



SUNDARAM FINANCE HOLDINGS LIMITED

Sundaram Finance Holdings Limited (our “**Company**” or “**Issuer**”), a public limited company was incorporated in Chennai under the Companies Act, 1956 pursuant to a certificate of incorporation dated October 13, 1993, issued by the Registrar of Companies, Tamil Nadu at Chennai. For details regarding changes in the name and registered office of the Company, please see “*General Information*” on page 40.

Corporate Identity Number: L65100TN1993PLC025996

Registered and Corporate Office: 21, Patullos Road, Chennai - 600 002, Tamil Nadu, India | **Telephone:** +91 44 2852 1181

Website: www.sundaramholdings.in | **Contact Person:** P. N. Srikant, Secretary and Compliance Officer

E-mail: investorservices@sundaramholdings.in

PROMOTER OF OUR COMPANY: SUNDARAM FINANCE LIMITED	
FOR PRIVATE CIRCULATION TO THE ELIGIBLE EQUITY SHAREHOLDERS OF SUNDARAM FINANCE HOLDINGS LIMITED ONLY	
ISSUE OF UP TO 7,10,00,000 EQUITY SHARES OF OUR COMPANY OF FACE VALUE OF ₹ 5 EACH (“RIGHTS EQUITY SHARES”) AGGREGATING UP TO ₹ 35,500 LAKHS TO THE ELIGIBLE EQUITY SHAREHOLDERS OF OUR COMPANY FOR CASH AT A PRICE OF ₹ 50 PER RIGHTS EQUITY SHARE (INCLUDING A PREMIUM OF ₹ 45 PER RIGHTS EQUITY SHARE) ON A RIGHTS BASIS IN THE RATIO OF 23 RIGHTS EQUITY SHARES FOR EVERY 49 EQUITY SHARES HELD BY THE ELIGIBLE EQUITY SHAREHOLDERS ON THE RECORD DATE, THAT IS, ON TUESDAY, APRIL 27, 2021 (“RECORD DATE”) (THE “ISSUE”). FOR FURTHER DETAILS, PLEASE REFER TO THE SECTION TITLED “TERMS OF THE ISSUE” BEGINNING ON PAGE 113.	
WILFUL DEFAULTERS	
Neither our Company, nor the Promoter, nor any of the Directors have been or are categorized as a wilful defaulter by any bank or financial institution (as defined under the Companies Act) or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the RBI.	
GENERAL RISKS	
Investment in equity and equity related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk with such investment. Investors are advised to read the risk factors carefully before taking an investment decision in relation to this Issue. For taking an investment decision, investors shall rely on their own examination of the Issuer and the Issue including the risks involved. The securities have not been recommended or approved by the Securities and Exchange Board of India (“SEBI”) nor does SEBI guarantee the accuracy or adequacy of this Letter of Offer. Specific attention of investors is invited to the statement of “<i>Risk Factors</i>” beginning on page 18 before making an investment in this Issue.	
ISSUER'S ABSOLUTE RESPONSIBILITY	
Our Company, having made all reasonable inquiries, accepts responsibility for, and confirms that this Letter of Offer contains all information with regard to our Company and the Issue, which is material in the context of the Issue, that the information contained in this Letter of Offer is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Letter of Offer as a whole or any such information or the expression of any such opinions or intentions misleading in any material respect.	
LISTING	
The Equity Shares of our Company are listed on National Stock Exchange of India Limited (“NSE” or the “Stock Exchange”). Our Company has received “<i>in-principle</i>” approval from NSE for listing the Rights Equity Shares to be Allotted pursuant to the Issue through its letter dated April 9, 2021. Our Company will also make applications to NSE to obtain trading approvals for the Rights Entitlements as required under the SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020.	
LEAD MANAGER TO THE ISSUE	REGISTRAR TO THE ISSUE
	
