 November 2019	(18,085)	0.02	40,12,881	3.61
	Sale:				
	22 November 2019	(10,340)	(0.01)	40,02,541	3.60
	Purchase:				
	29 November 2019	60,000	0.05	4062541	3.66
	Sale:				
	29 November 2019	(15,383)	(0.01)	40,47,158	3.64
	Sale:				
	06 December 2019	(48,398)	(0.04)	39,98,760	3.60
	13 December 2019	(7,578)	(0.01)	39,91,182	3.59
	Purchase:				
	20 December 2019	1,85,618	0.17	41,76,800	3.76
	Purchase:				
	10 January 2020	1,94,292	0.17	43,71,092	3.93
	Sale:				
	10 January 2020	(1,94,292)	(0.17)	41,76,800	3.76
	Purchase:				
	17 January 2020	26,054	0.02	42,02,854	3.78
	Purchase:				
	31 January 2020	10,000	0.01	42,12,854	3.79
	Purchase:				
	07 February 2020	31,808	0.03	42,44,662	3.82
	Sale:				
	07 February 2020	(3,122)	0.00	42,41,540	3.82
	Purchase:				
	14 February 2020	30,000	0.03	42,71,540	3.84
	Sale:				
	14 February 2020	(873)	0.00	42,70,667	3.84
	Sale:				
	28 February 2020	(42,467)	(0.04)	42,28,200	3.81
	Purchase:				
	20 March 2020	8,075	0.01	42,36,275	3.81
	Purchase:				
	27 March 2020	6,497	0.01	42,42,772	3.82
	At the end of the Year			42,42,772	3.82

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No of shares	% of total shares of the company	No of shares	% of total shares of the company
2	INDIA MOTOR PARTS & ACCESSORIES LIMITED				
	At the beginning of the year	28,53,600	2.57		
	Purchase:				
	28 February 2020	30,000	0.03	28,83,600	2.60
	At the end of the Year			28,83,600	2.60
3	BRIGHT STAR INVESTMENTS PVT LTD				
	At the beginning of the year	26,30,434	2.37		
	Date wise Increase / Decrease	–	–		
	At the end of the Year			26,30,434	2.37
4	PARI WASHINGTON INDIA MASTER FUND, LTD.				
	At the beginning of the year	19,01,194	1.71		
	Date wise Increase / Decrease				
	At the end of the Year			19,01,194	1.71
5	HDFC STANDARD LIFE INSURANCE COMPANY LIMITED				
	At the beginning of the year	17,35,702	1.56		
	Purchase:				
	05 April 2019	45,000	0.04	17,80,702	1.60
	12 April 2019	4,523	0.00	17,85,225	1.61
	Sale:				
	10 May 2019	(13,500)	(0.01)	17,71,725	1.59
	Purchase:				
	17 May 2019	100	0.00	17,71,825	1.59
	Sale:				
	24 May 2019	(484)	0.00	17,71,341	1.59
	14 June 2019	(423)	0.00	17,70,918	1.59
	Purchase:				
	21 June 2019	272	0.00	17,71,190	1.59
	Sale:				
	28 June 2019	(20)	0.00	17,71,170	1.59
	Purchase:				
	11 July 2019	614	0.00	17,71,784	1.59
	19 July 2019	3,469	0.00	17,75,253	1.60
	26 July 2019	5,046	0.00	17,80,299	1.60
	02 August 2019	15,599	0.01	17,95,898	1.62
	09 August 2019	398	0.00	17,96,296	1.62

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No of shares	% of total shares of the company	No of shares	% of total shares of the company
	Sale:				
	16 August 2019	(28,003)	(0.03)	17,68,293	1.59
	Purchase:				
	23 August 2019	4,107	0.00	17,72,400	1.60
	20 September 2019	5,000	0.00	17,77,400	1.60
	Sale:				
	25 October 2019	(18)	0.00	17,77,382	1.60
	Purchase:				
	22 November 2019	5,000	0.00	17,82,382	1.60
	29 November 2019	16,433	0.01	17,98,815	1.62
	06 December 2019	50,748	0.05	18,49,563	1.66
	Sale:				
	13 December 2019	(172)	0.00	18,49,391	1.66
	20 December 2019	(187)	0.00	18,49,204	1.66
	Purchase:				
	20 December 2019	4,000	0.00	18,53,204	1.67
	03 January 2020	21,343	0.02	18,74,547	1.69
	Sale:				
	17 January 2020	(37)	0.00	18,74,510	1.69
	Purchase:				
	13 March 2020	55,000	0.05	19,29,510	1.74
	20 March 2020	70,000	0.06	19,99,510	1.80
	27 March 2020	25,000	0.02	20,24,510	1.82
	Sale:				
	31 March 2020	(1,50,000)	-0.14	18,74,510	1.69
	At the end of the Year			18,74,510	1.69
6	UNITED INDIA INSURANCE COMPANY LIMITED				
	At the beginning of the year	15,69,561	1.41		
	Date wise Increase / Decrease	–	–		
	At the end of the Year			15,69,561	1.41
7	DAMANI ESTATE AND FINANCE PVT LTD				
	At the beginning of the year	10,32,912	0.93		
	Purchase:				
	17 May 2019	1,20,000	0.11	11,52,912	1.04
	Sale				
	17 May 2019	(1,20,000)	(0.11)	10,32,912	0.93
	At the end of the Year			10,32,912	0.93

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No of shares	% of total shares of the company	No of shares	% of total shares of the company
8	ICICI PRUDENTIAL MUTUAL FUND				
	At the beginning of the year	14,33,672	1.29		
	Purchase:				
	26 April 2019	17,555	0.02	14,51,227	1.31
	19 July 2019	22,500	0.02	14,73,727	1.33
	Sale:				
	11 October 2019	(3,206)	0.00	14,70,521	1.32
	18 October 2019	(542)	0.00	14,69,979	1.32
	25 October 2019	(906)	0.00	14,69,073	1.32
	01 November 2019	(25,770)	(0.02)	14,43,303	1.30
	08 November 2019	(81,300)	(0.07)	13,62,003	1.23
	15 November 2019	(7,540)	(0.01)	13,54,463	1.22
	22 November 2019	(1,785)	0.00	13,52,678	1.22
	29 November 2019	(10,094)	(0.01)	13,42,584	1.21
	06 December 2019	(632)	0.00	13,41,952	1.21
	20 December 2019	(52,284)	(0.05)	12,89,668	1.16
	Purchase:				
	31 January 2020	635	0.00	12,90,303	1.16
	Sale:				
	31 January 2020	(4,266)	0.00	12,86,037	1.16
	07 February 2019	(15,840)	(0.01)	12,70,197	1.14
	14 February 2020	(49,046)	(0.04)	12,21,151	1.10
	28 February 2020	(2,049)	0.00	12,19,102	1.10
	06 March 2020	(12,713)	(0.01)	12,06,389	1.09
	Purchase:				
	13 March 2020	384	0.00	12,06,773	1.09
	20 March 2020	544	0.00	12,07,317	1.09
	27 March 2020	176	0.00	12,07,493	1.09
	31 March 2020	368	0.00	12,07,861	1.09
	Sale:				
	31 March 2020	(2,00,000)	(0.18)	10,07,861	0.91
	At the end of the Year			10,07,861	0.91

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No of shares	% of total shares of the company	No of shares	% of total shares of the company
9	TATA MUTUAL FUND				
	At the beginning of the year	11,04,746	0.99		
	Purchase:				
	24 May 2019	2,000	0.00	11,06,746	
	Sale:				
	29 November 2019	(35,000)	(0.03)	10,71,746	0.96
	06 December 2019	(45,000)	(0.04)	10,26,746	0.92
	20 December 2019	(50,000)	(0.05)	9,76,746	0.88
	At the end of the Year			9,76,746	0.88
10	SUNDARAM FINANCE EMPLOYEES WELFARE TRUST				
	At the beginning of the year	9,60,960	0.86		
	Transfer:				
	26 July 2019	(17,950)	(0.01)	9,43,010	0.85
	23 August 2019	(1,300)	0.00	9,41,710	0.85
	At the end of the Year			9,41,710	0.85

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Name of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Sri S Viji				
	At the beginning of the year				
	(i) held individually	9,09,780	0.82		
	(ii) held as Karta of HUF	4,79,912	0.43		
	(iii) held jointly with others	8,684	0.01		
	Date wise Increase / Decrease	–	–		
	At the end of the Year				
	(i) held individually			9,09,780	0.82
	(ii) held as Karta of HUF			4,79,912	0.43
	(iii) held jointly with others			8,684	0.01
2	Sri S Ram				
	At the beginning of the year				
	(i) held individually	5,06,788	0.46		
	(ii) held as Karta of HUF	–	–		
	(iii) held jointly with others	6,09,896	0.55		
	(iv) held as Executor / Trustee	–	–		
	Date wise Increase / Decrease	–	–		
	At the end of the Year				
	(i) held individually			5,06,788	0.46
	(ii) held as Karta of HUF			–	–
	(iii) held jointly with others			6,09,896	0.55
	(iv) held as Executor / Trustee			–	–
3	Sri R Raghutamma Rao				
	At the beginning of the year	–	–		
	Date wise Increase / Decrease	–	–		
	At the end of the Year			–	–
4	Sri P N Venkatachalam	–	–		
	At the beginning of the year	–	–		
	Date wise Increase / Decrease	–	–		
	At the end of the Year			–	–

Sl. No.	Name of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
5	Sri S Mahalingam				
	At the beginning of the year				
	(i) held individually	–	–		
	(ii) held jointly with others	3,200	0.00		
	Date wise Increase / Decrease				
	Transmission - 05 April 2019	(3,200)	0.00		
	Transmission - 05 April 2019	3,200	0.00	3,200	0.00
	At the end of the Year				
	(i) held individually			3,200	0.00
	(ii) held jointly with others			–	–
6	Sri S Prasad				
	At the beginning of the year				
	(i) held individually	12,600	0.01		
	(ii) held jointly with others	–	–		
	Date wise Increase / Decrease				
	Mutual transfer from individual holding to joint holding - 27 November 2019	(12,600)	(0.01)		
	Mutual transfer from individual holding to joint holding - 27 November 2019	12,600	0.01	12,600	0.01
	Acquisition - Gift - 29 February 2020	12,600	0.01	25,200	0.02
	At the end of the Year				
	(i) held individually			–	–
	(ii) held jointly with others			25,200	0.02
7	Sri S Ravindran				
	At the beginning of the year				
	(i) held individually	4,91,360	0.44		
	(ii) held jointly with others	1,36,342	0.12		
	Date wise Increase / Decrease	–	–		
	At the end of the Year				
	(i) held individually			4,91,360	0.44
	(ii) held jointly with others			1,36,342	0.12
8	Ms Shobhana Ramachandhran				
	At the beginning of the year - held individually	3,02,000	0.27		
	Date wise Increase / Decrease	–	–		
	At the end of the Year - held individually			3,02,000	0.27
9	Sri Rajiv C Lochan	–	–		
	At the beginning of the year	–	–		
	Date wise Increase / Decrease	–	–		
	At the end of the Year			–	–

Sl. No.	Name of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
10	Sri T T Srinivasaraghavan, Managing Director				
	At the beginning of the year				
	(i) held as Karta of HUF	1,23,192	0.11		
	(ii) held jointly with others	3,26,376	0.29		
	(iii) held as Executor / Trustee	1,10,000	0.10		
	Date wise Increase / Decrease				
	Gift - 01 July 2019	8,000	0.01		
	Gift - 01 July 2019	8,000	0.01		
	At the end of the Year				
	(i) held as Karta of HUF			1,23,192	0.11
	(ii) held jointly with others			3,34,376	0.30
	(iii) held as Executor / Trustee			1,18,000	0.11
11	Sri Harsha Viji, Deputy Managing Director				
	At the beginning of the year				
	(i) held individually	16,91,704	1.52		
	(ii) held jointly with others	3,156	0.00		
	Date wise Increase / Decrease	–	–		
	At the end of the Year				
	(i) held individually			16,91,704	1.52
	(ii) held jointly with others			3,156	0.00
12	Sri A N Raju, Director (Operations)				
	At the beginning of the year - held jointly with others	32,528	0.03		
	Exercise of ESOP -24 July 2019	2,500	0.00	35,028	0.03
	At the end of the Year - held jointly with others			35,028	0.03
13	Sri M Ramaswamy, Chief Financial Officer				
	At the beginning of the year - held Jointly with others	28,402	0.03		
	Exercise of ESOP -24 July 2019	2,500	0.00	30,902	0.03
	At the end of the year - held jointly with others			30,902	0.03
14	Sri P Viswanathan, Secretary & Compliance Officer				
	At the beginning of the year				
	(i) held individually	4,483	0.00		
	(ii) held jointly with others	37,508	0.04		
	Exercise of ESOP -24 July 2019	2,000	0.00	43,991	0.04
	At the end of the Year				
	(i) held individually			4,483	0.00
	(ii) held jointly with others			39,508	0.04

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding / accrued but not due for payment (₹ in lakhs)

Particulars	Secured Loans excluding deposits	Unsecured Loans *	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
(i) Principal Amount	18117,92.08	3387,95.17	2975,16.31	24481,03.56
(ii) Interest due but not paid	–	–	–	–
(iii) Interest accrued but not due	358,22.03	77,67.45	124,82.88	560,72.36
Total (i + ii + iii)	**18476,14.11**	**3465,62.61**	**3099,99.19**	**25041,75.92**
Change in Indebtedness during the financial year				
Addition	10209,57.07	9788,10.30	950,63.91	20948,31.28
Reduction	10886,29.98	7485,39.08	224,38.92	18596,07.98
Net Change	**(676,72.91)**	**2302,71.22**	**726,24.99**	**2352,23.30**
Indebtedness at the end of the financial year				
(i) Principal Amount	17378,09.20	5675,26.24	3676,18.85	26729,54.30
(ii) Interest due but not paid	–	–	–	–
(iii) Interest accrued but not due	421,32.00	93,07.59	150,05.33	664,44.92
Total (i + ii + iii)	**17799,41.20**	**5768,33.83**	**3826,24.18**	**27393,99.22**

* Unsecured Loans includes Commercial Paper and Subordinated Debentures

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(₹ in lakhs)

Sl. No.	Particulars of Remuneration	Name of the MD / WTD / Manager			Total
		Sri T.T. Srinivasaraghavan, Managing Director	Sri Harsha Viji, Deputy Managing Director	Sri A.N. Raju, Director (Operations)	
1	Gross Salary				
(a)	Salary as per provisions contained in Section 17 (1) of the Income-tax Act, 1961	1,66.06	1,42.30	1,14.42	4,22.78
(b)	Value of perquisites u/s 17 (2) of the Income-tax Act, 1961	3.80	2.02	0.45	6.27
(c)	Profits in lieu of salary under section 17 (3) of the Income-tax Act, 1961	Nil	Nil	Nil	Nil
2	Stock Option	Nil	Nil	38.97	38.97
3	Sweat Equity	Nil	Nil	Nil	Nil
4	Commission	3,25.00	2,40.00	1,25.00	6,90.00
	- as % of profit	0.32%	0.23%	0.12%	
	- others, specify	Nil	Nil	Nil	Nil
5	Contributions to Provident, Superannuation and Gratuity Funds	14.62	12.41	11.59	Nil
	Total A(I)	5,09.48	3,96.72	290.43	**11,96.63**
	Ceiling as per the Act (10% of Net Profits)				103,16.92

B. Remuneration to other Directors: (₹ in lakhs)

Name of Directors	Particulars of Remuneration			Total
	Fee for attending board / committee meetings	Commission	Others, please specify	
Independent Directors:				
Sri R Raghuttama Rao	1.85	8.00	–	9.85
Sri P N Venkatachalam	2.85	12.00	–	14.85
Sri S Mahalingam	2.60	12.00	–	14.60
Sri S Prasad	5.45	15.00	–	20.45
Ms Shobhana Ramachandhran	4.45	12.00	–	16.45
Sri Rajiv C Lochan	2.10	12.00	–	14.10
Total B(I)	**19.30**	**71.00**	–	**90.30**
Other Non-Executive Directors:				
Sri S Viji	2.00	8.00	–	10.00
Sri S Ram	2.00	8.00	–	10.00
Sri S Ravindran	5.35	12.00	–	17.35
Total B(II)	**9.35**	**28.00**	–	**37.35**
Total Managerial Remuneration A (I)+ B(I+II)				**13,24.28**
Overall Ceiling as per the Act (11% of Net Profits)				**11348.61**

C. Remuneration to Key Managerial Personnel other than MD/ Manager / WTD (₹ in lakhs)

Sl. No.	Particulars of Remuneration	Sri P Viswanathan, Company Secretary	Sri M Ramaswamy, Chief Financial Officer	Total
1	Gross Salary			
(a)	Salary as per provisions contained in Section 17 (1) of the Income-tax Act, 1961	64.04	83.78	147.82
(b)	Value of perquisites u/s 17 (2) of the Income-tax Act, 1961	0.46	0.32	0.78
(c)	Profits in lieu of salary under Section 17 (3) of the Income-tax Act, 1961	–	–	–
2	Stock Option	31.18	38.97	70.15
3	Sweat Equity	–	–	–
4	Commission	25.00	70.00	95.00
	- as % of profit	0.02%	0.07%	–
	- others, specify	–	–	–
5	Contributions to Provident, Superannuation and Gratuity Funds	5.24	8.56	13.80
	Total	**1,25.92**	**2,01.63**	**3,27.55**

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

There were no penalties /punishment / compounding of offences against Company, Directors and Other Officers in Default for the year ended 31st March 2020.

Financial Highlights

(₹ in Cr.)

Year	Paid-up Capital	Reserves	Deposits	Borrowings	Total Receivables	PBDT	PAT	Dividend %	Dividend Amount
1954	0.02		0.10	0.10	0.10				
1972	1.00	0.58	8.35	8.37	9.86	0.73	0.30	16.00	0.16
1976	1.50	0.99	13.57	14.44	19.87	1.78	0.67	16.00	0.24
1978	2.00	1.37	14.65	19.47	27.18	2.01	0.77	18.00	0.36
1982	3.00	3.00	45.20	58.42	76.60	4.28	1.58	20.00	0.60
1986	6.00	6.59	104.10	125.60	184.66	10.35	2.67	16.00	0.96
1990-91	12.00	30.24	201.02	334.29	483.21	34.69	12.01	25.00	3.00
1995-96	24.00	204.31	550.44	1138.69	1637.05	127.50	64.92	35.00	8.40
2004-05	27.78	655.22	740.25	3806.38	4488.30	144.55	75.99	75.00	21.87
2008-09	55.55	1097.12	940.06	6275.77	9203.53	257.47	150.73	65.00	36.11
2012-13	111.10	1974.72	1476.99	11487.36	17644.58	674.11	410.11	90.00	99.99
2013-14	111.10	2292.97	1665.57	11796.47	18157.83	738.91	442.51	100.00	111.10
2014-15	111.10	2865.66#	1924.72	12553.00	18733.73	742.49	454.14	105.00	116.66
2015-16	111.10	3199.73	2246.27	12620.15	20698.88	767.43	477.28	110.00	122.21
2016-17	111.10	3632.86	2411.08	13910.84	24034.85	802.23	495.35	115.00	127.77
2017-18	111.10	4022.53	2499.32	21147.07	28647.92	913.33	563.44	120.00	133.32
2018-19	111.10	4932.71	2975.16	25041.76	33446.71	1541.68	1126.31*	175.00**	194.43
2019-20	111.10	5443.14	3676.19	27393.99	35088.37	1018.10	723.95	130.00	144.43

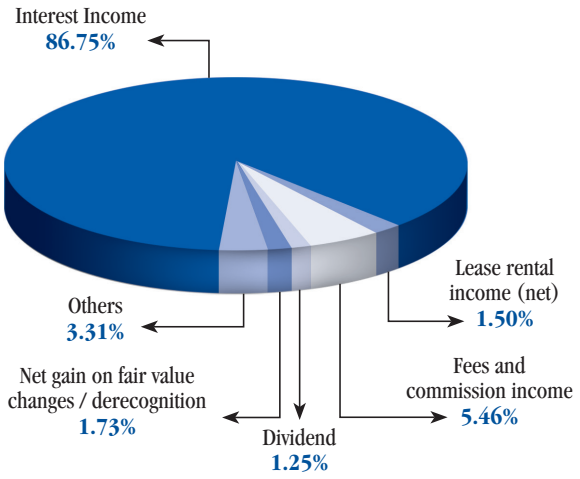
includes net proceeds from SFL Shares Trust of ₹256.56 cr.

* includes an amount of ₹522 Cr. towards exceptional income on account of sale of shares in Royal Sundaram

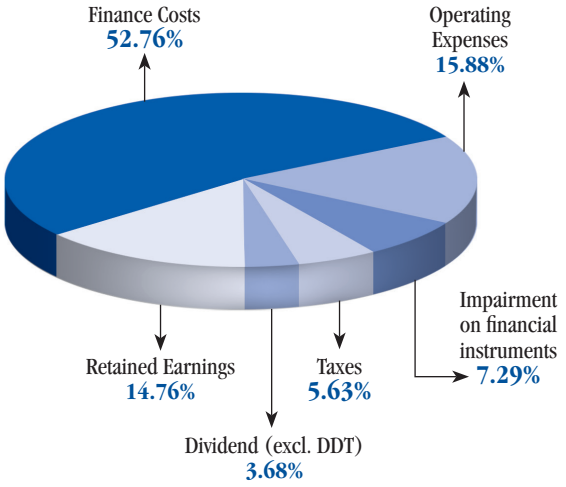
** includes a special dividend of 50%

Sources and Distribution of Income (2019-20)
₹3926.94 Cr.

SOURCES



DISTRIBUTION



Independent Auditors' Report

To The Members of Sundaram Finance Limited, Chennai for The Year Ended 31st March, 2020

To the members of Sundaram Finance Limited, Chennai

Report on Standalone Financial Statements

Opinion

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

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("The Act") in the manner so required and give a true and fair view in conformity with 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 31st March 2020, 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 ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made there under 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 opinion.

Emphasis of Matter

We draw attention to Note no: 38.1 relating to impact of COVID 19 Pandemic in the financial statements in which the management has described the probable impact on the company and the environment in which it operates. This note also indicates that uncertainties exist and it is currently not possible to reasonably estimate the future impact. The measures taken to deal with these circumstances were explained by the management. Our opinion is not modified in this matter.

Key Audit Matters

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

Key Audit Matter	*How our audit addressed the key audit matter*
Impairment Loss Allowance Management's judgements in the calculation of impairment allowances have significant impact on the financial statements. The estimates regarding impairment allowances are complex and require a significant degree of judgement, which increased with implementation of Expected Credit Loss ("ECL") approach as required by Ind AS 109 relating to "Financial instruments." Management is required to determine the expected credit loss that may occur over either a 12-month period or the remaining life of an asset, depending on the categorisation of the individual asset. The key areas of judgement include: 1. Categorisation of loans in Stage 1, 2 and 3 based on identification of: (a) exposures with significant increase in credit risk since their origination and (b) Individually impaired / default exposures. 2. Techniques used to determine Loss Given Default ('LGD') and Probability of Default ('PD') to calculate an ECL based on past experience. 3. The impact of different future macroeconomic conditions in the determination of ECL. These judgements required the models to be reassessed including the impact of Covid -19 Pandemic to measure the ECL. Management has made a number of interpretations and assumptions when designing and implementing models that are compliant with the standard. The accuracy of data flows and the implementation of related controls is critical for the integrity of the estimated impairment provisions. Given the significance of judgements and the high complexity related particularly to the calculation of ECL we considered this area as a Key Audit Matter.	• We obtained an understanding of management's assessment of impairment of loans and advances including the Ind AS109 implementation process, internal rating model, impairment allowance policy and ECL modelling methodology. • We assessed the design and implementation, and tested the operating effectiveness of controls over the modelling process including governance over monitoring of the model and approval of key assumptions. • We also verified the key judgements and assumptions relating to the macro-economic scenarios including the impact of Covid 19 Pandemic and the associated probability weights. • We also assessed the approach of the Company for categorisation the loans in various stages reflecting the inherent risk in the respective loans. • For a sample of financial assets, we tested the correctness of Staging, reasonableness of PD, accuracy of LGD and ECL computation. • We have also verified the compliance of circulars issued by Reserve Bank of India from time to time during the year on this subject. As a result of the above audit procedures no material differences were noted. We confirm the adequacy of disclosures made in the Financial statements.
Acquisition of Equity Shares During the year the company has purchased 49.9% of Sundaram Home Finance Limited's share from BNP Paribas Personal Finance S.A., France. Consequently Sundaram Home Finance Limited became Company's wholly owned subsidiary with effect from 30th September 2019. We consider the accounting treatment in the financial statements of this even as a key audit matter because of its size and the complexity in accounting for acquisition of shares.	We verified the Consideration paid on acquisition by reconciling the consideration to the Share Purchase Agreement (SPA), verifying the bank accounts for consideration paid and by verifying the investments to underlying accounting records. We confirm the accuracy of accounting and adequacy of disclosures in the Financial statements.

Key Audit Matter	*How our audit addressed the key audit matter*
Divestment of shares During the year the Company has divested in the following a) entire holding of its share in Equifax Credit Information Services Private Limited and b) 4.86 % of its holdings in Sundaram Finance Holdings Limited. We considered the accounting treatment in the financial statements of this event as a Key Audit Matter because of its size and the judgment required in calculating some of the amounts included in the profit on divestment of shares	We verified the Profit on disposal by reconciling the consideration to the Share Purchase Agreement (SPA) , Communication to Stock exchanges, bank accounts and by verifying the investments disposed to underlying accounting records. In addition we verified whether the Profit on disposal was calculated in accordance with the relevant clauses of the SPA. We confirm the accuracy of accounting and adequacy of disclosures in the Financial statements.
Fair Value of Unquoted Equity Instruments and Preference Shares (Other than Investments in Subsidiaries and Joint Ventures) Investment in Unquoted equity and preference shares are measured at Fair value. The Fair value of these financial assets involved managements judgement because these securities are not traded in an active market . As per Ind AS 109, Cost has been considered as the best estimate of Fair value by the Management. Since this valuation is a Level 3 type of valuation in accordance with Ind AS 113 Fair Value Measurement where one or more significant inputs to the fair value measurement is unobservable . Accordingly this item is considered to be a Key Audit Matter due to significant judgments associated with estimating the fair value of investment.	We discussed with management the basis used in determining the fair value and evaluated the appropriateness of the valuation methodologies used by management and compared it to industry norms and the requirements in Ind AS. We confirm the adequacy of the disclosures made in the Financial statements.
Impairment testing of investments in Subsidiaries /Joint Ventures: Impairment testing of investments in Subsidiaries/Joint venture is considered as a Key Audit Matter since impairment of these investments may have an impact on the equity of the Company. Testing for impairment depends on the future results of the companies concerned. In addition, there is significant scope for judgement in determining the assumptions underlying forecast results of the entities.	We compared the book value of the investments in the year under review with their prorata share of the respective company's equity based on their financials, evaluated the internal sources and external sources of information to identify impairment indications, if any. Where indicators of impairment have been identified, assessing the reasonableness of the recoverable amount of each of the relevant subsidiaries and joint ventures, obtained an understanding from management of their financial position and future prospects. The same has been evaluated and appropriately dealt in the books of accounts. Based on the audit procedures performed, we found the key judgements and assumptions used in the impairment identification and assessments were duly supported by the available evidence.

Key Audit Matter	*How our audit addressed the key audit matter*
IT Systems and Controls The Company's key financial accounting and reporting processes are highly dependent on the automated controls in information systems, We have considered this as Key Audit Matter as any control lapses, Validation failures, incorrect input data and wrong extraction of data may result in the financial accounting and reporting records being misstated. We have focused on user access management, change management, segregation of duties, system reconciliation controls and system application controls over key financial accounting and reporting systems.	We tested a sample of key controls operating over the information technology in relation to financial accounting and reporting systems, including system access and system change management, program development and computer operations. We tested the design and operating effectiveness of key controls over user access management which includes granting access right, new user creation, removal of user rights and preventative controls designed to enforce segregation of duties. Reliance was also placed on the System Audit report of the Company. Based on our review no weakness was found in the IT Systems and Controls.

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, board's report, corporate governance 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 the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act read with 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 of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial 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 the Board of Directors 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 Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal 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 Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in "Annexure A" to this Report, a statement on the matters specified in paragraphs 3 and 4 of the said Order, to the extent applicable.

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 Flow 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 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 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164(2) of the Act.

(f) With respect to the adequacy of 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 statements – refer note no. 43.06 to the financial statements.

ii. based on the current assessment of the long term contracts, in the ordinary course of business, the company has made adequate provision for losses where required, as explained in note no. 43.14 of the Notes to Accounts. The derivate contracts being in the nature of the hedge contracts, the company does not anticipate any material losses from the same.

iii. During the year, there has been no delay in transferring the amounts required to be transferred to the Investor Education and Protection Fund.

For **Sundaram & Srinivasan**
Chartered Accountants
Firm Registration. No. 004207S

K.Srinivasan
Partner
Membership Number : 005809
UDIN.....

Place: Chennai
Date : 29.05.2020

ANNEXURE - A TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF SUNDARAM FINANCE LIMITED, CHENNAI

Annexure A referred to in our report under "Report on Other Legal and Regulatory Requirements Para 1" of even date on the accounts for the year ended 31st March 2020

i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) Fixed assets have been physically verified by the Management during the year, in accordance with an annual plan of verification, which in our opinion is reasonable having regard to the size of the Company and nature of the fixed assets. The discrepancies noticed on such verification were not material and have been properly dealt with in the books of account.

(c) The title deeds of immovable properties are held in the name of the company.

ii. The Company does not have any inventory and hence reporting under this clause 3(ii) is not applicable.

iii. The Company has granted secured loan to one party and unsecured loan to one party covered in the register maintained under section 189 of Companies Act 2013 ("the Act").

(a) The terms and conditions of the grant of the loan are not prejudicial to the Company's interest;

(b) The repayment of principal and payment of interest has been stipulated and the repayment and receipts are regular;

(c) The amounts are not overdue.

iv. In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Act in respect of loans granted, investments made, guarantees given and securities provided, wherever applicable.

v. In our opinion and according to the information and explanations given to us, the company has complied with the directions issued by the Reserve Bank of India and the provisions of section 73 to 76 of the Act, and any other relevant provisions of the Act and the rules framed thereunder with regard to deposits accepted from the public.

vi. The Central Government has not prescribed the maintenance of cost records for the Company u/s. 148(1) of the Act.

vii. (a) In our opinion and according to the information and explanation given to us, undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Duty of Customs, Cess and other material statutory dues have been regularly deposited during the year with appropriate authorities. According to the information and explanations given to us, there are no arrears of statutory dues which are outstanding as at 31st March 2020 for a period of more than six months from the date they become payable.

(b) According to records of the Company and the information and explanation given to us, the details of disputed value added tax and income tax not deposited are as follows:

Nature of dues	Amount in ₹ lakhs	Period to which the amount relates	Forum where the dispute is pending
Value added tax	96.18	1993-94 to 2013-14	Assistant / Deputy / Joint Commissioner
	32.02	1995-96 to 2011-12	Tribunal
	642.29	1998-99 to 2004-05	High Court
Income Tax	2575.22	2016-17	Commissioner of Income Tax (Appeals)
	26589.62	2017-18	Commissioner of Income tax (Appeal)

viii. The Company has not defaulted in the repayment of dues to financial institution, banks, Government or debenture holders.

ix. (a) The Company has not raised any money by the way of initial public offer or further public offer (including debt instruments) during the year. Hence reporting on utilization of such money does not arise; and

(b) The term loans were applied for the purposes for which the loans were obtained.

x. To the best of our knowledge and belief and according to the information and explanations given to us, during the year, no fraud by the Company or material fraud on the Company by its employees or officers were noticed during the course of our audit.

xi. The Company has paid / provided for managerial remuneration within limits of section 197 read with schedule V to the Act.

xii. The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable.

xiii. According to the information and explanations furnished to us and based on our examination of the records of the Company, all transactions with the related parties are in compliance with sections 177 and 188 of the Act.

The details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

xiv. During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures under section 42 of the Act.

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

xvi. The Company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and has obtained registration.

For **Sundaram & Srinivasan**
Chartered Accountants
Firm Registration. No. 004207S

K.Srinivasan
Partner
Membership Number : 005809
UDIN.....

Place: Chennai
Date : 29.05.2020

ANNEXURE - B TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF SUNDARAM FINANCE LIMITED, CHENNAI

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

We have audited the internal financial controls over financial reporting of Sundaram Finance Limited, Chennai ("the Company") as at 31st March, 2020 in conjunction with our audit of the standalone financial statements of the Company for the period 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 Act.

Auditor's Responsibility

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 Act, to the extent applicable to an audit of internal financial controls, both issued by the ICAI. 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 with reference to financial statements over financial reporting 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 with reference to financial statements over financial reporting with reference to financial statements.

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control with reference to financial statements over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to financial statements over financial reporting 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 Statements

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 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 with reference to financial statements over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2020, based on the internal control over financial reporting with reference to financial statements 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 ICAI

For **Sundaram & Srinivasan**
Chartered Accountants
Firm Registration. No. 004207S

K.Srinivasan
Partner
Membership Number : 005809
UDIN.....

Place: Chennai
Date : 29.05.2020

Balance Sheet

as at 31st March, 2020

(₹ in lakhs)

Particulars	Note	Mar 31,2020	Mar 31,2019
ASSETS			
Financial Assets			
Cash and cash equivalents	5	18,98.77	129,78.52
Bank Balances	6	610,82.19	708,84.47
Derivative financial instruments	7	76,16.08	72,79.83
Receivables	8		
(I) Trade receivables		18,53.30	19,39.74
(II) Other receivables		2,26.79	11.95
Loans	9	28044,69.82	27271,48.03
Investments	10	3937,74.33	1866,32.98
Other Financial assets	11	16,57.69	12,67.68
Non-Financial Assets			
Current tax assets (Net)		159,81.21	118,26.62
Deferred tax assets (Net)	12	123,12.63	80,11.44
Investment Property	13	78,89.76	79,66.60
Property, Plant and Equipment	14	224,96.71	213,51.77
Right-of-use assets	15	46,60.54	–
Other intangible assets	16	9,13.90	11,90.88
Other non-financial assets	17	51,17.42	64,27.18
Total Assets		**33419,51.14**	**30649,17.70**
LIABILITIES AND EQUITY			
Liabilities			
Financial Liabilities			
Payables	18		
I) Trade Payables			
(i) Total outstanding dues of micro enterprises and small enterprises		61.00	85.84
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		60,16.79	94,28.41
II) Other Payables			
(i) Total outstanding dues of micro enterprises and small enterprises		–	–
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		9,12.70	5,48.26
Debt securities	19	14739,54.54	10479,53.29
Borrowings (Other than debt securities)	20	6688,17.42	9737,06.76
Deposits	21	3768,99.49	3064,03.94
Subordinated liabilities	22	2140,03.08	1725,16.68
Other financial liabilities	23	417,95.05	424,47.30
Non-Financial Liabilities			
Provisions	24	30,71.52	51,36.08
Other non-financial liabilities	25	16,82.84	23,10.08
Equity			
Equity share capital	26	111,10.39	111,10.39
Other equity *		5436,26.32	4932,70.67
Total Liabilities and Equity		**33419,51.14**	**30649,17.70**

Significant Accounting policies **1-4**

See accompanying Notes forming part of the financial statements 5-49

* Refer Statement of Changes in equity

As per our report of even date attached
For **Sundaram & Srinivasan**
Chartered Accountants
Registration No.004207S

K Srinivasan
Partner
Membership No.5809

Place : Chennai
Date : 29th May, 2020

S Viji
Chairman

S Prasad
Director

T T Srinivasaraghavan
Managing Director

Harsha Viji
Deputy Managing Director

A N Raju
Director (Operations)

M Ramaswamy
Chief Financial Officer

P Viswanathan
Secretary & Compliance Officer

Statement of Profit and Loss

for the Year Ended 31st March, 2020

(₹ in lakhs)

Particulars	Note	2019-20	2018-19
Revenue from operations			
Interest Income	27	3406,40.02	2937,88.12
Lease Rental income (Net)		58,81.28	57,12.81
Fees and Commission Income	28	214,55.54	231,02.32
Dividend Income		49,21.54	33,04.86
Income from other Services		25,64.51	23,55.09
Recovery of Bad debts		19,62.49	21,72.26
Net gain on fair value changes	29	48,89.57	11,05.16
Net gain on derecognition of financial instruments under amortised cost category		18,94.03	6,10.61
Total Revenue from operations		**3842,08.98**	**3321,51.23**
Other Income	30	84,84.59	20,56.07
Total Income		**3926,93.57**	**3342,07.30**
Expenses			
Finance cost	31	2072,02.96	1766,47.42
Employee benefit expenses	32	358,62.33	322,42.51
Administrative & other expenses	33	191,78.91	196,59.83
Depreciation & amortisation		72,97.98	53,96.77
Impairment on financial instruments	34	286,39.64	107,33.14
Total expenses		**2981,81.82**	**2446,79.67**
Profit / (loss) before exceptional items and tax		945,11.75	895,27.63
Exceptional item		–	592,43.45
Profit / (loss) before tax		**945,11.75**	**1487,71.08**
Tax expense	**12**	**221,16.99**	**361,40.20**
Current tax		258,41.73	391,45.90
Deferred tax		(37,24.74)	(30,05.70)
Profit/(loss) after tax for the year		**723,94.76**	**1126,30.88**
Other Comprehensive Income			
A (i) Items that will not be reclassified to profit or loss			
Profit of equity investments		78,23.28	–
Remeasurements of the defined benefit plans		(8,22.70)	(6,17.68)
(ii) Income tax relating to items that will not be reclassified to profit or loss		(14,08.92)	2,15.84
Sub-total (A)		**55,91.66**	**(4,01.84)**
B (i) Items that will be reclassified to profit or loss			
Fair value change on cashflow hedge		8,32.89	10,44.49
(ii) Income tax relating to items that will be reclassified to profit or loss		(1,07.51)	(3,64.99)
Sub-total (B)		**7,25.38**	**6,79.50**
Other Comprehensive Income (A + B)		**63,17.04**	**2,77.66**
Total Comprehensive Income for the period		**787,11.80**	**1129,08.54**
Earnings per equity share (on PAT)			
Basic & diluted		65.16	101.37

As per our report of even date attached
For **Sundaram & Srinivasan**
Chartered Accountants
Registration No.004207S

K Srinivasan
Partner
Membership No.5809
Place : Chennai
Date : 29th May, 2020

S Viji
Chairman

S Prasad
Director

T T Srinivasaraghavan
Managing Director

Harsha Viji
Deputy Managing Director

A N Raju
Director (Operations)

M Ramaswamy
Chief Financial Officer

P Viswanathan
Secretary & Compliance Officer

Statement of Changes in Equity for the year ended 31st March 2020

Equity Share Capital (₹ in lakhs)

Particulars	Amount
Balance as at 1st April 2018	111,10.39
Changes in equity share capital during the year	–
Balance as at 31st March 2019	111,10.39
Changes in equity share capital during the year	–
Balance as at 31st March 2020	111,10.39

Other equity (₹in lakhs)

Particulars	Reserves and Surplus					Other Comprehensive Income	Total
	Capital Reserve	Share Options Outstanding Account	Statutory Reserve	General Reserve	Retained Earnings	Effective portion of cash flow hedge	
Balance as at 01st April, 2018	**6,59.80**	**2,30.11**	**996,42.47**	**2250,00.10**	**767,20.25**	**–**	**4022,52.73**
(A) Profit After tax for the year					1126,30.88		1126,30.88
(B) Other comprehensive income:							
Remeasurements of the defined benefit plans					(4,01.84)		(4,01.84)
Fair value change on cashflow hedge						679.50	6,79.50
Total Comprehensive income for the year (A)+(B)	**–**	**–**	**–**	**–**	**1122,29.04**	**679.50**	**1129,08.54**
Dividends (Including dividend distribution tax)					(222,17.54)		(222,17.54)
Options Granted during the year		3,44.72					3,44.72
Cost of shares transferred on exercise of option		(6.35)					(6.35)
Deferred Employee Compensation Cost		(11.43)					(11.43)
Transfer to general reserve		(2,69.79)			(997,30.11)		(999,99.90)
Transfer to Statutory reserve					(225,26.18)		(225,26.18)
Transfer from Share Options Outstanding account				2,69.79			2,69.79
Transfer from Retained earnings			225,26.18	997,30.11			1222,56.29
Balance as at 31st March 2019	**6,59.80**	**2,87.26**	**1221,68.65**	**3250,00.00**	**444,75.46**	**679.50**	**4932,70.67**

Other equity

(₹in lakhs)

Particulars	Reserves and Surplus					COVID-19 Reserve	Other Comprehensive Income		Total
	Capital Reserve	Share Options Outstanding Account	Statutory Reserve	General Reserve	Retained Earnings		Equity investments through OCI	Effective portion of cash flow hedge	
Balance as at 1st April, 2019	**6,59.80**	**2,87.26**	**1221,68.65**	**3250,00.00**	**444,75.46**	**–**	**–**	**6,79.50**	**4932,70.67**
(A) Profit After tax for the year					723,94.76				723,94.76
(B) Other comprehensive income:									
Remeasurements of the defined benefit plans					(6,15.65)				(6,15.65)
Profit on sale of equity investments							62,07.31		62,07.31
Transfer to Retained earning					62,07.31		(62,07.31)		–
Fair value change on cashflow hedge								7,25.38	7,25.38
Total Comprehensive income for the year (A)+(B)	**–**	**–**	**–**	**–**	**779,86.42**	**–**	**–**	**7,25.38**	**787,11.80**
Transfer to Covid Reserve					(27,17.61)	27,17.61			–
Deferred tax on Covid Reserve provisions					6,83.97				6,83.97
Dividends (Including dividend distribution tax)					(293,23.03)				(293,23.03)
Options Granted during the year		2,94.01							2,94.01
Cost of shares transferred on exercise of option		(6.59)							(6.59)
Deferred Employee Compensation Cost		8.44							8.44
Transfer to general reserve		(3,25.22)			(246,74.78)				(250,00.00)
Share Options excersied after regulatory approvals during the year		(12.92)							(12.92)
Transfer to Statutory reserve					(144,78.95)				(144,78.95)
Transfer from Share Options Outstanding account				3,25.22					3,25.22
Transfer from Retained earnings			144,78.95	246,74.78					391,53.74
Balance as at 31st March, 2020	**6,59.80**	**2,45.00**	**1366,47.60**	**3500,00.00**	**519,51.47**	**27,17.61**	**–**	**14,04.88**	**5436,26.32**

Description of nature and purpose of other equity:

a) Capital Reserve: Represents reserve created on account of amalgamations and arrangements

b) Share Options Outstanding Account: Represents reserve on grant of option to employees of the company / group company under Employee Stock option Scheme.

c) Statutory reserve: Represents reserve created as per Section 45-IC of the Reserve Bank of India Act, 1934.

d) General reserve: Represents amount appropriated from retained earnings.

e) COVID-19 reserve: Represents amount appropriated from retained earnings

As per our report of even date attached
For **Sundaram & Srinivasan**
Chartered Accountants
Registration No.004207S

K Srinivasan
Partner
Membership No.5809

Place : Chennai
Date : 29th May, 2020

S Viji
Chairman

T T Srinivasaraghavan
Managing Director

Harsha Viji
Deputy Managing Director

M Ramaswamy
Chief Financial Officer

S Prasad
Director

A N Raju
Director (Operations)

P Viswanathan
Secretary & Compliance Officer

Cash Flow Statement

(₹ in lakhs)

	2019-2020		2018-19	
A. CASH FLOW FROM OPERATING ACTIVITIES:				
Profit before tax	945,11.75		1487,71.08	
Add: Finance costs	2072,02.96	3017,14.71	1766,47.42	3254,18.50
Depreciation and Amortisation expense		72,97.98		53,96.77
Impairment on financial instruments		286,39.64		107,33.14
(Gain)/loss on sale of property, plant and equipment		2,29.28		6,66.06
Share-based payment expense		2,46.29		2,47.83
Net Gain on sale of Equity Investments in a Subsidiary		(60,05.10)		–
Net gain on fair value changes		(48,89.57)		(11,05.16)
Dividend income		(49,21.54)		(33,04.86)
(Gain) / Loss on disinvestment of shares (exceptional item relating to previous year)		–		(592,43.45)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		**3223,11.69**		**2788,08.84**
(Increase) Decrease in Leased assets - net of sales	(50,38.54)		(32,96.04)	
(Increase) Decrease in Bank deposits	58,24.87		192,15.72	
(Increase) Decrease in SLR Investments (net)	(67,95.04)		(60,61.37)	
(Increase)/ Decrease in trade and other receivables	(1,53.87)		2,36.36	
(Increase)/ Decrease in Loans	(1070,69.29)		(5371,10.32)	
(Increase)/ Decrease in Other financial assets	(3,71.94)		(1,34.19)	
(Increase)/ Decrease in Non financial assets	(59,48.70)		–	
(Increase)/ Decrease in Other non-financial assets	(75,71.96)		31,24.55	
Increase/ (Decrease) in trade and other payables	(30,72.02)		30,34.63	
Increase/(Decrease) in financial liabilities	(17,88.83)		(56,81.02)	
Increase/(Decrease) in other non-financial liabilities and provisions	(36,39.76)	(1356,25.08)	(11,37.43)	(5278,09.11)
Cash generated from Operations		1866,86.62		(2490,00.27)
Financial costs	(1337,73.20)		(1423,39.97)	
Income Taxes Paid	(225,00.00)	(1562,73.20)	(365,00.00)	(1788,39.97)
NET CASH FROM OPERATING ACTIVITIES (A)		**304,13.41**		**(4278,40.24)**

Cash Flow Statement (Contd.)