JM Financial Limited 7th Floor, Cnergy Appasaheb Marathe Marg, Prabhadevi Mumbai 400 025 Maharashtra, India Telephone: +91 (22) 6630 3030; +91 (22) 6630 3262 E-mail: sfhl.rights@jmfl.com Investor Grievance E-mail: grievance.ibd@jmfl.com Contact Person: Prachee Dhuri Website: www.jmfl.com SEBI Registration No.: INM000010361	Cameo Corporate Services Limited Subramanian Building, No.1, Club House Road, Chennai 600 002 Tamil Nadu, India Telephone: +91 44 2846 0390 E-mail: priya@cameoindia.com Investor Grievance E-mail: investor@cameoindia.com Contact Person: Ms. Sreepriya K Website: www.cameoindia.com SEBI Registration No.: INR000003753
ISSUE SCHEDULE	
ISSUE OPENS ON	THURSDAY, MAY 6, 2021
LAST DATE FOR ON MARKET RENUNCIATION*	FRIDAY, MAY 28, 2021
ISSUE CLOSES ON [#]	WEDNESDAY, JUNE 2, 2021

*Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date.

[#] Our Board or a duly authorized committee thereof will have the right to extend the Issue period as it may determine from time to time, provided that this Issue will not remain open in excess of 30 (thirty) days from the Issue Opening Date. Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.

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SECTION I – GENERAL

DEFINITIONS AND ABBREVIATIONS

This Letter of Offer uses certain definitions and abbreviations which, unless the context otherwise indicates or implies or unless otherwise specified, shall have the meaning as provided below. References to any legislation, act, regulation, rules, guidelines or policies shall be to such legislation, act, regulation, rules, guidelines or policies as amended, supplemented or re-enacted, from time to time, and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision. The following list of certain capitalized terms used in this Letter of Offer is intended for the convenience of the reader/prospective investor only and is not exhaustive.

The words and expressions used in this Letter of Offer, but not defined herein shall have the meaning ascribed to such terms under the SEBI ICDR Regulations, the Companies Act, the SCRA, the Depositories Act, and the respective rules and regulations made thereunder.

Unless the context otherwise requires, references in this Letter of Offer to “Company” are to Sundaram Finance Holdings Limited, on a standalone basis and to “we” or “us” or “our”, are to Sundaram Finance Holdings Limited, on a consolidated basis.

Company and Industry Related Terms

Term	Description
AIL	Axles India Limited
Articles of Association / Articles / AoA	Articles of Association of our Company, as amended
Audited Consolidated Financial Statements	The audited consolidated financial statements of our Company for the year ended March 31, 2020 (along with comparatives for the year ended March 31, 2019) prepared in accordance with IND AS which comprises the consolidated balance sheet as at March 31, 2020 and March 31, 2019, the consolidated statement of profit and loss, including other comprehensive income, the consolidated statement of cash flows and the consolidated statement of changes in equity for the year ended March 31, 2020 and March 31, 2019, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information read along with the report thereon
BEV	Battery electric vehicle
BIPL	Brakes India Private Limited
BPO	Business Process Outsourcing
Board of Directors / Board	Board of directors of our Company or a duly constituted committee thereof
CV	Commercial vehicle
Director(s)	Any or all the director(s) of our Company, as may be appointed from time to time
Dunes	Dunes Oman LLC (FZC)
Equity Shares	Equity shares of our Company having a face value of ₹ 5 each
EV	Electric vehicle
Financial Statements	Together, the Audited Consolidated Financial Statements and the Unaudited Condensed Consolidated Interim Financial Statements.
FIPL	Flometallic India Private Limited
Group Companies	Group companies of our Company as determined in terms of Regulation 2(1)(t) of SEBI ICDR Regulations
ICE	Internal combustion engine
Independent Director	Independent directors on the Board, who are eligible to be appointed as independent directors under the provisions of the Companies Act, 2013 and the SEBI Listing Regulations