	2019-2020	2018-19
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Payment for purchase and construction of property, plant and equipment	(21,90.19)	(26,60.03)
Payment for purchase and construction of investment properties	–	(9,79.10)
Payment for purchase and generation of intangible assets	(2,35.58)	(9,20.50)
Purchase of investment in Equity instruments (Subsidiaries)	(1001,16.92)	–
Sale of investment in Equity instruments (Subsidiary)	63,75.39	973,20.84
Purchase of other investments	(18404,00.12)	(7549,59.00)
Sale of other investments	17578,47.01	7610,25.38
Proceeds from sale of property, plant and equipment, intangible assets and investment property	4,04.00	6,77.36
Dividend income	49,21.54	33,04.86
NET CASH FROM INVESTING ACTIVITIES (B)	**(1733,94.87)**	**1028,09.81**
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Payment of Lease liability	(14,65.54)	–
Debt securities, deposits, sub-ordinated liabilities and other borrowings:		
Availment	20020,46.22	27980,71.58
Repayment	(18393,55.93)	(24504,84.64)
Dividend Paid (including dividend distribution tax)	(293,23.03)	(222,17.54)
NET CASH FROM FINANCING ACTIVITIES (C)	**1319,01.71**	**3253,69.40**
NET INCREASE IN CASH AND CASH EQUIVALENTS (A)+(B)+(C)	**(110,79.75)**	**3,38.96**
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	129,78.52	126,39.56
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	18,98.77	129,78.52
COMPONENTS OF CASH AND CASH EQUIVALENTS		
AT THE END OF THE YEAR		
Balances with Banks	9,29.67	48,05.28
Cash, Cheques & drafts on hand	9,69.10	81,73.24
	18,98.77	**129,78.52**

As per our report of even date attached
For **Sundaram & Srinivasan**
Chartered Accountants
Registration No.004207S

K Srinivasan
Partner
Membership No.5809

Place : Chennai
Date : 29th May, 2020

S Viji
Chairman

S Prasad
Director

T T Srinivasaraghavan
Managing Director

Harsha Viji
Deputy Managing Director

A N Raju
Director (Operations)

M Ramaswamy
Chief Financial Officer

P Viswanathan
Secretary & Compliance Officer

NOTES TO THE ACCOUNTS

General information:

Sundaram Finance Limited ('the Company') is a Public Limited Company incorporated in India with its registered office located at No.21, Patullous Road, Chennai – 600 002. The Company is registered as a Non-Banking Finance Company (Deposit taking) with Reserve Bank of India and is primarily engaged in the business of financing of Commercial vehicles, Cars, construction equipment and other vehicles in the retail segment.

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

1. BASIS OF PREPARATION AND PRESENTATION

1.1 Statement of Compliance

The financial statements have been prepared as a going concern in accordance with the Indian Accounting Standard ('Ind AS'), notified under section 133 of the Companies Act,2013 read together with Rule 3 of the Companies (Indian Accounting Standards) Rules,2015 and Companies (Indian Accounting Standards) amendments Rules,2016 issued by the Ministry of Corporate Affairs (MCA).

The accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

In addition, the guidance notes and announcement issued by the Institute of Chartered Accountants of India are also applied, except where the compliance with other statutory provisions requires different treatment.

All the amounts included in Standalone Financial Statements are reported in Indian Rupees (₹) and all values are rounded off to the nearest lakhs except where otherwise indicated.

1.2 Accounting Convention

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

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Revenue recognition

As per Ind AS 109, Financial Instruments, Interest income from financial assets is recognised on an accrual basis using effective interest rate method (EIR). The effective interest rate method is the rate that exactly discounts estimated future cash receipts (including all fees, transaction costs and other premiums or discounts paid or received) through the expected life of the financial instrument to the carrying amount on initial recognition.

For revenue recognition from leasing transactions of the Company, refer Note 2.4 on Leases below.

Revenue is recognised upon transfer of control of promised services to customer in an amount that reflects the consideration we expect to receive as per the agreement with the customer.

Where the performance obligation is satisfied over time and where there is no uncertainty as to measurement or collectability of consideration, revenue is recognised as per the percentage of completion method.

The company has applied revenue recognition criteria for each distinct performance obligation in relation to service income. The transaction price is allocated to each performance obligation based on the standalone selling price.

Dividend income from investments is recognised when the right to receive payment has been established.

2.2 Measurement of fair values

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. 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.

2.3 Financial instruments

A financial instrument is any contract that gives rise to a financial asset for one entity and a financial liability or equity instrument for another entity. Financial instruments also include derivative contracts such as foreign currency forward contracts and cross currency swaps. Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial Assets / Liabilities

Financial assets and financial liabilities are initially measured at fair value. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities measured at fair value through profit or loss are recognised immediately in profit or loss.

Transaction costs directly attributable to the acquisition or issue of financial assets and financial liabilities that are measured at amortised cost are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

Classification and subsequent measurement

The Company classifies its financial assets as subsequently measured at either amortized cost or fair value depending on the Company's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

A financial asset is measured at amortised cost only if both of the following conditions are met:

- The asset is held within a business model whose objective is to hold them to collect contractual cash flows and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the amount outstanding.

Such Financial assets are subsequently measured at amortised cost using the Effective Interest rate method. Financial assets are subsequently measured at fair value through other comprehensive income if these financial assets are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on principal and the interest on the principal outstanding. Any financial instrument, which does not meet the criteria for categorisation as amortized cost or as Fair Value Through Other Comprehensive Income (FVTOCI), is classified as at Fair Value Through P&L (FVTPL). In addition, the Company may elect to classify a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). Debt instruments included within the FVTPL category are measured at fair value with all changes recognised in the profit and loss.

All financial liabilities are subsequently measured at amortised cost using the effective interest rate method except for financial liabilities at FVTPL. A financial liability is classified as FVTPL if it is held-for-trading or it is a derivative or it is designated as FVTPL on initial recognition. Interest expense, foreign exchange gains (losses) and any gains and losses on de-recognition are recognised in the profit or loss.

Equity Investments

The Company accounts for equity investments in subsidiaries, associates and joint ventures at cost less impairment.

All other equity investments are designated at Fair Value Through Other Comprehensive Income (FVTOCI). The fair value changes on the instrument, excluding dividends, are recognised under Other Comprehensive Income (OCI). There is no recycling of the amounts from OCI to the statement of profit and loss on sale of investment.

Investment in Compulsorily Convertible Preference Shares (CCPS)

The Company designates investment in CCPS at FVTOCI. The fair value changes on the instrument, excluding dividends,

are recognised under OCI. There is no recycling of the amounts from OCI to the statement of profit and loss on sale of investment.

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 - This level includes financial assets that are measured by reference to quoted prices in active markets for identical assets or liabilities.

Level 2 - This level includes financial assets and liabilities, measured using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. price) or indirectly (i.e. derived from prices).

Level 3 - This level includes financial assets and liabilities measured using inputs that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

Impairment of Financial Assets

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

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

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

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

Contract Asset and Contract Liability.

Revenue in excess of invoicing is classified as contract assets while invoicing in excess of revenue is classified as contract liability.

Value of contract Asset/liability is determined based on the time spent on each project or on period basis for Annual maintenance contract.

De-recognition of financial assets and financial liabilities

Financial asset: A financial asset or a part thereof is primarily de-recognised when:

The right to receive contractual cash flows from the asset has expired, or

The Company has transferred its right to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

If the company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains all or substantially all the risks and rewards of the transferred assets, the transferred assets are not de-recognised.

On de-recognition of a financial asset, the difference between the carrying amount of the asset and the consideration received is recognised in profit or loss.

Financial liabilities: The Company de-recognises a financial liability when its contractual obligations are discharged, cancelled or expired.

Offsetting of financial instruments

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

2.4 Leases

Effective April 1, 2019, the company has adopted Ind AS 116 "Leases".

Lessor Accounting

Leases for which the company is a lessor is classified as finance lease or operating lease based on the terms and conditions of the lease agreement

Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

1. **Finance lease:** Amount due from lessees under finance leases are recorded in balance sheet as receivables, being the amount equal to net investment in lease. The net investment in lease is the gross investment in lease less unearned finance income.

   The lease income earned are recognised in the profit and loss account based on pattern reflecting constant periodic return on the company's net investment in lease.

2. **Operating lease:** Assets leased out on operating lease are recognised as an asset under Property, Plant and equipment in the balance sheet.

Lease income from operating lease is recognised as income on straight line basis over the lease term. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the Company's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue.

Lessee Accounting

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

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

The lease liability is the present value of the lease payments to be made over the lease term using the incremental borrowing rates.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

Right of use assets are evaluated for impairment at each reporting date.

2.5 Employee Benefits

Short term Employee benefits

Short term employee benefits for services rendered by employees are recognised during the period when the services are rendered.

Post-Employment benefits

Defined contribution plans

1. **Superannuation:** The Company contributes to the Superannuation fund, which is administered by trustees and managed by the Life Insurance Corporation of India

(LIC). The contributions are charged to the Statement of Profit and Loss.

2. **Employees' Pension Scheme and Employees' State Insurance Scheme:** The Company also contributes to a government administered Employees' Pension Scheme under the Employees Provident Fund Act and to Employees' State Insurance Schemes on behalf of its employees.

Defined benefit plans

1. **Gratuity:** The Company makes an annual contribution to a Gratuity Fund administered by trustees and managed by LIC. The company accounts its liability based on actuarial valuation, as at the balance sheet date, using the Projected Unit Credit method.

   The change in defined benefit plan liability is split into changes arising out of service, interest cost and re-measurements and the change in defined benefit plan asset is split between interest income and re-measurements. Changes due to service cost and net interest cost / income is recognised in the statement of profit and loss.

   Re-measurement of the net defined benefit liability/ (asset) comprising actuarial gains and losses and the return on the plan assets (excluding amounts included in net interest on the net defined benefit liability /asset) are recognised in other comprehensive income.

2. **Provident Fund:** Contributions are made to the company's Employees Provident Fund Trust in accordance with the fund rules. The interest rate payable by the trust to the beneficiaries every year is notified by the Government. The company has an obligation to make good the shortfall, if any, between the return from the Investment of the trust and the notified interest rate. The monthly contribution made by the Company is recognised as employee benefit expense in the Statement of Profit and Loss.

3. **Retired Employee Medical scheme:** The Post-retirement medical benefit plan provides for reimbursement of health care costs to certain categories of employees post their retirement. The reimbursement is subject to an overall ceiling sanctioned based on cadre of the employee at the time of retirement. The plan is unfunded. Employees do not contribute to the plan.

Other Long-Term Employee Benefits

1. **Leave Encashment:** The Company contributes to a staff leave encashment scheme managed by SBI Life Insurance Company Limited. The company accounts its liability based on an actuarial valuation, as at the balance sheet date, using the Projected Unit Credit method.

2. **Employee Assured Bonus Scheme & Sick leave:** The Company accounts its liability in respect of other long-term benefits like Employee Assured Bonus Scheme and entitlement of sick leave on the basis of actuarial valuation.

2.6 Share Based Payments:

Employee Stock Options: The Company has an employee stock option scheme in accordance with SEBI guidelines 1999. It recognises the compensation expense relating to share based payments in accordance with Ind AS 102 - Share based payments.

The equity settled share based payments to employees is measured at the fair value of the equity instrument at the grant date.

The fair value determined on the grant date of equity settled share payment is expensed on straight line basis over the vesting period based on company's estimate of equity instruments that will eventually vest with a corresponding increase in equity. At the end of each financial year, the company revises its estimate of the number of equity instruments that are expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit and loss in such a way that the cumulative expense reflects the revised estimate with a corresponding adjustment to equity.

The Option carries neither right to Dividend nor voting rights.

2.7 Income Taxes

Tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

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 at the reporting date.

Current tax assets and liabilities are offset only if, the Company has a legally enforceable right to set off the recognised amounts; and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred tax

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

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

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

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

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

a) Has a legally enforceable right to set off current tax assets against current tax liabilities; and

b) The deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority.

Current and Deferred tax for the Year

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

2.8 Property plant and equipment (PPE)

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

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

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

Freehold land is not depreciated.

An item is recognised as property plant and equipment if and only if it is probable that future economic benefits associated with the item will flow to the company and its costs can be measured reliably. Subsequent expenditure is added to the carrying amount or recognized as separate asset, when the Company expects future economic benefits from that item.

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

Estimated useful lives of the assets, based on technical assessment, which are different in certain cases from those prescribed in Schedule II of the Companies Act 2013, are as follows:

(in years)

Assets	Plant and machinery	Computers-End user services	Computers-Servers and Network	Vehicles	Office equipment
Own	15	7	10	5	8
Operating lease	5	3	6	4	–

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

2.9 Investment property

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

It is measured initially at cost of acquisition including transaction costs, borrowing cost and other directly attributable cost in bringing the asset to its working condition for its intended use. Subsequent expenditure is capitalized to the asset carrying amount only when it is probable that the future economic benefit associated with the expenditure will flow to the company.

The fair value of investment property has been determined by property valuer, having recognised qualifications and experience.

Depreciation is provided on written down value method by adopting useful life of 60 years in the case of Building as prescribed under schedule II to the Companies Act, 2013 after retaining 5% of Original cost as residual value for Buildings.

2.10 Intangible assets

Intangible assets are identified non-monetary assets without physical existence.

Intangible assets with finite useful lives that are acquired separately are capitalized and carried at cost less accumulated amortisation and accumulated impairment losses.

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.

Intangible assets represent Computer software whose cost is amortized over their expected useful life 2 to 5 years on a straight-line basis.

The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Impairment loss, if any, is provided to the extent, the carrying amount of assets exceeds their recoverable amount. Recoverable amount is the higher of an assets net selling price and the present value of estimated future cash flows expected to arise from the continuing use of the asset and from its disposal at the end of its useful life.

Intangible Assets under development

Development expenditure on new products is capitalized as intangible asset if all the following are demonstrated.

- Technical feasibility of completing the asset
- Intention to complete the asset

- The ability to use or sell the asset
- Probability that the intangible asset will generate future economic benefits
- Availability of the adequate technical, financial and other resources to complete the intangible asset
- The ability to measure reliably the expenditure attributable during the development stage

2.11 Impairment of assets

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

2.12 Foreign Currency transaction

Transactions in foreign currency are accounted at the exchange rates prevailing on the date of the transaction. The foreign currency borrowing being a monetary liability is restated to INR (being the functional currency of the Company) at the prevailing rates of exchange at the end of every reporting period with the corresponding exchange gain/ loss being recognised in profit or loss. The Company enters into forward exchange contracts, forward rate agreements, coupon only swaps and interest rate swaps. The Company undertakes such transactions for hedging its balance sheet. The foreign currency borrowing and derivative swaps are treated as separate transactions.

The derivatives (swaps, forward rate agreements and forward contracts) are classified at fair value through profit or loss (FVTPL) under Ind AS 109, Financial Instruments with the resultant gain or loss being taken to profit or loss.

2.13 Derivatives & Hedge Accounting

The company designates certain derivatives held for risk management as hedging instruments in qualifying hedging relationships. These derivatives qualify for hedge accounting and meet the criteria for cash flow hedge. The effective portion of the gain or loss arising on the fair value measurement of the hedging instrument is recognised in other comprehensive income.

2.14 Dividend

The final Dividend on shares is recorded as a liability on the date of approval by the Shareholders and interim dividends are accounted on payment basis as they are revocable till actually paid.

2.15 Cash flow Statement

Cash flows are reported using the indirect method, whereby net profit after tax is adjusted for the effects of transactions of non-cash nature, tax and any deferrals or accruals of past or future cash receipts or payments. The cash flows are prepared for the operating, investing and financing activities of the Company.

2.16 Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised only when the company has a present obligation (legal or constructive) as a result of past events, and it is probable that it is required to settle the obligation, and a reliable estimate can be made of the amount of obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the obligation at the reporting date, considering the risk and uncertainties surrounding the obligation.

Contingent liabilities

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 future uncertain 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.

2.17 Earnings Per Share

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

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

3. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

4 RECENT INDIAN ACCOUNTING STANDARDS (IND AS)

Ministry of Corporate Affairs ("MCA") has not amended / brought any new Accounting Standard from 1st April, 2019.

Note 5: Cash and Cash Equivalents

(₹ in lakhs)

Particulars	March 31, 2020	March 31, 2019
Cash on hand	1,79.72	20,63.98
Balances with Banks	9,29.67	48,05.28
Cheques, drafts on hand	7,89.38	61,09.26
TOTAL	**18,98.77**	**129,78.52**

Note 6: Bank Balance other than specified in Note 5 above

(₹ in lakhs)

Particulars	March 31, 2020	March 31, 2019
Unpaid dividend account	3,49.75	2,77.16
Balances with banks *	607,32.44	706,07.31
TOTAL	**610,82.19**	**708,84.47**

* Bank deposits include,

a) ₹566,08.00 lakhs (as on 31.03.2019 ₹ 611,58.00 lakhs) provided as collateral for assets securitised.

b) In accordance with the Reserve Bank of India directives, the company has created a floating charge on the statutory liquid assets comprising bank deposits of ₹ 40,50.00 lakhs (as on 31.03.2019 ₹ 36,50.00 lakhs) in favour of trustees representing the deposit holders of the Company.

Note 7: Derivative Financial Instruments

(₹ in lakhs)

The details of the outstanding derivative instruments and their fair values are as below;

Part I

Particulars	31st March 2020			31st March 2019		
	Notional amount	Fair Value		Notional amount	Fair Value	
		Assets	Liabilities		Assets	Liabilities
(i) Currency derivatives:						
- Currency swaps	–	–	–	888,05.16	62,35.34	–
- Forward Contracts	1207,25.26	57,38.69	–	–	–	–
Subtotal (i)	**1207,25.26**	**57,38.69**	**–**	**888,05.16**	**62,35.34**	**–**
(ii) Interest rate derivatives:						
- Forward Rate Agreements & Interest Rate Swaps	275,00.00	18,77.39	–	300,00.00	10,44.49	–
Subtotal (ii)	**275,00.00**	**18,77.39**	**–**	**300,00.00**	**10,44.49**	**–**
Total Derivative Financial Instruments (i)+(ii)	**1482,25.26**	**76,16.08**	**–**	**1188,05.16**	**72,79.83**	**–**

Part II - Included in above (Part I) are derivatives held for hedging and risk management purposes as follows:

(₹ in lakhs)

Particulars	31st March 2020			31st March 2019		
	Notional amount	Fair Value		Notional amount	Fair Value	
		Assets	Liabilities		Assets	Liabilities
(i) Cash flow hedging:						
- Interest rate derivatives	275,00.00	18,77.39	–	300,00.00	10,44.49	–
(ii) Undesignated derivatives	1207,25.26	57,38.69	–	888,05.16	62,35.34	–
Total Derivative Financial Instruments (i)+(ii)	**1482,25.26**	**76,16.08**	**–**	**1188,05.16**	**72,79.83**	**–**

Notes:

1) The interest rate risk and exchange rate risk on the borrowings of the Company are managed using various derivative instruments which are entered from time to time. The risk management strategy and the use of derivatives are explained in Note 38 - Financial Risk Management Framework and Note 44.03 - Derivatives.

2) The Company has designated the Interest rate derivatives (IRS / FRA) which were entered to mitigate interest rate risks on its Subordinated Non Convertible Debentures, as hedging instruments.

Note 7A : Derivative Financial Instruments

Derivatives designated as Hedging Instruments

The impact of the hedging instrument on the balance sheet as at 31st March 2020 is as follows:

₹ in lakhs

Hedged Instrument	Notional Amount	Carrying Amount	Line item in the Balance sheet	Change in fair value used for measuring ineffectiveness for the period
Interest Rate swap/ Forward rate agreement	275,00.00	1877.39	Derivative Financial Instruments	8,32.89

The impact of hedged items on the Balance sheet is as follows:

₹ in lakhs

Hedged Item	Change in value used for measuring ineffectiveness	Cash flow hedge reserve as on 31.03.2020
Fixed rate borrowing / loans	(8,32.89)	14,04.88

The effect of cash flow hedge in the statement of profit and loss and other comprehensive income is as follows:

₹ in lakhs

Hedged Item	Total hedging gain / (loss) recognised in OCI	Ineffectiveness recognised in the profit and loss	Line item in the statement of profit and loss that include the hedge ineffectiveness	Amount reclassified from cash flow hedge reserve to Profit or loss	Line item in the statement of profit or loss that includes the reclassification adjustment
Fixed rate borrowing / loans	8,32.89	–	NA	3,00.11	Finance Cost (Refer Note-31)

Note 8 Receivables

(₹ in lakhs)

Particulars	March 31, 2020	March 31, 2019
Trade receivables		
- Secured, considered good	–	–
- Unsecured, considered good	18,39.74	19,28.81
- Receivables which have significant increase in Credit Risk	–	11.47
- Receivables - credit impaired	41.14	1.56
Less: Impairment loss on the above	27.58	2.10
Sub-total - Trade receivables	18,53.30	19,39.74
Other receivables		
- Secured, considered good	2,20.57	–
- Unsecured, considered good	6.22	11.95
Sub-total - Other receivables	2,26.79	11.95
TOTAL	**20,80.09**	**19,51.69**

Note 9: Loans
Carried at amortised cost

(₹ in lakhs)

Particulars	March 31, 2020	March 31, 2019
Hypothecation loans #	27357,85.91	25929,22.68
Net Investment in hire purchase	292,22.49	789,22.67
Term Loans	365,10.98	311,20.09
Advance for business assets	80,19.80	191,50.85
Amount retained on Assets securitised / assigned	153,82.52	111,90.94
Loans repayable on Demand	60,12.93	43,50.08
Bills Purchased and Bills Discounted	16,29.60	16,32.28
Net investment in lease	7,01.19	13,53.17
Other loans @	45,97.21	43,39.45
Total Loans - Gross	28378,62.63	27449,82.21
Less: Impairment loss allowance	333,92.81	178,34.18
Total Loans - Net	**28044,69.82**	**27271,48.03**
Of the above		
Secured by tangible assets	28234,14.97	27194,38.09
Secured by intangible assets	–	–
Covered by Bank/Government Guarantees	6,17.50	5,84.50
Secured by Deposits	6,91.44	3,49.72
Unsecured	131,38.72	246,09.90
Total Loans - Gross	28378,62.63	27449,82.22
Less: Impairment loss allowance	333,92.81	178,34.18
Total Loans - Net	**28044,69.82**	**27271,48.03**
Loans in India		
Public Sector	–	–
Others *	28378,62.63	27449,82.22
Total Loans - Gross	28378,62.63	27449,82.22
Less: Impairment loss allowance	333,92.81	178,34.18
Total Loans in India - Net - (A)	28044,69.82	27271,48.03
Loans outside India	–	–
Less: Impairment loss allowance	–	–
Total Loans outside India - Net - (B)	–	–
Total loans (A) + (B)	**28044,69.82**	**27271,48.03**

includes repossessed assets at market value.

@ includes loan to employees and loans against deposits.

* includes loans to Individuals, Sole Proprietorship, Partnership, LLPs, Private and Public Listed Companies.

Note 10: Investments

(₹ in lakhs)

Particulars	Note No.	Face Value (₹)	As at 31.03.2020		As at 31.03.2019	
			Holding (Number)	Carrying Amount	Holding (Number)	Carrying Amount
At Cost:						
Equity Instruments						
- Subsidiaries						
Sundaram Asset Management Company Limited		10	2,00,00,000	185,93.73	2,00,00,000	185,70.41
Sundaram Home Finance Limited	i	10	10,12,54,438	1152,55.37	–	–
Sundaram Fund Services Limited	i	10	4,50,03,000	24,45.15	–	–
Sundaram Trustee Company Limited		10	50,000	2,28.62	50,000	2,28.62
LGF Services Limited		10	2,50,000	5.00	2,50,000	5.00
Sundaram Finance Holdings Limited	ii, vii & viii	5	3,26,50,000	16,44.89	4,00,00,000	20,15.18
				1381,72.76		208,19.21
Less: Allowance for Impairment loss				–		–
				1381,72.76		**208,19.21**
- Joint Ventures						
Royal Sundaram General Insurance Co. Limited		10	22,45,00,000	585,26.56	22,45,00,000	585,37.34
Sundaram Home Finance Limited		10	–	–	5,07,28,473	152,57.75
Sundaram Fund Services Limited		10	–	–	2,29,51,530	22,95.15
				585,26.56		760,90.23
Less: Allowance for Impairment loss				–		(12,42.70)
				585,26.56		748,47.53
Total - A				**1966,99.33**		**956,66.74**
At fair value through other comprehensive income:						
Equity Instruments						
Equifax Credit Information Services Private Limited	iii	10	–	–	1,35,00,000	13,50.00
Experian Credit Information Company of India Private Limited		10	1,12,00,000	11,20.00	1,12,00,000	11,20.00
				11,20.00		24,70.00

(₹ in lakhs)

Particulars	Note No.	Face Value (₹)	As at 31.03.2020		As at 31.03.2019	
			Holding (Number)	Carrying Amount	Holding (Number)	Carrying Amount
Preference Shares						
Series A Compulsorily Convertible Preference Shares of RBSG Capital Private Limited	iv	10	7,14,286	3,11.99	–	–
Total - B				**14,31.99**		**24,70.00**
At fair value through profit or loss:						
- Mutual Funds						
Sundaram Money Fund		10	9,11,98,530	381,84.73	3,30,24,680	130,15.52
Kotak Liquid Fund		1,000	3,75,438	150,73.36	–	–
SBI Liquid Fund		1,000	4,58,051	142,40.88	–	–
IDFC Cash Fund		1,000	4,01,739	96,49.09	–	–
ICICI Prudential Liquid Fund		100	20,53,076	60,31.56	–	–
HDFC Liquid Fund		1,000	1,28,622	50,24.74	–	–
Nippon India India Liquid Fund		1,000	1,03,561	50,23.41	–	–
Invesco India Liquid Fund		1,000	1,84,056	50,21.53	–	–
SBI Savings Fund		10	1,44,09,607	46,63.96	–	–
HDFC Money Market Fund		1,000	1,10,464	46,61.41	–	–
Sundaram Money Market Fund		10	4,15,79,657	46,57.84	–	–
ICICI Prudential Money Market Fund		100	3,87,538	10,82.26	–	–
IDFC Banking & PSU Debt Fund		10	1,95,52,636	35,12.46	–	–
SBI Banking & PSU Debt Fund		1,000	1,48,473	35,11.90	–	–
Kotak Banking & PSU Debt Fund		10	73,47,369	35,00.78	–	–
Sundaram Banking & PSU Debt Fund		10	48,73,135	15,61.68	–	–
Sundaram Mutual Fund - Seed Capital	v	10		13,50.00		13,20.50
HDFC Charity Fund for Cancer Cure 2017	vii	10	30,00,000	3,01.41	30,00,000	3,00.24
				1270,53.00		146,36.26

(₹ in lakhs)

Particulars	Note No.	Face Value (₹)	As at 31.03.2020		As at 31.03.2019	
			Holding (Number)	Carrying Amount	Holding (Number)	Carrying Amount
- Alternative Investment Funds						
Sponsor investments						
Sundaram Alternative Opportunities Fund – Nanocap Series I"	vi	1,00,000	900	4,42.68	900	8,84.93
Nanocap Series II	vi	1,00,000	913	4,51.89	913	9,07.50
Sundaram Alternative Opportunities Series – High Yield Secured Debt Fund	vi	–	–	5,00.00	–	5,15.66
High Yield Secured Debt Fund II	vi	–	–	2,50.00	–	–
Sundaram India Premier Fund	vi	1,000	98,567	9,61.21	69,665	7,24.58
Sundaram ACORN	vi	–	250	1,97.04	–	–
Others						
Sundaram Alternative Opportunities Series – High Yield Secured Debt Fund				39,93.34		46,40.97
High Yield Secured Debt Fund II		–	–	17,50.02	–	–
Lok Capital Growth Fund		100	13,29,349	17,40.93	9,11,077	13,89.49
IFMR FImpact Medium Term Microfinance Fund		1,00,000	–	–	1,199	12,75.32
				102,87.11		103,38.45
Total - C				**1373,40.11**		**249,74.71**
At amortised cost:						
Debt securities						
- Government Securities:						
Central Government Loans	vii	100	1,60,14,300	162,73.37	1,25,14,300	126,25.20
State Government Loans	vii	100	3,49,50,000	354,23.09	2,78,98,000	282,26.22
				516,96.46		408,51.42

(₹ in lakhs)

Particulars	Note No.	Face Value (₹)	As at 31.03.2020		As at 31.03.2019	
			Holding (Number)	Carrying Amount	Holding (Number)	Carrying Amount
- Non-Convertible Debentures:						
Royal Sundaram General Insurance Co. Limited		10,00,000	–	–	1,000	102,76.94
Unsecured Subordinated Redeemable Non-Convertible Debentures						
- Pass Through Certificates:		–	–	66,60.77	–	77,31.21
- Commercial Paper:						
Northern Arc Capital Limited		5,00,000	–	–	1,000	47,14.12
				583,57.23		**635,73.69**
Less: Allowance for Impairment loss		–	–	(54.32)	–	(52.16)
Total - D				**583,02.91**		**635,21.53**
Total Investments * A+B+C+D				**3937,74.33**		**1866,32.98**
(Net of allowance for impairment loss)						

* All investments of the company are in India.

Notes:

i) During the year, the Company has made the following acquisitions:

- 49% equity stake in Sundaram BNP Paribas Fund Services Limited (SBFS) held by BNP Paribas Securities Services, France, for a consideration of ₹150 lakhs.
- 49.9% equity stake in Sundaram BNP Paribas Home Finance Limited (Home Finance) held by BNP Paribas Personal Finance S.A., France, for a consideration of ₹999,66.92 lakhs.

Consequently, SBFS & Home Finance became Company's wholly-owned subsidiary effective 31st July 2019 & 30th September 2019 respectively.

Pursuant to the above acquisition, the name of "Sundaram BNP Paribas Fund Services Limited" & "Sundaram BNP Paribas Home Finance Limited" changed to "Sundaram Fund Services Limited" & "Sundaram Home Finance Limited" effective 7th Nov 2019 & 18th Nov 2019, respectively.

ii) During Sep-19, the company has made inter-se transfer of 73,50,000 equity shares of ₹10/- each held in Sundaram Finance Holdings Limited (SFHL) to persons belonging to the promoter group of SFHL, for a total consideration of ₹63.75 lakhs.

iii) During Feb-20, the company has sold its entire shareholding in Equifax Credit Information Services Private Limited to EFX Holdings Ltd., Mauritius, in accordance with the Shareholder's Agreement.

iv) In accordance with the Shareholder's Agreement and Share Subscription Agreement, the company has subscribed to 714286 Series A Compulsorily Convertible Preference Shares of ₹10/- each in RBSG Capital Private Limited, during Feb-20.

v) Seed Capital investment in the growth option of the open-ended schemes of Sundaram Mutual Fund is in compliance with the seed capital requirements stipulated by SEBI Mutual Funds (Amendment) Regulations, 2014 and cannot be redeemed unless the scheme is wound up.

vi) Represents sponsor investments, in compliance with SEBI (Alternative Investment Funds) Regulations, 2012 and the same cannot be redeemed unless the Fund is wound up.

vii) Represent Quoted Investments.

viii) Denote shares are under lock in period

ix) In accordance with the Reserve Bank of India directives, the company has created a floating charge on the statutory liquid assets comprising investment in Government Securities of face value ₹509,64.30 lakhs (amortised cost - ₹516,96.46 lakhs).

Note 11: Other Financial Assets

(₹ in lakhs)

Particulars	March 31, 2020	March 31, 2019
Carried at amortised cost		
- Security deposits	7,62.99	7,79.78
- Contract asset	21.40	–
- Other advances	9,09.69	5,42.35
Less: Impairment loss on the above	36.39	54.45
TOTAL	**16,57.69**	**12,67.68**

Note 12 : Disclosure pursuant to Ind AS 12 "Income Taxes"

(a) Major components of tax expense / (income):

(₹ in lakhs)

Sl.no.	Particulars	2019-20	2018-19
(a)	**Profit or Loss section :**		
	(i) Current income tax :		
	Current income tax expense	258,41.73	391,45.90
	Tax expense of prior periods	–	–
		258,41.73	391,45.90
	(ii) Deferred tax :		
	Tax expense on origination and reversal of temporary differences	(37,24.74)	(26,58.10)
	Effect of previously unrecognised tax losses used to reduce tax expense	–	(3,47.59)
		(37,24.74)	**(30,05.69)**
	Income tax expense reported in Profit or Loss [(i) + (ii)]	221,16.99	361,40.20
(b)	**Other Comprehensive Income (OCI) section:**		
	(i) Items not to be reclassified to profit or loss in subsequent periods :		
	Current tax expense/(income):		
	On remeasurement of defined benefit plans	(2,07.06)	(2,15.84)
	On profit on sale of equity investments	16,15.97	–
		14,08.92	**(2,15.84)**
	(ii) Items to be reclassified to profit or loss in subsequent periods :		
	Deferred tax expense/(income):		
	On fair value of cash flow hedges	1,07.51	3,64.99
	Income tax expense reported in Other Comprehensive Income [(i) + (ii)]	15,16.43	1,49.15
	Income tax expense reported in retained earnings	**236,33.42**	**362,89.35**

b) Reconciliation of tax expense and the accounting profit multiplied by domestic tax rate applicable in India :

(₹ in lakhs)

Sl.no.	Particulars	2019-20	2018-19
(a)	Profit before tax and exceptional items	945,11.75	895,27.62
(b)	Profit on exceptional items	–	592,43.45
(c)	Profit before tax	945,11.75	1487,71.07
(d)	Corporate tax rate as per Income Tax Act 1961	25.17%	34.94%
(e)	Tax on Accounting profit (e) =(a)*(d)	**237,86.72**	**312,84.53**
(f)	(i) Tax effect on exempt income	12,38.65	11,54.85
	(ii) Tax effect on expenses not allowable	4,05.51	3,13.77
	(iii) Tax effect on various other items	8,36.59	13,20.29
	Total effect of tax adjustments [(i) -(ii) + (iii)]	16,69.73	21,61.37
(g)	Tax on exceptional items - Capital gains@ 23.296%	–	70,17.05
(h)	Tax expense recognised during the year (h)= (e) - (f)+(g)	**221,16.99**	**361,40.20**
(i)	Effective tax Rate (f)=(h) / (c)	23.40%	24.29%

c) Unrecognised deductible temporary differences for which no deferred tax asset is recognised in Balance sheet

(₹ in lakhs)

Particulars	As at 31.03.2020		As at 31.03.2019	
	Base amount	Deferred tax	Base amount	Deferred tax
Deductible temporary differences towards provision for diminution in value of investments on which DTA not created	–	–	12,42.70	4,34.25

(d) Components of deferred tax (Assets) and liabilities recognised in Balance Sheet and Statement of Profit or Loss

(₹ in lakhs)

Sl. no.	Particulars	Balance Sheet		Statement of Profit or Loss	
		As at 31.03.2020	As at 31.03.2019	2019-20	2018-19
(a)	Items disallowed u/s.43B of the Income Tax Act 1961	2,92.07	8,48.35	(5,56.28)	(2,44.47)
(b)	Provision for doubtful debts and advances	60,83.61	26,16.29	34,66.82	(12,51.32)
(c)	Difference between book depreciation and tax depreciation	37,20.41	54,15.82	(16,95.41)	(1,59.05)
(d)	Other temporary differences	15,32.57	(8,69.02)	24,02.09	42,95.05
(e)	Provision for Impairment / Covid Reserve	6,83.97	–	–	–
	Deferred tax expense/(income)			**36,17.21**	**26,40.20**
	Net deferred tax (assets)/liabilities	**123,12.63**	**80,11.44**		

(e) Reconciliation of deferred tax (Assets) / Liabilities

(₹ in lakhs)

Sl. no.	Particulars	2019-20	2018-19
(a)	Opening balance as at 1st April	80,11.44	53,71.23
(b)	Tax income/(expense) during the period recognised in :		
	(i) Statement of Profit and Loss	37,24.73	30,05.70
	(ii) Statement of Other Comprehensive Income	(1,07.51)	(3,64.99)
	(iii) Retained earnings	6,83.97	
Closing balance as at 31st March		**123,12.63**	**80,11.44**

Note 13 Investment Property

(₹ in lakhs)

Particulars	Land	Building	Total
GROSS BLOCK AT COST			
As at 31.03.2018	60,59.35	10,88.93	71,48.28
Additions	5,46.39	4,32.71	9,79.10
Deductions	40.27	0.61	40.88
As at 31.03.2019	**65,65.47**	**15,21.03**	**80,86.49**
DEPRECIATION			
Upto 31.03.2018	–	57.14	57.14
Additions	–	63.19	63.19
Deductions	–	0.44	0.44
Upto 31.03.2019	**–**	**1,19.89**	**1,19.89**
Carrying Value as at 31.03.2019	**65,65.47**	**14,01.14**	**79,66.60**

(₹ in lakhs)

Particulars	Land	Building	Total
GROSS BLOCK AT COST			
As at 31.03.2019	65,65.47	15,21.03	80,86.49
Additions	–	–	–
Deductions	3.17	–	3.17
As at 31.03.2020	**65,62.29**	**15,21.03**	**80,83.32**
DEPRECIATION			
Upto 31.03.2019	–	1,19.89	1,19.89
Additions	–	73.66	73.66
Deductions	–	–	–
Upto 31.03.2020	**–**	**1,93.55**	**1,93.55**
Carrying Value as at 31.03.2020	**65,62.29**	**13,27.47**	**78,89.76**

The fair value measurement for all the investment property has been categorized as Level 2 based on the inputs to the valuation technique, taking into consideration the prevailing market price of similar property / locality.

The Fair value of the investment property is ₹24094.34 lakhs (2018-19) ₹24312.04 lakhs)

Items relating to investment property recognised in Profit & Loss Account for the year ended are given below:

(₹ in lakhs)

Particulars	2019-20	2018-19
Rental income	6,50.82	6,75.51
Direct Operating expenses on properties generating rental income	29.28	33.66
Direct Operating expenses on properties not generating rental income	3.41	3.85

The investment properties are freely realizable.

There is no contractual obligation to purchase, construct or develop investment property

NOTES TO THE ACCOUNTS (Contd.)

Note 14 Property, Plant and equipment

(₹ in lakhs)

Particulars	Freehold Land	Freehold Buildings	Leasehold office / Residential Premises	Plant and Machinery and Computers	Furniture and Fixtures	Vehicles	Office Equipment	Assets on Operating Lease		Assets Taken under Finance Lease	Total
								Plant and Machinery and Computers	Vehicles	Leasehold Land	
GROSS BLOCK AT COST											
As at 31.03.2018	27,40.97	9,05.69	5,40.01	24,42.99	6,33.46	14,05.46	6,09.50	80.24	173,01.66	39.08	266,99.06
Additions	2,38.65	2,39.34	2,19.00	10,79.79	2,24.62	5,23.03	1,35.61	6,63.65	47,66.64	–	80,90.33
Deductions	2,40.32	98.15	–	24.98	8.63	1,15.78	23.40	59.30	40,86.43	–	46,57.00
As at 31.03.2019	**27,39.30**	**10,46.87**	**7,59.01**	**34,97.80**	**8,49.45**	**18,12.71**	**7,21.71**	**6,84.59**	**179,81.87**	**39.08**	**301,32.39**
DEPRECIATION											
As at 31.03.2018	–	54.96	26.58	5,47.77	1,36.90	3,02.64	1,18.34	3.76	38,68.10	–	50,59.05
Additions	–	83.84	32.76	6,88.21	1,42.41	3,35.66	1,09.14	1,54.47	33,94.84	–	49,41.33
Deductions	–	8.28	–	8.10	2.65	27.44	5.18	0.45	11,67.66	–	12,19.76
As at 31.03.2019	–	1,30.52	59.34	12,27.88	2,76.66	6,10.86	2,22.30	1,57.78	60,95.28	–	87,80.62
Carrying Value as at 31.03.2019	**27,39.30**	**9,16.35**	**6,99.67**	**22,69.92**	**5,72.79**	**12,01.85**	**4,99.41**	**5,26.81**	**118,86.59**	**39.08**	**213,51.77**

(₹ in lakhs)

Particulars	Freehold Land	Freehold Buildings	Leasehold office / Residential Premises	Plant and Machinery and Computers	Furniture and Fixtures	Vehicles	Office Equipment	Assets on Operating Lease		Finance Lease	Total
								Plant and Machinery and Computers	Vehicles	Land	
GROSS BLOCK AT COST											
As at 31.03.2019	27,39.30	1046.87	7,59.01	34,97.80	8,49.45	18,12.71	7,21.71	6,84.59	179,81.87	39.08	301,32.39
Additions	1,21.20	209.57	–	9,49.86	1,25.90	6,09.69	1,43.87	3,10.89	63,27.02	–	87,98.00
Deductions	–	1.37	–	28.31	10.63	2,03.43	33.01	20.93	38,63.19	–	41,60.87
Reclassified on account of adoption of Ind AS 116	–	–	–	–	–	–	–	–	–	39.08	39.08
As at 31.03.2020	**28,60.50**	**12,55.07**	**7,59.01**	**44,19.35**	**9,64.72**	**22,18.97**	**8,32.57**	**9,74.55**	**204,45.70**	**–**	**347,30.44**
DEPRECIATION											
Up to 31.03.2019	–	1,30.52	59.34	12,27.88	2,76.66	6,10.86	2,22.30	1,57.78	60,95.28	–	87,80.62
Additions	–	1,04.20	34.84	8,44.47	1,54.55	3,75.87	1,16.57	2,71.06	34,82.95	–	53,84.51
Deductions	–	0.18	–	16.14	5.55	90.97	14.78	5.29	17,98.49	–	19,31.40
Reclassified on account of adoption of Ind AS 116	–	–	–	–	–	–	–	–	–	–	–
Upto 31.03.2020	**–**	**2,34.54**	**94.18**	**20,56.21**	**4,25.66**	**8,95.76**	**3,24.09**	**4,23.55**	**77,79.74**	**–**	**122,33.73**
Carrying Value as at 31.03.2020	**28,60.50**	**10,20.53**	**6,64.83**	**23,63.14**	**5,39.06**	**13,23.21**	**5,08.48**	**5,51.00**	**126,65.96**	**–**	**224,96.71**

Note 15: Right of use - Assets

(₹ in lakhs)

Particulars	ROU Land	ROU Buildings	Finance Lease Land	Total
GROSS BLOCK AT COST				
As at 31.03.2019	–	–	–	–
Reclassified on account of adoption of Ind AS 116	1,96.23	47,01.22	39.08	49,36.53
Additions	–	12,12.60	–	12,12.60
Deductions	–	1,90.49	–	1,90.49
As at 31.03.2020	**1,96.23**	**57,23.33**	**39.08**	**59,58.64**
DEPRECIATION				
Up to 31.03.2019	–	–	–	–
Reclassified on account of adoption of Ind AS 116	1,12.39	11,17.88	–	12,30.27
Additions	–	96.97	–	96.97
Deductions	–	29.14	–	29.14
Upto 31.03.2020	**1,12.39**	**11,85.71**	**–**	**12,98.10**
Carrying Value as at 31.03.2020	83.84	45,37.62	39.08	46,60.54

Note 16: Intangibles and Other Intangible Under development

(₹ in lakhs)

Particulars	Computer Software		Total	Intangibles Under Development
	Purchased	Self Generated		
GROSS BLOCK AT COST				
As at 31.03.2018	6,56.61	8,10.86	14,67.48	20.94
Additions	7,61.10	1,59.41	9,20.50	1,38.47
Deductions	–	–	–	1,59.41
As at 31.03.2019	**14,17.71**	**9,70.27**	**23,87.98**	**–**
DEPRECIATION				
Upto 31.03.2018	3,17.24	4,87.61	8,04.85	–
Additions	3,09.28	82.97	3,92.25	–
Deductions	–	–	–	–
Upto 31.03.2019	**6,26.52**	**5,70.58**	**11,97.10**	**–**
Carrying Value as at 31.03.2019	**7,91.19**	**3,99.69**	**11,90.88**	**–**

(₹ in lakhs)

Particulars	Computer Software		Total	Intangibles Under Development
	Purchased	Self Generated		
GROSS BLOCK AT COST				
As at 31.03.2019	14,17.71	9,70.27	23,87.98	–
Additions	2,11.03	24.55	2,35.58	–
Deductions	–	–	–	–
As at 31.03.2020	**16,28.74**	**9,94.82**	**26,23.56**	**–**
DEPRECIATION				
Up to 31.03.2019	6,26.52	5,70.58	11,97.10	–
Additions	4,06.72	1,05.84	5,12.56	–
Deductions	–	–	–	–
Upto 31.03.2020	**10,33.24**	**6,76.42**	**17,09.66**	**–**
Carrying Value as at 31.03.2020	**5,95.49**	**3,18.40**	**9,13.90**	**–**

Note 17: Other Non-Financial Assets

(₹ in lakhs)

Particulars	March 31, 2020	March 31, 2019
Balances with Government authorities	31,33.72	45,60.28
Prepaid expenses	13,08.66	12,86.53
SF employee welfare trust	3,03.33	3,09.91
Stamp and stamp papers on hand	2,16.13	1,88.88
Capital Advances	80.33	50.23
Others Assets *	75.25	31.35
TOTAL	**51,17.42**	**64,27.18**

* Amount paid for which goods / services are to be received.

Maturity Pattern of Borrowings:

(₹ in lakhs)

Implicit Interest rate (%)	As on 31.03.2020				As on 31.03.2019			
Maturities	**<1 year**	**1 - 3 years**	**>3 years**	**Total**	**<1 year**	**1 - 3 years**	**>3 years**	**Total**
Secured Debentures								
> 6 to 7	–	554,72.25	–	554,72.25	–	–	–	–
> 7 to 8	1651,06.13	3524,98.95	505,54.59	5681,59.67	2076,83.01	1676,89.89	–	3753,72.90
> 8 to 9	1497,65.03	3377,26.84	–	4874,91.87	955,68.21	3336,69.48	283,86.18	4576,23.86
> 9 to 10	–	–	–	–	255,52.10	153,97.57	–	409,49.67
> 10 to 11								
Total	**3148,71.16**	**7456,98.04**	**505,54.59**	**11111,23.79**	**3288,03.32**	**5167,56.93**	**283,86.18**	**8739,46.43**
Long Term Loans								
> 5 to 6	620,58.44	652,07.29	48,59.39	1321,25.12	–	–	–	–
> 6 to 7	1061,71.90	1266,88.77	29,93.96	2358,54.63	423,92.35	298,28.32	63.53	722,84.19
> 7 to 8	671,05.43	487,08.87	4,10.54	1162,24.84	1976,23.38	649,12.68	21,83.83	2647,19.89
> 8 to 9	894,67.86	400,00.00	–	1294,67.86	1714,25.94	3306,49.73	131,49.14	5152,24.81
Total	**3248,03.63**	**2806,04.93**	**82,63.89**	**6136,72.46**	**4114,41.67**	**4253,90.73**	**153,96.50**	**8522,28.89**
Subordinated liabilities								
> 8 to 9	–	–	1272,40.15	1272,40.15	–	–	857,05.44	857,05.44
> 9 to 10	150,98.22	165,74.05	351,54.63	668,26.90	–	204,15.23	411,73.57	615,88.80
> 10 to 11	–	199,36.03	–	199,36.03	–	53,17.31	199,05.13	252,22.44
Total	**150,98.22**	**365,10.08**	**1623,94.78**	**2140,03.08**	**–**	**257,32.54**	**1467,84.14**	**1725,16.68**

The Secured Non - Convertible Debentures are secured by mortgage of immovable property ranking pari passu with charges created in favour of the trustees and Hypothecation of specific Loan receivables / Hire purchase/ Lease agreements with a cover of 100%, as per the terms of issue.

The Term loans from banks are secured by hypothecation of specific assets covered by a charge on Hypothecation Loan Receivables/ Hire purchase / Lease agreements.

Note 18: Payables

(₹ in lakhs)

Particulars	March 31, 2020	March 31, 2019
Trade payables		
(i) Total outstanding dues of micro enterprises and small enterprises		
Outstanding Liability	61.00	85.84
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		
Dealer Balances	51,01.90	84,69.15
Outstanding Liability	9,14.89	9,59.26
Sub-Total	**60,16.79**	**94,28.41**
Other payables		
(i) Total outstanding dues of micro enterprises and small enterprises	–	–
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	9,12.70	5,48.26
Sub-Total	**9,12.70**	**5,48.26**

Note 19: Debt Securities

(₹ in lakhs)

Particulars	March 31, 2020	March 31, 2019
Carried at amortised cost		
Non-Convertible debentures	11111,23.78	8739,46.43
Commercial paper	3628,30.76	1740,06.86
Liability component of compound financial instruments	–	–
Total	**14739,54.54**	**10479,53.29**
Of the above		
- Debt securities in India	14739,54.54	10479,53.29
- Debt securities in outside India	–	–
Total	**14739,54.54**	**10479,53.29**

The Secured Non-Convertible Debentures are secured by mortgage of immovable property ranking pari passu with charges created in favour of the trustees and Hypothecation of specific Loan receivables / Hire purchase/ Lease agreements with a cover of 100%, as per the terms of issue.

Note 20: Borrowings other than debt securities

(₹ in lakhs)

Particulars	March 31, 2020	March 31, 2019
Carried at amortised cost		
Secured		
Term Loan from banks	6136,71.82	8622,33.41
Working capital demand loans and Cash credit	532,33.24	1114,34.27
Unsecured		
Credit facilities from banks	19,12.36	–
Finance lease obligation	–	39.08
Total	**6688,17.42**	**9737,06.76**
Of the above		
Borrowings in India	6688,17.42	9737,06.76
Borrowings in Outside India	–	–
Total	**6688,17.42**	**9737,06.76**

The term loan from banks are secured by hypothecation of specific assets covered by a charge on hypothecation loan receivable / Hire purchase / Lease Agreements

Working capital demand loans and cash credit are secured by a charge on hypothecation loan receivable / hire purchase / lease agreement, ranking pari passu, excluding assets which are specifically charged to others.

Note 21: Deposits

(₹ in lakhs)

Particulars	March 31, 2020	March 31, 2019
Carried at amortised cost		
- Public Deposits	3768,99.49	3064,03.94
- From banks	–	–
- From others	–	–
Total	**3768,99.49**	**3064,03.94**

Note 22: Subordinated Liabilities

(₹ in lakhs)

Particulars	March 31, 2020	March 31, 2019
Carried at amortised cost		
- Subordinated Liabilities in India	2140,03.08	1725,16.68
- Subordinated Liabilities outside India	–	–
Total	**2140,03.08**	**1725,16.68**

Reconciliation of movement in borrowings to cash flows from financing activities

(₹ in lakhs)

Particulars	March 31, 2020	March 31, 2019
Opening Balance		
Debt securities	10479,53.29	9244,85.76
Borrowings (Other than debt securities)	9737,06.76	7690,32.34
Deposits	3064,03.94	2579,08.80
Subordinated liabilities	1725,16.68	1594,89.32
Total opening balance	**25005,80.67**	**21109,16.22**
a) Cash flow movements	1626,86.67	3475,86.94
b) Non-cash movements	704,07.19	420,77.51
Closing Balance		
Debt securities	14739,54.54	10479,53.29
Borrowings (Other than debt securities)	6688,17.42	9737,06.76
Deposits	3768,99.49	3064,03.94
Subordinated liabilities	2140,03.08	1725,16.68
Total closing balance	**27336,74.53**	**25005,80.67**

Note 23: Other Financial Liabilities

(₹ in lakhs)

Particulars	March 31, 2020	March 31, 2019
Amount due on assets securitised or assigned	82,60.37	135,02.03
Unpaid matured deposits and interest accrued thereon	57,24.69	35,95.25
Advance received from customers	41,57.62	54,09.91
Unpaid dividend	3,49.75	2,77.16
Payable to employees	62,36.85	58,57.06
Lease liability	49,22.07	–
Other liabilities **	121,43.70	138,05.89
Total	**417,95.05**	**424,47.30**

** Other liabilities include amount payable to creditor for expenses, payable to customers for security deposits received and commission payable to non-whole-time directors.

Note 24: Provisions

(₹ in lakhs)

Particulars	March 31, 2020	March 31, 2019
Provision for employee benefits	12,91.64	11,47.86
Provision for Other expenses ^	17,79.88	39,88.22
Total	**30,71.52**	**51,36.08**

^ Provision for Other expenses includes provision made for legal cases / claims

Note 25: Other Non-Financial Liabilities

(₹ in lakhs)

Particulars	March 31, 2020	March 31, 2019
Revenue received in advance	91.27	219.57
Other Liabilities #	1591.57	2090.51
Total	**1682.84**	**2310.08**

Other mainly include Government dues, taxes payable, GST Payable and salary deduction payable

Note 26: Equity Share Capital

(₹ in lakhs)

Particulars	March 31, 2020	March 31, 2019
Authorised capital		
27,81,00,000 Equity Shares of ₹10/- each	278,10.00	278,10.00
Issued, Subscribed and fully paid-up		
11,11,03,860 Equity Shares of ₹10/- each	**111,10.39**	**111,10.39**

a) Reconciliation of number of shares outstanding at the beginning and at the end of the period

Particulars	March 31, 2020	March 31, 2019
At the beginning of the year	11,11,03,860	11,11,03,860
Add: Issue of shares during the year	–	–
At the end of the year	**11,11,03,860**	**11,11,03,860**

b) No Shareholders of the Company holds more than 5% of the Equity Shares.

STATEMENT OF PROFIT AND LOSS NOTES

Note 27: Interest Income

(₹ in lakhs)

Particulars	2019-20	2018-19
On Financial assets measured at amortised cost:		
- Loans	3292,13.74	2835,79.24
- Investments	47,21.78	48,85.38
- Deposits with Banks	55,09.95	47,11.69
On Financial assets classified at Fair value through profit or loss:		
Investments	11,94.55	6,11.81
Total	**3406,40.02**	**2937,88.12**

Note 28: Fees and commission Income

(₹ in lakhs)

Particulars	2019-20	2018-19
Relating to		
- Loans	113,74.34	108,29.04
- Selldown servicing fee	41,48.56	58,28.85
- Income from other Financial Services	59,32.64	64,44.43
Total	**214,55.54**	**231,02.32**

Note 29: Net gain / (loss) on fair value changes

(₹ in lakhs)

Particulars	2019-20	2018-19
A . Net gain on financial instruments at fair value through profit or loss		
(i) On trading portfolio	–	–
(ii) On Financial instruments designated at fair value through profit or loss	–	–
B. Others		
Net gain / (loss) on financial instruments at fair value through profit or loss on		
Investments	48,89.57	11,05.16
C. Total Net gain / (loss) on fair value changes (A + B)	48,89.57	11,05.16
Of the above, fair value changes:		
Realised	54,44.15	10,20.46
Unrealised	(5,54.58)	84.70
Total	**48,89.57**	**11,05.16**

Note 30: Other Income

(₹ in lakhs)

Particulars	2019-20	2018-19
Net gain/(loss) on Derecognition of property, plant and equipment	2,51.69	1,77.31
Interest income	8,60.78	2,13.83
- Dividend income		
Rental income	6,87.66	7,18.67
Profit on Sale of Equity investments*	60,05.10	–
Other non-operating income	6,79.36	9,46.26
Total	**84,84.59**	**20,56.07**

*Denotes sale of equity shares in Sundaram Finance Holding Limited, a Subsidiary company.

Note 31: Finance Costs

(₹ in lakhs)

Particulars	2019-20	2018-19
Carried at amortised cost		
On Financial liabilities carried at amortised cost:		
Interest on		
Deposits	275,97.16	216,18.47
Term loans	472,45.97	515,59.49
Debt securities	1107,87.98	877,53.26
Subordinated liabilities	171,07.80	145,50.40
Other interest expense and borrowing cost	5,73.36	7,69.32
Derivatives	4,96.65	(76,13.89)
Foreign currency transaction and translation	36,94.15	80,10.37
Gain/Loss on unwinding of Derivatives	(3,00.11)	–
Total	**2072,02.96**	**1766,47.42**

Note 32: Employee Benefits Expenses

(₹ in lakhs)

Particulars	2019-20	2018-19
Salaries and Wages	331,80.55	299,17.96
Contribution to provident and other funds	19,26.09	16,54.75
Share Based Payments to employees	2,46.29	2,47.83
Staff welfare expenses	5,09.40	4,21.97
Total	**358,62.33**	**322,42.51**

Note 33: Administrative and other Expenses

(₹ in lakhs)

Particulars	2019-20	2018-19
Rent, taxes and energy costs	11,86.02	19,68.96
Repairs and maintenance	19,05.26	19,29.60
Communication Costs	10,13.14	10,21.13
Printing and stationery	4,47.54	4,17.30
Advertisement and publicity	1,31.25	1,27.73
Director's fees, allowances and expenses	1,39.14	1,42.50
Auditor's fees and expenses	1,12.73	1,10.51
Legal and Professional charges	7,06.99	5,59.10
Insurance	2,25.10	1,72.10
Outsourcing cost	74,85.44	81,98.19
Travel and conveyance	18,29.30	16,83.38
Donations	14,23.72	11,73.14
Other expenditure	25,73.28	21,56.19
Total	**191,78.91**	**196,59.83**

Note 34: Impairment on Financial Instruments

(₹ in lakhs)

Particulars	2019-20	2018-19
On Financial instruments measured at amortised cost:		
Loans	281,97.61	92,31.88
Investments	(12,40.54)	4,47.26
Repossessed assets	15,49.88	10,30.06
Others	1,32.69	23.94
Total	**286,39.64**	**107,33.14**

Other Notes

Note 35: Capital Management:

The Company's capital management strategy is to ensure that it has sufficient capital for business operations, strategic investment, regulatory requirements and to provide reasonable return to the shareholders. Equity share capital and other equity are considered for Capital management.

The company monitors capital Adequacy ratio as stipulated by RBI for NBFC-Investment and credit company -Deposit taking. The Company endeavour to source diversified borrowing, depending on asset liability duration and interest rate sensitivities.

(₹ in lakhs)

Particulars	31st March 2020	31st March 2019
Tier I	3621,44.97	4254,47.76
Tier II	1415,35.81	1396,07.79
Total	**5036,80.78**	**5650,55.56**
RWA	27407,50.66	29078,60.95
Tier I %	13.21%	14.63%
Tier II %	5.16%	4.80%
Total%	**18.37%**	**19.43%**

Note 36: Revenue

Disaggregate revenue information: Since the requirement of application of Ind AS 115 on Company's revenue is insignificant, the company believes that disaggregation of data about the nature, amount, timing of our revenues is not required.

Remaining performance obligation

The remaining performance obligation disclosure provides aggregate amount of transaction price yet to be recognised at the end of reporting period and an explanation as to when the company expects to recognise these amounts in revenue.

The aggregate value of performance obligations that are completely or partially unsatisfied as at March 31, 2020 is ₹5.40 lakhs (2018-19 ₹50.36 lakhs) which the company expects to recognise in next year.

Note 37: Financial instruments – Fair value measurements:

The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy:

I. Financial Assets / Liabilities that are measured at Fair value through P&L:

a.

(₹ in lakhs)

Particulars	Fair Value Hierarchy	31st March 2020	31st March 2019
Financial Assets			
Derivatives	Level 2	76,16.08	72,79.83
Investments			
Mutual Funds	Level 1	1270,53.00	146,36.26
Alternative Investment Funds	Level 1	102,87.11	103,38.45
Financial Liabilities			
Derivatives	Level 2	–	–

Fair value is estimated based on the market inputs for the classification as per level 2.

b. Equity Shares designated at Fair value through Other Comprehensive Income

The Company designated the following investments in equity shares at FVTOCI, because the company intends to hold these investments for long-term strategic purpose.

(₹ in lakhs)

Particulars	31st March 2020	31st March 2019
Investments in Equifax Credit Information Services Private. Ltd.	–	13,50.00
Investments in Experian Credit Information Company of India Private. Ltd.	11,20.00	11,20.00

As As per Ind AS 109, Cost has been considered as the best estimate of the fair value and no dividend has been recognised during the year.

Equifax – During the year the Company sold its entire holdings in Equifax Credit Information Services Private Ltd., in accordance with shareholder's agreement, for a consideration of ₹91,73.28 lakhs resulting in a gain of ₹78,23.28 Lakhs.

c. Compulsorily Convertible preference Shares (CCPS) designated at Fair value through Other Comprehensive Income

During the year the company invested ₹311.99 lakhs in Compulsory Convertible Preference Shares of RBGS Capital Private Limited.

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

(₹ in lakhs)

	Carrying Amount		Fair Value Hierarchy	Fair Value	
	31st March 2020	31st March 2019		31st March 2020	31st March 2019
Financial Assets					
Cash and cash equivalents	18,98.77	129,78.52	Level 1	18,98.77	129,78.52
Bank Balances	610,82.19	708,84.47	Level 3	615,72.30	711,22.13
Receivables	20,80.09	19,51.70	Level 3	20,80.09	19,51.70
Loans	28044,69.82	27271,48.04	Level 3	27544,64.44	26888,38.24
Investments in Government securities	516,96.46	408,51.42	Level 1	541,84.13	413,73.29
Investments (others)	66,06.45	226,70.11	Level 3	66,58.13	216,93.10
Other Financial assets	16,57.69	12,67.67	Level 3	16,72.66	12,66.72
Total	**29294,91.47**	**28777,51.93**		**28825,30.52**	**28392,23.70**
Payables	69,90.49	100,62.51	Level 3	69,90.49	100,62.51
Debt Securities	14739,54.54	10479,53.29	Level 3	14893,39.31	10533,06.99
Borrowings (Other than Debt Securities)	6688,17.42	9737,06.76	Level 3	6783,36.02	9707,88.56
Deposits	3768,99.49	3064,03.94	Level 3	3784,95.90	3051,73.18
Subordinated Liabilities	2140,03.08	1725,16.68	Level 3	2298,99.34	1769,52.37
Other Financial Liabilities	417,95.05	424,47.30	Level 3	418,25.50	423,96.32
Total	**27824,60.07**	**25530,90.48**		**28248,86.56**	**25586,79.93**

Fair value is arrived at using discounted future cash flows at market rates for the classification as per level 3 hierarchies.

Note 38: Financial Risk Management framework

Risk is an inherent and integral part of the financial services business and the company has been judiciously managing this through an efficient risk mitigation system, with a view to achieve the Company's stated objectives of Growth with Quality and Profitability. The risks primarily include credit risk, liquidity risk and market risk.

The policies and procedures laid down by the company for the purpose of risk identification, measurement and management, compare well with contemporary best practices followed by industry peers. The Risk Management Committee and Asset Liability Management Committee, functioning under the supervision of the Audit Committee, have enunciated detailed policies for assessment of various types of risks, and fixed tolerance limits as appropriate.

Note 38.1 Credit Risk

Credit risk is the risk of financial loss to the Company if a customer fails to meet his contractual obligations, and arises principally from the company's loan receivables.

The company has in place a robust credit policy which clearly defines the credit filters and the terms of acceptance of proposals for financing different categories of borrowers and asset classes.

The credit appraisal process, inter alia, includes filters for stratification of customers, compliance with know your customer (KYC) norms, Field investigation, Credit bureau verification, exposure ceilings, asset risk and segment and geography risks. The risk metrics also address Loan to Value, loan tenure, based on the useful life of the asset, end-use of the asset and credit enhancements, as appropriate.

The Company's exposure is primarily to retail customers, thereby making for a well-diversified risk portfolio. The time tested monitoring and recovery mechanism ensures timely recovery of instalments and where required, necessary action for resolution of delinquent accounts is initiated, including legal proceedings. Finally, physical presence and in-depth knowledge of the markets in which the Company operates enables early identification of emerging risks thereby facilitating prompt remedial action.

Impact of COVID-19

COVID-19, a global pandemic has spread across our Country and created an unprecedented level of disruption. The Government of India declared a nation-wide lock down effective from March 25, 2020 which is still in force.

The impact of the COVID-19 on the Company's business disbursements and the asset quality depends on the time taken for economic activities to resume to normal levels, which remains uncertain.

RBI announced the COVID-19 Regulatory Package following which the Company has extended the option of moratorium for instalments falling due between March 01, 2020 and May 31, 2020 to all eligible customers. Further, in line with RBI Notification dated 17th April 2020, the Company has provided COVID-19 provision of ₹2717.61 lakhs in respect of all moratorium accounts, where asset classification benefit was extended.

Impairment - Expected credit loss (ECL):

The application of Ind AS 109 has necessitated fundamental changes to the accounting for expected default risk (risk provisioning). Specifically, the incurred loss model has been replaced by the Expected Credit Loss model (ECL). Consequent to this change, the Expected Credit losses on financial instruments are classified under three stages.

Stage 1: Every financial asset is classified as stage 1, upon initial recognition. In addition, stage 1 contains all transactions with limited default risk.

Stage 2: Financial assets whose default risk has risen significantly since initial recognition and which are not classified as cases with limited default risk.

Stage 3: Financial assets that display objective evidence of impairment at the reporting date.

The accounting standard, Ind AS 109 does not specifically prescribe any methodology for computing ECL. However, entities are required to adopt sound and market acceptable methodologies which are in line with the size, complexity and risk-profile of the financial entity for computing the ECL. The Company uses three main components to measure ECL. These are, Exposure at Risk (EAR), Probability of Default (PD) and Loss Given Default (LGD). Exposure at Risk (EAR) is defined as the sum of Principal outstanding and interest accrued at the reporting date. PD is defined as the probability of borrowers defaulting on their obligations. LGD represents the economic loss, adjusted for cure rate, as a percentage of exposure at the time of default.

Accordingly, loan assets are categorised under three different stages, as under:

Stage 1: Where instalments are Current and 1-30 days overdue

Stage 2: Where instalments are 31 days – 90 days overdue and

Stage 3: Where instalments are overdue beyond 90 days

The company is required to provide 12-month expected credit loss (12-month ECL) for stage 1 assets and the life time expected credit loss (LECL) for stage 2 & stage 3 assets.

12-month ECL is the expected credit loss that results from default events that are possible within 12 months after the reporting date. LECL represents the expected credit loss from default events over the expected life of a financial asset.

As prescribed under para 5.5 in Ind AS 109, 12-months PD is required to be computed for financial instruments which are in stage 1, and life time PD for those in stage 2 & 3. 12 months PD is the likelihood of the borrower defaulting in the 12 months following the reporting date while life time PD is the likelihood of the borrower defaulting during the residual tenor.

The PD model has been developed for all the major asset classes using a statistical and iterative approach. The design and construction of the model involves identification of various credit parameters and variables that have a strong and direct correlation to propensity of default.

The PD model reflects to the probability of default, taking into consideration the inherent credit quality of the borrower and the residual tenor of each contract. It relies not only historical information and the current economic environment, but also considers forward-looking information such as the forecasts on the macroeconomic outlook, including emerging risks. The PD for stage 3 contracts is considered at 100%.

Where a customer has one contract in stage 3 and one or more contracts in stage 1 / stage 2, the PD for all the contracts is considered at 100%.

LGD

LGD represents the economic loss, adjusted for cure rate, as a percentage of exposure at the time of default. Economic loss is the estimated shortfall in realisation of dues, in the event of default. Contracts that have turned delinquent do not necessarily involve ultimate losses, since many of them are resolved through corrective actions. The cure rate is the probability of a 'non performing' (i.e. defaulted) contract reverting to a 'performing' (i.e. non-default) status in a year.

Following tables provide an overview of the gross carrying amount and credit loss allowance broken down into stages:

a. Loans and Advances

(₹ in lakhs)

Gross Carrying Amount								
Stages->	**31.03.2020**				**31.03.2019**			
	1	**2**	**3**	**Total**	**1**	**2**	**3**	**Total**
Balance at the beginning of the year	25886,89.24	1177,79.26	366,55.78	27431,24.28	21111,94.55	809,07.33	283,04.53	22204,06.41
New business - net of recovery	2982,51.27	(551,46.99)	(23,04.62)	2407,99.66	6391,59.62	(388,95.53)	(52,08.19)	5950,55.90
Transfers due to change in creditworthiness	(1414,46.74)	924,49.81	489,96.93	–	(971,26.45)	757,67.46	213,58.99	–
Fin. assets that have been derecognised	1354,00.33	–	–	1354,00.32	645,38.49	–	–	645,38.49
Write off during the year	–	–	132,16.96	132,16.96	–	–	77,99.55	77,99.55
Balance at the end of the year	26100,93.44	1550,82.08	701,31.13	28353,06.65	25886,89.24	1177,79.26	366,55.78	27431,24.28

(₹ in lakhs)

Expected Credit Loss								
Stages->	**31.03.2020**				**31.03.2019**			
	1	**2**	**3**	**Total**	**1**	**2**	**3**	**Total**
Balance at the beginning of the year	17,57.85	21,96.89	138,09.77	177,64.51	12,99.56	13,98.66	137,63.46	164,61.67
New business - net of recovery	29,04.39	31,50.64	234,19.66	294,74.69	15.67	9,77.39	81,66.76	91,59.83
Transfers due to change in creditworthiness	8,40.17	(5,97.45)	(2,42.72)	–	5,00.06	(1,79.16)	(3,20.90)	–
Fin. assets that have been derecognised	7,30.05	–	–	7,30.05	57.44	–	–	57.44
Write off during the year	–	–	132,16.96	132,16.96	–	–	77,99.55	77,99.55
Balance at the end of the year	47,72.36	47,50.08	237,69.75	332,92.19	17,57.85	21,96.89	138,09.77	177,64.51

(i) Concentration by Geographical risk:

	31.03.2020	31.03.2019
South	63.47	65.27
North	20.35	19.00
West	12.51	12.24
East	3.67	3.49
Total	100.00	100.00

(ii) Concentration by Asset Class:

	31.03.2020	31.03.2019
Commercial Vehicles	50.18	50.39
Cars	26.28	27.32
Construction equipment	10.90	10.26
Tractors & Farm Equipment	6.52	5.43
Others	6.12	6.60
Total	100.00	100.00

b. Other Assets

The company computes Expected credit loss on other financial assets including trade receivables based on a provision matrix which is constructed using historical credit loss experience as adjusted to reflect current conditions.

(₹ in lakhs)

Gross Carrying Amount								
Stages->	**31.03.2020**				**31.03.2019**			
	1	**2**	**3**	**Total**	**1**	**2**	**3**	**Total**
Gross Carrying Amount	57,30.34	1.77	1,11.85	58,43.96	60,33.44	11.47	84.08	61,29.00
Expected Credit Loss	41.18	0.01	83.15	1,24.34	40.56	0.06	69.26	1,09.88
Net Carrying Amount	56,89.16	1.76	28.70	57,19.62	59,92.88	11.41	14.82	60,19.12

c. Loan Commitments and Guarantees

(₹ in lakhs)

Stages->	**31.03.2020**				**31.03.2019**			
	1	**2**	**3**	**Total**	**1**	**2**	**3**	**Total**
Gross Carrying Amount	189,56.31	–	–	189,56.31	102,82.93	–	–	102,82.93
Expected Credit Loss	1,98.88	–	–	1,98.88	73.60	–	–	73.60
Net Carrying Amount	187,57.43	–	–	187,57.43	102,09.33	–	–	102,09.33

Credit risk management practices

(i) Policy on write off: Loans are written off when the value of underlying security/other collateral is not sufficient to cover the loan exposure or where the underlying security / customer are not traceable. In such cases, the company takes legal recourse for recovery of shortfall of dues, if any.

(ii) Narrative description of collateral: The underlying assets, which are financed, are the primary collateral held. These are typically commercial vehicles, cars, construction equipment, farm equipment, etc. Additional collateral, by way of credit enhancement, is obtained based on the management's credit evaluation of the customer.

d. Debt Securities

All debt investments are allocated to stage 1 under initial recognition. If the rating assigned to the security at the time of investment is downgraded by two notches and / or where there is a delay in interest servicing by more than 30 days, this would result in stage 2 classification. Further downgrade of rating and/or delay in interest servicing by more than 90 days/default of payment of principal would result in stage 3 classifications.

For investment in debt instruments, one-year transition matrix provided by the rating agencies is used as the PD. Loss given default (LGD) parameters assume a recovery rate of 65%, 75% and 50% for unsecured senior, unsecured subordinated and secured debt securities respectively.

A breakup of investment in debt securities into different stages is given as under:

(₹ in lakhs)

Stages->	31.03.2020					31.03.2019				
	Gross Carrying Amount					Gross Carrying Amount				
	FVTPL	At Amortised Cost				FVTPL	At Amortised Cost			
		1	2	3	Total		1	2	3	Total
Government securities	–	516,96.46	–	–	516,96.46	–	408,51.42	–	–	408,51.42
Mutual Fund	1270,53.00	–	–	–	–	146,36.26	–	–	–	–
Alternative Investment Funds	102,87.11	–	–	–	–	103,38.45	–	–	–	–
Pass through certificates	–	66,60.77	–	–	66,60.77	–	77,31.21	–	–	77,31.21
Non - Convertible Debentures	–	–	–	–	–	–	102,76.94	–	–	102,76.94
Commercial paper	–	–	–	–	–	–	47,14.12	–	–	47,14.12
Total	1373,40.11	583,57.23	–	–	583,57.23	249,74.71	635,73.69	–	–	635,73.69

(₹ in lakhs)

	Expected Credit Loss							
Stages->	**31.03.2020**				**31.03.2019**			
	1	**2**	**3**	**Total**	**1**	**2**	**3**	**Total**
Balance at the beginning of the year	52.16	–	–	52.16	39.47	–	–	39.47
New investments - net of recovery	29.60	–	–	29.60	13.96	–	–	13.96
Transfers due to change in creditworthiness	–	–	–	–	–	–	–	–
Fin. Assets that have been derecognised	27.44	–	–	27.44	1.27	–	–	1.27
Write off during the year	–	–	–	–	–	–	–	–
Balance at the end of the year	54.32	–	–	54.32	52.16	–	–	52.16

38.2 Liquidity Risk

Liquidity risk relates to our potential inability to meet all payment obligations when they fall due or only being able to meet them at excessive costs. The objective of the liquidity risk management framework is to ensure that the Company can fulfil its payment obligations at all times and can manage liquidity and funding risks within its risk appetite. The Asset Liability Committee regularly monitors the liquidity position and the duration of assets/liabilities and ensures that liquidity is strictly managed as per the policy.

Following are the contractual maturities of financial liabilities / financial assets at the reporting date. The amounts are gross and undiscounted and include estimated interest payments / receipts and exclude the impact of netting agreements.

31st March 2020	Contractual Cash Flows						
	Upto 3 months	Over 3 Months & upto 6 Months	Over 6 Months & upto 1 Year	Over 1 year & upto 3 Years	Over 3 Years & upto 5 Years	Over 5 years	Total
Non-Derivative Financial Liabilities							
Payables	59,03.63	2,80.69	–	6,11.30	1,94.87	–	69,90.49
Debt Securities	1302,82.05	2561,70.84	3390,50.72	8128,45.06	537,10.00	–	15920,58.67
Borrowings (other than Debt Securities)	1292,89.62	703,95.22	2081,75.46	2981,62.40	84,82.20	–	7145,04.91
Deposits	382,16.52	542,52.56	942,13.35	2285,70.05	–	–	4152,52.48
Subordinated Liabilities	118,05.87	46,37.21	164,94.52	686,29.68	450,68.66	1812,51.68	3278,87.62
Other Financial Liabilities	338,34.22	17,02.56	19,67.19	20,06.51	11,23.43	11,81.09	418,15.00
Derivative Fin. Liabilities	1,85.06	–	–	2,61.60	–	–	4,46.66
Total	**3495,16.97**	**3874,39.08**	**6599,01.24**	**14110,86.60**	**1085,79.16**	**1824,32.77**	**30989,55.82**
Non-Derivative Financial Assets							
Cash and Cash Equivalents	18,98.77	–	–	–	–	–	18,98.77
Bank Balances	10,84.58	253,92.69	12,52.26	391,72.48	–	–	669,02.00
Receivables	20,80.09	–	–	–	–	–	20,80.09
Loans	2365,41.96	3680,11.16	6705,48.89	16377,48.99	3365,33.88	33,58.72	32527,43.60
Investments	1272,82.82	25,65.81	42,13.15	224,44.61	134,53.09	524,50.15	2224,09.63
Other Financial Assets	6,53.14	1,00.66	1,78.57	1,90.07	3,10.08	2,48.52	16,81.04
Derivative Fin. Assets	54,95.33	–	291.10	6,89.01	7,08.83	12,53.21	84,37.48
Total	**3750,36.69**	**3960,70.32**	**676483.97**	**17002,45.15**	**3510,05.88**	**573,10.60**	**35561,52.62**

31st March 2019	Contractual Cash Flows						
	Upto 3 months	Over 3 Months & upto 6 Months	Over 6 Months & upto 1 Year	Over 1 year & upto 3 Years	Over 3 Years & upto 5 Years	Over 5 years	Total
Non-Derivative Financial Liabilities							
Payables	91,47.78	4,72.20	–	3,59.76	82.77	–	100,62.51
Debt Securities	2010,03.88	1107,47.25	2298,96.46	5779,04.48	368,30.00	–	11563,82.10
Borrowings (other than Debt Securities)	869,93.23	831,98.06	5904,98.99	4567,76.44	158,91.39	39.08	12333,97.19
Deposits	381,17.51	455,66.20	743,34.24	1786,91.36	–	–	3367,09.31
Subordinated Liabilities	40,66.95	37,99.02	77,17.25	533,24.34	481,88.68	1518,25.71	2689,21.25
Other Financial Liabilities	411,58.09	98.26	75.00	11,46.48	5,95.68		430,73.51
Derivative Fin. Liabilities	7,14.90	6,47.82	–	1,34.80	–	–	14,97.52
Total	**3812,02.33**	**2445,28.82**	**9025,21.97**	**12683,37.67**	**1015,88.52**	**1518,64.79**	**30500,44.09**
Non-Derivative Financial Assets							
Cash and Cash Equivalents	129,78.52	–	–	–	–	–	129,78.52
Bank Balances	46,66.01	162,99.39	386,62.71	154,20.03	–	–	750,48.14
Receivables	19,51.70	–	–	–	–	–	19,51.70
Loans	4262,00.93	3418,67.46	6126,74.17	14940,07.44	2814,69.75	39,09.70	31601,29.46
Investments	174,83.05	35,16.27	93,24.06	167,51.34	173,21.72	542,22.89	1186,19.33
Other Financial Assets	8,16.29	32.07	79.72	2,11.72	1,09.47	4,20.84	16,70.12
Derivative Fin. Assets	–	–	78,71.21	2,29.25	2,91.97	5,83.93	89,76.35
Total	**4640,96.50**	**3617,15.18**	**6686,11.87**	**15266,19.78**	**2991,92.90**	**591,37.36**	**33793,73.61**

38.3 Market Risk

Market risk is the risk of loss arising from potential adverse changes in the value of the firm's assets and liabilities from fluctuation in market variables like liquidity, interest rate and foreign exchange (Currency risk).

a. Interest rate risk

The Company's exposure to changes in interest rates relates to the Company's outstanding floating rate liabilities. Most of the Company's outstanding liability in local currency is on fixed rate basis and hence not subject to interest rate risk. Whereas the foreign currency liability is linked to international rate benchmarks like LIBOR and hence subject to interest rate risk. The Company hedges these risks through derivative transactions.

The interest rate profile of the Company's interest bearing financial instruments is as follows:

(₹ in lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Financial Assets		
Fixed-rate instruments		
Loans	28037,68.63	27257,94.86
Investments	583,02.91	634,69.37
Bank Balances	610,82.19	708,84.47
	29231,53.73	**28601,48.70**
Variable rate instruments		
Lease assets	139,18.17	137,66.57
Total	**29370,71.90**	**28739,15.67**
Financial Liabilities		
Fixed-rate instruments		
Debt securities	16879,57.62	12204,69.97
Borrowings (Other than debt securities)	3773,40.10	4973,99.89
Deposits	3826,24.18	3099,99.19
	24479,21.90	**20278,69.05**
Variable rate instruments		
Financial liabilities with floating interest rate	2914,77.32	4763,06.87
	27393,99.22	**25041,75.62**

Fair value sensitivity analysis for fixed rate instruments

The Company's fixed rate instruments are carried at amortised cost and are not measured for interest rate risk, as neither the carrying amount nor the future cash flows will fluctuate because of changes in market interest rates.

Cash flow sensitivity analysis for variable rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

(₹ in lakhs)

	Profit or loss / Equity		Profit or loss / Equity	
	100 bps increase	100 bps decrease	100 bps increase	100 bps decrease
	31st March 2020		31st March 2019	
Variable rate instruments	(25,62.20)	25,62.20	(16,53.31)	16,53.31
Cross currency Interest Rate swap	(12,86.86)	12,86.86	(7,83.72)	7,83.72
Cash flow sensitivity (net)	(12,75.34)	12,75.34	(8,69.59)	8,69.59

a. Interest rate sensitivity

The major lending of the Company is in the form of Hypothecation loans at fixed rates. The loans are financed by various fixed / floating Rate borrowings. While the assets financed are generally recovered over the tenure of the underlying contract equally, the liabilities are in general repayable on maturity. Hence, the interest rate risk and liquidity (mismatches in the duration of assets and liabilities) are inherent and inevitable.

To measure the above risk the Company adopts the duration gap analysis which is measured for assets and liabilities maturing in next 12 months as well as for the overall assets and liabilities. Also, for Interest rate risk management, the Duration Gap model is used on assets and liabilities maturing in the next 12 months, to assess the change in Net Interest Income (NII) for a 1% increase in interest rate. The change in NII for 1% change in interest rate as on 31.03.2020 is ₹ (8.97) Cr.

b. Currency Risk

The Company is exposed to currency risk to the extent that there is a mismatch between the currencies in which borrowings are denominated and the respective functional currency, i.e. INR. The transactions of the Company are primarily denominated in INR. Currency risks arise from the foreign currency loans availed by the Company.

Exposure to currency risk

The summary quantitative data about the Company's exposure to currency risk (based on notional amounts) as reported:

(₹ in lakhs)

	As at March 31, 2020		As at March 31, 2019	
	USD	INR	USD	INR
Total foreign currency exposure in respect of recognised assets and liabilities	1717.40	1294,67.86	1312.30	907,73.77
Cross currency Interest Rate swap / Forward exchange contracts	(1717.40)	(1294,67.86)	(1312.30)	(907,73.77)
Net Exposure	–	–	–	–

Sensitivity

Currency risks related to the amounts of foreign currency loans are fully hedged using derivatives that mature on the same dates as the loans are due for repayment.

Note: 39: Financial Instruments - Transferred financial assets that are not derecognised in their entirety

Securitisation:

The company as part of its business model periodically enters into securitisation transactions via Pass through Certificates (PTC) route and/or Direct Assignment (DA). As per RBI guidelines, the company maintained credit enhancement for securitisation transactions which covers the expected losses and thereby retains the risk associated with the assets.