Term	Description
Limited Review Consolidated Financial Results	Limited review unaudited consolidated financial results of our Company for the nine month period ended December 31, 2019 (including the comparative financial information), read along with the notes thereto and the report thereon.
Memorandum of Association / Memorandum / MoA	Memorandum of Association of our Company, as amended
OEM	Original equipment manufacturer
Promoter / SFL	Sundaram Finance Limited
Promoter Group	Promoter group of our Company as determined in terms of Regulation 2(1)(pp) of SEBI ICDR Regulations and as mentioned in the shareholding pattern available on the website of NSE at https://www.nseindia.com/companies-listing/corporate-filings-shareholding-pattern?symbol=SUNDARMHLD&tabIndex=equity
PV	Passenger vehicle
Registered and Corporate Office	Registered and corporate office of our Company situated at 21, Patullos Road, Chennai – 600 002, Tamil Nadu, India
RPA	Robotic process automation
Registrar of Companies	Registrar of Companies, Tamil Nadu at Chennai
Share Purchase Agreement	Share purchase agreement dated March 24, 2021 between T.V. Sundram Iyengar & Sons Private Limited, our Company, ZF International UK Limited and Brakes India Private Limited for the acquisition of additional shareholding of BIPL from ZF
Shareholders	Holder(s) of Equity Shares from, time to time
Statutory Auditor	Statutory auditor of our Company, being M/s R.G.N. Price & Co., Chartered Accountants
Subsidiary / SBSL	Sundaram Business Services Limited
TEPL	Turbo Energy Private Limited
Unaudited Condensed Consolidated Interim Financial Statements	Unaudited condensed consolidated interim financial statements for the nine month period ended December 31, 2020, comprising the unaudited condensed consolidated interim balance sheet as at December 31, 2020, the unaudited condensed consolidated interim statement of profit and loss (including other comprehensive income), the unaudited condensed consolidated interim statement of changes in equity and the unaudited condensed consolidated interim statement of cash flows for the nine month period ended December 31, 2020 (including the comparative financial information), read along with the notes and the limited review report issued thereto prepared in accordance with Ind AS 34
ZF	ZF International UK Limited

Issue Related Terms

Term	Description
Abridged Letter of Offer / ALOF	Abridged letter of offer to be sent to the Eligible Equity Shareholders with respect to the Issue in accordance with the provisions of SEBI ICDR Regulations and Companies Act
Allot / Allotment / Allotted	Allotment of Rights Equity Shares pursuant to the Issue
Allotment Account	The account opened with the Bankers to this Issue, into which the Application Money credited to the Escrow Account and amounts blocked by Applications Supported by Blocked Amount in the ASBA Account, with respect to successful Applicants will be transferred on the Transfer Date in accordance with Section 40(3) of the Companies Act, 2013
Allotment Date	Date on which the Allotment will be made
Allottee(s)	Person(s) who are Allotted Rights Equity Shares pursuant to the Allotment