(₹ in lakhs)

	31st March, 2020	31st March, 2019
Carrying amount of transferred assets	3149,09.74	3646,47.50
Carrying amount of associated liabilities	3229,23.42	3815,13.06
Fair value of assets	3095,52.46	3569,13.67
Fair value of associated liabilities	3254,96.89	3793,57.79
Net position at Fair value	(159,44.43)	(224,44.12)

Note 40: Employee benefits

Post-employment benefits: Defined Contribution Plans

(₹ in lakhs)

Amount recognised as expense in Employee benefit expense	2019-20	2018-19
Superannuation	2,16.68	2,04.35
Pension fund	6,18.11	5,86.92
Employee State Insurance scheme	5.64	6.71
Total	**8,40.44**	**7,97.98**

Defined benefit plans

Defined benefit plan exposes the Company to a number of risks, the most significant of which are detailed below:

Investment risk: This may arise from volatility in Asset value due to market fluctuations and impairment of assets due to credit losses. The defined benefit plans may hold equity type assets, which may carry volatility and associated risk.

Interest risk: A decrease in bond yields will increase plan liabilities, although this is expected to be partially offset by an increase in the value of the plan's investment in debt instruments.

Salary cost Inflation risk: The present value of some of the defined benefit plan obligations are calculated with reference to the future salaries of plan participants. Increase in salary due to adverse Inflationary pressures might lead to higher liabilities.

Longevity risk: The present value of defined benefit plan obligation is calculated by reference to the best estimate of the mortality of plan participants. Increase or decrease in such rate will affect the plan liability.

A. Gratuity (Funded)

Expected contribution to the plan for the next year is ₹760 Lakhs.

B. Leave encashment & Compensated absences (funded):

Expected contribution to the plan for the next year is ₹500 Lakhs.

C. Post Retirement employees medical scheme (unfunded):

The company earmarks liability towards unfunded post-retirement medical benefit and provides for payments to vested employees. The benefits under the plan are in the form of a medical benefit paid to employees post their employment within the company.

Details of defined benefit plans as per actuarial valuation are as below:

(₹ in lakhs)

Particulars	FUNDED		UNFUNDED	
	Gratuity		Retired Employee Medical Scheme	
	31.03.2020	31.03.2019	31.03.2020	31.03.2019
Amounts recognised in profit or loss				
Current service cost	3,36.97	2,88.43	–	–
Net interest expense/(income)	–	(13.35)	7.34	7.13
Total amount included in employee benefits expense	3,36.97	2,75.08	7.34	7.13
Amounts recognised in other comprehensive income				
Re measurement (gains)/losses: Actuarial (gains)/losses arising from changes in			`	
- Financial assumptions	5,25.46	1,59.37	4.28	0.69
- Experience adjustments	1,35.50	4,26.69	(2.90)	9.64
Return on plan assets, excluding amount included in net interest expense/ (income)	1,60.37	21.29	–	–
Total amount recognised in other comprehensive income	**8,21.32**	**6,07.35**	**1.38**	**10.33**
Changes in the defined benefit obligation				
Opening defined benefit obligation	48,64.98	37,95.41	1,00.91	1,02.55
Add/(less) on account of business combination/transfers	–	–	–	–
Current service cost	3,36.97	2,88.43	–	–
Interest expense	3,82.67	2,99.10	7.34	7.13
Remeasurement (gains)/losses arising from changes in				
- Demographic assumptions	–	–	–	–
- Financial assumptions	5,25.46	1,59.37	4.28	0.69
- Experience adjustments	1,35.50	4,26.69	(2.90)	9.64
Benefits paid	(1,75.00)	(1,04.01)	(6.06)	(19.10)
Closing defined benefit obligation	60,70.58	48,64.98	1,03.58	1,00.91

(₹ in lakhs)

Particulars	FUNDED		UNFUNDED	
	Gratuity		Retired Employee Medical Scheme	
	31.03.2020	31.03.2019	31.03.2020	31.03.2019
Opening fair value of plan assets	44,74.13	36,37.92	–	–
Add/(less) on account of business combination	–	–	–	–
Return on plan assets excluding interest income	3,51.55	3,12.45	–	–
Contribution by employer	10,80.00	6,49.24	6.06	19.10
Benefits paid	(1,75.00)	(1,04.01)	(6.06)	(19.10)
Actuarial gain / (loss) on plan assets	(1,60.37)	(21.29)	–	–
Closing fair value of plan assets	55,70.49	44,74.31	–	–
Net asset / (liability) recognised in balance sheet				
Defined benefit obligation	60,70.58	48,64.98	1,03.58	1,00.91
Fair value of plan assets	5570.49	44,74.31	–	–
Surplus/(Deficit)	(5,00.09)	(3,90.67)	(1,03.58)	(1,00.91)

(₹ in lakhs)

Particulars	FUNDED		UNFUNDED	
	Gratuity		Retired Employee Medical Scheme	
	31.03.2020	31.03.2019	31.03.2020	31.03.2019
I. Actuarial assumptions				
Discount rate	6.64	7.62	4.58-6.53	6.5-7.5
Expected Return on plan assets	7.40	7.62		
Attrition rate (Age based)				
From Age 18 - 20 years	3.00	3.00		
From Age 21 - 40 years	2.00	2.00		
From Age 41 - 58 years	1.00	1.00		
Salary escalation	8.00	8.00		

(₹ in lakhs)

Particulars	FUNDED		UNFUNDED	
	Gratuity		Retired Employee Medical Scheme	
	31.03.2020	31.03.2019	31.03.2020	31.03.2019
II. Quantitative sensitivity analysis for impact of significant assumptions on defined benefit obligation are as below				
Impact of				
0.5% decrease in discount rate	3,07.99	230.97	2.14	2.28
0.5% increase in discount rate	(2,83.70)	(2,13.19)	(2.37)	(2.06)
0.5% decrease in salary growth rate rate	(2,81.52)	(2,13.42)	–	–
0.5% increase in salary growth rate rate	3,02.49	2,29.02	–	–
Life expectancy+1year	–	–	(3.07)	(2.77)
Life expectancy-1year	–	–	3.02	2.81
Weighted average duration of the Defined benefit obligation (in years)	14.91	15.09	9.00	9.50

(₹ in lakhs)

Particulars	FUNDED		UNFUNDED	
	Gratuity		Retired Employee Medical Scheme	
	31.03.2020	31.03.2019	31.03.2020	31.03.2019
Maturity profile of defined benefit obligation				
Year 1	10,18.61	9,03.72	12.02	12.09
Year 2	2,68.48	2,81.75	11.17	11.31
Year 3	2,17.23	2,50.27	10.30	10.51
Year 4	2,71.48	1,93.45	9.44	9.70
Year 5	3,19.17	2,47.34	8.57	8.88
Next 5 years	22,02.45	18,93.78	30.72	32.62

In the absence of detailed information regarding plan assets which is funded with Insurance Companies, the composition of each major category of plan assets, the percentage or amount for each category to the fair value of plan assets & the description of the Asset-Liability matching strategies used by the plan has not been disclosed.

D. Provident Fund

The provident fund contributions to trust are managed through trust investments in addition to contribution of a portion of its provident fund liability relating to Employees Pension Scheme to Employee Provident Fund Organisation.

The fund has relatively balanced mix of investments in order to manage the risks. The investment strategy is designed based on the interest rate scenario, liquidity needs of the Plans and Pattern of the investments as prescribed under the statue.

The trustees regularly monitor the funding and investment, there are systems in place to ensure that health of the portfolio is regularly reviewed and investments do not pose significant risk of impairment.

Major Category of Plan Assets as % of the Total Plan Assets

(₹ in lakhs)

Particulars	31.03.2020	31.03.2019
Central Government Securities	11.82	13.70
State Government Securities	36.38	34.10
Public Sector Bonds	42.01	41.90
Private Sector Bonds	2.35	3.20
Special Deposits	3.39	3.80
Equity Fund	4.05	3.30
Total	**1,00.00**	**1,00.00**

Note 41: Share Based Payments

The Company grants ESOP to Senior Management employees in accordance with the terms of the Plan.

Description of the plan that existed during the period:

Particulars	Grant 11	Grant 10
Board meeting date	30-05-2019	25-05-2018
Options granted	18750	20000
Exercise price (per share)	₹10/-	₹10/-
Date of grant	30-05-2019	25-05-2018
Vesting date	02-06-2020	31-05-2019
Vesting period	12 months	12 months
Exercise period	03-06-2020 to 02-09-2020	01-06-2019 to 31-08-2019
Market price immediately prior to grant date	1577.45	1732.90
Intrinsic value	1567.45	1722.90

Group share based payments

The company as a part of ESOP scheme has issued share options to employees of various group companies. The company does not get reimbursed for the cost of such group share options and such costs are treated as investment in the group companies.

Effect of Share based payments transactions on financial statement of the entity:

(₹ in lakhs)

Particulars	2019-20	2018-19
Expenses recognised in Profit & Loss account	2,46.29	2,47.83
Amount recognised as Investment in Group companies	43.26	85.46

Unvested share options issued to employees of various group companies are as under:

(in numbers)

Particulars	Grant 11	Grant 10
	31-03-2020	31-03-2019
Sundaram Asset Management Company Limited	1,400	2,250
Royal Sundaram General Insurance Co. Limited	–	750
Sundaram BNP Paribas Home Finance Limited	1,800	2,000
Total	**3,200**	**5,000**

Measurement of fair value

The fair values of the options issued have been arrived at using the Black Scholes Model.

The key assumptions used in computing the fair value are:

Particulars	Grant 11	Grant 10
Risk free interest rate per annum	6.43%	7.03%
Life of the option	370 days	372 days
Expected volatility	32.32%	31.18%
Fair value of the option (₹)	1568.08	1723.59

The expected volatility is based on historical share price volatility. The life of the option has been based on general option holder behaviour.

Reconciliation of the outstanding share options: Apr 2019 – March 2020

The number and weighted-average exercise prices of share options under various grants are as follows:

(in numbers)

Grant details	Grant 11		Grant 10	
Particulars	Weighted average exercise price per option	No. of options	Weighted average exercise price per option	No. of options
Outstanding at the beginning of the period	–	–	10	20,000
Granted during the period	10	18,750	–	–
Forfeited / expired during the period	–	–	10	750
Exercised during the period	–	–	10	19250
Outstanding at the end of the period	10	18,750	–	–
Exercisable at the end of the period	–	-	–	–

Exercise price and Contractual life for the share options outstanding at the end of the period

Particulars	31.03.2020 Grant 11	31.03.2019 Grant 10
Exercise Price (₹)	10	10
Contractual life	2 months	2 months

Reconciliation of the outstanding share options - 2018-19:

The number and weighted-average exercise prices of share options under various grants are as follows:

(in numbers)

Grant details	Grant 10		Grant 9	
Particulars	Weighted average exercise price per option	No. of options	Weighted average exercise price per option	No. of options
Outstanding at the beginning of the period	–	–	10	18,550
Granted during the period	10	20,000	–	–
Forfeited / expired during the period	–	–	–	–
Exercised during the period	–	–	10	18,550
Outstanding at the end of the period	10	20,000	–	–
Exercisable at the end of the period	–	–	–	–

Note 42: Leases

(₹ in lakhs)

Details	31-03-2020		31-03-2019	
	Gross Investment in Lease	Present value of Minimum Lease payments	Gross Investment in Lease	Present value of Minimum Lease payments
Upto 1 Year	233,59.84	213,27.13	554,30.38	494,25.92
1-5 Year	89,89.29	85,96.56	331,11.90	308,49.92
> 5 Year	–	–	–	–
Total	**323,49.13**	**299,23.68**	**885,42.28**	**802,75.84**
Less: Unearned Finance income	24,25.45	–	82,66.44	–
Present value of Minimum Lease payments	**299,23.68**	**–**	**802,75.84**	**–**

Operating lease as lessor

Maturity pattern of Minimum Lease payments:

(₹ in lakhs)

Particulars	31.03.2020	31.03.2019
Less than 1 year	55,81.67	52,88.66
Later than 1 year and not later than 5 years	76,57.43	67,66.77
Later than 5 years	–	–
Total	**132,39.09**	**120,55.43**

Operating lease as lessee

Effective 1st April 2019, the company has adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on 1st April 2019 using modified retrospective approach with the option given under para C8(b)(ii) of the standard. We have applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application. The weighted average incremental borrowing rate is applied to lease liabilities as at 1st April 2019. On the transition date, the application of the new accounting standard resulted in recognition of "Right of use assets" and corresponding "lease liability" to the extent of ₹4936.53 lakhs.

(₹ in lakhs)

Particulars	April - March 2020
Reclassified on account of adoption of Ind AS 116	49,36.53
Additions	10,50.99
Repayment (a)	10,65.45
Closing Lease Liability	49,22.07
Interest Expenses in Finance Cost (b)	4,00.10
Hitherto accounted as	
Rental expenses (c)=(a+b)	14,65.55
Depreciation on Right of Use Assets (d)	13,27.25
Impact of adoption of Ind AS 116 in Profit and Loss Account (d+b-c)	2,61.80

Rental Income from sublease of assets is ₹55.34 lakhs

(₹ in lakhs)

Particulars	31.03.2020	31.03.2019
Carrying value of Right of Use of Assets	46,60.54	–

Note 43: General

43.01 Tax u/s 115BAA of the Income Tax Act

The Company has opted for reduced rate of Income tax pursuant to the aforesaid section

43.02 Acquisition of shares in Sundaram Fund Services Limited

The Company acquired 49% stake in Sundaram Fund Services Limited (erstwhile Sundaram BNP Paribas Fund Services Limited) for a consideration of ₹ 150 lakhs on 31st Jul 2019 making it a 100% subsidiary of the Company.

43.03 Acquisition of shares in Sundaram Home Finance Limited

The Company acquired 49.9% stake in Sundaram Home Finance Limited (erstwhile Sundaram BNP Home Finance Limited) for a consideration of ₹ 99966.92 lakhs on 30th Sep 2019 making it a 100% subsidiary of the Company.

43.04 Segment Information

Segment information is presented in the consolidated financial statements as per Ind AS 108.

43.05 Corporate Social Responsibility (CSR)

The Company has spent towards Corporate Social Responsibility(CSR) under Sec.135 of the Companies Act 2013, in the various areas covered under the regulatory provisions like healthcare, education, environment and protection of art and culture.

(₹ in lakhs)

Particulars	2019-20	2018-19
Gross amount required to be spent	15,50.97	13,79.86
Total amount spent towards CSR*	15,78.46	14,04.87

* The amount spent for CSR includes ₹ 30.19 lakhs (2018-19: ₹ 102.03 lakhs) spent on construction /acquisition of any asset.

43.06 Pending Litigations

The pending litigations as on 31st March 2020 have been compiled by the company and reviewed by the Statutory Auditors. The current position of the litigation has been evaluated and the effect thereof has been appropriately disclosed in the financial statements.

43.07 Provisions contingent liabilities and contingent Asset

(₹ in lakhs)

Movement of provisions	Amount
Carrying amount as on 31.03.2019	39,88.22
Add: Provisions made during the year	5,85.60
Less: Amount used or reversed during the year	27,93.94
Carrying amount as on 31.03.2020	17,79.89

(₹ in lakhs)

Contingent liabilities	31.03.2020	31.03.2019
a) On Cheques discounted	0.46	1.38
b) Bank guarantee and Letter of credit	5,40.44	5,14.83
c) Claims against the company not acknowledged as debts	7,32.24	6,85.39
d) Tax disputes	10,57.32	59,59.37

Tax disputes in respect of Income Tax, Service Tax, VAT demands and are pending before various appellate forums/authorities and the cash flows would be determined only upon the receipt of decisions. The Company is of the opinion that the demands are not sustainable and expects to succeed in its appeal.

The contested tax demands have been ascertained on the basis of relief allowed by the appellate authorities, on similar issues in earlier assessment years.

43.08 Related Parties Disclosures:

Related party disclosures as per INDAS 24 - 'Related Party Disclosures', for the Year ended 31st March 2020, are given below:

RELATED PARTIES:

Subsidiary Companies:

Sundaram Asset Management Company Ltd.

Sundaram Asset Management Singapore Pte Ltd.

Sundaram Alternate Assets Limited

Sundaram Trustee Company Ltd.

Sundaram Finance Holdings limited

Sundaram Business Services Limited

Sundaram Home Finance Ltd. (From 30.09.2019)

Sundaram Fund Services Ltd. (From 31.07.2019)

LGF Services Ltd.

Sundaram Finance employee Welfare trust

Associates of a Subsidiary Company:

Flometallic India Private Ltd.

The Dunes Oman LLC (FZC)

Sundaram Hydraulics Ltd.

Axles India Ltd.

Turbo Energy Private Ltd.

Transenergy Ltd.

Sundaram Dynacast Private Ltd.

Joint Ventures :

Royal Sundaram General Insurance Co. Ltd.

Relatives of Key Management Personnel: (with whom the company has transactions)

	Mr. T.T. Srinivasaraghavan	Mr. Harsha Viji	Mr. A.N. Raju
Father	Mr. T.T. Rangaswamy	Mr. S. Viji	
Mother	Mrs. Vimala Rangaswamy	Mrs. Chitra Viji	
Wife	Mrs. Bagyam Raghavan		Mrs. R.N. Mala
Daughter	Miss. Anjana Raghavan		
Son	Mr T.T. Venkatraghavan		Mr. R.N. Pradyumna
Brother	Mr. T.T. Narendran	Mr. Sriram Viji	Mr. A.N. Krishnamoorthy
Brother			Mr. A.N. Sreeram

Key Management Personnel:

Mr. T.T. Srinivasaraghavan, Managing Director

Mr. Harsha Viji, Deputy Managing Director

Mr. A.N. Raju, Director (Operations)

Enterprises over which Key Management Personnel (KMP) and his relatives can exercise significant influence

M/s. Azorius Holdings Private Limited

M/s. Uthirattadhi Sriram Holdings Private Ltd.

The Company acquired 49% stake in Sundaram Fund Services Limited (erstwhile Sundaram BNP Paribas Fund Services Limited) and 49.9% stake in Sundaram Home Finance Limited (erstwhile Sundaram BNP Paribas Home Finance Limited) on 31st July 2019 and 30th September 2019 respectively, making them 100% subsidiaries of the Company.

All the arrangements and transactions entered into by the company with related parties, during the Year ended 31.03.2020 were in ordinary course of business and on Arm's length price.

The required statements and documents with respect to the related party transactions were placed before the Audit Committee and Board of Directors.

Related Party Transactions for the Year Ended 31st March 2020

The nature and volume of transactions for the Year ended 31st March 2020 with the above related parties are as follows.

Particulars	Subsidiaries	Associates	Joint Ventures	2019-2020	2018-19
INCOME					
Lease Rental Income	56.56	65.14	13.36	1,35.06	1,59.96
Interest Income	0.07	–	5,36.34	5,36.41	10,75.02
Income from Services	10,15.90	17.39	4,16.63	14,49.92	15,54.20
Dividend	49,04.11	–	–	49,04.11	32,88.00
Rent Receipts	5,91.46	–	47.91	6,39.37	6,41.50
Income from other Financial Services	12,17.27	–	18,41.82	30,59.09	41,92.73
Other Non Operating Income	2,00.25	–	12.85	2,13.10	2,12.41
EXPENDITURE					
Interest	–	–	6,02.40	6,02.40	5,02.62
Support Services	13,63.96	–	–	13,63.96	11,57.37
Rent Paid	1,03.59	–	3.75	1,07.34	97.28
Insurance Premium	–	–	1,65.12	1,65.12	1,25.47
Brokerage Paid	0.90	–	–	0.90	3.44
Training Expenses	25.41	–	–	25.41	–
ASSETS					
Purchase of Fixed Assets	1.47	–	–	1.47	7.25
Disinvestment	–	–	–	–	303,07.38
Insurance Deposit	–	–	1,50.00	1,50.00	–
Sale of Assets	5.84	–	–	5.84	–
Sale of NCD	99,86.56	–	–	99,86.56	–
Foreclosure of Leasing Assistance	1,36.63	–	–	1,36.63	–
Loans and Advances Disbursed	2.45	–	–	2.45	3.33
Repayment of Loans and Advances	2.48	–	–	2.48	3.62
Insurance Premium paid in advance	–	–	1,99.26	1,99.26	1,42.83
LIABILITIES					
Issue of Non Convertible Debentures	–	–	50,58.19	50,58.19	15,02.34
Redemption of Non Convertible Debentures	–	–	20,00.00	20,00.00	–
Other Liabilities	1,76.03	–	–	1,76.03	1,62.35
Dividend Paid	2,14.29	–	–	2,14.29	1,64.30

(₹ in lakhs)

Compensation paid to Key Managerial Personnel	31.03.2020	31.03.2019
Short term benefits	11,37.34	10,87.47
Post retirement benefits	38.62	34.28
Share based payments	39.85	42.09

(₹ in lakhs)

Transactions with Key Managerial Personnel	31.03.2020	31.03.2019
Interest on deposits	1,35.13	1,10.26
Dividend Paid	14,75.71	12,68.92
Dividend Paid to Enterprises over which KMP and his relatives is exercising significant influence	5,24.19	3,96.05

Disclosure of Material Transactions with Related Parties

(₹ in lakhs)

Particulars	Related Parties	2019-2020	2018-19
INCOME			
Lease Rental Income	Turbo Energy Private Ltd.	49.83	56.88
	Sundaram Fund Services Ltd.	29.12	40.71
	Sundaram Asset Management Company Ltd.	24.26	28.37
	Axles India Limited	15.31	16.23
	Royal Sundaram General Insurance Co. Ltd.	13.36	17.77
	Sundaram Business Services Limited	3.18	-
Interest Income	Royal Sundaram General Insurance Co. Ltd.	5,36.34	10,74.98
	Sundaram Asset Management Company Limited	0.07	0.04
Income from Services	Sundaram Home Finance Ltd.	7,40.28	7,52.11
	Royal Sundaram General Insurance Co. Ltd.	4,16.63	3,80.64
	Sundaram Fund Services Ltd.	2,52.72	3,65.28
	Sundaram Asset Management Company Ltd.	21.81	13.69
	Turbo Energy Private Ltd.	17.39	33.89
	Sundaram Business Services Limited	1.09	1.09
	Sundaram Finance Holdings Limited	-	7.50
Dividend	Sundaram Home Finance Ltd.	23,84.24	17,75.50
	Sundaram Asset Management Company Ltd.	15,00.00	8,00.00
	Sundaram Finance Holdings Limited	9,44.87	6,00.00
	Sundaram Trustee Company Ltd.	60.00	50.00
	LGF Services Limited	15.00	62.50

Particulars	Related Parties	2019-2020	2018-19
Rent Receipts	Sundaram Asset Management Company Ltd.	2,19.63	2,33.12
	Sundaram Home Finance Ltd.	1,89.50	1,90.07
	Sundaram Business Services Ltd.	1,10.92	1,10.02
	Sundaram Finance Holdings Limited	53.46	32.32
	Royal Sundaram General Insurance Co. Ltd.	47.91	47.91
	Sundaram Fund Services Ltd.	17.95	28.05
Income from other Financial Services	Royal Sundaram General Insurance Co. Ltd.	18,41.82	18,45.81
	Sundaram Home Finance Ltd.	5,65.35	6,11.62
	Sundaram Fund Services Ltd.	4,11.99	6,90.91
	Sundaram Alternate Assets Limited	2,39.93	22.94
	Sundaram Asset Management Company Ltd.	–	10,21.45
Other Non Operating Income	Sundaram Home Finance Ltd.	1,30.42	1,29.98
	Sundaram Fund Services Ltd.	27.28	26.67
	Sundaram Asset Management Company Ltd.	25.55	26.46
	Royal Sundaram General Insurance Co. Ltd.	12.85	15.30
	Sundaram Business Services Ltd.	8.00	10.00
	Sundaram Alternate Assets Limited	5.00	0.00
	Sundaram Finance Holdings Limited	4.00	4.00

(₹ in lakhs)

Particulars	Related Parties	2019-2020	2018-19
EXPENDITURE			
Interest	Royal Sundaram General Insurance Co. Ltd.	6,02.40	5,02.62
Support Services	Sundaram Finance Holdings Limited	13,63.96	11,57.37
Rent Paid	Sundaram Finance Holdings Limited	1,02.88	94.39
	Royal Sundaram General Insurance Co. Ltd.	3.75	2.67
	Sundaram Home Finance Ltd.	0.71	0.22
Insurance Premium	Royal Sundaram General Insurance Co. Ltd.	1,65.12	1,25.47
Brokerage Paid	Sundaram Home Finance Ltd.	0.90	3.44
Training Expenses	Sundaram Finance Holdings Limited	25.31	–
	Sundaram Home Finance Ltd.	0.10	–

(₹ in lakhs)

Particulars	Related Parties	2019-2020	2018-19
Dividend Paid	Sundaram Finance employee Welfare trust	2,14.29	1,64.30

(₹ in lakhs)

Particulars	Related Parties	2019-2020	2018-19
ASSETS			
Purchase of Fixed Assets	Sundaram Business Services Limited	0.38	7.25
	Sundaram Fund Services Ltd.	1.09	–
Disinvestment	Royal Sundaram General Insurance Co. Ltd.	–	303,07.38
Insurance Deposit	Royal Sundaram General Insurance Co. Ltd.	1,50.00	–
Sale of Assets	Sundaram Fund Services Ltd.	5.33	–
	Sundaram Asset Management Company Ltd.	0.51	–
Sale of NCD	Sundaram Asset Management Company Ltd.	50,57.09	–
	Sundaram Home Finance Ltd.	49,29.47	–
Foreclosure of Leasing Assistance	Sundaram Fund Services Ltd.	1,36.63	–
Loans and Advances Disbursed	Sundaram Asset Management Company Ltd.	2.45	3.33
Repayment of Loans and Advances	Sundaram Asset Management Company Ltd.	2.48	3.62
Insurance Pemium paid in advance	Royal Sundaram General Insurance Co. Ltd.	1,99.26	1,42.83
LIABILITIES			
Issue of Non Convertible Debentures	Royal Sundaram General Insurance Co. Ltd.	50,58.19	15,02.34
Redemption of Non Convertible Debentures	Royal Sundaram General Insurance Co. Ltd.	20,00.00	–
Other Liabilities	Sundaram Finance Holdings Ltd	1,74.94	1,62.35
	Sundaram Fund Services Ltd.	1.09	

Balances with Related Parties as at 31st March 2020

(₹ in lakhs)

BALANCES OUTSTANDING	Subsidiaries	Associates	Joint Venture	Key Management Personnel	Relatives of Key Management Personnel	Enterprises over which KMP and his relatives is exercise significant influence	31.03.2020	31.03.2019
ASSETS								
Investments	1381,72.76	–	585,26.56	–	–	–	1966,99.32	1071,86.39
Loans and Advances	0.17	–	–	–	–	–	0.17	4,45.42
Other Assets	72.16	–	10,27.83	–	–	–	10,99.99	10,71.24
LIABILITIES								
Equity Holdings	5,18.27	–	–	2,05.62	4,49.84	2,32.97	14,06.70	14,19.08
Non Convertible Debentures			85,96.19				85,96.19	53,02.33
Deposits	–	–	–	1,16.95	9,88.73	–	11,05.68	7,13.91
Other Liabilities	3,46.42	–	36.25	–	–	–	3,82.67	3,68.99
Remuneration payable	–	–	–	7,24.85	–	–	7,24.85	7,54.51

Disclosure of Material Balances with Related Parties as at 31st March 2020

(₹ in lakhs)

BALANCES OUTSTANDING	Subsidiaries	Joint Venture	Others	31.03.2020	31.03.2019
ASSETS					
Investments					
a) Investments In Equity Shares					
Royal Sundaram General Insurance Co. Ltd	–	585,26.56	–	585,26.56	585,37.34
Sundaram Asset Management Company Ltd.	185,93.73	–	–	185,93.73	185,70.41
Sundaram Home Finance Ltd.	1152,55.37	–	–	1152,55.37	152,57.75
Sundaram Fund Services Ltd.	24,45.15	–	–	24,45.15	22,95.15
Sundaram Trustee Company Ltd.	2,28.62	–	–	2,28.62	2,28.62
Sundaram Finance Holdings Ltd.	16,44.89	–	–	16,44.89	20,15.18
LGF Services Ltd.	5.00	–	–	5.00	5.00
	1381,72.76	**585,26.56**	**–**	**1966,99.32**	**969,09.45**
b) Investments In Non-Convertible Debentures					
Royal Sundaram General Insurance Co. Ltd.	–	–	–	–	102,76.94

Disclosure of Material Balances With Related Parties as at 31st March 2020 (₹ in lakhs)

BALANCES OUTSTANDING	Subsidiaries	Associates	Joint Venture	Key Management Personnel	Relatives of Key Management Personnel	Enterprises over which KMP and his relatives is exercise significant influence	31.03.2020	31.03.2019
Loans and Advances								
a) Lease Receivables								
Sundaram Fund Services Ltd.	–	–	–	–	–	–	–	4,13.04
Axles India Ltd.	–	–	–	–	–	–	–	32.18
b) Fleet								
Sundaram Asset Management Company Limited	0.17	–	–	–	–	–	0.17	0.20
							0.17	**4,45.42**
Other Assets								
Royal Sundaram General Insurance Co. Ltd.	–	–	10,27.83	–	–	–	10,27.83	9,01.11
Sundaram Fund Services Ltd.	13.20	–	–	–	–	–	13.20	93.79
Sundaram Home Finance Ltd.	9.04	–	–	–	–	–	9.04	61.41
Sundaram Business Services Limited	13.84	–	–	–	–	–	13.84	13.16
Sundaram Asset Management Company Ltd.	17.95	–	–	–	–	–	17.95	0.37
Sundaram Alternate Assets Limited	18.13	–	–	–	–	–	18.13	1.40
Total	**72.16**	**–**	**10,27.83**	**–**	**–**	**–**	**10,99.99**	**10,71.24**
LIABILITIES								
Equity Holdings	5,18.27	–	–	2,05.62	449.84	232.97	14,06.70	14,19.08
Non Convertible Debentures								
Royal Sundaram General Insurance Co. Ltd.	–	–	8596.19	–	–	–	85,96.19	53,02.33
Deposits	–	–	–	1,16.95	988.73	–	11,05.68	7,13.91
Sundaram Home Finance Ltd.	1,43.44	–	–	–	–	–	1,43.44	1,43.44
Sundaram Fund Services Ltd.	1.09	–	–	–	–	–	1.09	–
Royal Sundaram General Insurance Co. Ltd.	–	–	36.25	–	–	–	36.25	36.25
Sundaram Asset Management Company Ltd.	26.95	–	–	–	–	–	26.95	26.95
Sundaram Finance Holdings Ltd	1,74.94	–	–	–	–	–	1,74.94	1,62.35
Remuneration payable	–	–	–	7,24.85	–	–	7,24.85	7,54.51
Total	**3,46.42**	**–**	**36.25**	**7,24.85**	**–**	**–**	**11,07.52**	**11,23.50**

Disclosure of Material Balances with Related Parties as at 31st March 2020

(₹ in lakhs)

BALANCES OUTSTANDING	Subsidiaries	Joint Venture	Others	31.03.2020	31.03.2019
ASSETS					
Investments					
a) Investments In Equity Shares					
Royal Sundaram General Insurance Co. Ltd	–	585,26.56	–	585,26.56	585,37.34
Sundaram Asset Management Company Ltd.	185,93.73	–	–	185,93.73	185,70.41
Sundaram Home Finance Ltd.	1152,55.37	–	–	1152,55.37	152,57.75
Sundaram Fund Services Ltd.	24,45.15	–	–	24,45.15	22,95.15
Sundaram Trustee Company Ltd.	2,28.62	–	–	2,28.62	2,28.62
Sundaram Finance Holdings Ltd.	16,44.89	–	–	16,44.89	20,15.18
LGF Services Ltd.	5.00	–	–	5.00	5.00
	1381,72.76	**585,26.56**	**–**	**1966,99.32**	**969,09.45**
b) Investments In Non-Convertible Debentures					
Royal Sundaram General Insurance Co. Ltd.	–	–	–	–	10276.94

(₹ in lakhs)

Maximum amount outstanding in respect of Loans and Advances	2019-20	2018-19
Sundaram Fund Services Ltd.	–	4,22.90
Axles India Ltd.	–	49.21
Sundaram Asset Management Company Limited	0.28	0.52

43.09 Estimated amount of contracts remaining to be executed on capital account

(₹ in lakhs)

Particulars	31.03.2020	31.03.2019
Estimated amount of contracts remaining to be executed on capital account (net of advance)	2,41.09	1,52.56
Uncalled commitment in Alternative Investment Fund Schemes	28,80.46	8,88.92

43.10 An interim dividend already paid during the year is ₹10/- per share. Final dividend of ₹3/- per share has been recommended by the Board for the year ended 31st March 2020 in May 2020. This together with an interim dividend would aggregate to a total dividend of ₹13/- per share (130%)

43.11 Impairment Reserve

In accordance with RBI notification Vide DOR (NBFC).CC.PD No.10 9/22/10.106/2019-20 dated 13.03.2020 on implementation of Ind AS, NBFCs are required to provide the shortfall in provisions as 'impairment reserve', if the provisions made as per Ind AS 109 is less than the provisions required under the IRAC norms (income recognition asset classification and provisioning). As the overall provisions are in excess of the regulatory provisions, the need to create Impairment reserve does not arise.

43.12 Administrative and other expenses "under Other Expenditure" include payment to Statutory Auditors towards:

(₹ in lakhs)

Particulars	31.03.2020	31.03.2019
Statutory Audit	75.00	60.00
Tax Audit	15.00	15.00
Certification	20.00	21.00
Reimbursement of expenses	2.35	2.00

43.13 Disclosure under the MSME Act 2006

(₹ in lakhs)

Particulars		31.03.2020	31.03.2019
i)	a) Principal amount remaining unpaid*	61.00	85.84
	b) Interest amount remaining unpaid	NIL	NIL
ii)	Interest and principal amount paid beyond appointed date	NIL	NIL
iii)	Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointment day during the year) but without adding the interest specified under this Act.	NIL	NIL
iv)	Interest accrued and remaining unpaid	NIL	NIL
* Subsequently liability is discharged			

43.14 Based on the current assessment of the long-term contracts in the ordinary course of business, the Company has made adequate provision for losses where required. The derivative contracts have been entered into for hedging the foreign currency liability and interest liability. Derivative contracts being in the nature of hedge contracts, the Company does not anticipate any material losses from the same.

43.15 Earning per share

Particulars	Year Ended 31.03.2020	Year Ended 31.03.2019
Profit /(Loss) attributable to equity shareholders (₹ in Lakhs)	723,94.76	1126,30.88
Weighted average number of equity shares	11,11,03,860	11,11,03,860
Earnings per share – Basic & Diluted (in ₹)	65.16	1,01.37
Face value of Share	10	10

43.16 Exceptional item for the year ended 31.03.2019, represents sale of stake in Royal Sundaram General Insurance Co. Limited to Ageas Insurance International N.V, The Netherlands in February 2019.

43.17 Previous period's figures have been regrouped wherever necessary to conform to current period's classification.

Note 44: Disclosures as per Non-Banking Financial Company - Systemically Important Non-Deposit Taking Company and Deposit taking Company (Reserve Bank) Directions, 2016:

44.01 Capital to Risk (weighted) Assets Ratio

Particulars	31.03.2020	31.03.2019
CRAR (%)	18.37	19.43
CRAR - Tier I Capital (%)	13.21	14.63
CRAR - Tier II Capital (%)	5.16	4.80
Subordinated debt considered as Tier II Capital (₹ in lakhs)	**1650,00.00**	**1437,06.51**

44.02 Investments

(₹ in lakhs)

	31.03.2020	31.03.2019
Value of Investments		
Gross Value of Investments		
a) In India	3938,28.66	1879,27.84
b) Outside India	–	–
Provisions for Depreciation		
a) In India	54.32	12,94.86
b) Outside India	–	–
Net Value of Investments		
a) In India	3937,74.33	1866,32.98
b) Outside India	–	–
Movement of provisions held towards depreciation on investments		
Opening balance	12,94.86	8,47.60
Add : Provisions made during the year	29.60	4,48.53
Less : Reversal of provisions during the year	12,70.14	1.27
Closing balance	**54.32**	**12,94.86**

44.03 Derivatives

44.03.01 Forward Rate Agreement / Interest Rate Swap (FRA / IRS)

(₹ in lakhs)

	31.03.2020	31.03.2019
The notional principal of swap agreements	275,00.00	300,00.00
Losses which would be incurred if counterparties failed to	22,26.36	13,12.75
fulfill their obligations under the agreements	–	–
Collateral required by NBFC upon entering into swaps	–	–
Concentration of credit risk arising from the swaps	100% with Banks	
The fair value of the swap book	18,77.39	10,44.48

44.03.01 Forward Rate Agreement / Interest Rate Swap (FRA / IRS)

(₹ in lakhs)

	31.03.2020	31.03.2019
The notional principal of swap agreements	275,00.00	300,00.00
Losses which would be incurred if counter parties failed to fulfill their obligations under the agreements	22,26.36	13,12.75
Collateral required by NBFC upon entering into swaps	–	–
Concentration of credit risk arising from the swaps	100% with Banks	
The fair value of the swap book	18,77.39	10,44.48

The details and terms of IRS / FRA are set out below:

(₹ in lakhs)

Derivatives	31.03.2020	31.03.2019	Benchmark	Terms
	Notional Principal			
Interest Rate Swap	125,00.00	125,00.00	OIS	Fixed Receivable v/s Floating Payable
Interest Rate Swap	125,00.00	125,00.00	OIS	Fixed Payable v/s Floating Receivable
Forward Rate Agreement	25,00.00	50,00.00	OIS	Fixed Receivable v/s Floating Payable

44.03.02 Exchange Traded Interest Rate (IR) Derivaties : NIL

44.03.03 Qualitative disclosures on risk exposure of derivatives

i) Qualitative disclosures

The Company has a Board approved policy for entering into derivative transactions. Derivative transaction comprises Forward Rate Agreements, Interest Rate Swaps, Coupon Only Swaps, Currency and Interest Rate Swap and Forward Exchange contracts. The Company undertakes such transactions for hedging balance sheet assets and liabilities. The Asset Liability Management Committee and Risk Management Committee periodically monitors and reviews the risks involved.

ii) Quantitative disclosures

(₹ in lakhs)

		Currency Derivatives		Interest Rate Derivatives	
		31.03.2020	31.03.2019	31.03.2020	31.03.2019
i)	Derivatives (Notional Principal Amount)				
	For Hedging	1207,25.26	888,05.16	275,00.00	300,00.00
ii)	Marked to Market Position				
	- Asset (+)	57,38.69	62,35.34	22,26.36	13,12.75
	- Liability (-)	–	–	3,48.98	2,68.27
iii)	Credit Exposure	24,14.51	17,76.10	5,75.00	6,50.00
iv)	Unhedged Exposures	–	–	–	–

44.04 Disclosures relating to Securitisation

44.04.01 Special Purpose Vehicles (SPVs) and Minimum Retention Requirements

(₹ in lakhs)

	31.03.2020	31.03.2019
No. of SPVs Sponsored by the NBFC for Securitisation Transactions	13	16
Total amount of securitised assets as per books of the SPVs sponsored	3224,12.92	4225,72.50
Total amount of exposures retained by the NBFC to comply with MRR as on the date of balance sheet		
Off-balance sheet exposures		
First loss	–	–
Others	–	–
On-balance sheet exposures		
First loss	559,63.18	608,42.77
Others	66,48.92	77,18.27
Total amount of exposures to securitisation transactions other than MRR		
Off-balance sheet exposures		
Exposures to own securitisations		
First loss	–	–
Others	–	–
Exposure to third party securitisations		
First loss	–	–
Others	–	–
On-balance sheet exposures		
Exposures to own securitisations		
First loss	–	–
Others	–	–
Exposure to third party securitisations		
First loss	–	–
Others	–	–

44.04.02 Details of Assignment transactions undertaken

(₹ in lakhs)

	2019-20	2018-19
No. of accounts	13881	9316
Aggregate consideration on sale	1382,13.44	656,29.28
Aggregate value (net of provisions) of accounts sold	1354,00.33	645,38.49
Additional consideration realized in respect of accounts transferred in earlier years	–	–
Aggregate gain / (loss) over net book value	28,13.11	10,90.79

44.04.03 Details of Financial Assets Sold to Securitisation / Reconstruction Company for Asset Reconstruction: NIL

44.04.04 Details of non-performing financial assets purchased / sold : NIL

44.05 Maturity Pattern of certain items of Assets and Liabilities

As at March 31, 2020:

(₹ in lakhs)

	0 to 7 days	8 to 14 days	Upto 30/ 31 days	Over 1 month upto 2 months	Over 2 months upto 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
Deposits	90,33.03	27,13.74	60,83.69	114,93.59	113,15.60	499,90.31	863,07.59	2056,86.63	–	–	3826,24.18
Borrowings	19,12.36	199,74.89	158,10.06	278,47.45	1132,95.97	3071,14.86	5215,86.92	10633,27.87	768,08.33	1420,12.38	22896,91.09
Foreign Currency Liabilities	–	–	–	594,67.86	–	–	–	–	–	–	594,67.86
Advances	86,67.46	171,94.17	194,20.13	541,15.89	1435,38.11	3660,74.43	6673,47.83	16303,84.05	3347,58.88	18,54.77	32433,55.73
Investments	1266,22.05	3,66.65	11,61.13	21,82.16	18,58.20	77,51.36	132,78.42	360,08.81	33,23.31	2012,22.25	3937,74.33
Foreign Currency Assets	–	–	69.54	–	–	–	–	–	–	–	69.54

44.06 Exposures

44.06.01 Exposure to Real Estate Sector

(₹ in lakhs)

Particulars	31.03.2020	31.03.2019
Residential Mortgages - Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented	13,28.50	16,31.83
Commercial Real Estate - Lending secured by mortgages on commercial real estates (office buildings, retail space, multi purpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc). Exposure would also include non-fund based limits	31,87.19	21,63.48
Investments in Mortgage Backed Securities (MBS) and other securitised exposures - Residential - Commercial Real Estate	 – –	 – –
Total Exposure to Real Estate Sector	**45,15.69**	**37,95.31**

44.06.02 Exposure to Capital Market

(₹ in lakhs)

Particulars	2019-20	2018-19
Direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt; (listed Securities)	19,46.30	23,15.42
Advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs/ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	–	–
Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	–	–
Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e where the primary security other than shares/convertible bonds/ convertible debentures / units of equity oriented mutual funds does not fully cover the advances;	–	–
Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	–	–
Loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	–	–
Bridge loans to companies against expected equity flows / issues	–	–
All exposures to Venture Capital Funds (both registered and unregistered)		
Total Exposure to Capital Market	**19,46.30**	**23,15.42**

44.06.03 Details of financing of parent company products: NIL

44.06.04 Details of Single Borrower Limit (SBL) / Group Borrower Limit (GBL) exceeded by the company: NIL

44.07 Registration obtained from other financial sector regulators during the year: NIL

44.08 Disclosure of penalties imposed by RBI and other regulators: NIL

44.09 Rating Assignment by Credit Rating Agencies and migration of ratings during the year

Instrument	ICRA	CRISIL
Deposits	AAA	AAA
Debentures	AAA	AAA
Subordinated Debentures	AAA	AAA
Long Term Bank Loans	AAA	AAA
Consortium Bank Facilities	AAA	–
Commercial Paper	A1+	A1+
Short Term Bank Loans	A1+	–

Migration of ratings during the year : NIL

44.10 Provisions and Contingencies

(₹ in lakhs)

Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account	2019-20	2018-19
Provisions for depreciation on Investments	(12,40.54)	4,47.26
Provisions towards Stage III assets (incl. write offs)	231,82.08	78,42.53
Provisions for Stage I & II assets	66,98.10	24,43.35
Provisions made towards Income tax	221,16.99	361,40.20

44.11 Concentration of Deposits

(₹ in lakhs)

	31.03.2020	31.03.2019
Total Deposits of twenty largest depositors	165,69.18	121,12.49
% of Twenty largest depositors	4.51%	4.07%

44.12 Concentration of Advances

(₹ in lakhs)

	2019-20	2018-19
Total Advances to twenty largest borrowers	401,49.25	419,36.11
% of Twenty largest borrowers	2.65%	2.45%

44.13 Concentration of Exposures

(₹ in lakhs)

	2019-20	2018-19
Total Exposure to twenty largest borrowers	562,39.89	530,50.29
% of Twenty largest borrowers	1.98%	1.92%

44.14 Concentration of Stage III Assets

(₹ in lakhs)

	2019-20	2018-19
Total Exposure to top four Stage III assets	55,04.38	22,74.50
% of Top four Stage III assets to total Stage III assets	6.99%	6.20%

44.15 Stage III assets as a percentage to Advances in the respective segments

(₹ in lakhs)

Segment	2019-20	2018-19
Truck Operators	3.18	1.03
Auto Loans	1.59	1.39
Infrastructure Loans	3.23	0.91
Agriculture	4.51	4.12
Others	1.23	1.79

44.16 Movement of Stage III Assets

(₹ in lakhs)

	2019-20	2018-19
Net Stage III assets to Net Advances (%)	1.92%	0.83%
Movement of Stage III assets (Gross)		
Opening balance	366,96.56	283,50.46
Additions during the year	703,58.45	280,07.80
Reductions during the year	282,48.76	196,61.70
Closing balance	788,06.25	366,96.56
Movement of Net Stage III assets		
Opening balance	228,60.28	145,57.15
Additions during the year	431,41.84	165,71.55
Reductions during the year	118,61.54	82,68.42
Closing balance	541,40.58	228,60.28
Movement of ECL on Stage III assets		
Opening balance	138,36.29	137,93.31
Provisions made during the year	272,16.61	114,36.26
Write-off / Write-back of excess provisions	163,87.22	113,93.28
Closing balance	246,65.68	138,36.29

44.17 Overseas Assets (for those with Joint Ventures and Subsidiaries abroad) : NIL

44.18 Off-balance sheet SPVs sponsored (which are required to be consolidated as per accounting norms) : NIL

44.19 Customer Complaints

	2019-20	2018-19
No. of complaints pending at the beginning of the year	–	–
No. of complaints received during the year	1158	639
No. of complaints redressed during the year	1158	639
No. of complaints pending at the end of the year	–	–

Note 45: Disclosure on Restructured Accounts

(₹ in lakhs)

Type of Restructuring		Under SME Debt Restructuring Mechanism	Others	Total
Details		Stage I & II assets	Stage III assets	
Restructured Accounts as on April 1, 2019	No. of borrowers	–	2	2
	Amount outstanding	–	1,62.32	1,62.32
	Provision thereon	–	14.24	14.24
Fresh restructuring during the year	No. of borrowers	854	51	905
	Amount outstanding	299,23.09	103,18.06	402,41.15
	Provision thereon	18,78.42	11,52.97	30,31.39
Upgradations to restructured standard category during the year	No. of borrowers	–	2	2
	Amount outstanding	–	1,62.32	1,62.32
	Provision thereon	–	14.24	14.24
Restructured standard advances which cease to attract higher provisioning and / or additional risk weight at the end of the year and hence need not be shown as restructured standard advances at the beginning of the next year	No. of borrowers	–	–	–
	Amount outstanding	–	–	–
	Provision thereon	–	–	–
Downgradations of restructured accounts during the year	No. of borrowers	–	–	–
	Amount outstanding	–	–	–
	Provision thereon	–	–	–
Write-offs of restructured accounts during the year	No. of borrowers	–	–	–
	Amount outstanding	–	–	–
	Provision thereon	–	–	–
Restructured Accounts as on March 31, 2020	No. of borrowers	854	51	905
	Amount outstanding	299,23.09	106,42.69	405,65.78
	Provision thereon	18,78.42	11,81.45	30,59.87

Note 46: Disclosure on frauds

During the year 2019-20, 6 frauds were detected and reported to RBI, aggregating to ₹281.59 lakhs in the nature of cheating and forgery. Out of these, 4 frauds were committed by borrowers to the extent of ₹140.78 lakhs and 2 frauds by employees to the extent of ₹140.81 lakhs. The company has provided for / written off the amount and has proceeded legally to recover the dues from the respective parties.