Term	Description
Applicant(s) / Investor(s)	Eligible Equity Shareholder(s) and / or Renouncee(s) who make an application for the Rights Equity Shares pursuant to the Issue in terms of this Letter of Offer
Application	Application made through (i) submission of the Application Form or plain paper Application to the Designated Branch of the SCSBs or online/ electronic application through the website of the SCSBs (if made available by such SCSBs) under the ASBA process, or (ii) filling the online Application Form available under the R-WAP facility (instituted only for resident Investors, in the event the Investors are not able to utilize the ASBA facility for making an Application despite their best efforts) to subscribe to the Rights Equity Shares at the Issue Price.
Application Form	Form in terms of which an Applicant shall make an application to subscribe to the Rights Equity Shares pursuant to the Issue, including plain-paper applications and online application form available for submission of application using the R-WAP or through the website of the SCSBs (if made available by such SCSBs) under the ASBA process
Application Money	Aggregate amount payable in respect of the Rights Equity Shares applied for in the Issue at the Issue Price
Application Supported by Blocked Amount / ASBA	Application (whether physical or electronic) used by an ASBA Investor to make an application authorizing the SCSB to block the Application Money in an ASBA account maintained with the SCSB
ASBA Account	Account maintained with the SCSB and specified in the Application Form or the plain paper application by the Applicant, if applicable, for blocking the amount mentioned in the Application Form or the plain paper application
ASBA Circulars	Collectively, SEBI circular SEBI/CFD/DIL/ASBA/1/2009/30/12 dated December 30, 2009, SEBI circular CIR/CFD/DIL/1/2011 dated April 29, 2011 and the SEBI circular, bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020
Bankers to the Issue	ICICI Bank Limited
Basis of Allotment	The basis on which the Rights Equity Shares will be Allotted to successful applicants in the Issue and which is described in “ <i>Terms of the Issue – Basis of Allotment</i> ” beginning on page 140
Controlling Branches / Controlling Branches of the SCSBs	Such branches of the SCSBs which co-ordinate with the Lead Manager, the Registrar to the Issue and the Stock Exchange, a list of which is available on https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes
Designated Branches	Such branches of the SCSBs which shall collect the Application Form or the plain paper application, as the case may be, used by the ASBA Investors and a list of which is available on https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes
Eligible Equity Shareholders	Holder(s) of the Equity Shares of our Company as on the Record Date
Escrow Account	One or more no-lien and non-interest bearing accounts with the Escrow Collection Bank(s) for the purposes of collecting the Application Money from resident Investors making an Application through the R-WAP facility
FPI(s)	Foreign portfolio investors as defined under SEBI FPI Regulations
ICRA	ICRA Limited
ICRA Report	Report titled “ <i>Special Report on Automobile, Auto Component and BPO Industry</i> ” dated March 2021 prepared by ICRA
Issue	Issue of up to 7,10,00,000 Rights Equity Shares of face value of ₹ 5 each of the Company for cash at a price of ₹ 50 per Rights Equity Share (including a premium of ₹ 45 per Rights Equity Share) on a rights basis aggregating up to ₹ 35,500 lakhs by the Company to the Eligible Equity Shareholders in the ratio of 23 Rights Equity Shares for every 49 Equity Shares held on the Record Date, i.e. Tuesday, April 27, 2021
Issue Closing Date	Wednesday, June 2, 2021

Term	Description
Issue Opening Date	Thursday, May 6, 2021
Issue Period	Period from and including the Issue Opening Date to and including the Issue Closing Date, during which Applicants can submit their Applications, in accordance with the SEBI ICDR Regulations
Issue Price	₹ 50 per Rights Equity Share
Issue Size	Monies received by our Company pursuant to the allotment of Rights Equity Shares in the Issue, i.e. aggregating up to ₹ 35,500 lakhs
Lead Manager	JM Financial Limited
Letter of Offer	This letter of offer dated April 21, 2021, filed with the Stock Exchange and SEBI
Listing Agreement	Equity listing agreement entered into between our Company and the Stock Exchange in terms of the SEBI Listing Regulations
Monitoring Agency	ICICI Bank Limited
Multiple Application Forms	More than one Application form submitted by an Eligible Shareholder/Renouncee in respect of the same Rights Entitlements available in their demat account. However additional applications in relation to additional Rights Equity Shares with/without using additional Rights Entitlements will not be treated as multiple applications
Net Proceeds	Gross proceeds of the Issue less Issue related expenses. For details, please refer to the section titled “ <i>Objects of the Issue</i> ” beginning on page 47
Non-ASBA Investor	Investors other than ASBA Investors, who apply in the Issue otherwise than through the ASBA process
On Market Renunciation	The renunciation of Rights Entitlements undertaken by an Investor by trading them over the secondary market platform of the Stock Exchange through a registered stock broker in accordance with the SEBI Rights Issue Circulars and the circulars issued by the Stock Exchange, from time to time, and other applicable laws, on or before Friday, May 28, 2021
Off Market Renunciation	The renunciation of Rights Entitlements undertaken by an Investor by transferring them through off market transfer through a depository participant in accordance with the SEBI Rights Issue Circulars and the circulars issued by the Depositories, from time to time, and other applicable laws
Record Date	Designated date for the purpose of determining the Shareholders eligible to apply for the Rights Equity Shares in the Issue, being Tuesday, April 27, 2021
Registrar to the Issue / Registrar	Cameo Corporate Services Limited
Renouncee(s)	Person(s) who has / have acquired Rights Entitlements from the Eligible Equity Shareholders
Renunciation Period	The period during which the Investors can renounce or transfer or sell their Rights Entitlements which shall commence from the Issue Opening Date. Such period shall close on Friday, May 28, 2021 in case of On Market Renunciation. Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncee on or prior to the Issue Closing Date
Rights Entitlement	The number of Rights Equity Shares that an Eligible Equity Shareholder is entitled to in proportion to his / her shareholding in our Company as on the Record Date, being 23 Rights Equity Shares for every 49 Equity Shares held by the Eligible Equity Shareholder on the Record Date Due to COVID-19 pandemic, in accordance with the SEBI Rights Issue Circulars, physical shareholders who have not been able to open a demat account or are unable to communicate their demat details to our Company or the Registrar, will not be eligible to renounce their Rights Entitlements

Term	Description
Rights Entitlement Letter	Letter including details of Rights Entitlements of the Eligible Equity Shareholders. The Rights Entitlements are also accessible through the R-WAP and on the website of our Company.
Rights Equity Shareholder	A holder of the Rights Equity Shares, from time to time
Rights Equity Shares	Equity Shares to be Allotted pursuant to the Issue
R-WAP	Registrar's web based application platform accessible at https://rights.cameoindia.com/sfhl , instituted as an optional mechanism in accordance with the R-WAP Circulars This platform is instituted only for resident Investors, in the event such Investors are not able to utilize the ASBA facility for making an Application despite their best efforts
R-WAP Circulars	SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/78 dated May 6, 2020 read with the SEBI circular bearing reference SEBI/HO/CFD/DIL1/CIR/P/2021/13 dated January 19, 2021 which has been further extended by SEBI for the Issue by way of an e-mail dated April 15, 2021
SCSB(s)	Self-certified syndicate bank registered with SEBI, which acts as a banker to the Issue and which offers the facility of ASBA. A list of all SCSBs is available at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes
SEBI Rights Issue Circulars	SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020 and the R-WAP Circulars
Stock Exchange	Stock exchange where the Equity Shares are presently listed, being NSE
Transfer Date	The date on which the amount held in the escrow account(s) and the amount blocked in the ASBA Account will be transferred to the Allotment Account, upon finalization of the Basis of Allotment, in consultation with the Stock Exchange
Wilful Defaulter	Company or person, as the case may be, categorized as a wilful defaulter by any bank or financial institution (as defined under the Companies Act) or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the RBI
Working Day(s)	Working day means all days on which commercial banks in Mumbai are open for business. Further, in respect of Issue Period, working day means all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai and Chennai are open for business. Furthermore, for the time period between the Issue Closing Date and the listing of the Rights Equity Shares on the Stock Exchange, working day means all trading days of the Stock Exchange, excluding Sundays and bank holidays, as per circulars issued by SEBI.

Conventional and General Terms

Term	Description
Central Government	Central Government of India
Companies Act	The Companies Act, 1956 and the Companies Act, 2013, as applicable
Companies Act, 1956	Companies Act, 1956 (without reference to the provisions thereof that have ceased to have effect upon notification of the sections of the Companies Act, 2013) along with the rules made thereunder
Companies Act, 2013	Companies Act, 2013, along with relevant rules made thereunder
Depositories Act	Depositories Act, 1996
Depository	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018
FCNR Account	Foreign Currency Non-Resident Account
FEMA	The Foreign Exchange Management Act, 1999, read with rules and regulations thereunder
FEMA Rules	Foreign Exchange Management (Non-debt Instruments) Rules, 2019