Note 47: Disclosures as per RBI notification no. DBR.No.BP.BC.18/21.04.048/2018-19 dated 1st Jan 2019 on "Micro, Small and Medium Enterprises (MSME) sector – Restructuring of Advances":

No. of accounts restructured - 1696	Amount - ₹ 29931.06 lakhs

Note 48: Disclosures as per RBI notification no. DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated 13th March 2020 - Implementation of Indian Accounting Standards:

A comparison between provisions required under IRACP and impairment allowances made under Ind AS 109:

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms (including income deferred)	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5)=(3)–(4)	(6)	(7) = (4)–(6)
Performing Assets						
Standard	Stage 1	26157,54.21	48,39.81	26109,14.40	126,54.82	(78,15.01)
	Stage 2	1550,82.08	47,50.08	1503,32.00	7,87.45	39,62.63
Sub total		**27708,36.29**	**95,89.89**	**27612,46.40**	**134,42.27**	**(38,52.38)**
Non-Performing Assets (NPA)						
Substandard	Stage 3	548,05.09	120,28.67	427,76.42	79,08.78	41,19.89
Doubtful - up to 1 year	Stage 3	75,87.06	39,97.83	35,89.23	45,86.23	(5,88.41)
1 to 3 years	Stage 3	29,34.24	29,32.08	2.16	23,83.25	5,48.84
More than 3 years	Stage 3	21.35	13.50	7.85	10.61	2.89
Subtotal for doubtful		105,42.65	69,43.41	35,99.24	69,80.10	(36.68)
Loss	Stage 3	48,30.83	48,30.83	–	48,30.83	–
Subtotal for NPA		701,78.57	238,02.91	463,75.66	197,19.71	40,83.21

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms (including income deferred)	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5)=(3)–(4)	(6)	(7) = (4)–(6)
OFF BOOKS: Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	189,56.00	1,99.00	187,57.00	–	1,99.00
	Stage 2	–	–	–	–	–
	Stage 3	–	–	–	–	–
Subtotal		189,56.00	1,99.00	187,57.00	–	1,99.00
Total (On book assets)	**Stage 1**	**26157,54.21**	**48,39.81**	**26109,14.40**	**126,54.82**	**(78,15.01)**
	Stage 2	**1550,82.08**	**47,50.08**	**1503,32.00**	**7,87.45**	**39,62.63**
	Stage 3	**701,78.57**	**238,02.91**	**463,75.66**	**197,19.71**	**40,83.21**
	Total	**28410,14.86**	**333,92.80**	**28076,22.06**	**331,61.98**	**2,30.83**

Note 49: Disclosures as per RBI notification no. DOR.No.BP.BC.63/21.04.048/2019-20 dated 17th April 2020 - COVID19 Regulatory Package - Asset Classification and Provisioning:

The details of loans, where moratorium benefit was extended as on 31st Mar 2020 are as under:

(i)	Amount due in respect of overdue contracts	₹5259,55.48 lakhs
(ii)	Amount due on contracts where asset classification benefits was extended as on 31st March 2020	₹271,76.12 lakhs
(iii)	Provision held against (ii) above, as on 31st March 2020	₹27,17.61 lakhs

As per our report of even date attached
For **Sundaram & Srinivasan**
Chartered Accountants
Registration No.004207S

K Srinivasan
Partner
Membership No.5809

Place : Chennai
Date : 29th May, 2020

S Viji
Chairman

T T Srinivasaraghavan
Managing Director

Harsha Viji
Deputy Managing Director

M Ramaswamy
Chief Financial Officer

S Prasad
Director

A N Raju
Director (Operations)

P Viswanathan
Secretary & Compliance Officer

SCHEDULE

(as required under Annexure IV of Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016)

(₹ in lakhs)

	Particulars	Amount outstanding	Amount overdue
	Liabilities side:		
(1)	**Loans and advances availed by the NBFCs @**		
a	Debentures : Secured	11111,23.78	–
	: Unsecured	2140,03.08	–
	(other than falling within the meaning of public deposits)		
b	Deferred Credits	–	–
c	Term Loans	6136,71.82	–
d	Inter-corporate loans and borrowings	–	–
e	Commercial paper	3628,30.76	–
f	Public Deposits	3823,43.25	57,24.69#
g	Other loans		
	- Bank Borrowing	551,45.60	–
	- Deposits from Corporates	2,80.93	–
(2)	**Break-up of 1 (f) above (Outstanding public deposits)@**		
a	In the form of Unsecured debentures	–	–
b	In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security	–	–
c	Other public deposits	3823,43.25	57,24.69#

@ Includes interest accrued thereon but not due and hence not paid

Represents unrenewed deposits and interest accrued thereon

(₹ in lakhs)

	Particulars	Amount outstanding
	Assets side:	
(3)	**Break-up of Loans and Advances including bills receivables (other than those included in (4) below) :**	
a	Secured	263,70.59
b	Unsecured (including Advance for Business Assets)	135,35.68
(4)	**Break-up of Leased Assets and Stock on hire and hypothecation loans counting towards AFC activities:**	
(i)	Lease assets including lease rentals under sundry debtors	
a	Financial Lease	–
b	Operating Lease	129,04.36
(ii)	Net Stock on hire including hire charges under sundry debtors	
a	Assets on hire	297,40.00
b	Repossessed Assets	2,02.67
(iii)	Hypothecation loans counting towards AFC activities	
a	Loans where assets have been repossessed	63,07.41
b	Loans other than (a) above	27573,83.71

(₹ in lakhs)

	Particulars	Amount outstanding	Market Value *
(5)	**Break-up of Investments :**		
	Current Investments:		
1.	Quoted:	–	–
2.	Unquoted:		
(i)	Units of mutual funds	1254,01.59	1254,01.59
(ii)	Others	–	–
	Long Term Investments:		
1.	Quoted:		
(i)	Equity Shares	16,44.89	135,66.08
(ii)	Government Securities	516,96.46	541,84.13
(iii)	Units of mutual funds	3,01.41	3,01.41
2.	Unquoted:		
(i)	Equity Shares	1961,74.44	2232,08.18
(ii)	Compulsorily Convertible Preference Shares	3,11.99	3,11.99
(iii)	Debentures and Bonds	–	–
(iv)	Units of mutual funds	13,50.00	13,50.00
(v)	Others		
	- Investment in Pass Through Certificates	66,60.77	67,12.45
	- Investment in Alternative Investment Fund	102,87.11	102,87.11
	Total	**3938,28.66**	**4353,22.94**

* Unquoted investments disclosed at break up / fair value / NAV.

(₹ in lakhs)

(6)	**Borrower group-wise classification of all leased assets, stock-on-hire and loans and advances :**			
	Category	Amount net of provisions		
		Secured	Unsecured	Total
1.	**Related Parties****			
a	Subsidiaries	42.76	6.08	48.84
b	Companies in the same group	1,34.88	2.47	1,37.35
c	Other related parties	–	–	–
2.	**Other than related parties**	28048,60.13	119,82.34	28168,42.47
	Total	**28050,37.77**	**119,90.89**	**28170,28.66**

(₹ in lakhs)

(7)	**Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted) :**		
	Category	Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)
1.	**Related Parties****		
a	Subsidiaries	1811,58.62	1381,72.76
b	Companies in the same group	556,15.64	596,46.56
c	Other related parties	–	–
2.	**Other than related parties**	1985,48.68	1959,55.01
	Total	**4353,22.94**	**3937,74.33**

** As per Ind AS

(₹ in lakhs)

(8)	**Other Information**	
	Particulars	Amount
(i)	**Gross Non-Performing Assets**	
a	Related Parties	–
b	Other than related parties	788,06.25
(ii)	**Net Non-Performing Assets**	
a	Related Parties	–
b	Other than related parties	541,40.57
(iii)	Assets acquired in satisfaction of debt (during the year)	–

Consolidated Financial Statements

Consolidated Balance Sheet

as at 31st March, 2020

(₹ in lakhs)

Particulars	Note	Mar 31, 2020	Mar 31, 2019
ASSETS			
Financial Assets			
Cash and cash equivalents	5	64,40.13	150,16.77
Bank Balances	6	720,96.37	708,91.93
Derivative financial instruments	7	81,91.82	75,27.82
Receivables	8		
(I) Trade receivables		42,22.58	44,27.90
(II) Other receivables		2,26.79	11.95
Loans	9	37221,75.53	27272,33.93
Investments	10	5095,84.32	4539,31.63
Other Financial assets	11	23,50.44	18,49.04
Non-Financial Assets			
Current tax assets (Net)	12	275,10.77	159,53.00
Deferred tax Assets (Net)	12	98,39.68	–
Investment Property	13	56,65.48	57,03.42
Property, Plant and Equipment	14	284,90.80	244,19.19
Right-of-use assets	15	71,72.81	–
Intangible assets under development	16	1.80	–
Goodwill		474,02.39	137,61.82
Other intangible assets	16	15,85.76	12,58.20
Other non-financial assets	17	191,32.31	250,96.67
Assets held for sale	43.03	1.25	–
Total Assets		**44720,91.03**	**33670,83.27**
LIABILITIES AND EQUITY			
Liabilities			
Financial Liabilities			
Payables	18		
(I) Trade Payables			
(i) Total outstanding dues of micro enterprises and small enterprises		61.67	85.84
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		82,23.85	103,09.57
(II) Other Payables			
(i) Total outstanding dues of micro enterprises and small enterprises		–	–
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		12,67.74	8,46.47
Debt securities	19	17348,35.14	10479,53.29
Borrowings (Other than debt securities)	20	10910,55.40	9754,73.56
Deposits	21	5407,87.17	3064,03.94
Subordinated liabilities	22	2272,55.18	1725,16.68
Other financial liabilities	23	476,64.69	422,39.80
Non-Financial Liabilities			
Provisions	24	48,91.41	64,53.03
Deferred tax liabilities (net)		–	20,92.67
Other non-financial liabilities	25	28,19.14	28,87.57
Equity			
Equity share capital	26	110,16.22	110,14.29
Other equity *		6566,66.29	6149,15.13
Non Controlling Interest		1455,47.13	1738,91.43
Total Liabilities and Equity		**44720,91.03**	**33670,83.27**

Significant Accounting policies **1-4**

Balance sheet, Statement of Profit and Loss and Other disclosures 5-43

* Refer Statement of Changes in equity

As per our report of even date attached
For **Sundaram & Srinivasan**
Chartered Accountants
Registration No.004207S

K Srinivasan
Partner
Membership No.5809

Place : Chennai
Date : 29th May, 2020

S Viji
Chairman

S Prasad
Director

T T Srinivasaraghavan
Managing Director

Harsha Viji
Deputy Managing Director

A N Raju
Director (Operations)

M Ramaswamy
Chief Financial Officer

P Viswanathan
Secretary & Compliance Officer

Consolidated Statement of Profit and Loss

for the Year Ended 31st March, 2020

(₹ in lakhs)

Particulars	Note	2019-20	2018-19
Revenue from operations			
Interest Income	27	3933,58.14	2941,42.59
Lease Rental income (Net)		58,40.79	56,84.43
Fees and Commission Income	28	212,05.80	222,02.24
Dividend Income		23,29.07	22,83.11
Income from other Services		358,09.50	399,89.29
Recovery of Bad debts		19,79.53	21,72.26
Net gain on fair value changes	29	68,89.76	22,61.97
Net gain on derecognition of financial instruments under amortised cost category		21,28.53	6,10.61
Total Revenue from operations		**4695,41.12**	**3693,46.50**
Other Income	30	27,11.62	19,05.43
Total Income		**4722,52.74**	**3712,51.93**
Expenses			
Finance cost	31	2427,45.26	1770,31.62
Employee benefit expenses	32	502,00.48	429,13.40
Fees and commission expenses		125,80.74	153,81.73
Administrative & other expenses	33	248,04.61	245,94.92
Depreciation & amortisation		89,53.25	58,07.34
Impairment on financial instruments	34	330,11.98	103,30.02
Total expenses		**3722,96.32**	**2760,59.02**
Profit/(loss) before exceptional items and tax		999,56.42	951,92.91
Exceptional item	43.17	–	465,85.34
Profit before tax		**999,56.42**	**1417,78.25**
Tax expense:			
Current tax		302,25.17	418,86.19
Deferred tax		(31,51.06)	(30,89.62)
Reversal of Deferred Tax Liability relating to past years	12	(60,24.86)	–
Profit after tax (before adjustment for minority interest)		**789,07.17**	**1029,81.68**
Add: Share of Profit from Associates		48,84.24	107,24.44
Add: Share of Profit from Joint Ventures		(8,73.67)	121,44.07
Profit / (Loss) for the period from Discontinued Operations	43.03	16,22.79	–
Profit after Tax		**845,40.53**	**1258,50.18**
Other Comprehensive Income			
A (i) Items that will not be reclassified to profit or loss			
Remeasurements of the defined benefit plans		(9,05.70)	(6,74.98)
Equity Instruments through Other Comprehensive Income		(493,96.15)	(608,70.32)
Share of other comprehensive income from associates & Joint Ventures using equity method		(80.92)	(19.68)
(ii) Income tax relating to items that will not be reclassified to profit or loss		13,12.44	43,46.89
Sub-total (A) = (i)-(ii)		**(490,70.33)**	**(572,18.09)**
B (i) Items that will be reclassified to profit or loss			
Change in fair value of derivative instrument		11,45.88	11,32.63
Share of other comprehensive income from associates & Joint Ventures using equity method		28,50.07	3,64.64
Foreign currency Translation Reserve		7,71.28	4,12.72
(ii) Income tax relating to items that will be reclassified to profit or loss		(1,56.79)	(3,89.51)
Sub-total (B)= (i)-(ii)		**46,10.44**	**15,20.48**
Other Comprehensive Income (A + B)		**(444,59.89)**	**(556,97.61)**
Total Comprehensive Income for the period		**400,80.64**	**701,52.58**
Profit for the period attributable to;			
Owners of the Company		791,54.39	1160,85.38
Non-controlling interests		53,86.14	97,64.79
Other Comprehensive Income for the period attributable to;			
Owners of the Company		(36,73.04)	(148,05.94)
Non-controlling interests		(407,86.85)	(408,91.67)
Total Comprehensive Income for the period attributable to;			
Owners of the Company		754,81.35	1012,79.44
Non-controlling interests		(354,00.71)	(311,26.89)
Earnings per equity share (on PAT)		**71.85**	**1,05.40**
Basic & diluted			

As per our report of even date attached
For **Sundaram & Srinivasan**
Chartered Accountants
Registration No.004207S

K Srinivasan
Partner
Membership No.5809

Place : Chennai
Date : 29th May, 2020

S Viji
Chairman

S Prasad
Director

T T Srinivasaraghavan
Managing Director

Harsha Viji
Deputy Managing Director

A N Raju
Director (Operations)

M Ramaswamy
Chief Financial Officer

P Viswanathan
Secretary & Compliance Officer

A) Equity share capital

Particulars	(₹ in lakhs)
Balance as at 31st March 2018	110,12.44
Add: Allotment of Shares by ESOP Trust to Employees	1.85
Balance as at 31st March 2019	110,14.29
Add: Allotment of Shares by ESOP Trust to Employees	1.93
Balance as at 31st March 2020	110,16.22

B) Other equity

(₹ in lakhs)

Particulars	Reserves and Surplus								Items of Other Comprehensive Income			Total Other Equity	Non Controlling Interest	Total
	Capital Reserve	Share Options Outstanding Account	Statutory Reserve	Special Reserve	General Reserve	Retained Earnings	COVID-19 Reserve	Foreign Currency Translation Reserve	Debt instruments through Other Comprehensive Income	Equity instrument through Other Comprehensive Income	Effective portion of cash flow hedge			
Balance as at 31st March 2019	**13,42.15**	**2,87.26**	**1221,68.66**	**–**	**3300,95.65**	**1256,60.78**	**–**	**3,83.31**	**(21,74.00)**	**364,43.40**	**7,07.93**	**6149,15.13**	**1738,91.43**	**7888,06.56**
(A) Profit After tax for the year	–	–	–	–	–	791,54.39	–	–	–	–	–	791,54.39	53,86.11	845,40.50
(B) Other comprehensive income:														
(i) Items that will not be reclassified to profit or loss														
Remeasurements of the defined benefit plans	–	–	–	–	–	(6,89.24)	–	–	–	–	–	(6,89.24)	10.56	(6,78.68)
Change in Fair value of equity instruments	–	–	–	–	–	–	–	–	–	(71,93.88)		(71,93.88)	(411,16.84)	(483,10.72)
Transfer to Retained earning	–	–	–	–	–	62,07.30	–	–	–	(6207.30)	–	–		–
Share of other comprehensive income from associates using equity method	–	–	–	–	–	–	–	–	–	(30.93)	–	(30.93)	(49.98)	(80.92)
(ii) Items that will be reclassified to profit or loss														
Change in fair value of derivative instrument	–	–	–	–	–	–	–	–	–	–	7,83.20	7,83.20	2,05.90	9,89.10
Net gain/(loss) on Fair value of debt securities	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Share of other comprehensive income from associates using equity method	–	–	–	–	–	(4,10.16)	–	–	37,80.32	–	(1,19.76)	32,50.40	(4,00.32)	28,50.08
Foreign currency Translation Reserve	–	–	–	–	–	–	–	1,99.04	–	–	–	1,99.04	5,63.84	7,62.88

Particulars	Reserves and Surplus								Items of Other Comprehensive Income			Total Other Equity	Non Controlling Interest	Total
	Capital Reserve	Share Options Outstanding Account	Statutory Reserve	Special Reserve	General Reserve	Retained Earnings	COVID-19 Reserve	Foreign Currency Translation Reserve	Debt instruments through Other Comprehensive Income	Equity instrument through Other Comprehensive Income	Effective portion of cash flow hedge			
Transfer to Covid Reserve	–	–	–	–	–	(59,64.66)	59,64.66	–	–	–	–	–	–	–
Deferred tax on Covid Reserve provisions	–	–	–	–	–	15,01.19	–	–	–	–	–	15,01.19	–	15,01.19
On account of Sundaram Finance Employees' Welfare Trust	–	–	–	–	–	15.96	–	–	–	–	–	15.96	–	15.96
On account of IND AS 116	–	–	–	–	–	(1,72.25)	–	–	–	–	–	(1,72.25)	–	(1,72.25)
Dividend (including dividend distribution tax)	–	–	–	–	–	(298,49.68)	–	–	–	–	–	(298,49.68)	(28,32.77)	(326,82.46)
Change in the value of Holdings in Subsidiaries	6,94.58	–	15,02.90	252,74.00	610,00.00	(892,19.02)	–	(47.36)	–	(47,38.56)	33.51	(54,99.96)	98,89.20	43,89.24
Options Granted during the year	–	8.44	–	–	–	–	–	–	–	–	–	8.44	–	8.44
Cost of shares transferred on exercise of option	–	2,94.01	–	–	–	–	–	–	–	–	–	2,94.01	–	2,94.01
Deferred Employee Compensation Cost	–	(6.59)	–	–	–	–	–	–	–	–	–	(6.59)	–	(6.59)
Transfer to Statutory Reserve	–	–	–	–	–	(144,78.95)	–	–	–	–	–	(144,78.95)	–	(144,78.95)
Transfer to General Reserve	–	–	–	–	–	(246,74.78)	–	–	–	–	–	(246,74.78)	–	(246,74.78)
Transfer from retained earnings	–	(3,25.22)	144,78.95		246,74.78	–	–	–	–	–	–	388,28.51	–	388,28.51
Transfer from Share Options Outstanding account	–	–	–	–	3,25.22	–	–	–	–	–	–	3,25.22	–	3,25.22
Share Options excersied after regulatory approvals during the year	–	(12.92)	–	–	–	–	–	–	–	–	–	(12.92)	–	(12.92)
Balance as at 31st March 2020	**20,36.73**	**2,44.98**	**1381,50.51**	**252,74.00**	**4160,95.65**	**470,80.88**	**59,64.66**	**5,34.99**	**16,06.32**	**182,72.73**	**14,04.88**	**6566,66.29**	**1455,47.13**	**8022,13.42**

Description of nature and purpose of other equity:(contd..)
a) Capital Reserve: Represents reserve created on account of amalgamations and arrangements
b) Share Options Outstanding Account: Represents reserve on grant of option to employees of the company / group company under Employee Stock option Scheme.
c) General reserve: Represents amount appropriated from retained earnings.
d) Statutory reserve: Represents reserve created as per Section 45-IC of the Reserve Bank of India Act, 1934.
e) Special reserve: Represents reserve created as per Section 36(1)(viii) of Income Tax Act,1961 and Section 29C of the National Housing Bank Act, 1987.
f) COVID-19 reserves: Represents amount appropriated from retained earnings.

As per our report of even date attached
For **Sundaram & Srinivasan**
Chartered Accountants
Registration No.004207S

K Srinivasan
Partner
Membership No.5809

Place : Chennai
Date : 29th May, 2020

T T Srinivasaraghavan
Managing Director

M Ramaswamy
Chief Financial Officer

S Viji
Chairman

Harsha Viji
Deputy Managing Director

S Prasad
Director

A N Raju
Director (Operations)

P Viswanathan
Secretary & Compliance Officer

B) Other equity

(₹ in lakhs)

Particulars	Reserves and Surplus								Items of Other Comprehensive Income			Total Other Equity	Non Controlling Interest	Total
	Capital Reserve	Share Options Outstanding Account	Statutory Reserve	Special Reserve	General Reserve	Retained Earnings	COVID-19 Reserve	Foreign Currency Translation Reserve	Debt instruments through Other Comprehensive Income	Equity instrument through Other Comprehensive Income	Effective portion of cash flow hedge			
Balance as at 31st March 2019	**13,40.02**	**2,30.11**	**996,42.48**	**–**	**2300,95.75**	**1730,05.78**	**–**	**1,39.66**	**(21,74.00)**	**516,20.70**	**11.59**	**5539,12.09**	**2307,07.10**	**7846,19.19**
Add : On account of scheme of arrangement and amalgamation	2.13	–	–	–	–	–	–	–	–	–	–	21.13	–	2.13
Add (Less): Dilution of stake in Subsidiary Company (refer note no 43.17)	–	–	–	–	–	(181,03.80)	–	–	–	–	–	(181,03.80)	(256,87.88)	(437,91.69)
(A) Profit After tax for the year	–	–	–	–	–	1159,50.99	–	1,34.39	–	–	–	1160,85.38	97,64.79	1258,50.17
(B) Other comprehensive income:														
(i) Items that will not be reclassified to profit or loss														
Remeasurements of the defined benefit plans	–	–	–	–	–	(4,34.22)	–	–	–	–	–	(4,34.22)	(20.47)	(4,54.69)
Change in Fair value of equity instruments	–	–	–	–	–	–	–	–	–	(150,21.12)	–	(150,21.12)	(411,16.84)	(567,43.72)
Share of other comprehensive income from associates using equity method	–	–	–	–	–	–	–	–	–	20.81	–	20.81	(40.48)	(19.67)
(ii) Items that will be reclassified to profit or loss														
Change in fair value of derivative instrument	–	–	–	–	–	–	–	–	–	–	6,96.34	6,96.34	46.78	7,43.12
Net gain/(loss) on Fair value of debt securities	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Share of other comprehensive income from associates using equity method	–	–	–	–	–	–	–	–	–	(1,77.00)	–	(1,77.00)	5,41.64	3,64.64
Foreign currency Translation Reserve	–	–	–	–	–	–	–	1,09.26	–	–	–	1,09.26	3,03.47	4,12.72

Particulars	Reserves and Surplus								Items of Other Comprehensive Income			Total Other Equity	Non Controlling Interest	Total
	Capital Reserve	Share Options Outstanding Account	Statutory Reserve	Special Reserve	General Reserve	Retained Earnings	COVID-19 Reserve	Foreign Currency Translation Reserve	Debt instruments through Other Comprehensive Income	Equity instrument through Other Comprehensive Income	Effective portion of cash flow hedge			
Total Comprehensive Income for the (A)+(B)														
On account of Sundaram Finance Employees' Welfare Trust	–	–	–	–	–	52.35	–	–	–	–	–	52.35	(0.91)	51.44
Dividend (including dividend distribution tax)	–	–	–	–	–	(225,54.03)	–	–	–	–	–	(225,54.03)	–	(225,54.03)
Options Granted during the year	–	3,44.72	–	–	–	–	–	–	–	–	–	3,44.72	–	3,44.72
Cost of shares transferred on exercise of option	–	(6.35)	–	–	–	–	–	–	–	–	–	(6.35)	–	(6.35)
Deferred Employee Compensation Cost	–	(11.43)	–	–	–	–	–	–	–	–	–	(11.43)	–	(11.43)
Transfer to General Reserve	–	(2,69.79)	–	–	–	(997,30.12)	–	–	–	–	–	(999,99.91)	–	(999,99.91)
Transfer to Statutory Reserve	–	–	–	–	–	(225,26.18)	–	–	–	–	–	(225,26.18)	–	(225,26.18)
Transfer from Share Options Outstanding account	–	–	–	–	2,69.78	–	–	–	–	–	–	2,69.78	–	2,69.78
Transfer from retained earnings	–		225,26.18	–	997,30.12	–	–	–	–	–	–	1222,56.30	–	12222,56.30
Balance as at 31st March 2019	**13,42.15**	**2,87.26**	**1221,68.66**	**–**	**3300,95.65**	**1256,60.78**	**–**	**3,83.31**	**(21,74.00)**	**364,43.40**	**7,07.93**	**6149,15.13**	**1738,91.43**	**7888,06.56**

As per our report of even date attached
For **Sundaram & Srinivasan**
Chartered Accountants
Registration No.004207S

K Srinivasan
Partner
Membership No.5809

Place : Chennai
Date : 29th May, 2020

T T Srinivasaraghavan
Managing Director

M Ramaswamy
Chief Financial Officer

S Viji
Chairman

Harsha Viji
Deputy Managing Director

S Prasad
Director

A N Raju
Director (Operations)

P Viswanathan
Secretary & Compliance Officer

Consolidated Cash Flow Statement

(₹ in lakhs)

	April - March 2020		April - March 2019	
A. CASH FLOW FROM OPERATING ACTIVITIES:				
Profit before tax	999,56.43		1417,78.24	
Add: Finance costs	2427,45.26	3427,01.69	1770,31.62	3188,09.86
Depreciation and Amortisation expense		89,53.24		58,07.35
Impairment on financial instruments		330,11.98		107,33.14
(Gain)/loss on sale of property, plant and equipment		2,67.02		6,64.81
Share-based payment expense		2,85.69		2,85.73
Derivatives MTM		(14.76)		–
Exchange loss on foreign currency translations		22.73		1.18
Net gain on fair value changes		(68,74.99)		(26,05.99)
On scheme of amalgamation		–		5,97.05
Dividend income		(23,29.07)		43,41.24
(Gain)/loss on disinvestment of shares(Exceptional item relating to previous year)		–		(465,85.34)
Cash flow from Discontinuing operations		20,13.03		–
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		**3780,36.56**		**2920,49.03**
(Increase)/Decrease in Leased assets - net of sales	(50,38.54)		(32,96.04)	
(Increase)/Decrease in Bank deposits	22,68.04		192,17.76	
(Increase)/Decrease in SLR Investments (net)	(67,95.04)		(60,61.37)	
(Increase)/ Decrease in trade and other receivables	6,68.14		(1,28.83)	
(Increase)/ Decrease in Loans	(1532,00.33)		(5371,14.26)	
(Increase)/ Decrease in Other financial assets	(4,26.77)		35,21.42	
(Increase)/ Decrease in Non financial assets	(82,66.48)		–	
(Increase)/ Decrease in Other non-financial assets	(11,55.92)		8,24.28	
Increase/ (Decrease) in trade and other payables	(25,98.14)		4,96.62	
Increase/(Decrease) in financial liabilities	5,79.63		(78,97.51)	
Increase/(Decrease) in other non-financial liabilities and provisions	(31,84.30)	(1771,49.71)	(10,86.89)	(5315,24.82)
Cash generated from Operations		**2008,86.85**		**(2394,75.79)**
Financial costs	(1694,85.92)		(1427,19.60)	
Income Taxes Paid	(305,22.98)	(2000,08.90)	(377,62.19)	(1804,81.79)
NET CASH FROM OPERATING ACTIVITIES (A)		**8,77.95**		**(4199,57.58)**

Consolidated Cash Flow Statement (Contd.)

(₹ in lakhs)

	April - March 2020	April - March 2019
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase and construction of property, plant and equipment	(46,98.13)	(29,12.83)
Purchase and construction of investment properties	–	(9,79.10)
Purchase and generation of intangible assets	(3,18.60)	(9,33.98)
Purchase of investment in Equity instruments	(1001,16.92)	–
Sale of investment in Equity instruments	63,77.31	973,22.69
Purchase of other investments	(24708,41.54)	(8271,76.43)
Share of profits from Associates	69,62.60	–
Sale of other investments	23577,92.65	8305,36.05
Proceeds from sale of property, plant and equipment, intangible assets and investment property	7,24.99	6,91.65
Dividend income/ Interest	58,64.35	34,85.30
NET CASH FROM INVESTING ACTIVITIES (B)	**(1982,53.29)**	**1000,33.35**
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Payment of Lease Liability	(24,28.54)	–
Debt securities, deposits, sub-ordinated liabilities and other borrowings	–	–
Availment	25051,58.75	27980,71.58
Repayment	(22865,97.69)	(24504,84.64)
Dividend Paid (including dividend distribution tax)	(298,49.68)	(265,65.28)
Transaction costs related to loans and borrowings	(51.12)	1,29.77
NET CASH FROM FINANCING ACTIVITIES (C)	**1862,31.72**	**3211,51.43**
NET INCREASE IN CASH AND CASH EQUIVALENTS (A)+(B)+(C)	**(111,43.62)**	**12,27.20**
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR *	175,83.75	137,89.57
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	64,40.13	150,16.77
COMPONENTS OF CASH AND CASH EQUIVALENTS		
AT THE END OF THE YEAR		
Balances with Banks	51,85.01	68,42.04
Cash, Cheques & drafts on hand	12,55.12	81,74.73
	64,40.13	**150,16.77**

* includes Home Finance and Fund Services balances as of 01.04.2019

As per our report of even date attached
For **Sundaram & Srinivasan**
Chartered Accountants
Registration No.004207S

K Srinivasan
Partner
Membership No.5809

Place : Chennai
Date : 29th May, 2020

S Viji
Chairman

S Prasad
Director

T T Srinivasaraghavan
Managing Director

Harsha Viji
Deputy Managing Director

A N Raju
Director (Operations)

M Ramaswamy
Chief Financial Officer

P Viswanathan
Secretary & Compliance Officer

Notes to the Consolidated Financial Statements

SIGNIFICANT ACCOUNTING POLICIES

1.1 Reporting Entity

Sundaram Finance Limited (the "Company") is domiciled in India, with its registered office located at No 21 Patullos Road, Chennai 600002. The Company has been incorporated under the provisions of the Indian Companies Act 1913 and its equity shares are listed on the National Stock Exchange (NSE) in India.

The consolidated financial statement comprises the company, its subsidiaries and the Group's interest in joint ventures (referred collectively as the Group). The Company, together with its subsidiaries and joint venture is engaged in the business of financing of Commercial vehicles, Cars, construction equipment, other vehicles and Housing Finance in the retail segment, business of Investments, Mutual Funds, General Insurance, Retail Distribution of a wide array of financial services and products, Information Technology, Business Processing and support services.

1.2 Statement of Compliance

The Consolidated Financial Statements are prepared as a going concern in accordance with Indian Accounting Standards notified under section 133 of The Companies Act, 2013 read together with Rule 3 of The Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) amendments Rules, 2016 issued by the Ministry of Corporate Affairs (MCA) provisions of the Companies Act 2013 (to the extent notified) have been complied.

The accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

In addition, the guidance notes and announcement issued by the Institute of Chartered Accountants of India are also applied, except where the compliance with other statutory provisions requires different treatment.

All the amounts included in Consolidated Financial Statements are reported in Indian Rupees (₹) and all values are rounded off to the nearest lakhs except where otherwise indicated.

1.3 Accounting Convention

The consolidated financial statements have been prepared and presented on the historical cost basis except for certain financial instruments that are measured at fair value at the end of each reporting period. Historical cost is generally based on the fair value of the consideration given in exchange of goods and services.

1.4 Measurement of fair value

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

Fair value measurements are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets and liabilities.

Level 2: Inputs other than quoted prices included in Level 1, which are observable for the asset or liability, either directly or indirectly.

Level 3: Inputs for the asset and liability that are not based on observable market data.

1.5 Basis of Consolidation

The financial statements of the following subsidiaries have been consolidated as per Ind AS 110 "Consolidated Financial Statements"

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Name of the Company	% of Holdings As On	
	31.03.2020	31.03.2019
Sundaram Asset Management Company#	100.00	100.00
Sundaram Trustee Company	100.00	100.00
LGF Services Limited	100.00	100.00
Sundaram Finance Employee Welfare Trust	100.00	100.00
Sundaram Finance Holdings Limited *	21.61	26.47
Sundaram Home Finance Limited (From 30th September 2019)$	100.00	-
Sundaram Fund Services Limited (From 31st July 2019) $	100.00	-

The investments in the following subsidiaries of Sundaram Asset Management Company (SAMC) have been considered for the company's consolidation

Name of the Company	% of Holdings as on	
	31.12.2020	31.03.2019
Subsidiaries		
Sundaram Asset Management Singapore Pte Ltd	100.00	100.00
Sundaram Alternate Assets Limited	100.00	100.00

* Sundaram Finance Holdings Limited

The Company along with its promoters holds more than 50% in Sundaram Finance Holdings Limited and hence treated as subsidiary for Consolidation purpose. The Investments in the following Subsidiaries/ Associates companies of Sundaram Finance Holdings Limited have been considered for the company's consolidation.

Name of the Company	% of Holdings as on	
	31.03.2020	31.03.2019
Subsidiaries		
Sundaram Business Services Limited	100.00	100.00
Associates		
Flometallic India Private Limited	40.63	40.63
The Dunes Oman LLC (FZC)	43.69	43.69
Sundaram Hydraulics Limited	27.44	27.44
Axles India Limited	38.81	38.81
Turbo Energy Private Limited	32.00	32.00
Transenergy Limited	42.31	42.31
Sundaram Dynacast Private Limited	26.00	26.00

The investment in the following joint ventures has been consolidated as per "Ind AS 28 -Investment in Associates and Joint ventures"

Name of the Company	% of Holdings As On	
	31.03.2020	31.03.2019
Sundaram BNP Paribas Home Finance Limited (Upto 29th September 2019)	Subsidiary	50.10
Sundaram BNP Paribas Fund Services Limited (Upto 30th July 2019)	Subsidiary	51.00
Royal Sundaram General Insurance Company Limited	50.00	50.00

$ Refer Note no. 42.02 (c)

The consolidated financial statement of the subsidiaries has been prepared on the following basis:

The consolidated financial statements incorporate the financial statements of the company and the entities controlled by the

company. Control is achieved when the company has the power over the investee and is exposed or has right to variable returns from its involvement with the investee and has the ability to use its power to affect its returns.

The consolidated financial statement of the group combines the financial statement of the parent and its subsidiaries line by line by adding together the like items of the assets, liabilities, income and expenses. All the intra group assets, liabilities, income, expenses, unrealised profits/losses on intra group transaction are eliminated on consolidation.

Non-controlling interest represents that part of the total comprehensive income and net assets of the subsidiaries, attributable to interests which are not owned directly or indirectly by the company.

The consolidated financial statements of the Joint ventures have been prepared on the following basis:

Interest in Joint ventures is accounted for using the equity method. An investment in Joint venture is initially recognised at cost and adjusted thereafter to recognise the Group's share of profit or loss and other comprehensive income. Gain or loss in respect of changes in other equity of Joint ventures resulting in dilution of stake in the Joint ventures is recognised in the Statement of Profit and Loss.

2. Significant Accounting Policies

2.1 Revenue recognition

Revenue is recognized when it is probable that economic benefits associated with a transaction flows to the Company in the ordinary course of its activities and the amount of revenue can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment.

A) Interest Income

As per Ind AS 109, Financial Instruments, Interest income from financial assets is recognised on an accrual basis using effective interest method (EIR). The effective interest method is the rate that exactly discounts estimated future cash receipts (including all fees, transaction costs and other premiums or discounts paid or received) through the expected life of the financial instrument to the carrying amount on initial recognition.

B) Service income

Revenue is recognised upon transfer of control of promised services to customer in an amount that reflects the consideration we expect to receive as per the agreement with the customer.

Where the performance obligation is satisfied over time and where there is no uncertainty as to measurement or collectability of consideration, revenue is recognised as per the percentage of completion method.

The company has applied revenue recognition criteria for each distinct performance obligation in relation to service income. The transaction price is allocated to each performance obligation based on the standalone selling price.

C) Fee and commission income

Fee and commission income and expense that are integral to the effective interest rate on a financial asset or liability are included in the effective interest rate.

D) Dividend Income

Dividend income from investments is recognized when the right to receive payment has been established.

E) Lease income: Refer Note 2.3

F) Insurance Premium Income

- **Gross Premium**

  Premium (net of GST) in respect of insurance contracts (direct business) is recognized as income over the contract period or the period of risk, whichever is appropriate, and for instalment cases, it is recognized on instalment due dates, after adjusting for reserve for unexpired risk. Any subsequent revisions to or cancellations of premiums are recognised in the year in which they occur.

- **Reinsurance Premium**

  Premium (net of GST) in respect of insurance contracts (reinsurance business) is recognized as income over the contract period or the period of risk, whichever is appropriate, after adjusting for reserve for unexpired

risk. Any subsequent revisions to or cancellations of premiums are recognised in the year in which they occur.

G) Claims

Claims paid include claims settlement cost, comprising survey legal and other directly attributable expenses

Estimated liability for outstanding claims in respect of direct business is provided on the basis of claims reported till the end of the financial year

The estimated liability for claims incurred but not reported ("IBNR") and claims incurred but not enough reported ("IBNER") is based on available statistical data and is certified by the appointed actuary

H) Reinsurance

Reinsurance premium ceded is accounted for in the year in which the risk commences and over the period of risk in accordance with the treaty arrangements with the reinsurers. Unearned premium on reinsurance ceded is carried forward to the period of risk and set off against related unearned premium.

Premium on excess of loss reinsurance cover is accounted as per the reinsurance arrangements. Claims recoverable from reinsurers are accounted for in the same period as claims

Commission on reinsurance ceded is recognised as income during the year in which the reinsurance premium is ceded, profit commission is accounted when due.

I) Trusteeship Fee, investment management and advisory fees

The trusteeship fee, investment management and advisory fee are accounted on accrual basis.

2.2 Financial instruments

A financial instrument is any contract that gives rise to a financial asset for one entity and a financial liability or equity instrument for another entity. Financial instruments also include derivative contracts such as foreign currency forward contracts and cross currency swaps. Financial assets and financial liabilities are recognized when the Group becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities measured at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

Classification

The Group classifies its financial assets as subsequently measured at either amortized cost or fair value depending on the Group's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

All regular way purchases or sales of financial assets are recognised and de-recognised on a settlement date basis. Regular way purchases or sales are purchase or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

At Amortised Cost

A financial asset is measured at amortised cost only if both of the following conditions are met:

- The asset is held within a business model whose objective is to hold them in order to collect contractual cash flows and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the amount outstanding.

Such Financial assets are subsequently measured at amortised cost using the Effective Interest rate method.

The effective interest rate method is a method of calculating the amortised cost of a financial instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial instrument, or,

where appropriate, a shorter period, to the net carrying amount on initial recognition. The interest income, foreign exchange gains and losses are recognized in the profit or loss. The losses arising from impairment are recognised in the profit or loss and the amortised cost is reduced by impairment losses.

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

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

Financial instrument at Fair Value through Profit and Loss (FVTPL)

Any financial instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL. In addition, the Group may elect to classify a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

Amortization Policy on Brokerage Expenses – Mutual Fund:

Incurred towards Amortized over a period of

- Equity Linked Savings Schemes 36 Months
- Open Ended Equity Schemes-Lump sum 12 Months
- Open Ended Equity Schemes-SIP 36 Months
- Closed Ended Schemes- Over the tenor of the Scheme

Amortization Policy on Brokerage Expenses – AIF:

Brokerage is amortized in proportion to Fees charged on AUM or Fees Charged on commitment amount as the case may be.

Equity Investments

All equity investments (i.e. other than equity investments in subsidiaries / associates / joint ventures) are designated at Fair Value through OCI. The fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to the statement of profit and loss on sale of investment.

Investment in Compulsorily Convertible Preference Shares (CCPS)

The Company designates investment in CCPS at FVTOCI. The fair value changes on the instrument, excluding dividends, are recognised under OCI. There is no recycling of the amounts from OCI to the statement of profit and loss on sale of investment.

Impairment of Financial Assets

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

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

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

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

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest rate method except for financial liabilities at FVTPL. A financial liability is classified as FVTPL if it is held-for-trading or it is a derivative or it is designated as FVTPL on initial recognition. Interest expense, foreign exchange gains (losses) and any gains and losses on de-recognition are recognized in the profit or loss.

Contract Asset and Contract Liability.

Revenue in excess of invoicing is classified as contract assets while invoicing in excess of revenue is classified as contract liability.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Value of contract Asset/liability is determined based on the time spent on each project or on period basis for Annual maintenance contract.

De-recognition of financial assets and financial liabilities

Financial asset

A financial asset or a part thereof is primarily derecognized when:

The right to receive contractual cash flows from the asset has expired, or

The Group has transferred its right to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

If the Group enters into transactions whereby it transfers assets recognized on its balance sheet, but retains all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised. On derecognition of a financial asset, the difference between the carrying amount of the asset and the consideration received including any cumulative gain or loss accounted in OCI till now, is recognised in profit or loss.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expired.

Offsetting of financial instruments

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

2.3 Leases

Effective April 1, 2019, the company has adopted Ind AS 116 "Leases"

Lessor Accounting

Leases for which the company is a lessor is classified as finance lease or operating lease based on the terms and conditions of the lease agreement.

Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

1. **Finance lease:** Amount due from lessees under finance leases are recorded in balance sheet as receivables, being the amount equal to net investment in lease. The net investment in lease is the gross investment in lease less unearned finance income.

   The lease income earned are recognised in the profit and loss account based on pattern reflecting constant periodic return on the company's net investment in lease.

2. **Operating lease:** Assets leased out on operating lease are recognised as an asset under Property, Plant and equipment in the balance sheet.

   Lease income from operating lease is recognised as income on straight line basis over the lease term. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the Company's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue.

Lessee Accounting

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

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for

all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

The lease liability is the present value of the lease payments to be made over the lease term using the incremental borrowing rates.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

Right of use assets are evaluated for impairment at each reporting date.

2.4 Employee Benefits

Short Term Employee Benefits

Short term employee benefits for services rendered by employees are recognized during the period when the services are rendered.

Post-Employment Benefits

Defined contribution plans

1. **Superannuation**

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

2. **Employees' Pension Scheme and Employees' State Insurance Scheme**

   The Group also contributes to a government administered Employees' Pension Scheme under the Employees Provident Fund Act and to Employees' State Insurance Schemes on behalf of its employees.

3. **Provident Fund**

   Contributions of the subsidiaries and associates of the Group are made to the Government administered Provident Fund and Employees' pension scheme under the Employees' Provident Fund Act and through Employees' State Insurance scheme on behalf of its employees. The contributions are charged to statement of Profit and Loss.

Defined benefit plans

1. **Gratuity**

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

   The change in defined benefit plan liability is split into changes arising out of service, interest cost and re-measurements and the change in defined benefit plan asset is split between interest income and re-measurements. Changes due to service cost and net interest cost / income is recognized in the statement of profit and loss.

   Re-measurement of the net defined benefit liability/ (asset) comprising actuarial gains and losses and the return on the plan assets (excluding amounts included in net interest on the net defined benefit liability /asset) are recognised in other comprehensive income.

2. **Provident Fund**

   Contributions of the Company are made to the Company's Employees Provident Fund Trust in accordance with the fund rules. The interest rate payable by the trust to the beneficiaries every year is notified by the Government. The Company has an obligation to make good the shortfall, if any, between the return from the Investment of the trust and the notified interest rate. The monthly contribution made by the Company is recognised as employee benefit expense in the Statement of Profit and Loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

3. Retired Medical care plan

The Post-retirement medical benefit plan provides for reimbursement of health care costs to certain categories of employees post their retirement. The reimbursement is subject to an overall ceiling sanctioned based on cadre of the employee at the time of retirement. The plan is unfunded. Employees do not contribute to the plan.

Other Long-Term Employee Benefits

1. Leave Encashment:

The Group contributes to a staff leave encashment scheme managed by SBI Life Insurance Company Limited. The liability is accounted on based on actuarial valuation, as at the balance sheet date, using the Projected Unit Credit method.

2. Employee Assured Bonus Scheme & Sick leave:

The liability in respect of other long-term benefits like Employee Assured Bonus Scheme and entitlement of sick leave has been provided based on the actuarial valuation.

3. Share Based Payments:

Employee Stock Options

The Group has an employee stock option scheme in accordance with SEBI guidelines 1999. It recognises the compensation expense relating to share based payments in accordance with Ind AS 102 - Share based payments.

The equity settled share based payments to employees is measured at the fair value of the equity instrument at the grant date.

The fair value determined on the grant date of equity settled share payment is expensed on straight line basis over the vesting period based on Group's estimate of equity instruments that will eventually vest with a corresponding increase in equity. At the end of each financial year, the Group revises its estimate of the number of equity instruments that are expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit and loss in such a way that the cumulative expense reflects the revised estimate with a corresponding adjustment to equity.

The Option carries neither right to Dividend nor voting rights.

2.5 Income Taxes

Income tax expense comprises current and deferred income tax. Income tax expense is recognised in net profit in the Consolidated Statement of Profit and Loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in other comprehensive income.

a) Current income tax

Current income tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. The Group offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

b) Deferred income tax

Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date.

A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

MAT Credit Entitlement is in the form of unused tax credits and is accordingly grouped under Deferred Tax Assets.

2.6 Business Combination

Business combinations have been accounted as per the acquisition method prescribed in Ind AS 103.

When a business combination is achieved in stages, any previously held equity interest in the acquired is remeasured at its acquisition-date fair value and the resulting gain or loss, if any, is recognised in the consolidated statement of profit and loss or other comprehensive income, as appropriate.

The excess of

(i) Sum of

- the consideration transferred
- the amount of any non-controlling interests in the acquired entity and
- the acquisition-date fair value of any previously held equity interest in the acquired entity

over

ii) The acquisition-date fair value of the net identifiable assets acquired is recognized as "Goodwill" else as "Gain on a bargain purchase".

Any "Gain on a bargain purchase" is recognized in other comprehensive income and accumulated in equity as Capital Reserve if there exists clear evidence of the underlying reasons for classifying the business combination as resulting in a bargain purchase, otherwise the gain is recognized directly in equity as Capital Reserve.

Transaction costs in connection with a business combination are expensed as incurred.

2.7 Property plant and equipment (PPE)

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

Property, plant and equipment 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.

The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset, if the recognition criteria for a provision are met.

Freehold land is not depreciated.

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 Group and its costs can be measured reliably.

Subsequent expenditure is added to the carrying amount or recognized as separate asset, when the Group expects future economic benefits from that item.

Depreciation commences when the asset is ready for their intended use and 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 technical assessment, which are different in certain cases from those prescribed in Schedule II of the Companies Act 2013, are as follows:

(In Years)

Assets	Own	Operating Lease
Plant and Machinery	15	5
Computer and end user devices	7	3
Computer servers and network	8-10	6
Vehicles	5	4
Office equipment	3-8	–
Electrical installations	15	–
Furniture and Fixtures	3-10	–
Improvement to lease hold premises		Equally over the maximum period of the lease initially agreed upon and in case of improvement to existing leased premises, over the balance lease period

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

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

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

An item of the property, plant and 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 and equipment is determined as the difference between the sale proceeds and carrying amount of the asset and is recognized in profit and loss. When the use of property changes from owner-occupied to investment property, the property is reclassified as investment property at its Carrying amount on the date of reclassification.

2.8 Investment property

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

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

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

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

Depreciation is provided on written down value method by adopting useful life prescribed under schedule II to the Companies Act, 2013 after retaining 5% of Original cost as residual value for Buildings. The useful life of buildings is between 30 to 60 years

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefit are expected from the disposal. Any gain or loss arising on derecognition of the property is recognised in the statement of profit and loss in the same period.

2.9 Discontinued Operations

Discontinuing operation is a component of an entity that either has been disposed of or is classified as "Held for sale".

Assets and Liabilities in connection with Discontinuing operations are classified under "Held for sale" if their carrying amount is intended to be recovered principally through sale rather than through continued use.

The condition for classification of "Held for sale" is met when the Assets and liabilities are available for immediate sale and the same is highly probable of being completed within one year from the date of classification under "Held for sale".

Assets "Held for sale" are measured at lower of carrying amount and fair value less cost to sell.

2.10 Intangible assets

Intangible assets are identified non-monetary assets without physical existence.

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

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

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

Intangible assets represent Computer software whose cost is amortized over their expected useful life 2 to 5 years on a straight-line basis.

The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Impairment loss, if any, is provided to the extent, the carrying amount of assets exceeds their recoverable amount. Recoverable amount is the higher of an asset's net selling price and the present value of estimated future cash flows expected to arise from the continuing use of the asset and from its disposal at the end of its useful life. The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

Intangible Assets under development

Development expenditure on new products is capitalized as intangible asset if all the following are demonstrated.

- Technical feasibility of completing the asset
- Intention to complete the asset
- The ability to use or sell the asset
- Probability that the intangible asset will generate future economic benefits
- Availability of the adequate technical, financial and other resources to complete the intangible asset
- The ability to measure reliably the expenditure attributable during the development stage

2.11 Impairment of assets

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

2.12 Foreign Currency transaction

Transactions in foreign currency are accounted at the exchange rates prevailing on the date of the transaction. The foreign currency borrowing being a monetary liability is restated to INR (being the functional currency of the group) at the prevailing rates of exchange at the end of every reporting period with the corresponding exchange gain/ loss being recognized in profit or loss. The group enters into forward exchange contracts, forward rate agreements, coupon only swaps and interest rate swaps. The group undertakes such transactions for hedging its balance sheet. The foreign currency borrowing and derivative swaps are treated as separate transactions.

The derivatives (swaps, forward rate agreements and forward contracts) are classified at fair value through profit or loss (FVTPL) under Ind AS 109, Financial Instruments with the resultant gain or loss being taken to profit or loss.

2.13 Derivatives & Hedge Accounting

The company designates certain derivatives held for risk management as hedging instruments in qualifying hedging relationships. These derivatives qualify for hedge accounting and meet the criteria for cash flow hedge. The effective portion of the gain or loss arising on the fair value measurement of the hedging instrument is recognised in other comprehensive income.

2.14 Dividend

The final Dividend on shares is recorded as a liability on the date of approval by the Shareholders and interim dividends are accounted on payment basis as they are revocable till actually paid.

2.15 Cash flow Statement

Cash flows are reported using the indirect method, whereby net profit after tax is adjusted for the effects of transactions of non-cash nature, tax and any deferrals or accruals of past or future cash receipts or payments. The cash flows are prepared for the operating, investing and financing activities of the group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

2.16 Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognized only when the group has a present obligation (legal or constructive) as a result of past event, and it is probable that it is required to settle the obligation, and a reliable estimate can be made of the amount of obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the obligation at the reporting date, considering the risk and uncertainties surrounding the obligation.

Contingent liabilities

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 future uncertain events not wholly within the control of the group (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.

2.17 Earnings Per Share

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

2.18 Operating Segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components, and for which discrete financial information is available. Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM). The Chairman of the Company is responsible for allocating resources and assessing performance of the operating segments and accordingly is identified as the CODM. The Group's CODM reviews financial information presented, for purposes of making operating decisions and assessing financial performance of the Group.

3. Critical accounting judgments and key sources of estimation uncertainty

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

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

4 Recent Indian Accounting Standards (Ind AS)

Ministry of Corporate Affairs ("MCA") has not amended / brought any new Accounting Standard from 1st April, 2019.

Note 5: Cash and cash equivalents

(₹ in lakhs)

Particulars	March 31, 2020	March 31, 2019
Cash on hand	1,92.31	20,65.47
Balances with Banks	51,85.01	68,42.04
Cheques, drafts on hand	10,62.81	61,09.26
TOTAL	**64,40.13**	**150,16.77**

Note 6: Bank Balance other than specified in Note 5 above

(₹ in lakhs)

Particulars	March 31, 2020	March 31, 2019
Unpaid dividend account	4,49.00	2,84.62
Balances with banks*	716,47.37	706,07.31
TOTAL	**720,96.37**	**708,91.93**

* Bank deposits include,

a) ₹60153.00 lakhs (as on 31.03.2019 ₹61158.00 lakhs) provided as collateral for assets securitised.

b) In accordance with the Reserve Bank of India directives, the company has created a floating charge on the statutory liquid assets comprising bank deposits of ₹4050.00 lakhs (as on 31.03.2019 ₹3650.00 lakhs) in favour of trustees representing the deposit holders of the Company.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Note 7 : Derivative Financial Instruments

The details of the outstanding derivative instruments and their fair values are as below;

(₹ in lakhs)

Particulars	31st March 2020			31st March 2019		
	Notional amount	Fair Value		Notional amount	Fair Value	
		Assets	Liabilities		Assets	Liabilities
Part I						
(i) Currency derivatives:						
- Currency swaps	–	–	–	888,05.16	62,35.34	–
- Forward Contracts	1207,25.26	63,14.43	–	–	2,47.99	–
Subtotal (i)	**1207,25.26**	**63,14.43**	**–**	**888,05.16**	**64,83.33**	**–**
(ii) Interest rate derivatives:						
- Forward Rate Agreements & Interest Rate Swaps	275,00.00	18,77.39	–	300,00.00	10,44.49	–
Subtotal (ii)	**275,00.00**	**18,77.39**	**–**	**300,00.00**	**10,44.49**	**–**
Total Derivative Financial Instruments (i)+(ii)	**1482,25.26**	**81,91.82**	**–**	**1188,05.16**	**75,27.82**	**–**
Part II Included in above (Part I) are derivatives held for hedging and risk management purposes as follows:						
(i) Cash flow hedging:						
- Currency derivatives	–	5,75.74	–	–	2,47.99	–
- Interest rate derivatives	275,00.00	18,77.39	–	300,00.00	10,44.49	–
(ii) Undesignated derivatives	1207,25.26	63,14.43	–	888,05.16	64,83.33	–
Total Derivative Financial Instruments (i)+(ii)	**1482,25.26**	**81,91.82**	**–**	**1188,05.16**	**75,27.82**	**–**

Note 8: Receivables

(₹ in lakhs)

Particulars	March 31, 2020	March 31, 2019
Trade receivables		
- Secured, considered good	–	–
- Unsecured, considered good	42,09.02	44,16.97
- Receivables which have significant increase in Credit Risk	33.20	24.71
- Receivables - credit impaired	46.78	33.89
Less: Impairment loss on the above	(66.42)	(47.67)
Sub-total - Trade receivables	**42,22.58**	**44,27.90**
Other receivables		
- Unsecured, considered good	2,26.79	11.95
Sub-total - Other receivables	**2,26.79**	**11.95**
TOTAL	**44,49.37**	**44,39.85**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Note 9: Loans

(₹ in lakhs)

Particulars	March 31, 2020	March 31, 2019
Hypothecation loans #	27357,85.91	25929,22.68
Net Investment in hire purchase	292,22.49	789,22.67
Term Loans	365,10.98	311,20.09
Housing Loans	6537,93.59	–
Non Housing Loans	2937,76.56	–
Advance for business assets	80,19.80	191,50.85
Amount retained on Assets securitised / assigned	153,82.52	111,90.94
Loans repayable on Demand	60,12.93	43,50.08
Bills Purchased and Bills Discounted	16,29.60	16,32.28
Net investment in lease	7,01.19	13,53.17
Other loans @	54,92.80	44,27.84
Total Loans - Gross	**37863,28.38**	**27450,70.60**
Less: Impaiment loss allowance	641,52.85	178,36.67
Total Loans - Net	**37221,75.53**	**27272,33.93**
Of the above		
Secured by tangible assets	37709,85.12	27198,49.99
Covered by Bank/Government Guarantees	6,17.50	1,72.61
Secured by Deposits placed	14,49.30	3,49.71
Unsecured	132,76.46	246,98.29
Total Loans - Gross	**37863,28.38**	**27450,70.60**
Less: Impaiment loss allowance	641,52.85	178,36.67
Total Loans - Net	**37221,75.53**	**27272,33.93**
Loans in India		
Public Sector	–	–
Others *	37863,28.38	27450,70.60
Total Loans - Gross	**37863,28.38**	**27450,70.60**
Less: Impaiment loss allowance	641,52.85	178,36.67
Total Loans in India - Net - (A)	**37221,75.53**	**27272,33.93**
Loans outside India	–	–
Less: Impaiment loss allowance	–	–
Total Loans outside India - Net - (B)	–	–
Total loans (A) + (B)	**37221,75.53**	**27272,33.93**

includes repossessed assets at market value

@ includes loans to employees and loan against deposits.

* includes loans to Individuals, Sole proprietorship, Partnership, LLPs, Private and Public Limited companies.

Note 10: Investments

(₹ in lakhs)

Particulars	As at 31.03.2020	As at 31.03.2019
	Carrying Amount	
Measured as per equity method		
Investments in Equity Instruments		
- Joint Ventures		
Royal Sundaram General Insurance Co. Limited	544,95.88	551,12.32
Sundaram Home Finance Limited	–	639,20.44
Sundaram Fund Services Limited	–	10,52.45
	544,95.88	**1200,85.21**
- Associates*		
Flometallic India Private Limited	61,95.44	63,74.22
The Dunes Oman LLC (FZC)	88,92.95	85,83.48
Axles India Limited	53,29.20	53,59.28
Turbo Energy Private Limited	461,25.28	449,42.87
Transenergy Limited	3,87.98	3,94.52
Sundaram Dynacast Private Limited	13,95.71	11,77.13
	683,26.57	**668,31.50**
Total - A	**1228,22.45**	**1869,16.70**
At fair value through other comprehensive income:		
Investment in Equity Investments	998,14.21	1529,23.97
Investment in Preference Shares	3,11.99	–
Total - B	**1001,26.20**	**1529,23.97**
At fair value through profit or loss:		
Investment in Mutual Funds	1885,21.98	352,69.13
Investment in Alternative Investment Funds	131,87.94	105,12.98
Investment in Equity Instruments	18.90	14.30
Investment in Preference Securities	2,98.26	–
Total - C	**2020,27.07**	**457,96.41**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Particulars	As at 31.03.2020	As at 31.03.2019
	Carrying Amount	
At amortised cost:		
Investment in Government Securities	665,50.50	408,74.04
Investment in Non-Convertible Debentures	53,28.47	102,76.94
Investment in Pass Through Certificates	78,59.03	77,31.21
Investment in Commercial Paper	–	94,64.52
Investment in Subordinate Debt	49,45.96	–
	846,83.95	683,46.71
Less: Allowance for Impairment loss	(75.35)	(52.16)
Total - D	**846,08.60**	**682,94.55**
Total Investments (Net of allowance for impairment loss) A+B+C+D	**5095,84.32**	**4539,31.63**

* includes goodwill of ₹227.55 lakhs and Capital Reserve of ₹681.20 lakhs

During the year, the Company has made the following acquisitions:

- 49% equity stake in Sundaram BNP Paribas Fund Services Limited (SBFS) held by BNP Paribas Securities Services, France, for a consideration of ₹150 lakhs.
- 49.9% equity stake in Sundaram BNP Paribas Home Finance Limited (Home Finance) held by BNP Paribas Personal Finance S.A., France, for a consideration of ₹99966.92 lakhs.

Consequently, SBFS & Home Finance became Company's wholly-owned subsidiary effective 31st July 2019 & 30th September 2019 respectively.

Note 11: Other Financial assets

(₹ in lakhs)

Particulars	March 31, 2020	March 31, 2019
Carried at amortised cost		
- Security deposits	13,90.05	11,45.18
- Other advances	9,78.02	7,28.70
- Unbilled Revenue	46.60	29.61
Less: Impairment loss on the above	(64.23)	(54.45)
TOTAL	**23,50.44**	**18,49.04**

Note 12: Tax Reconciliation

Disclosure pursuant to Ind AS 12 "Income Taxes"

(a) Major components of tax expense / (income):

(₹ in lakhs)

Sl. No.	Particulars	2019-20	2018-19
(a)	Profit or Loss section :		
	(i) Current income tax :		
	Current income tax expense	302,25.17	417,57.83
		302,25.17	**417,57.83**
	(ii) Deferred tax :		
	Tax expense on origination and reversal of temporary differences	(31,51.06)	(29,61.26)
	Reversal of deferred tax liabilities relating to past years	(60,24.86)	–
	Total Deferred tax (ii)	**(91,75.92)**	**(29,61.26)**
	Income tax expense reported in Profit or Loss [(i) + (ii)]	**210,49.25**	**387,96.57**
(b)	Other Comprehensive Income (OCI) section :		
	(i) Items not to be reclassified to profit or loss in subsequent periods :		
	Current tax expense/(income):	(13,12.44)	(43,46.89)
	profit on sale of equity investments	16,15.97	–
	fair value of equity investments	(27,01.41)	(41,26.60)
	others	(2,27.00)	(2,20.29)
	(ii) Items to be reclassified to profit or loss in subsequent periods :		
	(A) Deferred tax expense/(income) :		
	On MTM of cash flow hedges	1,56.79	3,89.51
	Income tax expense reported in Other Comprehensive Income [(i) + (ii)]	**(11,55.65)**	**(39,57.38)**
	Income tax expense (A+B)	**198,93.60**	**348,39.18**

(b) Reconciliation of tax expense and the tax on accounting profit at applicable tax rate:

(₹ in lakhs)

Sl. No.	Particulars	2019-20	2018-19
(a)	Profit before tax and exceptional items	1261,59.72	977,30.73
(b)	Profit on exceptional items	–	592,43.45
(c)	Profit before tax	1261,59.72	1569,74.18
(d)	Tax on Accounting profit	318,35.36	339,24.22
(e)	(i) Tax on income exempt from tax :		
	(A) Dividend income	19,65.11	18,44.78
	(ii) Tax on expenses not tax deductible :		
	(A) CSR expenses/Donations/others	4,53.59	1,85.28
	(B) Expenses in relation to exempt income	2,37.86	2,16.12
	(iii) Tax effect on various other items	34,87.60	7,01.30
(f)	Total effect of tax adjustments [(i) to (iii)] (f)=(i)-(ii)+(iii)	47,61.25	21,44.70
(g)	Tax on exceptional items	(60,24.86)	70,17.05
(h)	Tax expense recognised during the year (h)=(d)-(f)+(g)	**210,49.25**	**387,96.57**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

(c) Reconciliation of Deferred Taxes

(Rs. in lakhs)

Summary	As on 01.04.2019	Recognised in P&L	Recognised in OCI	Recognised in retained earnings	As on 31.03.2020
Difference between book depreciation and tax depreciation	55,85.53	(16,98.93)			38,86.60
Loans and impairment on loans	41,07.23	32,11.76			73,18.99
Investments	19,28.79	(4,67.69)	25,44.63		40,05.73
HP income	(74,49.02)	13,48.32			(61,00.70)
Utilisation of MAT credit	–	(19.18)			(19.18)
On acquisition of shares in subsidiary				(12,84.12)	(12,84.12)
Reversal of DTL - Special reserve u/s 36(1)(viii)		45.08			45.08
Covid Reserve				15,00.97	15,00.97
Others	(62,65.20)	67,51.51	–		4,86.31
Total	**(20,92.67)**	**91,70.87**	**25,44.63**	**2,16.85**	**98,39.68**

Note 13: Investment Property

(₹ in lakhs)

Particulars	Land	Building	Total
GROSS BLOCK AT COST			
As at 31.03.2019	50,98.79	6,54.91	57,53.70
Additions	–	–	–
Deductions	3.17	–	3.17
As at 31.03.2020	**50,95.62**	**6,54.91**	**57,50.53**
DEPRECIATION			
Upto 31.03.2019	–	50.28	50.28
Additions	–	34.76	34.76
Deductions	–	–	–
Upto 31.03.2020	**–**	**85.05**	**85.05**
Carrying Value as at 31.03.2020	**50,95.62**	**5,69.86**	**56,65.48**

(₹ in lakhs)

Particulars	Land	Building	Total
GROSS BLOCK AT COST			
As at 31.03.2018	45,92.67	2,22.82	48,15.49
Additions	5,46.39	4,32.71	9,79.10
Deductions	40.27	0.62	40.89
As at 31.03.2019	**50,98.79**	**6,54.91**	**57,53.70**
DEPRECIATION			
Upto 31.03.2018	–	27.43	27.43
Additions	–	23.29	23.29
Deductions	–	0.44	0.44
Upto 31.03.2019	**–**	**50.28**	**50.28**
Carrying Value as at 31.03.2019	**50,98.79**	**6,04.63**	**57,03.42**

The fair value measurement for all the investment property has been categorized as Level 2 based on the inputs to the valuation technique, taking into consideration the prevailing market price of similar property / locality.

The Fair value of the investment property is ₹10652.04 lakhs (2018-19: ₹10869.74 lakhs). Items relating to investment property recognised in Profit & Loss Account for the year ended are given below:

(₹ in lakhs)

Particulars	2019-20	2018-19
Rental income	3,12.75	4,23.70
Direct Operating expenses on properties generating rental income	29.28	33.66
Direct Operating expenses on properties not generating rental income	3.41	3.85

The investment properties are freely realisable.

Note 14: Property, Plant and Equipment

(₹ in lakhs)

Particulars	Freehold Land	Freehold Buildings	Leasehold office / Residential Premises	Plant and Machinery and Computers	Furniture and Fixtures	Vehicles	Office Equipment	Assets on Operating Lease		Finance Lease	Total
								Plant and Machinery and Computers	Vehicles	Land	
GROSS BLOCK AT COST											
As at 31.03.2019	43,66.59	19,59.26	10,37.94	39,15.15	9,33.13	18,34.62	9,24.12	6,84.59	179,81.87	39.08	336,76.37
Effect of Acquisition of Subsidiaries	16,21.77	3,32.46	–	17,17.98	2,16.39	4,16.79	3,67.83	–	–	–	46,73.22
Additions	1,21.20	2,20.66	43.12	14,68.85	1,55.47	7,95.71	2,05.74	3,10.89	63,27.02	–	96,48.66
Deductions	–	1.37	–	9,00.15	41.30	2,57.16	98.50	20.93	38,63.19	–	51,82.60
Reclassified on account of adoption of Ind AS 116	–	–	–	–	–	–	–	–	–	39.08	39.08
Translation Adjustments	–	–	1.53	7.77	0.23	–	0.17	–	–	–	9.70
As at 31.03.2020	**61,09.56**	**25,11.01**	**10,82.59**	**62,09.60**	**12,63.92**	**27,89.96**	**13,99.36**	**9,74.55**	**204,45.70**	**–**	**427,86.27**
DEPRECIATION											
Up to 31.03.2019	–	2,07.82	1,36.73	14,25.88	3,24.72	6,08.08	3,00.91	1,57.78	60,95.28	–	92,57.20
Effect of Acquisition of Subsidiaries	–	34.84	–	12,05.20	87.37	1,42.81	1,50.05	–	–	–	16,20.27
Additions	–	2,12.75	1,61.45	11,89.36	2,05.30	4,76.54	2,09.69	2,71.06	34,82.95	–	62,09.11
Deductions	–	0.18	0.00	7,82.61	30.27	1,13.58	70.17	5.29	17,98.49	–	28,00.58
Reclassified on account of adoption of Ind AS 116	–	–	–	–	–	–	–	–	–	–	–
Translation Adjustments	–	–	1.33	7.87	0.13	–	0.13	–	–	–	9.46
Upto 31.03.2020	**–**	**4,55.23**	**2,99.51**	**30,45.70**	**5,87.26**	**11,13.85**	**5,90.62**	**4,23.55**	**77,79.74**	**–**	**142,95.45**
Carrying Value as at 31.03.2020	**61,09.56**	**20,55.78**	**7,83.08**	**31,63.91**	**6,76.66**	**16,76.11**	**8,08.74**	**5,51.00**	**126,65.96**	**–**	**284,90.80**

Note 14: Property, Plant and Equipment

(₹ in lakhs)

Particulars	Freehold Land	Freehold Buildings	Leasehold office / Residential Premises	Plant and Machinery and Computers	Furniture and Fixtures	Vehicles	Office Equipment	Assets on Operating Lease		Finance Lease	Total
								Plant and Machinery and Computers	Vehicles	Land	
GROSS BLOCK AT COST											
As at 31.03.2018	43,68.26	18,18.07	19,21.71	37,74.95	8,44.99	14,91.72	11,48.87	80.24	173,01.66	39.08	327,89.55
Additions	2,38.65	2,39.34	3,07.72	11,75.17	2,33.91	5,38.18	1,87.39	6,63.65	47,66.64	–	83,50.65
Deductions	2,40.32	98.15	–	25.87	10.39	1,45.83	33.41	59.30	40,86.43	–	47,00.17
Transfer of Shares - Royal Sundaram	–	–	11,81.16	10,03.78	1,35.61	48.89	3,74.79	–	–	–	27,44.23
Adjustment on account of Demerger (SAMC)	–	–	11.89	5.55	–	0.55	4.10	–	–	–	22.10
Translation Adjustments	–	–	1.56	0.24	0.23	–	0.16	–	–	–	2.20
As at 31.03.2019	**43,66.59**	**19,59.26**	**10,37.95**	**39,15.16**	**9,33.13**	**18,34.63**	**9,24.12**	**6,84.59**	**179,81.87**	**39.08**	**336,75.90**
DEPRECIATION											
Upto 31.03.2018	–	88.71	2,55.55	8,98.65	1,78.41	3,18.75	2,92.90	3.76	38,68.10	–	59,04.84
Additions	–	1,27.39	1,48.68	8,23.00	1,70.44	3,45.24	1,63.08	1,54.47	33,94.84	–	53,27.14
Deductions	–	8.28	–	8.48	4.39	46.89	13.30	0.45	11,67.66	–	12,49.93
Transfer of Shares - Royal Sundaram	–	–	2,64.00	2,84.15	19.82	8.59	1,40.72	–	–	–	7,17.28
Adjustment on account of Demerger (SAMC)	–	–	4.62	3.49	–	0.44	1.23	–	–	–	9.78
Translation Adjustments	**–**	**–**	**1.12**	**0.34**	**0.08**	**–**	**0.19**	**–**	**–**	**–**	**1.73**
Upto 31.03.2019	**–**	**2,07.82**	**1,36.73**	**14,25.87**	**3,24.72**	**6,08.07**	**3,00.92**	**1,57.78**	**60,95.28**	**–**	**92,56.72**
Carrying Value as at 31.03.2019	**43,66.59**	**17,51.44**	**9,01.21**	**24,89.30**	**6,08.42**	**12,32.59**	**6,17.17**	**5,26.81**	**118,86.59**	**39.08**	**244,19.19**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Note 15: Right of Use Assets

(₹ in lakhs)

Particulars	ROU Land	ROU Buildings	ROU Vehicles	Finance Lease	Total
				Land	
GROSS BLOCK AT COST					
As at 31.03.2019	–	–	–	–	–
Reclassified on account of adoption of Ind AS 116	1,96.23	64,55.47	–	39.08	66,90.78
Additions	–	34,41.47	43.15	–	34,84.62
Deductions	–	7,42.97	–	–	7,42.97
As at 31.03.2020	1,96.23	91,53.97	43.15	39.08	94,32.43
DEPRECIATION					
Up to 31.03.2019	–	–	–	–	–
Reclassified on account of adoption of Ind AS 116	1,12.39	14,53.16	–	–	15,65.55
Additions	–	9,65.64	20.18	–	9,85.82
Deductions	–	2,91.75	–	–	2,91.75
Upto 31.03.2020	1,12.39	21,27.05	20.18	–	22,59.62
Carrying Value as at 31.03.2020	**83.84**	**70,26.92**	**22.97**	**39.08**	**71,72.81**

Note 16 : Intangibles and Other Intangible Under development

(₹ in lakhs)

Particulars	Computer Software		Total	Intangibles Under Development
	Purchased	Self Generated		
GROSS BLOCK AT COST				
As at 31.03.2019	16,37.33	9,70.27	26,07.60	–
Effect of Acquisition of Subsidiaries	50,27.12	–	50,27.12	1.00
Additions	3,23.91	24.55	3,48.46	1.80
Deductions	32,80.10	–	32,80.10	1.00
As at 31.03.2020	**37,08.25**	**9,94.82**	**47,03.07**	**1.80**
DEPRECIATION				
Up to 31.03.2019	7,78.82	5,70.58	13,49.40	–
Effect of Acquisition of Subsidiaries	37,52.05	–	37,52.05	–
Additions	9,12.86	1,05.84	10,18.70	–
Deductions	30,02.84	–	30,02.84	–
Upto 31.03.2020	**24,40.89**	**6,76.42**	**31,17.31**	**–**
Carrying Value as at 31.03.2020	**12,67.36**	**3,18.40**	**15,85.76**	**1.80**

(₹ in lakhs)

Particulars	Computer Software		Total	Intangibles Under Development
	Purchased	Self Generated		
GROSS BLOCK AT COST				
As at 31.03.2018	17,66.17	8,10.86	25,77.03	3,15.91
Additions	8,86.13	1,59.41	10,45.54	1,38.47
Deductions	–	–	–	1,59.41
Transfer of Shares - Royal Sundaram	9,18.14	–	9,18.14	2,94.97
Adjustment on account of Demerger (SAMC)	96.82	–	96.82	–
As at 31.03.2019	**16,37.33**	**9,70.27**	**26,07.61**	**–**
DEPRECIATION				
Up to 31.03.2018	8,32.77	4,87.61	13,20.38	–
Additions	4,31.15	82.97	5,14.12	–
Deductions	–	–	–	–
Transfer of Shares - Royal Sundaram	4,37.69	–	4,37.69	–
Adjustment on account of Demerger (SAMC)	47.40	–	47.40	–
Upto 31.03.2019	**7,78.82**	**5,70.58**	**13,49.41**	**–**
Carrying Value as at 31.03.2019	**8,58.51**	**3,99.69**	**12,58.20**	**–**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Note 17: Other Non-Financial Assets

(₹ in lakhs)

Particulars	March 31, 2020	March 31, 2019
Stamp and stamp papers on hand	2,16.13	1,88.88
Prepaid expenses	149,36.14	195,95.59
Balances with Government authorities	36,00.18	51,90.82
Capital Advances	1,27.95	52.02
Other advances*	2,51.91	69.36
TOTAL	**191,32.31**	**250,96.67**

* Amount paid for which goods / services are to be received.

Note 18 : Payables

(₹ in lakhs)

Particulars	March 31, 2020	March 31, 2019
Trade payables		
(i) Total outstanding dues of micro enterprises and small enterprises:		
Outstanding Liability	61.67	85.84
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises:		
Dealer Balances	51,01.90	84,69.15
Outstanding Liability	31,21.95	18,40.42
TOTAL	**82,85.52**	**103,95.41**
Other payables		
(i) Total outstanding dues of micro enterprises and small enterprises	–	–
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	12,67.74	8,46.47
TOTAL	**12,67.74**	**8,46.47**

Note 19 : Debt Securities

(₹ in lakhs)

Particulars	March 31, 2020	March 31, 2019
Carried at amortised cost		
Non-Convertible debentures	13014,54.98	8739,46.43
Commercial paper	4333,80.16	1740,06.86
TOTAL	**17348,35.14**	**10479,53.29**
Of the above:		
Debt securities in India	17348,35.14	10479,53.29
Debt securities in outside India	–	
TOTAL	**17348,35.14**	**10479,53.29**

The Secured Non - Convertible Debentures are secured by mortgage of immovable property ranking pari passu with charges created in favour of the trustees and Hypothecation of specific Loan receivables / Hire purchase/ Lease agreements with a cover of 100%, as per the terms of issue.

Note 20 : Borrowings other than debt securities

(₹ in lakhs)

Particulars	March 31, 2020	March 31, 2019
Carried at amortised cost		
Secured		
Term Loan from banks	8499,89.38	8629,11.20
Term Loan from National Housing Bank	1824,72.19	–
Working capital demand loans and Cash credit	559,83.55	1114,34.27
Unsecured		
Term Loan from banks	6,97.92	10,72.92
Credit facilities from banks	19,12.36	–
Finance lease obligation	–	39.08
Preference Share Capital	–	16.09
TOTAL	**10910,55.40**	**9754,73.56**
Of the above:		
Borrowings in India	10910,55.40	9754,73.56
Borrowings in Outside India	–	–
TOTAL	**10910,55.40**	**9754,73.56**

The secured term loans from banks are secured by hypothecation of specific assets covered by a charge on Hypothecation Loan Receivables/ Hire purchase / Lease agreements.

Working capital demand loans and cash credit are secured by a charge on Hypothecation Loan Receivables/ Hire Purchase / Lease agreements, ranking pari passu, excluding assets which are specifically charged to others.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Note 21 : Deposits

(₹ in lakhs)

Particulars	March 31, 2020	March 31, 2019
Carried at amortised cost		
- Public Deposits	5400,66.91	3064,03.94
- From Companies	5,10.81	–
- From Directors	2,09.45	–
TOTAL	**5407,87.17**	**3064,03.94**

Note 22 : Subordinated Liabilities

(₹ in lakhs)

Particulars	March 31, 2020	March 31, 2019
Carried at amortised cost		
Subordinated Non Convertible Debentures		
- India	2272,55.18	1725,16.68
- Outside India	–	–
TOTAL	**2272,55.18**	**1725,16.68**

Note 23 : Other Financial Liabilities

(₹ in lakhs)

Particulars	March 31, 2020	March 31, 2019
Amounts due on assets securitised or assigned	88,25.69	132,07.36
Unpaid matured deposits and interest accrued thereon	76,51.21	35,95.25
Unpaid dividend	3,49.75	2,77.16
Payable to Employees	70,26.62	58,66.51
Advance received from customers	41,57.62	54,09.91
Lease Liability	75,97.18	–
Other liabilities*	120,56.62	138,83.61
TOTAL	**476,64.69**	**422,39.80**

* Other liabilities include amount payable to creditors for expenses, payable to customers for security deposit received and commission payable to non-whole time directors

Note 24 : Provisions

(₹ in lakhs)

Particulars	March 31, 2020	March 31, 2019
Provision for employee benefits	30,82.42	24,49.81
Provision for Other expenses^	18,08.99	40,03.22
TOTAL	**48,91.41**	**64,53.03**

^ Provision for other expenses include provision made for legal cases / claims

Note 25 : Other Non-Financial liabilities

(₹ in lakhs)

Particulars	March 31, 2020	March 31, 2019
Other Liabilities #	27,27.87	26,68.00
Revenue received in advance	91.27	2,19.57
TOTAL	**28,19.14**	**28,87.57**

Others mainly include government dues, taxes payable, GST payable and salary deductions payable

Note 26 : Equity Share capital

(₹ in lakhs)

Particulars	March 31, 2020	March 31, 2019
Authorised capital		
27,81,00,000 Equity Shares of ₹10/- each	278,10.00	278,10.00
Issued and Subscribed :		
11,11,03,860 Equity Shares of ₹10/- each fully paid up	111,10.39	111,10.39
Less:		
9,41,710 (2019 - 9,60,960) Equity Shares of ₹10/- each held by ESOP trust but not yet allotted to Employees	94.17	96.10
Adjusted, Issued and Subscribed Share Capital	**110,16.22**	**110,14.29**

a) Reconciliation of the number of shares outstanding at the beginning and at the end of the period:

(₹ in lakhs)

Particulars	March 31, 2020	March 31, 2019
Issued and Subscribed:		
Balance at the beginning of the Year	1111038,60	1111038,60
Less: Shares held by Sundaram Finance Employees' Welfare Trust	9417,10	9609,60
Adjusted, Issued and Subscribed Share Capital	**1101621,50**	**1101429,00**

b) Rights, preferences and restrictions in respect of equity shares:

The Equity share holders are entitled to receive dividends as and when declared; a right to vote in proportion to holding etc. and their rights, preferences and restrictions are governed by / in terms of their issue under the provisions of the Companies Act, 2013.

c) No shareholder of the company holds more than 5% of the Equity shares.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Notes to Consolidated Profit and Loss Statement

Note 27: Interest Income

(₹ in lakhs)

Particulars	2019-20	2018-19
On Financial assets measured at amortised cost:		
Loans	3800,40.64	2835,79.24
Investments	64,77.53	52,39.85
Deposit with Banks	56,29.75	47,11.69
On Financial assets classified at Fair value through profit or loss:		
Investments	12,10.22	6,11.81
On Financial assets classified at Fair value through other comprehensive income:		
Investments	–	–
TOTAL	**3933,58.14**	**2941,42.59**

Note 28: Fees and Commission Income

(₹ in lakhs)

Particulars	2019-20	2018-19
Relating to		
- Loans	119,52.82	108,29.04
- Selldown servicing fee	41,48.56	58,28.85
- Income from other Financial Services	49,65.13	54,04.19
- Trusteeship Fees	1,39.29	1,40.16
TOTAL	**212,05.80**	**222,02.24**

Note 29: Net gain/(loss) on fair value changes

(₹ in lakhs)

Particulars	2019-20	2018-19
A . Net gain/(loss) on financial instruments at fair value through profit or loss		
(i) On trading portfolio	–	–
(ii) On Financial instruments designated at fair value through profit or loss	–	–
B. Others		
Net gain/(loss) on financial instruments at fair value through profit or loss on		
- Investments	68,75.01	22,24.46
- Derivatives	14.76	37.51
C. Total Net gain/(loss) on fair value changes (A + B)	68,89.76	22,61.97
Of the above, fair value changes:		
- Realised	69,24.03	19,67.28
- Unrealised	(34.27)	2,94.69
TOTAL	**68,89.76**	**22,61.97**

Note 30: Other Income

(₹ in lakhs)

Particulars	2019-20	2018-19
Net gain / (loss) on		
- Derecognition of property, plant and equipment	2,67.02	1,78.28
- Foreign currency transaction and translation (other than considered as finance cost)	1,80.04	44.92
Others		
- Interest income	11,39.30	2,74.68
- Rental income	3,16.78	4,23.70
- Other non-operating income	8,08.48	9,83.85
TOTAL	**27,11.62**	**19,05.43**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Note 31: Finance costs

(₹ in lakhs)

Particulars	2019-20	2018-19
On Financial liabilities carried at amortised cost:		
Interest on		
Deposits	341,84.89	216,18.47
Term loans	650,18.91	519,19.06
Debt securities	1209,22.79	877,53.26
Subordinated liabilities	178,02.64	145,50.40
Other interest expense and borrowing cost	9,25.34	7,93.95
Derivatives	4,96.65	(76,13.89)
Foreign currency transaction and translation	36,94.15	80,10.37
Gain / Loss on unwinding of Derivatives	(3,00.11)	–
TOTAL	**2427,45.26**	**1770,31.62**

Note 32: Employee Benefits Expenses

(₹ in lakhs)

Particulars	2019-20	2018-19
Salaries and Wages	460,92.38	394,67.61
Contribution to provident and other funds	28,69.55	24,20.48
Share Based Payments to employees	2,85.69	2,85.73
Staff welfare expenses	9,52.86	7,39.58
TOTAL	**502,00.48**	**429,13.40**

Note 33: Administrative and other Expenses

(₹ in lakhs)

Particulars	2019-20	2018-19
Rent, taxes and energy costs	20,14.03	31,39.98
Repairs and maintenance	28,96.67	26,21.13
Communication Costs	15,47.21	15,97.07
Printing and stationery	6,03.49	5,22.13
Advertisement and publicity	2,53.08	5,94.50
Director's fees, allowances and expenses	2,13.09	1,89.50
Auditor's fees and expenses	2,62.82	1,69.81
Legal and Professional charges	12,57.92	12,31.64
Insurance	3,15.96	2,33.46
Outsourcing cost	74,85.42	79,07.74
Travel and conveyance	23,78.35	21,71.10
Donations	19,19.51	12,96.53
Foreign currency transaction and translation	22.73	6.80
Other expenditure	36,34.33	29,13.53
TOTAL	**248,04.61**	**245,94.92**

Note 34: Impairment on financial instruments

(₹ in lakhs)

Particulars	2019-20	2018-19
On Financial instruments measured at amortised cost:		
Loans	312,84.73	91,02.41
Investments	21.51	33.57
Repossessed assets	15,49.88	11,59.53
Others	1,55.86	34.51
TOTAL	**330,11.98**	**103,30.02**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Note 35: Capital Management:

The Group's capital management strategy is to ensure that it has sufficient capital for business operations, strategic investment, regulatory requirements and to provide reasonable return to the shareholders. Equity share capital and other equity are considered for Capital management.

The Group endeavours to source diversified borrowing, depending on asset liability duration and interest rate sensitivities.

The Group monitors the Capital adequacy ratio, Debt equity ratio and Solvency ratio for the purpose of adequacy of capital.

Note 36: Revenue

Disaggregate revenue information:

Since the requirement of application of Ind AS 115 on Group's revenue is insignificant, the Group believes that disaggregation of data about the nature, amount, timing of our revenue is not required.

Remaining performance obligation:

The remaining performance obligation disclosure provides aggregate amount of transaction price yet to be recognised at the end of reporting period and an explanation as to when the Group expects to recognise these amounts in revenue.

The aggregate value of performance obligations that are completely or partially unsatisfied as at March 31, 2020 is ₹5.40 lakhs (2018-19 ₹50.36 lakhs) which the company expects to recognise in next year.

Note 37: Financial instruments – Fair value measurements

The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy:

a. Financial Assets / Liabilities that are measured at Fair value through P&L/OCI:

(₹ in lakhs)

Particulars	Fair Value Hierarchy	March 31, 2020	March 31, 2019
Financial Assets			
Derivatives	Level 2	81,91.82	75,27.82
Investments			
Mutual Funds	Level 1	1884,21.98	352,69.13
Mutual Funds	Level 3	1,00.00	–
Alternate Investment Funds	Level 1	131,87.94	105,12.99
Equity Instruments	Level 2	18.90	14.30
Preference Securities	Level 3	2,98.26	–

Fair value is estimated based on the market inputs for the classification as per level 2 and level 3.

b. i) Equity Shares designated at Fair value through Other Comprehensive Income:

The Group designated the investments in equity shares (other than subsidiaries, associates and joint ventures) at FVTOCI, because the Group intends to hold these investments for long-term strategic purpose.

(₹ in lakhs)

Particulars	Fair Value Hierarchy	March 31, 2020	March 31, 2019
Wheels India Limited	Level 1	188,14.52	249,22.39
India Motor Parts & Accessories Limited	Level 1	134,95.32	135,93.51
Sundaram Clayton Limited	Level 1	457,03.24	744,66.64
Brakes India Private Limited	Level 3	121,69.89	273,49.69
Sundaram Investments Limited	Level 3	21,88.55	22,15.57
Lucas TVS Limited	Level 3	29,23.22	66,78.49
Delphi TVS Diesel Systems Limited	Level 3	11,96.02	11,21.84
Vishnu Forge Industries Limited	Level 3	1,14.68	1,05.84
D2C Consulting Services Private Limited	Level 3	1.75	–
Fettle Tone LLP	Level 3	20,87.00	–
* Equifax Credit Information Services Pvt. Ltd	Level 3	–	13,50.00
* Experian Credit Information Company of India Pvt. Ltd.	Level 3	11,20.00	11,20.00
* UMW Industries Limited	Level 3	0.02	0.02
Total		**998,14.21**	**1529,23.97**

* As per Ind AS 109, Cost has been considered as the best estimate of the fair value.

During the year the Company sold its entire holdings in Equifax Credit Information Services Private Ltd., in accordance with shareholder's agreement, for a consideration of ₹9173.28 lakhs resulting in a gain of ₹7823.28 Lakhs.

Dividend income of ₹2311.64 lakhs and ₹2266.26 lakhs were recognised during the financial years 2019-20 and 2018-19 respectively.

ii) Compulsory Convertible Preference Shares (CCPS) designated at Fair value through Other Comprehensive Income:

During the year the company invested ₹311.99 lakhs in Compulsory Convertible Preference Shares of RBSG Capital Private Limited.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

c. The following table shows the carrying amounts and fair values of financial assets and financial liabilities measured at amortised cost, including their levels in the fair value hierarchy:

(₹ in lakhs)

Particulars	Carrying Amount		Fair Value Hierarchy	Fair Value	
	March 31, 2020	March 31, 2019		March 31, 2020	March 31, 2019
Financial Assets:					
Cash and cash equivalents	64,40.13	150,16.77	Level 1	64,40.13	150,16.77
Bank Balances	720,96.37	708,91.93	Level 3	725,86.47	711,29.59
Receivables	44,49.37	44,39. 86	Level 3	44,49.37	44,39.86
Loans	37221,75.53	27272,33.93	Level 3	37023,54.37	26889,24.24
Investments in Government Securities	665,50.50	408,51.42	Level 1	699,76.71	413,73.29
Investment (Others)	180,58.11	274,43.13	Level 3	180,80.88	264,66.12
Other Financial Assets	23,50.44	18,49.04	Level 3	23,65.40	18,48.07
Total	**38921,20.45**	**28877,26.07**		**38762,53.33**	**28491,97.94**
Financial Liabilities:					
Payables	95,53.26	112,41.88	Level 3	95,53.26	112,41.88
Debt Securities	17348,35.14	10479,53.29	Level 3	17533,23.73	10533,06.99
Borrowings (Other than Debt Securities)	10910,55.40	9754,73.56	Level 3	11057,98.66	9725,55.35
Deposits	5407,87.17	3064,03.94	Level 3	5441,63.99	3051,73.18
Subordinated Liabilities	2272,55.18	1725,16.68	Level 3	2439,93.74	176952.37
Other Financial Liabilities	476,64.69	422,39.80	Level 3	476,95.46	421,88.83
Total	**36511,50.84**	**25558,29.14**		**37045,28.84**	**25614,18.60**

Fair value is arrived at using discounted future cash flows at market rates for the classification as per level 3 hierarchy.

Note 38: Financial Risk Management framework

Risk is an inherent and integral part of the financial services business and the Group has been judiciously managing this through an efficient risk mitigation system, with a view to achieve the Group's stated objectives of Growth with Quality and Profitability. The risks primarily include credit risk, liquidity risk and market risk.

The policies and procedures laid down by the Group for the purpose of risk identification, measurement and management, compare well with contemporary best practices followed by industry peers. The various committees constituted by the respective Group's Boards such as Risk Management Committee, Asset Liability Management Committee, Investment Committee etc. have enunciated detailed policies for assessment of various types of risks, and fixed tolerance limits as appropriate.

Note 38.1 Credit Risk

Credit risk is the risk of financial loss to the Group if a customer fails to meet his contractual obligations, and arises principally from the Group's loan receivables.

The Group has in place a robust credit policy which clearly defines the credit filters and the terms of acceptance of proposals for financing different categories of borrowers and asset classes.

The credit appraisal process, inter alia, includes filters for stratification of customers, compliance with know your customer (KYC) norms, Field investigation, Credit bureau verification, exposure ceilings, asset risk and segment and geography risks. The risk metrics also address Loan to Value, loan tenure, based on the useful life of the asset, end-use of the asset and credit enhancements, as appropriate.

The Group's exposure is primarily to retail customers, thereby making for a well-diversified risk portfolio. The time tested monitoring and recovery mechanism ensures timely recovery of instalments and where required, necessary action for resolution of delinquent accounts is initiated, including legal proceedings. Finally, physical presence and in-depth knowledge of the markets in which the Group operates enables early identification of emerging risks thereby facilitating prompt remedial action.

Impact of COVID-19

COVID-19, a global pandemic has spread across our Country and created an unprecedented level of disruption. The Government of India declared a nation-wide lock down effective March 25, 2020 which is still in force. The impact of the COVID-19 on the Group's business disbursements and the asset quality depends on the time taken for economic activities to resume to normal levels, which remains uncertain.

RBI announced the COVID-19 regulatory package following which the Group has extended the option of moratorium for instalments falling due between March 1, 2020 and May 31, 2020 to all eligible customers. Further, in line with RBI Notification dated 17th April 2020, the Group has provided Covid-19 provision of ₹5964.66 lakhs in respect of all moratorium accounts, where asset classification benefit was extended.

Impairment - Expected credit loss (ECL):

The application of Ind AS 109 has necessitated fundamental changes to the accounting for expected default risk (risk provisioning). Specifically, the incurred loss model has been replaced by the Expected Credit Loss model (ECL). Consequent to this change, the Expected Credit losses on financial instruments are classified under three stages.

Stage 1: Every financial asset is classified as stage 1, upon initial recognition. In addition, stage 1 contains all transactions with limited default risk.

Stage 2: Financial assets whose default risk has risen significantly since initial recognition and which are not classified as cases with limited default risk.

Stage 3: Financial assets that display objective evidence of impairment at the reporting date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

The accounting standard, Ind AS 109 does not specifically prescribe any methodology for computing ECL. However, entities are required to adopt sound and market acceptable methodologies which are in line with the size, complexity and risk-profile of the financial entity for computing the ECL. The Group uses three main components to measure ECL. These are, Exposure at Risk (EAR), Probability of Default (PD) and Loss Given Default (LGD). Exposure at Risk (EAR) is defined as the sum of Principal outstanding and interest accrued at the reporting date. PD is defined as the probability of borrowers defaulting on their obligations. LGD represents the economic loss, adjusted for cure rate, as a percentage of exposure at the time of default.

Accordingly, loan assets are categorised under three different stages, as under:

Stage 1: Where instalments are Current and 1-30 days overdue

Stage 2: Where instalments are 31 days – 90 days overdue and

Stage 3: Where instalments are overdue beyond 90 days

The Group is required to provide 12-months expected credit loss (12-months ECL) for stage 1 assets and the life time expected credit loss (LECL) for stage 2 & stage 3 assets.

12-months ECL is the expected credit loss that results from default events that are possible within 12 months after the reporting date. LECL represents the expected credit loss from default events over the expected life of a financial asset.

As prescribed under para 5.5 in Ind AS 109, 12-months PD is required to be computed for financial instruments which are in stage 1, and life time PD for those in stage 2 & 3. 12 months PD is the likelihood of the borrower defaulting in the 12 months following the reporting date while life time PD is the likelihood of the borrower defaulting during the residual tenor.

The PD model has been developed for all the major asset classes using a statistical and iterative approach. The design and construction of the model involves identification of various credit parameters and variables that have a strong and direct correlation to propensity of default. The PD model reflects to the probability of default, taking into consideration the inherent credit quality of the borrower and the residual tenor of each contract. It relies not only on historical information and the current economic environment, but also considers forward-looking information such as the forecasts on the macroeconomic outlook, including emerging risks. The PD for stage 3 contracts is considered at 100%.

Where a customer has one contract in stage 3 and one or more contracts in stage 1 / stage 2, the PD for all the contracts is considered at 100%.

LGD

LGD represents the economic loss, adjusted for cure rate, as a percentage of exposure at the time of default. Economic loss is the estimated shortfall in realisation of dues, in the event of default. Contracts that have turned delinquent do not necessarily involve ultimate losses, since many of them are resolved through corrective actions. The cure rate is the probability of a 'non performing' (i.e. defaulted) contract reverting to a 'performing' (i.e. non-default) status in a year.

Following tables provide an overview of the gross carrying amount and credit loss allowance broken down into stages:

a. Loans and Advances

(₹ in lakhs)

Gross Carrying Amount								
Particulars	31.03.2020				31.03.2019			
	1	2	3	Total	1	2	3	Total
Balance at the beginning of the year	25886,89.24	1177,79.26	366,55.78	27431,24.28	21111,94.55	809,07.33	283,04.53	22204,06.42
Transfer on account of change in status of Joint venture to Subsidiary	8184,48.83	485,17.18	350,94.91	9020,60.92	–	–	–	–
New business - Net of recovery	3459,59.64	(584,66.55)	(11,96.03)	2862,97.06	6391,59.62	(388,95.53)	(52,08.19)	5950,55.90
Transfers due to change in creditworthiness	(1487,14.53)	890,17.68	596,96.85	–	(971,26.45)	757,67.46	213,58.99	–
Financial assets that have been derecognised	135,152.79	(34.23)	(3.34)	1351,15.22	645,38.49	–	–	645,38.49
Write off during the year	25.21	14.18	146,92.87	147,32.26	–	–	77,99.55	77,99.55
Balance at the end of the year	**34692,05.18**	**1968,67.62**	**1155,61.98**	**37816,34.78**	**25886,89.24**	**1177,79.26**	**366,55.78**	**27431,24.28**

(₹ in lakhs)

Expected Credit Loss								
Particulars	31.03.2020				31.03.2019			
	1	2	3	Total	1	2	3	Total
Balance at the beginning of the year	17,57.85	21,96.89	138,09.77	177,64.51	12,99.56	13,98.66	137,63.46	164,61.67
Transfer on account of change in status of Joint venture to Subsidiary	26.28	1,87.72	270,26.55	272,40.55	–	–	–	–
New business - Net of recovery	29,30.78	31,78.16	278,22.67	339,31.61	15.67	9,77.39	81,66.76	91,59.83
Transfers due to change in creditworthiness	8,40.33	(4,93.73)	24,75.55	28,22.15	5,00.06	(1,79.16)	(3,20.90)	–
Financial assets that have been derecognised	7,05.74	15.78	22,55.31	29,76.82	57.44	–	–	57.44
Write off during the year	25.21	14.18	146,92.87	147,32.26	–	–	77,99.55	77,99.55
Balance at the end of the year	48,24.29	50,39.09	541,86.36	640,49.74	17,57.85	21,96.89	138,09.77	177,64.51

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Concentration of Credit risk %

(i) Concentration by Geographical risk

Particulars	31.03.2020	31.03.2019
South	71.37	65.27
North	15.43	19.00
West	9.94	12.24
East	3.26	3.49
Total	**1,00.00**	**1,00.00**

(ii) Concentration by Asset Class:

Particulars	31.03.2020	31.03.2019
Commercial Vehicles	37.60	50.39
Cars	19.69	27.32
Construction Equipments	8.16	10.26
Tractors & Farm Equipments	4.89	5.43
Housing	17.48	-
Non Housing	7.60	-
Others	4.58	6.60
Total	**100.00**	**100.00**

b. Other Assets:

The Group computes Expected credit loss on other financial assets including trade receivables based on a provision matrix which is constructed using historical credit loss experience as adjusted to reflect current conditions.

(₹ in lakhs)

Particulars	31.03.2020				31.03.2019			
Stage	1	2	3	Total	1	2	3	Total
Gross Carrying Amount	69,83.69	53.53	35.69	70,72.91	70,24.24	53.59	1,50.53	72,28.37
Transfer on account of change in status of Joint venture to Subsidiary	24,27.56	(31.08)	1,09.89	25,06.37	–	–	–	–
Expected Credit Loss	68.56	4.49	1,12.38	1,85.43	40.56	0.06	1,14.84	1,55.46
Net Carrying Amount	93,42.69	17.96	33.20	93,93.85	69,83.69	53.53	35.69	70,72.91

c. Loan Commitments and Financial Guarantees:

(₹ in lakhs)

Particulars	31.03.2020				31.03.2019			
Stage	1	2	3	Total	1	2	3	Total
Gross Carrying Amount	102,09.33	–	–	102,09.33	102,82.93	–	–	102,82.93
Transfer on account of change in status of Joint venture to Subsidiary	572,54.25	17,79.04	–	590,33.29	–	–	–	–
Expected Credit Loss	1,99.39	0.98	–	2,00.37	73.60	–	–	73.60
Net Carrying Amount	672,64.19	17,78.06	–	690,42.25	102,09.33	–	–	102,09.33

Credit risk management practices

(i) Policy on write off: Loans are written off when the value of underlying security/other collateral is not sufficient to cover the loan exposure or where the underlying security / customer is not traceable. In such cases, the Group takes legal recourse for recovery of shortfall of dues, if any.

(ii) Narrative description of collateral: The underlying assets, which are financed, are the primary collateral held. These are typically commercial vehicles, cars, construction equipment, farm equipment, etc. Additional collateral, by way of credit enhancement, is obtained based on the management's credit evaluation of the customer.

d. Debt Securities:

All debt investments are allocated to stage 1 under initial recognition. If the rating assigned to the security at the time of investment is downgraded by two notches and / or where there is a delay in interest servicing by more than 30 days, this would result in stage 2 classification. Further downgrade of rating and/or delay in interest servicing by more than 90 days/default of payment of principal would result in stage 3 classification.

For investment in debt instruments, one-year transition matrix provided by the rating agencies is used as the PD. Loss given default (LGD) parameters assume a recovery rate of 65%, 75% and 50% for unsecured senior, unsecured subordinated and secured debt securities respectively.

A breakup of investment in debt securities into different stages is given as under:

(₹ in lakhs)

Gross Carrying Amount						
Particulars	31.03.2020			31.03.2019		
	FVTPL	FVOCI	Amortised Cost	FVTPL	FVOCI	Amortised Cost
Government Securities	–	–	665,50.50	–	–	408,74.04
Mutual Funds	1885,21.98	–	–	352,69.13	–	–
Alternate Investment Funds	131,87.95	–	–	105,12.98	–	–
Pass Through Certificates	–	–	78,59.03	–	–	77,31.21
Non- Convertible Debentures	–	–	102,74.43	–	–	102,76.94
Commercial Paper	–	–	-	–	–	94,64.52
Preference Securities	2,98.26	–	-	–	–	–
Total	**2020,08.18**	**–**	**846,83.96**	**458,72.11**	**–**	**683,46.71**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

(₹ in lakhs)

Expected Credit Loss								
Stage	31.03.2020				31.03.2019			
	1	2	3	Total	1	2	3	Total
Balance at the beginning of the year	53.22	–	–	53.22	40.53	–	–	40.53
Transfer on account of change in status of Joint venture to Subsidiary	1.07	–	–	1.07	–	–	–	–
New investments – Net of recovery	48.50	–	–	48.50	13.96	–	–	13.96
Transfers due to change in creditworthiness	–	–	–	–	–	–	–	–
Financial assets that have been derecognised	27.44	–	–	27.44	1.27	–	–	1.27
Write off during the year	–	–	–	–	–	–	–	–
Balance at the end of the year	**75.35**	–	–	**75.35**	**53.22**	–	–	**53.22**

38.2 Liquidity Risk

Liquidity risk relates to our potential inability to meet all payment obligations when they fall due or only being able to meet them at excessive costs. The objective of the liquidity risk management framework is to ensure that the Group can fulfil its payment obligations at all times and can manage liquidity and funding risks within its risk appetite. The Asset Liability Committee regularly monitors the liquidity position and the duration of assets/liabilities and ensures that liquidity is strictly managed as per the policy.

Following are the contractual maturities of financial liabilities / financial assets at the reporting date. The amounts are gross and undiscounted and include estimated interest payments / receipts and exclude the impact of netting agreements.

(₹ in lakhs)

31st March 2020	Upto 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
Non-Derivative Financial Liabilities							
Payables	67,14.24	7,09.45	10,39.55	8,40.01	2,15.09	34.93	95,53.26
Debt Securities	1776,74.75	2912,79.09	4073,37.27	9295,55.65	572,82.00	378,60.00	19009,88.76
Borrowings (Other than Debt Securities)	1897,72.09	1022,64.11	2907,07.61	4925,52.34	852,35.91	504,55.93	12109,87.99
Deposits	496,50.89	711,46.41	1256,33.52	3348,82.94	118,87.04	–	5932,00.80
Subordinated Liabilities	120,69.09	46,37.21	174,96.85	776,55.37	527,79.17	1812,51.68	3458,89.37
Other Financial Liabilities	376,01.53	19,24.30	24,03.99	31,78.85	14,49.85	11,26.11	476,84.63
Derivative Financial Liabilities	185.06	–	–	2,61.60	–	–	4,46.66
Total	**4736,67.65**	**4719,60.57**	**8446,18.79**	**18389,26.76**	**2088,49.05**	**2707,28.65**	**41087,51.47**
Non-Derivative Financial Assets							
Cash and cash equivalents	64,40.13	–	–	–	–	–	64,40.13
Bank Balances	120,88.16	253,92.69	12,52.26	391,83.06	–	–	779,16.17
Receivables	44,47.37	2.00	–	–	–	–	44,49.37
Loans	2830,79.60	4110,23.40	7558,23.47	19626,29.25	6207,65.74	8082,24.78	48415,46.24
Investments	1858,92.61	30,65.48	84,33.61	322,31.46	186,95.92	740,82.10	3224,01.18
Other Financial Assets	9,35.61	1,15.21	3,97.58	5,21.96	3,44.52	1,11.83	24,26.71
Derivative Financial Assets	54,95.33	-	2,91.10	12,64.75	7,08.83	12,53.21	90,13.22
Total	**4983,78.81**	**4395,98.78**	**7661,98.02**	**20358,30.48**	**6405,15.01**	**8836,71.92**	**52641,93.02**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

(₹ in lakhs)

31st March 2019	Upto 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
Non-Derivative Financial Liabilities							
Payables	101,92.01	5,99.94	–	3,67.17	82.77	–	112,41.89
Debt Securities	2010,03.88	1107,47.25	2298,96.49	5779,04.48	368,30.00	–	11563,82.10
Borrowings (Other than Debt Securities)	877,80.86	832,91.81	5906,86.49	4574,63.94	159,01.81	39.08	12351,63.99
Deposits	381,17.51	455,66.20	743,34.24	1786,91.36	–	–	3367,09.31
Subordinated Liabilities	40,66.95	37,99.02	77,17.25	533,24.34	481,88.68	1518,25.71	2689,21.96
Other Financial Liabilities	409,50.59	98.26	75.00	11,46.48	5,95.68	–	428,66.01
Derivative Financial Liabilities	7,14.90	6,47.82	–	1,34.80	–	–	14,97.52
Total	**3828,26.70**	**2447,50.30**	**9027,09.48**	**12690,32.56**	**1015,98.84**	**1518,64.79**	**30527,82.78**
Non-Derivative Financial Assets							
Cash and cash equivalents	150,16.78	–	–	–	–	–	150,16.78
Bank Balances	46,73.47	16299.39	386,62.71	154,20.03	–	–	750,55.60
Receivables	37,38.10	-	7,01.75	–	–	–	44,39.85
Loans	4262,86.95	341867.46	6126,74.17	14940,07.44	2814,69.75	39,09.70	31602,15.47
Investments	369,70.80	3576.27	152,35.45	168,72.63	173,21.72	542,22.89	1441,99.76
Other Financial Assets	8,45.90	32.07	5,36.32	3,33.82	1,09.47	3,93.89	22,51.48
Derivative Financial Assets	–	–	78,71.21	4,77.24	2,91.97	5,83.93	92,24.35
Total	**4875,32.00**	**361775.19**	**6756,81.61**	**15271,11.16**	**2991,92.91**	**591,10.41**	**34104,03.29**

38.3 Market Risk

Market risk is the risk of loss arising from potential adverse changes in the value of the firm's assets and liabilities from fluctuation in market variables like liquidity, interest rate and foreign exchange (Currency risk) and equity prices.

a. Interest rate risk

The Group's exposure to changes in interest rates relates to its investment in debt securities/ outstanding floating rate liabilities. Most of the Group's outstanding liability in local currency is on fixed rate basis and hence not subject to interest rate risk. Whereas the foreign currency liability is linked to international rate benchmarks like LIBOR and hence subject to interest rate risk. The Group hedges these risks by way of entering into derivative transactions.

The interest rate profile of the Group's interest bearing financial instruments is as follows:

(₹ in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Financial Assets		
Fixed rate Instruments		
Loans	28537,14.42	27257,94.86
Investments	846,08.60	634,69.37
Bank Balances	720,96.37	708,84.47
Sub Total (A)	**30104,19.39**	**28601,48.70**
Variable rate Instruments		
Lease assets	139,18.17	137,66.57
Loans	8987,96.41	-
Sub Total (B)	**9127,14.58**	**137,66.57**
Total (A) + (B)	**39231,33.97**	**28739,15.27**
Financial Liabilities		
Fixed rate Instruments		
Debt Securities	19620,90.33	12204,69.97
Borrowings (Other than debt securities)	4430,10.53	4973,99.89
Deposits	5483,44.23	3099,99.19
Sub Total (C)	**29534,45.09**	**20278,69.05**
Variable rate Instruments		
Financial liabilities with floating interest rate	6480,45.02	4763,06.87
Sub Total (D)	**6480,45.02**	**4763,06.87**
Total (C) + (D)	**36014,90.11**	**25041,75.92**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Fair value sensitivity analysis for fixed rate instruments

The Group's fixed rate instruments which are carried at amortised cost are not measured for interest rate risk. In respect of other instruments, the risks are measured through fair value.

Cash flow sensitivity analysis for variable rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

Particulars	31st March 2020		31st March 2019	
	100 bps increase	100 bps decrease	100 bps increase	100 bps decrease
Variable rate instruments	(91,93.90)	91,94.89	(16,53.31)	16,53.31
Cross currency Interest Rate Swap	(12,86.86)	12,86.86	(7,83.72)	7,83.72
Cash flow sensitivity (Net)	(79,07.04)	79,08.03	(8,69.59)	8,69.59

Interest rate sensitivity

The major lending of the Group is in the form of Hypothecation loans at fixed rates and Housing/ Loan against property at floating rates. The loans are financed by various fixed / floating Rate borrowings. While the assets financed are generally recovered over the tenure of the underlying contract equally, the liabilities are in general repayable on maturity. Hence, the interest rate risk and liquidity (mismatches in the duration of assets and liabilities) are inherent and inevitable.

To measure the above risk in respect of lending business, the Group adopts the duration gap analysis which is measured for assets and liabilities maturing in next 12 months as well as for the overall assets and liabilities. Also, for Interest rate risk management, the Duration Gap model is used on assets and liabilities maturing in the next 12 months, to assess the change in Net Interest Income (NII) for a 1% increase in interest rate.

b. Currency Risk

The Group is exposed to currency risk to the extent that there is a mismatch between the currencies in which borrowings are denominated and the respective functional currency, i.e. INR. The transactions of the Group are primarily denominated in INR.

i) Exposure to Currency risk

The summary quantitative data about the Group's exposure to currency risk (based on notional amounts) as reported:

Particulars	As at March 31, 2020		As at March 31, 2019	
	USD	INR	USD	INR
Total foreign currency exposure in respect of recognised assets and liabilities	1717.40	129467.86	1312.30	90773.77
Cross currency Interest Rate swap / Forward exchange contracts	(1717.40)	(129467.86)	(1312.30)	(90773.77)
Net Exposure	–	–	–	–

Sensitivity

Currency risks related to the amounts of foreign currency loans are fully hedged using derivatives that mature on the same dates as the loans are due for repayment.

Particulars	Currency	As at March 31, 2020		As at March 31, 2019	
		Foreign Currency	INR (in lakhs)	Foreign Currency	INR (in lakhs)
Cash and Cash equivalents	AUD	1608290	7,14.02	800577	3,92.44
Cash and Cash equivalents	AED	72256	14.76	–	–
Trade Receivables	AUD	956960	4,40.92	1044507	5,12.01
Trade Receivables	SGD	–	–	8392	5.88
Other Financial Assets	AED	4090	0.83	50760	11.92
Trade Payable	AUD	65734	30.29	585	28.67
Other Financial Liabilities	AED	179471	36.68	–	–

The foreign currency risk is mitigated by derivative contracts. The outstanding contracts as at the Balance Sheet date are as follows:

Particulars	31st March 2020		31st March 2019	
	Buy	Sell	Buy	Sell
Forward Contract: Cashflow Hedge				
AUD/INR (in A$ '000)	–	11493.00	–	7620.00
AUD/INR (in Rs Lakhs)	–	62,21.15	–	41,35.80

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

Particulars	Foreign Currency	INR (in lakhs)
GBP	8559.20	8.00
USD	6001.83	4.54
NZD	8750.00	3.93
Total		**16.47**

Equity Risk:

The Group has investments in listed/unlisted companies, which are measured at FVTPL and FVTOCI. The valuation is dependent on market conditions.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Note 39: Financial Instruments - Transferred financial assets that are not derecognised in their entirety

Securitisation:

The Group as part of its business model periodically enters into securitisation transactions via Pass Through Certificates (PTC) route and/or Direct Assignment (DA). As per RBI guidelines, the Group maintained credit enhancement for securitisation transactions which covers the expected losses and thereby retains the risk associated with the assets.

(₹ in lakhs)

	31st March 2020	31st March 2019
Carrying amount of transferred assets	3391,49.55	3646,47.50
Carrying amount of associated liabilities	3474,70.27	3815,13.06
Fair value of assets	3337,92.27	3569,13.67
Fair value of associated liabilities	3500,43.74	3793,57.79
Net position at Fair value	(162,51.48)	(224,44.12)

Note 40: Employee benefits

Post-employment benefits: Defined Contribution plan

(₹ in lakhs)

Amount recognised as expense in Employee benefit expense	2019-20	2018-19
Contribution to Provident Fund	4,83.84	3,76.57
Contribution to Pension Fund	7,54.57	6,36.53
Contribution to Superannuation Fund	2,27.88	2,10.67
Contribution to State Insurance Scheme	10.52	8.20
Contribution to Labour Welfare Fund	0.60	0.52
Total	**14,77.42**	**12,32.49**

Defined benefit plans

Defined benefit plan exposes the Group to a number of risks, the most significant of which are detailed below:

Investment risk: This may arise from volatility in Asset value due to market fluctuations and impairment of assets due to credit losses. The defined benefit plans may hold equity type assets, which may carry volatility and associated risk.

Interest risk: A decrease in bond yields will increase plan liabilities, although this is expected to be partially offset by an increase in the value of the plan's investment in debt instruments.

Salary cost Inflation risk: The present value of some of the defined benefit plan obligations are calculated with reference to the future salaries of plan participants. Increase in salary due to adverse Inflationary pressures might lead to higher liabilities.

Longevity risk: The present value of defined benefit plan obligation is calculated by reference to the best estimate of the mortality of plan participants. Increase or decrease in such rate will affect the plan liability.

(₹ in lakhs)

Particulars	FUNDED		UNFUNDED	
	Gratuity		Retired Employee Medical Scheme	
	31.03.2020	31.03.2019	31.03.2020	31.03.2019
Amounts recognised in profit or loss				
Current service cost	5,33.04	4,39.87	–	–
Past Service Cost	–	–	–	–
Net interest expense/(income)	(1.94)	(6.42)	7.34	7.13
Total amount included in employee benefits expense	**5,31.10**	**4,33.45**	**7.34**	**7.13**
Amounts recognised in other comprehensive income:				
Opening amount recogonized in OCI outside profit and loss account	29.37	–	–	–
Re measurement (gains)/losses: Actuarial (gains)/losses arising from changes in	–	–	–	–
- Financial assumptions	5,92.82	1,74.59	4.28	0.69
- Experience adjustments	1,54.80	4,64.23	(2.90)	9.64
Return on plan assets, excluding amount included in net interest expense/ (income)	1,91.39	21.29	–	–
Total amount recognised in other comprehensive income	**9,68.38**	**6,60.11**	**1.38**	**10.33**
Changes in the defined benefit obligation	–	–	–	–
Opening defined benefit obligation	64,61.79	45,94.09	1,00.91	1,02.55
Add/(less) on account of business combination/transfers	10.30	–	–	–
Current service cost	5,33.04	4,39.70	–	–
Past Service Cost	–	42.83	–	–
Interest expense	4,72.94	3,10.15	–	–
Remeasurement (gains)/losses arising from changes in				
- Demographic assumptions	0.23	(2.03)	–	–
- Financial assumptions	5,93.62	1,74.59	4.28	0.69
- Experience adjustments	1,82.66	4,64.22	(2.90)	9.64
Liabilities assumed / (settled)	(24.39)	–	–	–
Benefits paid	**(3,39.20)**	**(1,86.04)**	**(6.06)**	**(19.10)**
Closing defined benefit obligation	**78,90.98**	**58,37.68**	**1,03.58**	**1,00.91**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

(₹ in lakhs)

Particulars	FUNDED		UNFUNDED	
	Gratuity		Retired Employee Medical Scheme	
	31.03.2020	31.03.2019	31.03.2020	31.03.2019
Opening fair value of plan assets	61,03.16	44,03.1	–	–
Add/(less) on account of business combination	20.60	–	–	–
Return on plan assets excluding interest income	3,82.10	3,76.56	–	–
Contribution by employer	12,06.27	8,70.07	6.06	19.1
Benefits paid	(3,39.20)	(1,86.03)	(6.06)	(19.1)
Actuarial gain / (loss) on plan assets	(70.02)	(31.29)	–	–
Closing fair value of plan assets	72,02.91	54,32.41	–	–
Assets acquired / (settled)	(24.39)	–	–	–
Interest on plan assets	70.09	–	–	–
Net asset / (liability) recognised in balance sheet	72,48.61	–	–	–
Defined benefit obligation	78,90.98	58,20.79	1,03.58	1,00.91
Fair value of plan assets	72,48.61	54,33.01	–	–
Surplus/(Deficit)	(6,42.37)	(3,87.78)	(1,03.58)	(1,00.91)

(₹ in lakhs)

Particulars	FUNDED		UNFUNDED	
	Gratuity		Retied Employee Medical Scheme	
	31.03.2020	31.03.2019	31.03.2020	31.03.2019
I. Actuarial assumptions				
Discount rate	6.47 - 6.95	7.36-7.62	6.64	7.62
Expected Return on plan assets	6.66 -7.40	7.62	7.40	7.62
Attrition rate (Age Based)		1 to 10	1 to 10	
Salary escalation			5 to 9.10	6 to 8

In the absence of detailed information regarding plan assets which is funded with Insurance Companies, the composition of each major category of plan assets, the percentage or amount for each category to the fair value of plan assets & the description of the Asset-Liability matching strategies used by the plan has not been disclosed.

Provident Fund

The provident fund contributions to trust are managed through trust investments in addition to contribution of a portion of its provident fund liability relating to Employees Pension Scheme to Employees Provident Fund Organisation.

The fund has a relatively balanced mix of investments in order to manage the risks. The investment strategy is designed based on the interest rate scenario, liquidity needs of the Plans and pattern of investment as prescribed under the statute.

The trustees regularly monitor the funding and investment, there are systems in place to ensure that the health of the portfolio is regularly reviewed and investments do not pose any significant risk of impairment.

Major Category of Plan Assets as % of the Total Plan Assets

Particulars	31.03.2020	31.03.2019
Central Government Securities	11.82	13.70
State Government Securities	36.38	34.10
Public Sector Bonds	42.01	41.90
Private Sector Bonds	2.35	3.20
Special Deposits	3.39	3.80
Short Term Deposits	–	–
Equity Fund	4.05	3.30
Total	**100.00**	**100.00**

Note 41: Share Based Payments

The Company grants ESOP to Senior Management employees in accordance with the terms of the Plan.

Description of the plan that existed during the period:

Particulars	Grant 11	Grant 10
Board meeting date	30-05-2019	25-05-2018
Options granted	18750	20000
Exercise price (per share)	10	10
Date of grant	30-05-2019	25-05-2018
Vesting date	02-06-2020	31-05-2019
Vesting period	12 months	12 months
Exercise period	03-06-2020 to 02-09-2020	01-06-2019 to 31-08-2019
Market price immediately prior to grant date	1577.45	1732.90
Intrinsic value	1567.45	1722.90

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Group share based payments

The company as a part of ESOP scheme has issued share options to employees of various group companies. The company does not get reimbursed for the cost of such group share options and such costs are treated as investment in the group companies.

Effect of Share based payments transactions on financial statement of the entity:

(₹ in lakhs)

Particulars	2019-20	2018-19
Expenses recognised in Profit & Loss account	2,46.29	2,47.83
Amount recognised as Investment in Group companies	43.26	85.46

Unvested share options issued to employees of various group companies are as under:

(₹ in lakhs)

Particulars	**Grant 11**	**Grant 10**
	31-03-2020	31-03-2019
Sundaram Asset Management Company Limited	14,00	22,50
Royal Sundaram General Insurance Co. Limited	–	7,50
Sundaram Home Finance Limited	18,00	20,00
TOTAL	**32,00**	**50,00**

Measurement of fair value

The fair values of the options issued have been arrived at using the Black Scholes Model.

The key assumptions used in computing the fair value are :

Particulars	**Grant 11**	**Grant 10**
Risk free interest rate per annum	6.43%	7.03%
Life of the option	370 days	372 days
Expected volatility	32.32%	31.18%
Fair value of the option (₹)	**1568.08**	**1723.59**

The expected volatility is based on historical share price volatility. The life of the option has been based on general option holder behaviour.

Reconciliation of the outstanding share options: April 2019 – March 2020

The number and weighted-average exercise prices of share options under various grants are as follows:

(in numbers)

Grant details	**Grant 11**		**Grant 10**	
Particulars	Weighted average exercise price per option	No. of options	Weighted average exercise price per option	No. of options
Outstanding at the beginning of the period	–	–	10	20,000
Granted during the period	10	18,750	–	–
Forfeited / expired during the period	–	–	10	750
Exercised during the period	–	–	10	19,250
Outstanding at the end of the period	10	18,750	–	–
Exercisable at the end of the period	–	–	–	–

Exercise price and Contractual life for the share options outstanding at the end of the period

(₹ in lakhs)

Particulars	Grant 11	Grant 10
	31-03-2020	31-03-2019
Exercise Price (₹)	10	10
Contractual life	2 months	2 months

Reconciliation of the outstanding share options - 2018-19:

The number and weighted-average exercise prices of share options under various grants are as follows:

(in numbers)

Grant details	Grant 10		Grant 9	
Particulars	Weighted average exercise price per option	No. of options	Weighted average exercise price per option	No. of options
Outstanding at the beginning of the period	–	–	10	18,550
Granted during the period	10	20,000	–	–
Forfeited / expired during the period	–	–	–	–
Exercised during the period	–	–	10	18,550
Outstanding at the end of the period	10	20,000	–	–
Exercisable at the end of the period	–	–	–	–

Note 42: Leases

(₹ in lakhs)

Grant details	31-03-2020		31-03-2019	
	Gross Investment in Lease	Present value of Minimum Lease payments	Gross Investment in Lease	Present value of Minimum Lease payments
Upto 1 Year	233,59.84	213,27.13	554,30.38	494,25.92
1-5 Year	89,89.29	85,96.56	331,11.90	308,49.92
> 5 Year	–	–	–	–
Total	**323,49.13**	**299,23.68**	**885,42.28**	**802,75.84**
Less: Unearned Finance income	24,25.45		82,66.44	
Present value of Minimum Lease payments	**299,23.68**		**802,75.84**	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Operating lease as lessor

Maturity pattern of Minimum Lease payments:

(₹ in lakhs)

Year	31-03-2020	31-03-2019
Less than 1 year	55,81.67	52,88.66
Later than 1 year and not later than 5 years	76,57.43	67,66.77
Later than 5 years	–	–
Total	132,39.09	120,55.43

Operating lease as lessee

Effective 1st April 2019, the company has adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on 1st April 2019 using modified retrospective approach with the option given under para C8(b)(ii) of the standard. We have applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application. The weighted average incremental borrowing rate is applied to lease liabilities as at 1st April 2019.

On the transition date, the application of the new accounting standard resulted in recognition of "Right of use assets" and corresponding "lease liability" to the extent of ₹7406.53 lakhs.

(₹ in lakhs)

Particulars	April 2019 - March 2020
Reclassified on account of adoption of Ind AS 116	74,06.53
Additions	22,88.50
Repayment (a)	20,59.64
Closing Lease Liability	76,38.54
Interest Expenses in Finance Cost (b)	7,16.14
Hitherto accounted as	
Rental expenses (c)=(a+b)	22,72.63
Depreciation on Right of Use Assets (d)	25,22.23
Impact of adoption of Ind AS 116 in Profit and Loss Account (d+b-c)	4,65.74

Rental Income from sublease of assets is ₹91.51 lakhs

(₹ in lakhs)

Particulars	31-03-2020	31-03-2019
Carrying value of Right of Use of Assets	71,72.80	–

Note 43: General

43.01 Tax Amendment Ordinance 2019

The Group has opted for reduced rate of Income tax pursuant to the Taxation Laws (Amendment) Ordinance 2019, except for Sundaram Finance Holdings Limited and Sundaram Business Services Limited.

43.02(a) Acquisition of shares in Sundaram Fund Services Limited (erstwhile Sundaram BNP Paribas Fund Services Limited) and Sundaram Home Finance Limited (erstwhile Sundaram BNP Paribas Home Finance Limited)

The Company acquired 49% stake in Sundaram Fund Services Limited (erstwhile Sundaram BNP Paribas Fund Services Limited), from BNP Paribas Security Services, France, pursuant to the decision of the BNP Paribas Group to exit the Registrar and Transfer Agency business in India , for a consideration of ₹150 lakhs on 31st July 2019 making it a 100% subsidiary of the Company.

The Company acquired 49.9% stake in Sundaram Home Finance Limited (erstwhile Sundaram BNP Home Finance Limited), from BNP Paribas Personal Finance S.A., pursuant to the decision of the BNP Paribas Group to exit housing finance business in the retail sector, for a consideration of ₹99966.92 lakhs on 30th September 2019 making it a 100% subsidiary of the Company

Purchase Consideration paid for this acquisition has been allocated as given below:

(₹ in Lakhs)

Particulars	Sundaram Home Finance Limited	Sundaram Fund Services Limited
Cash and cash equivalents	13,58.77	65.57
Net assets acquired, at fair value other than cash and cash equivalents	629,76.19	7,81.14
	643,34.96	**8,46.71**
Purchase consideration paid	999,66.92	1,50.00
Goodwill/(Capital Reserve)	356,31.97	(6,96.71)

43.02(b) Sale of shares in Sundaram Finance Holdings Limited

The company has sold ₹73.50 lakh shares in Sundaram Finance Holdings Limited on 16th September 2019, thereby reducing the stake from 26.47 % to 21.61%.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

43.02(c) Accounting Treatment in Consolidated Financial Statements

The following treatment with respect to our group Companies has been considered in the Consolidated Financial Statements:

Name of the Company	Profit for the period April - March 2020	Assets and Liabilities as on 31.03.2020
Sundaram Home Finance Limited	• April to September 2019 – Equity Pick Up	Line by Line Addition
	• October to March 2020 line by line addition	
Sundaram Fund Services Limited	• April to July 2019 –Equity Pick Up	Line by Line Addition
	• August to March 2020 –Line by Line Addition	

43.03 Discontinuing Operation

Sundaram Fund Services Limited had entered into an agreement for sale of part of its business for a consideration of ₹2751.80 lakhs on Slump Sale basis and the transaction got completed during the year.

The company has incurred a net profit of ₹1623 lakhs from that business. The details are given below:

(₹in Lakhs)

Particulars	April - March 2020
Revenue from operations	12,39
other income	24,84
Total income	37,23
Expenses	
Employee benefits expense	6,95
Depreciation and amortization expense	1,39
Administrative and Other expenses	12,66
Total expenses	21,00
Profit / (Loss) before income tax for Discontinued Operations	**16,23**
Our share as Joint Venturer for the period April to July 2019 at 51%	(40)
Our share as Holding Company for the period August 2019 to March 2020	16,63

43.04 Segment Reporting

(₹ in Lakhs)

Business Segments	Asset Financing		Other Operations		Eliminations		Consolidated Total	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
REVENUE								
Segment Revenue	4250,31.59	3179,79.47	445,09.53	513,67.03	–	–	4695,41.12	3693,46.50
Inter-segment sales	11.74	28.37	100,84.97	154,15.35	100,96.71	154,43.72	–	–
Total Revenue	4250,43.33	3180,07.84	545,94.50	667,82.38	100,96.71	154,43.72	4695,41.12	3693,46.50
RESULT								
Segment Result	962,07.22	929,15.39	116,36.77	141,01.61	81,36.15	119,05.28	997,07.85	951,11.71
Unallocated income (net of expense)							2,48.58	81.19
Exceptonal Item							–	465,85.34
Profit before tax							999,56.42	1417,78.24
Less: Income tax*							210,49.26	387,96.57
Net Profit (before adjustment for minority interest)							789,07.17	1029,81.67
Add: Share of Profit in Associates/Joint contol Entities							40,10.57	228,68.50
Less: Minority Interest							53,86.14	97,64.79
Profit / (Loss) for the period from Discontinued Operations							16,22.79	–
Profit after Tax							791,54.39	1160,85.38
OTHER INFORMATION	31.03.2020	31.03.2019	31.03.2020	31.03.2019	31.03.2020	31.03.2019	31.03.2020	31.03.2019
Segment Assets	41045,92.16	29827,93.57	4237,88.56	3725,37.07	1411,92.66	218,76.61	43871,88.06	33334,54.03
Unallocated Assets							849,01.72	336,29.24
Assets held for sale							1.25	–
Total Assets							44720,91.03	33670,83.27
Segment Liabilities	36510,37.74	25605,65.63	96,72.01	63,71.98	18,48.36	17,36.07	36588,61.40	25652,01.54
Unallocated Liabilities							–	20,60.87
Liabilities held for sale							–	–
Total Liabilities							36588,61.40	25672,62.41
Capital Expenditure	96,02.37	99,89.92	5,13.67	3,85.37	1,17.11		99,98.93	103,75.29
Depreciation	80,28.01	53,96.77	10,31.69	4,10.57	1,06.46	–	89,53.24	58,07.34
Non-cash expenses other than depreciation	317,46.11	102,95.51	23.17	34.51	(12,42.70)		330,11.98	103,30.02

* Refer Note No:12

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

43.05 Corporate Social Responsibility (CSR)

The Company has spent towards Corporate Social Responsibility(CSR) under Sec 135 of the Companies Act 2013, in the various areas covered under the regulatory provisions like healthcare, education, environment and protection of art and culture.

(₹ in Lakhs)

Particulars	2019-20	2018-19
Gross amount required to be spent	24,40.27	19,95.27
Total amount spent towards CSR*	22,67.80	20,20.21

* The amount spent for CSR includes ₹30.19 lakhs (2018-19: ₹102.03 lakhs) spent on construction /acquisition of any Asset.

43.06 Pending Litigation

The pending litigations as on 31st March 2020 have been compiled by the company and reviewed by the Statutory Auditors. The current position of the litigation has been evaluated and the effect thereof has been appropriately disclosed in the financial statements.

43.07 Provisions contingent liabilities and contingent asset

(₹ in Lakhs)

Movement of provisions	2019-20	2018-19
Carrying amount as on 1st April	39,88.22	56,38.77
Add: Provisions made during the year	5,85.60	49.08
Less: Amount used or reversed during the year	27,93.94	16,99.63
Carrying amount as on 31st March	17,79.89	39,88.22

(₹ in Lakhs)

Contingent liabilities	31.03.2020	31.03.2019
a) On Cheques discounted	0.46	1.38
b) Bank guarantee and Letter of credit	5,40.44	5,64.83
c) Claims against the company not acknowledged as debts	7,32.24	6,21.60
d) Tax disputes	54,46.78	79,08.26

Tax disputes in respect of Income Tax, Service Tax, VAT demands and are pending before various appellate forums/ authorities and the cash flows would be determined only upon the receipt of decisions. The Company is of the opinion that the demands are not sustainable and expects to succeed in its appeal.

The contested tax demands have been ascertained on the basis of relief allowed by the appellate authorities, on similar issues in earlier assessment years.

43.08 Additional information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary/Joint Control Entities

(₹ in lakhs)

Name of the entity	Net Assets, i.e., Total assets minus total liabilities		Share in profit or loss		Share in Other Comprehensive Income				Share in Total Comprehensive Income			
	2019-20	2018-19	2019-20	2018-19	2019-20		2018-19		2019-20		2018-19	
	Amount	Amount	Amount	Amount	As % of consolidated OCI	Amount	As % of consolidated OCI	Amount	As % of consolidated TCI	Amount	As % of consolidated TCI	Amount
Sundaram Finance Ltd.	5547,36.71	5043,81.09	723,94.76	1126,30.88	(14.21)	63,17.04	(0.50)	277.66	1,47.58	787,11.80	1,31.25	1129,08.55
Subsidiaries:												
Sundaram Finance Holdings Ltd. (Consolidated)*	401,31.09	626,22.30	18,45.10	36,38.63	29.93	(133,07.99)	26.43	(147,20.93)	(21.49)	(114,62.89)	(12.88)	(110,82.30)
Sundaram Asset Management Company Ltd.(Consolidated)	212,55.19	197,93.95	32,69.25	28,83.63	0.05	(23.00)	0.04	(25.01)	6.09	32,46.25	3.32	28,58.62
Sundaram Home Finance Ltd*	1421,06.75	–	165,88.79	–	0.01	(3.17)	–	–	31.10	165,85.62	–	–
Sundaram Fund Services Ltd*	36,72.29	–	18,07.25	–	0.08	(34.12)	–	–	3.32	17,73.14	–	–
Sundaram Trustee Company Ltd.	1,87.60	1,80.07	79.87	80.36	–	–	–	–	0.15	79.87	0.09	80.36
LGF Services Ltd	3,60.71	3,67.46	11.34	24.96	–	–	–	–	0.02	11.34	0.03	24.96
Welfare Trust	16,16.16	13,86.41	2,29.75	1,89.43	–	–	–	–	0.43	2,29.75	0.22	189.43
Minority Interests in Subsidiaries	**1455,47.13**	**1738,91.43**	**53,86.14**	**97,64.79**	**91.74**	**(407,86.84)**	**73.42**	**(408,91.67)**	**(66.37)**	**(354,00.70)**	**(36.18)**	**(311,26.89)**
Joint Control Entities												
Sundaram BNP Paribas Home Finance Ltd	–	639,21.01	–	72,88.47	–	–	(0.01)	3.82	–	–	8.48	72,92.29
Royal Sundaram General Insurance Co. Ltd	544,95.64	551,12.07	(38,17.01)	56,62.73	(7.60)	33,78.19	0.61	(3,41.03)	(0.82)	(4,38.82)	6.19	53,21.70
Sundaram BNP Paribas Fund Services Ltd	–	10,52.45	–	(4,42.78)	–	–	0.00	(0.44)	–	–	(0.52)	(4,43.22)
	9641,09.27	8827,08.24	977,95.24	1417,21.09	1,00.00	(444,59.89)	1,00.00	(556,97.59)	1,00.00	533,35.35	1,00.00	860,23.50
Adjustment arising out of Consolidation	(1508,79.63)	(828,87.39)	(132,54.69)	(158,70.93)						(132,54.69)		(158,70.93)
	8132,29.64	**7998,20.85**	**845,40.54**	**1258,50.17**		**(444,59.89)**		**(556,97.59)**		**400,80.65**		**701,52.58**

* Refer Note No. 43.02

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

43.09 RELATED PARTIES DISCLOSURES:

Related party disclosures, as per INDAS 24 for Year Ended 31st March 2020, are given below:

RELATED PARTIES:

Associates of a Subsidiary Company

Flometallic India Private Ltd.

The Dunes Oman LLC (FZC)

Sundaram Hydraulics Ltd.

Axles India Ltd.

Turbo Energy Private Ltd.

Transenergy Ltd.

Sundaram Dynacast Private Ltd.

Joint Ventures :

Royal Sundaram General Insurance Co. Ltd.

Sundaram Fund Services Ltd. (Till 30.07.2019)

Sundaram Home Finance Ltd. (Till 29.09.2019)

Key Management Personnel:

Sri. T.T.Srinivasaraghavan, Managing Director

Sri. Harsha Viji, Deputy Managing Director

Sri. A.N. Raju, Director (Operations)

Relatives of Key Management Personnel: (with whom the company has transactions)

	Sri. T.T. Srinivasaraghavan	**Sri. Harsha Viji**	**Sri. A.N. Raju**
Father	Sri. T. T. Rangaswamy	Sri. S.Viji	
Mother	Mrs. Vimala Rangaswamy	Mrs. Chitra Viji	
Wife	Mrs. Bagyam Raghavan		Mrs. R.N. Mala
Daughter	Miss. Anjana Raghavan		
Son	Sri. T. T. Venkatraghavan		Mr.R.N. Pradyumna
Brother			Mr.A.N.Krishnamoorthy
Brother	Sri. T.T.Narendran	Sri. Sriram Viji	Mr.A.N.Sreeram

Enterprises over which Key Management Personnel (KMP) and his relatives can exercise significant influence:

M/s. Azorius Holdings Private Limited

M/s. Uthirattadhi Sriram Holdings Private Ltd.

The Company acquired 49% stake in Sundaram Fund Services Limited (erstwhile Sundaram BNP Paribas Fund Services Limited) and 49.9% stake in Sundaram Home Finance Limited (erstwhile Sundaram BNP Paribas Home Finance Limited) on 31st July 2019 and 30th September 2019 respectively, making them 100% subsidiaries of the Company.

All the arrangements and transactions entered into by the company with related parties, for the Year Ended 31.03.2020 were in ordinary course of business and on arm's length price.

The required statements and documents with respect to the related party transactions were placed before the Audit Committee and Board of directors

Related Party Transactions for the Year Ended 31st March 2020

The nature and volume of transactions for the Year ended 31st March 2020 with the above related parties are as follows.

(₹ in Lakhs)

Particulars	Associates	Joint Ventures	2019-2020	2018-19
INCOME				
Lease Rental Income	65.14	29.22	94.36	1,31.59
Interest Income	–	8,09.22	8,09.22	10,74.98
Income from Services	18.00	18,59.49	18,77.49	23,01.59
Dividend	35,35.29	23,84.24	59,19.53	59,39.78
Rent Receipts	34.40	1,48.54	1,82.94	3,05.42
Income from other Financial Services	–	24,04.69	24,04.69	31,48.34
Other Non Operating Income	–	85.37	85.37	1,71.95
EXPENDITURE				
Interest	–	13,01.75	13,01.75	5,02.62
Rent Paid	–	3.86	3.86	2.89
Insurance Premium	–	2,13.32	2,13.32	1,37.39
Brokerage Paid	–	0.35	0.35	3.44
Fund Accounting Charges	–	1,51.64	1,51.64	19,24.32
ASSETS				
Investments in NCD	–	102,74.43	102,74.43	–
Disinvestment	–	–	–	325,12.88
Insurance Premium paid in advance	–	2,07.09	2,07.09	1,42.83
Redemption of Preference Shares	–	–	–	1,66.67
Procurement of Solar Panel	29.50	–	29.50	–
Other Deposits		1,54.86	1,54.86	–
LIABILITIES				
Issue of Non Convertible Debentures	–	50,58.19	50,58.19	15,02.34
Redemption of Non Convertible Debentures	–	20,00.00	20,00.00	–

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

(₹ in Lakhs)

Compensation paid to Key Managerial Personnel	2019-2020	2018-2019
Short term benefits	11,37.34	10,87.47
Post retirement benefits	38.62	34.28
Share based payments	39.85	42.09

(₹ in Lakhs)

Transactions with Key Managerial Personnel	2019-2020	2018-2019
Interest on deposits	1,35.13	57.07
Dividend Paid	14,75.71	12,68.92
Dividend Paid to Enterprises over which KMP and his relatives exercise significant influence	5,24.19	3,96.05

Particulars	Related Parties	2019-2020	2018-2019
INCOME			
Lease Rental Income	Turbo Energy Private Ltd.	49.83	56.88
	Sundaram Fund Services Limited	15.86	40.71
	Axles India Limited	15.31	16.23
	Royal Sundaram General Insurance Co. Ltd.	13.36	17.77
Interest Income	Royal Sundaram General Insurance Co. Ltd.	8,09.22	10,74.98
Income from Services	Royal Sundaram General Insurance Co. Ltd.	13,24.76	10,61.46
	Sundaram Home Finance Ltd.	3,93.69	7,99.28
	Sundaram Fund Services Ltd.	1,41.04	4,,06.06
	Turbo Energy Private Ltd.	17.89	34.79
	Transenergy Limited	0.11	–
Dividend	Sundaram Home Finance Ltd.	23,84.24	17,75.50
	Turbo Energy Private Limited	15,36.00	5,12.00
	Dunes Oman LLC (FZC)	10,12.22	26,92.23
	Axles India Limited	3,95.67	2,96.75
	Flometallic India Private Limited	3,25.00	4,87.50
	Sundaram Dynacast Private Limited	2,57.40	1,63.80
	Transenergy Limited	9.00	12.00
Rent Receipts	Sundaram Home Finance Ltd.	94.75	1,90.07
	Royal Sundaram General Insurance Co. Ltd.	47.91	47.91
	Turbo Energy Private Ltd.	34.40	39.39
	Sundaram Fund Services Ltd.	5.89	28.05
Income from other Financial Services	Royal Sundaram General Insurance Co. Ltd.	18,41.82	18,45.81
	Sundaram Home Finance Ltd.	3,43.14	6,11.62
	Sundaram Fund Services Ltd.	2,19.73	6,90.91
Other Non Operating Income	Sundaram Home Finance Ltd.	65.23	1,29.98
	Royal Sundaram General Insurance Co. Ltd.	12.85	15.30
	Sundaram Fund Services Ltd.	7.29	26.67

(₹ in Lakhs)

Particulars	Related Parties	2019-2020	2018-2019
EXPENDITURE			
Interest	Royal Sundaram General Insurance Co. Ltd.	13,01.75	5,02.62
Rent Paid	Royal Sundaram General Insurance Co. Ltd.	3.75	2.67
	Sundaram Home Finance Ltd.	0.11	0.22
Insurance Premium	Royal Sundaram General Insurance Co. Ltd.	2,13.32	1,37.39
Brokerage Paid	Sundaram Home Finance Ltd.	0.35	3.44
Fund Accounting Charges	Sundaram Fund Services Ltd.	1,51.64	19,24.32

(₹ in Lakhs)

Particulars	Related Parties	2019-2020	2018-2019
ASSETS			
Investments in NCD	Royal Sundaram General Insurance Co. Ltd.	102,74.43	–
Disinvestment	Royal Sundaram General Insurance Co. Ltd.	–	303,07.38
	Dunes Oman LLC(FZC)	–	22,05.50
Insurance Pemium paid in advance	Royal Sundaram General Insurance Co. Ltd.	2,07.09	1,42.83
Redemption of Preference Shares	Sundaram Hydraulics Ltd.	–	1,66.67
Procurement of Solar Panel	Turbo Energy Private Limited	29.50	–
Other Deposits	Royal Sundaram General Insurance Co. Ltd.	1,54.86	–
LIABILITIES			
Issue of Non Convertible Debentures	Royal Sundaram General Insurance Co. Ltd.	50,58.19	15,02.34
Redemption of Non Convertible Debentures	Royal Sundaram General Insurance Co. Ltd.	20,00.00	–

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Balances With Related Parties as at 31st March 2020

(₹ in Lakhs)

BALANCES OUTSTANDING	Associates	Joint Ventures	Key Management Personnel	Relatives of Key Management Personnel	Enterprises over which KMP and his relatives exercise significant influence	31.03.2020	31.03.2019
ASSETS							
Investments	80,39.50	585,26.56				665,66.06	944,06.68
Loans and Advances	–	–				–	4,45.22
Other Assets	–	11,13.06				11,13.06	10,10.48
LIABILITIES							
Equity Holdings	–	–	2,05.62	4,49.84	2,32.97	8,88.43	8,89.51
Non Convertible Debentures	–	212,34.06	–	–	–	212,34.06	53,02.33
Deposits			1,16.95	9,88.73		11,05.68	7,13.91
Other Liabilities		36.25				36.25	2,69.64
Remuneration payable			7,24.85			7,24.85	7,54.51

Disclosure Of Material Balances With Related Parties as at 31st March 2020

(₹ in Lakhs)

BALANCES OUTSTANDING	Associates	Joint Ventures	31.03.2020	31.03.2019
ASSETS				
Investments				
a) Investments In Equity Shares				
Royal Sundaram General Insurance Co. Ltd	–	585,26.56	585,26.56	585,37.34
Sundaram Home Finance Ltd.	–	–	–	152,57.75
Sundaram Fund Services Ltd.	–	–	–	22,95.15
Flometallic India Private Limited	32,50.00	–	32,50.00	32,50.00
Dunes Oman LLC (FZC)	21,55.89	–	21,55.89	21,55.89
Sundaram Hydraulics Limited	11,25.00	–	11,25.00	11,25.00
Axles India Limited	10,15.70	–	10,15.70	1015.70
Turbo Energy Private Limited	1,88.41	–	1,88.41	1,88.41
Transenergy Limited	1,87.50	–	1,87.50	1,87.50
Sundaram Dynacast Private Limited	1,17.00	–	1,17.00	1,17.00
Total	**80,39.50**	**585,26.56**	**665,66.06**	**841,29.74**
b) Investments In Non-Convertible Debentures				
Royal Sundaram General Insurance Co. Ltd.	–	–	–	102,76.94

Disclosure Of Material Balances With Related Parties as at 31st March 2020

(₹ in Lakhs)

BALANCES OUTSTANDING	Associates	Joint Ventures	Key Management Personnel	Relatives of Key Management Personnel	Enterprises over which KMP and his relatives exercise significant influence	31.03.2020	31.03.2019
Loans and Advances							
Lease Receivables							
Sundaram Fund Services Ltd.	–	–	–	–	–	–	4,13.04
Axles India Ltd.	–	–	–	–	–	–	32.18
Total	**–**	**–**	**–**	**–**	**–**	**–**	**4,45.22**
Other Assets							
Royal Sundaram General Insurance Co. Ltd.	–	11,13.06	–	–	–	11,13.06	8,44.83
Sundaram Fund Services Ltd.	–	–	–	–	–	–	95.69
Sundaram Home Finance Ltd.	–	–	–	–	–	–	69.96
Total	–	**11,13.06**	–	–	–	**11,13.06**	**10,10.48**
LIABILITIES							
Equity Holdings	–	–	2,05.62	4,49.84	2,32.97	8,88.43	8,89.51
Non Convertible Debentures							
Royal Sundaram General Insurance Co. Ltd.	–	212,34.06	–	–	–	212,34.06	53,02.33
Deposits	–	–	1,16.95	9,88.73		11,05.68	7,13.91
Other Liabilities	–	–	–	–	–	–	–
Sundaram Fund Services Ltd.	–	–	–	–	–	–	89.95
Sundaram Home Finance Ltd.	–	–	–	–	–	–	1,43.44
Royal Sundaram General Insurance Co. Ltd.	–	–	36.25	–	–	36.25	36.25
Remuneration payable	–	–	7,24.85	–	–	7,24.85	7,54.51
Total	**–**	**0.00**	**7,61.10**	**–**	**–**	**7,61.10**	**10,24.15**

(₹ in Lakhs)

Maximum amount outstanding in respect of Loans and Advances	2019-2020	2018-19
Sundaram Fund Services Ltd	–	4,22.90
Axles India Ltd	–	49.21

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

43.10 Estimated amount of contracts remaining to be executed on capital account

(₹ in Lakhs)

Particulars	31.03.2020	31.03.2019
Estimated amount of contracts remaining to be executed on capital account (net of advance)	2,92.28	1,52.56
Uncalled commitment in Alternative Investment Fund Schemes	63,80.46	8,88.92
Corporate guarantee provided to subsidiary company	25,00.00	–

43.11 Interim dividend paid during the year is ₹10 per share .Final dividend of ₹- per share has been recommended by the Board for the year ended 31st March 2020 in May 2020.

43.12 Impairment Reserve

In accordance with RBI notification Vide DOR (NBFC).CC.PD No.10 9/22/10.106/2019-20 dated 13.03.2020 on implementation of Ind AS, NBFCs are required to provide the shortfall in provisions as 'impairment reserve', if the provisions made as per Ind AS 109 is less than the provisions required under the IRAC norms (income recognition asset classification and provisioning). As the overall provisions are in excess of the regulatory provisions, the need to create Impairment reserve does not arise.

43.13 Administrative and other expenses include payment to Auditors towards:

(₹ in Lakhs)

Particulars	2019-20	2018-19
Statutory Audit	1,53.62	1,01.21
Tax Audit	30.17	25.21
Certification	50.08	29.00
Reimbursement of expenses	3.85	2.00

43.14 Disclosure under the MSME Act 2006

(₹ in Lakhs)

Particulars	31.03.2020	31.03.2019
ia) Principal amount remaining unpaid*	61.67	85.84
ib) Interest amount remaining unpaid	NIL	NIL
ii) Interest and principal amount paid beyond appointed date	NIL	NIL
iii) Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointment day during the year) but without adding the interest specified under this Act.	NIL	NIL
iv) Interest accrued and remaining unpaid	NIL	NIL

* Subsequently liability is discharged

43.15 Based on the current assessment of the long-term contracts in the ordinary course of business, the Company has made adequate provision for losses where required. The derivative contracts have been entered into for hedging the foreign currency liability and interest liability. Derivative contracts being in the nature of hedge contracts, the Company does not anticipate any material losses from the same.

43.16 Earnings per Share

(₹ in Lakhs)

Particulars	Year Ended 31.03.2020	Year Ended 31.03.2019
Profit /(Loss) attributable to equity shareholders (₹ in Lakhs)	792,67.92	1160,85.39
Number of equity shares	1,10,16,21,900	1,10,14,29,400
Earnings per share – Basic & Diluted (in ₹)	71.96	1,05.40
Face value of Share (in ₹)	10	10

43.17 Exceptional item for the year ended 31.03.2019, represents sale of stake in Royal Sundaram General Insurance Co. Limited to Ageas Insurance International N.V, The Netherlands in February 2019.

43.18 Previous period's figures have been regrouped wherever necessary to conform to current period's classification.

As per our report of even date attached
For **Sundaram & Srinivasan**
Chartered Accountants
Registration No.004207S
K Srinivasan
Partner
Membership No.5809
Place : Chennai
Date : 29th May, 2020

S Viji
Chairman

T T Srinivasaraghavan
Managing Director

M Ramaswamy
Chief Financial Officer

Harsha Viji
Deputy Managing Director

S Prasad
Director

A N Raju
Director (Operations)

P Viswanathan
Secretary & Compliance Officer

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SUNDARAM FINANCE LIMITED, CHENNAI FOR THE YEAR ENDED 31st MARCH, 2020

To the Members of Sundaram Finance Limited, Chennai

Report on the Audit of the Consolidated Ind AS Financial Statements

Opinion

We have audited the accompanying consolidated Ind AS financial statements of Sundaram Finance Limited ("the Company") and its subsidiaries (the Company and its subsidiaries together referred to as "the Group") and its associates and joint ventures, which comprise the Consolidated Balance Sheet as at March 31, 2020, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2020, the consolidated profit, consolidated total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the consolidated 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 consolidated financial statements.

Emphasis of Matter

We draw attention to Note no: 38.1 relating to impact of COVID 19 Pandemic in the financial statements in which the management has described the probable impact on the company and the environment in which it operates as well as the measures taken and planned to deal with these circumstances or events. This note also indicates that uncertainties exist and that currently it is not possible to reasonably estimate the future impact. Our opinion is not modified in this matter.

Key Audit Matters

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

Key Audit Matter	*How our audit addressed the key audit matter*
Impairment Loss Allowance Management's judgements in the calculation of impairment allowances have significant impact on the financial statements. The estimates regarding impairment allowances are complex and require a significant degree of judgement, which increased with implementation of Expected Credit Loss ("ECL") approach as required by Ind AS 109 relating to "Financial instruments." Management is required to determine the expected credit loss that may occur over either a 12-month period or the remaining life of an asset, depending on the categorisation of the individual asset. The key areas of judgement include: 1. Categorisation of loans in Stage 1, 2 and 3 based on identification of: (a) exposures with significant increase in credit risk since their origination and (b) Individually impaired / default exposures. 2. Techniques used to determine Loss Given Default ('LGD') and Probability of Default ('PD') to calculate an ECL based on past experience. 3. The impact of different future macroeconomic conditions in the determination of ECL. These judgements required the models to be reassessed including the impact of Covid -19 Pandemic to measure the ECL. Management has made a number of interpretations and assumptions when designing and implementing models that are compliant with the standard. The accuracy of data flows and the implementation of related controls is critical for the integrity of the estimated impairment provisions. Given the significance of judgements and the high complexity related particularly to the calculation of ECL we considered this area as a Key Audit Matter.	• We obtained an understanding of management's assessment of impairment of loans and advances including the Ind AS109 implementation process, internal rating model, impairment allowance policy and ECL modelling methodology. • We assessed the design and implementation, and tested the operating effectiveness of controls over the modelling process including governance over monitoring of the model and approval of key assumptions. • We also verified the key judgements and assumptions relating to the macro-economic scenarios including the impact of Covid 19 Pandemic and the associated probability weights. • We also assessed the approach of the Company for categorisation the loans in various stages reflecting the inherent risk in the respective loans. • For a sample of financial assets, we tested the correctness of Staging, reasonableness of PD, accuracy of LGD and ECL computation. • We have also verified the compliance of circulars issued by Reserve Bank of India from time to time during the year on this subject. As a result of the above audit procedures no material differences were noted. We confirm the adequacy of disclosures made in the Financial statements.
Acquisition of Equity Shares During the year the company has purchased 49.9% of Sundaram Home Finance Limited's share from BNP Paribas Personal Finance S.A., France. Consequently Sundaram Home Finance Limited became Company's wholly owned subsidiary with effect from 30th September 2019. We consider the accounting treatment in the financial statements of this even as a key audit matter because of its size and the complexity in accounting for acquisition of shares.	We verified the Consideration paid on acquisition by reconciling the consideration to the Share Purchase Agreement (SPA), verifying the bank accounts for consideration paid and by verifying the investments to underlying accounting records. We confirm the accuracy of accounting and adequacy of disclosures in the Financial statements.

Key Audit Matter	*How our audit addressed the key audit matter*
Divestment of shares During the year the Company has divested in the following a) entire holding of its share in Equifax Credit Information Services Private Limited and b) 4.86 % of its holdings in Sundaram Finance Holdings Limited. We considered the accounting treatment in the financial statements of this event as a Key Audit Matter because of its size and the judgment required in calculating some of the amounts included in the profit on divestment of shares.	We verified the Profit on disposal by reconciling the consideration to the Share Purchase Agreement (SPA), Communication to Stock exchanges, bank accounts and by verifying the investments disposed to underlying accounting records. In addition we verified whether the Profit on disposal was calculated in accordance with the relevant clauses of the SPA. We confirm the accuracy of accounting and adequacy of disclosures in the Financial statements.
Fair Value of Unquoted Equity Instruments and Preference Shares (Other than Investments in Subsidiaries and Joint Ventures) Investment in Unquoted equity and preference shares are measured at Fair value. The Fair value of these financial assets involved managements judgement because these securities are not traded in an active market . As per Ind AS 109, Cost has been considered as the best estimate of Fair value by the Management. Since this valuation is a Level 3 type of valuation in accordance with Ind AS 113 Fair Value Measurement where one or more significant inputs to the fair value measurement is unobservable. Accordingly this item is considered to be a Key Audit Matter due to significant judgments associated with estimating the fair value of investment.	We discussed with management the basis used in determining the fair value and evaluated the appropriateness of the valuation methodologies used by management and compared it to industry norms and the requirements in Ind AS. We confirm the adequacy of the disclosures made in the Financial statements.
Impairment testing of investments in Subsidiaries /Joint Ventures: Impairment testing of investments in Subsidiaries/Joint venture is considered as a Key Audit Matter since impairment of these investments may have an impact on the equity of the Company. Testing for impairment depends on the future results of the companies concerned. In addition, there is significant scope for judgement in determining the assumptions underlying forecast results of the entities.	We compared the book value of the investments in the year under review with their prorata share of the respective company's equity based on their financials, evaluated the internal sources and external sources of information to identify impairment indications, if any. Where indicators of impairment have been identified, assessing the reasonableness of the recoverable amount of each of the relevant subsidiaries and joint ventures, obtained an understanding from management of their financial position and future prospects. The same has been evaluated and appropriately dealt in the books of accounts. Based on the audit procedures performed, we found the key judgements and assumptions used in the impairment identification and assessments were duly supported by the available evidence.

Key Audit Matter	*How our audit addressed the key audit matter*
IT Systems and Controls The Company's key financial accounting and reporting processes are highly dependent on the automated controls in information systems, We have considered this as Key Audit Matter as any control lapses, Validation failures, incorrect input data and wrong extraction of data may result in the financial accounting and reporting records being misstated. We have focused on user access management, change management, segregation of duties, system reconciliation controls and system application controls over key financial accounting and reporting systems.	We tested a sample of key controls operating over the information technology in relation to financial accounting and reporting systems, including system access and system change management, program development and computer operations. We tested the design and operating effectiveness of key controls over user access management which includes granting access right, new user creation, removal of user rights and preventative controls designed to enforce segregation of duties. Reliance was also placed on the System Audit report of the Company. Based on our review no weakness was found in the IT Systems and Controls.
Key Audit Matters relating to Subsidiary: **Sundaram Finance Holdings Limited** **Valuation of Unquoted investments fair valued through OCI** The investment portfolio is valued at Rs. 1,28,931.27 lakhs which represents almost 99% of the total assets, where unquoted equity investments fair valued through OCI amounts to Rs.20,681.10 lakhs ("Investment") covering about 16% of investment value as at 31st March'20. As the above investment are not traded in the active market, fair value of these investments involved significant management judgment and estimate and were valued based on valuation recommendation provided by Valuation Expert in the Group. Determination of Fair Value includes the market approach according to which the earnings and book value based market multiples of listed peer companies in the same sector as that of the investments have been used to determine the fair value of unquoted equity investments after adjusting for illiquidity discount. This valuation is a Level 3 type of valuation in accordance of Ind AS 113 Fair Value Measurement where one or more significant inputs to the fair value measurement is unobservable. Accordingly, the valuation of unquoted investment was considered to be a Key Audit Matter, due to significant judgments associated with determining the fair value of investment.	(i) Reviewed the Accounting Policies used by the Company for accounting and disclosing Investments for compliance with the accounting framework. (ii) Evaluating valuation methodology recommended by Valuation Expert. (iii) Verified the correctness of market inputs used and mathematical accuracy of the valuation analysis. (iv) Assessed the adequacy of internal controls, evaluated the design and tested the operating effectiveness of such controls for initial recognition, subsequent measurement and disclosure of investments as on the reporting date as per applicable regulations. (v) Our team was supported by our inhouse valuation specialist, especially in determining whether such valuation methodology is consistent with the market practice. (vi) We also assessed whether the disclosures in relation to investments are compliant with the relevant Indian accounting requirements and appropriately present the sensitivities in the valuations based on alternative outcome.

Management's Responsibility for the Consolidated Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows of the Group including its Associates and Joint ventures in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group and of its associates and Joint ventures are responsible for maintenance of the adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associates and Joint ventures are responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.

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

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

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

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

We also:

a) Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

b) 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 Act, we are also responsible for expressing our opinion on whether the Company and its subsidiary companies which are companies incorporated in India, has adequate internal financial controls system in place and the operating effectiveness of such controls.

c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group, its associates and joint ventures to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group, its associates and joint ventures to cease to continue as a going concern.

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

f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group, its associates and joint ventures to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal financial control that we identify during our audit.

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

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

Other matters

a) We did not audit the financial statements / financial information of six subsidiaries, whose financial statements / financial information reflect total assets of ₹1,72,246.02 Lakhs as at 31st March, 2020, total revenues of ₹39,264.72 Lakhs and net cash outflows amounting to ₹142.96 Lakhs for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit (including Other Comprehensive Income) of ₹900.62 Lakhs for the year ended 31st March, 2020, as considered in the consolidated financial statements, in respect of three associates whose financial statements / financial information have not been audited by us. These financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associates, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and associates, is based solely on the reports of the other auditors.

b) The consolidated financial statements also include the Group's share of net loss (including Other Comprehensive Income) of Rs.438.80 Lakhs for the year ended 31st March, 2020, as considered in the consolidated financial statements in respect of a joint venture, whose financial statements / financial information have not been audited by us. These statements have been audited by other auditors under Indian GAAP and have been certified by the other auditors and the management of the said company under Ind AS and have been furnished to us for the purpose of consolidation. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the above joint venture, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act in so far as it relates to the aforesaid joint venture, is based solely on such certified financial statements / financial information furnished to us by the management. In our opinion and according to the information and explanations given to us by the Management, these financial statements / financial information are not material to the Group.

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit 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 of the aforesaid consolidated financial statements.

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.

c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

e) On the basis of the written representations received from the directors of the Company as on March 31, 2020 taken on record by the Board of Directors of the Company and its subsidiaries incorporated in India and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2020 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 and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditor's reports of the Company and its subsidiary companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial control over financial reporting of those companies, for reasons stated therein.

g) The managerial remuneration has been paid and provided in accordance with the requisite approvals mandated by the provisions of Section 197 of the Act read with Schedule V to the Act.

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

i. The consolidated financial statements disclose impact of pending litigations on the consolidated financial position of the Group. Refer Note 43.06 & 43.07 of the Consolidated Financial Statements.

ii. Based on the current assessment of the long term contracts, in the ordinary course of business, the holding company has made adequate provision for losses where required as explained in Note 43.15 of the Notes to Accounts. The derivative contracts being in the nature of the hedge contracts, the company does not anticipate any material losses from the same. The subsidiaries, associates and joint ventures did not have any material foreseeable losses on long-term contracts including derivative contracts.

iii. During the year, there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the group and its associates and joint ventures incorporated in India.

For **Sundaram & Srinivasan**
Chartered Accountants
Firm Registration. No. 004207S

K.Srinivasan
Partner
Membership Number : 005809
UDIN:.....

Place: Chennai
Date : 29.05.2020

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 (f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Sundaram Finance Limited of even date)

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2020, we have audited the internal financial controls over financial reporting of Sundaram Finance Limited (hereinafter referred to as "Company"), its subsidiary companies incorporated in India (the Holding Company and its Indian subsidiaries together referred to as "the Group"), its associates and joint ventures, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Holding Company, its subsidiary companies, associates and joint venture, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies 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 ("the ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the group and its associates and joint ventures, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the group and of its associates and joint ventures, which are companies incorporated in India.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability

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

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and

(3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

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

Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting with reference to financial statements insofar as it relates to five Indian subsidiaries, two associates and a joint venture, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies.

For **Sundaram & Srinivasan**
Chartered Accountants
Firm Registration. No. 004207S

K.Srinivasan
Partner
Membership Number : 005809
UDIN:.....

Place: Chennai
Date : 29.05.2020

Form AOC-I

(Pursuant to first provision to sub-section (3) of section 129 of the Companies Act, 2013, read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of Subsidiaries/Associate companies/Joint Ventures

Part "A": Subsidiaries

(₹ in lakhs)

1	Sl. No.	1	2	3	4	5	6
2.	Name of the subsidiary	Sundaram Asset Management Company Limited and it's subsidiaries	Sundaram Finance Holdings Limited and it's subsidiaries @	Sundaram Trustee Company Limited	LGF Services Limited	Sundaram Home Finance Ltd @	Sundaram Fund Services Ltd @
3.	Date since when the Subsidiary was acquired	26-02-1996	13-10-1993	02-12-2003	23-01-2004	02-07-1999	27-06-2008
4.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	NA	NA	NA	NA	NA	NA
5.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	NA	NA	NA	NA	NA	NA
6.	Share capital	20,00.00	75,55.19	5.00	25.00	1012,5.44	45,00.30
7.	Other Equity	192,55.19	1781,71.08	1,82.60	3,35.71	1319,81.31	(8,28.01)
8.	Total assets	307,01.17	1922,08.90	2,05.16	3,64.90	10059,30.00	40,84.41
9.	Total Liabilities	94,45.98	64,82.63	17.56	4.19	8638,23.25	4,12.12
10.	Investments	82,76.91	1878,65.49	1,77.50	2,10.87	587,66.83	31,05.24
11.	Turnover	300,50.84	98,46.86	1,48.62	18.83	1078,87.11	47,24.60
12.	Profit/(Loss) before taxation	43,32.58	34,77.44	1,06.57	15.12	218,07.93	16,25.51
13.	Tax Expense#	10,63.33	5,48.18	26.70	3.78	(7.26)	(17.28)
14.	Profit/(Loss) after taxation*	32,69.25	78,13.49	79.87	11.34	218,15.19	16,42.79
15.	Other Comprehensive Income	(23.00)	(540,94.83)	–	–	(28.26)	(34.12)
16.	Total Comprehensive Income	32,46.25	(462,81.33)	79.87	11.34	217,86.93	16,08.66
17.	Proposed Dividend	15,00.00	7,55.52	70.00	15.00	30,37.63	–
18.	% of shareholding	100.00%	21.61%	100.00%	100.00%	100.00%	100.00%

Subsidiaries yet to commence operations : NIL
Subsidiaries liquidated or sold during the period : NIL
* Includes Share of profit from Associates : Rs.4884.24 Lakhs
# Includes Reversal of deferred tax liability of past years-Rs. 6024.86 lakhs. Refer Note No:12
@ refer note no : 43.02

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

(₹ in lakhs)

	Name of Associates/Joint Ventures	Royal Sundaram General Insurance Company Ltd
1.	Latest audited Balance Sheet Date	31-03-2020
2.	Date on which the associate/JV was acquired	22-08-2000
2.	Shares of Associate/Joint Venture held by the company	
	on the period end	
	Number	2,24,50,00,000
	Amount of Investment in Joint Venture	58526.66
	Extend of Holding %	50.00%
3.	Description of how there is significant influence	Joint Venture
4.	Reason why the Associate/Joint Venture is not consolidated	NA
5.	Networth attributable to Shareholding as per latest audited Balance Sheet	54,495.64
6.	Total Comprehensive Income for the period	
	i. Considered in Consolidation	(4,38.80)
	ii. Not Considered in Consolidation	(4,38.80)

Associates/Joint ventures yet to commence operations : NIL

Associates/Joint ventures liquidated or sold during the period : NIL

As per our report of even date attached
For **Sundaram & Srinivasan**
Chartered Accountants
Registration No.004207S

K Srinivasan
Partner
Membership No.5809

Place : Chennai
Date : 29th May, 2020

T T Srinivasaraghavan
Managing Director

M Ramaswamy
Chief Financial Officer

S Viji
Chairman

Harsha Viji
Deputy Managing Director

S Prasad
Director

A N Raju
Director (Operations)

P Viswanathan
Secretary & Compliance Officer

Sundaram Finance Branch Network – 610 Branches