Term	Description
Financial Year / FY / Fiscal	Period of 12 months ended March 31 of that particular year
Government	Central Government and / or the State Government, as applicable
Income-tax Act	Income-tax Act, 1961
India	Republic of India
Mutual Fund	Mutual fund registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
Net Worth	The aggregate of the paid-up Equity Share capital and other equity (includes other comprehensive income)
Non-Resident / NR	Persons resident outside India, as defined in the FEMA
Regulation S	Regulation S under the Securities Act
Rupees / Rs. / INR / ₹	The lawful currency of India
SEBI Act	The Securities and Exchange Board of India Act, 1992
SEBI AIF Regulations	The Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
SEBI FPI Regulations	The Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019
SEBI FVCI Regulations	The Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000
SEBI ICDR Regulations	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
SEBI Listing Regulations	The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
SEBI SAST Regulations	The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
SEBI VCF Regulations	The Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996, as repealed and replaced by the SEBI AIF Regulations
Securities Act	U.S. Securities Act of 1933
U.S. / USA / United States	United States of America, including the territories or possessions thereof, as defined in Regulation S
Year	Unless context otherwise requires, shall refer to the twelve-month period ending December 31

Abbreviations

Term	Description
AIF(s)	Alternative investment funds, as defined and registered with SEBI under the SEBI AIF Regulations
AS / Accounting Standards	Accounting standards issued by the ICAI
CAGR	Compound Annual Growth Rate
CDSL	Central Depository Services (India) Limited
CCI	Competition Commission of India
CIC	Core Investment Company
CIN	Corporate identity number
DP / Depository Participant	Depository participant as defined under the Depositories Act
DP ID	Depository participant identity
EBITDA	Earnings before interest, taxes depreciation and amortisation
EPS	Earnings per share
FCNR	Foreign Currency Non-Resident
FDI	Foreign direct investment
FVCI(s)	Foreign venture capital investors, as defined in and registered under SEBI FVCI Regulations

Term	Description
GDP	Gross domestic product
GST	Goods and services tax
HUF	Hindu Undivided Family
IBC	Insolvency and Bankruptcy Code, 2016
ICAI	Institute of Chartered Accountants of India
IFRS	International Financial Reporting Standards
Ind AS	Indian Accounting Standards notified under the Companies (Indian Accounting Standards) Rules, 2015
Indian GAAP	Generally Accepted Accounting Principles followed in India
ISIN	International Securities Identification Number allotted by the Depository
IT	Information Technology
I.T Act	Income-tax Act, 1961
KMP	Key managerial personnel
MCA	Ministry of Corporate Affairs, Government of India
MICR	Magnetic Ink Character Recognition
MoF	Ministry of Finance, Government of India
NBFC-ND	Non-banking finance company non deposit taking
NEFT	National Electronic Fund Transfer
NRE Account	Non-resident external account
NRI	Non-resident Indian, as defined in the Foreign Exchange Management (Deposit) Regulations, 2016
NRO Account	Non-resident ordinary account
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
OCB / Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA
p.a.	Per annum
PAN	Permanent account number
RBI	Reserve Bank of India
RTGS	Real Time Gross Settlement
SCRR	Securities Contracts (Regulation) Rules, 1957
SEBI	Securities and Exchange Board of India
VCF(s)	Venture capital funds, as defined in and registered under SEBI VCF Regulations

Notwithstanding the foregoing, terms under the sections titled “*Financial Statements*”, “*Statement of Tax Benefits*” and “*Outstanding Litigations and Defaults*” beginning on pages 72, 51 and 100, of this Letter of Offer, respectively, shall have the meanings given to such terms in these respective sections.

NOTICE TO INVESTORS

The distribution of this Letter of Offer, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter, any other offering material and the issue of Rights Entitlements and the Rights Equity Shares on a rights basis to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession this Letter of Offer, the Abridged Letter of Offer, the Application Form or the Rights Entitlement Letter may come, are required to inform themselves about and observe such restrictions.

Our Company is making the Issue on a rights basis to the Eligible Equity Shareholders of our Company and in accordance with the SEBI ICDR Regulations, our Company will send, primarily through email, the Abridged Letter of Offer, Application Form and other applicable Issue materials to the email addresses of all the Eligible Equity Shareholders who have provided their Indian addresses to our Company. Those overseas Shareholders who do not update our records with their Indian address or the address of their duly authorized representative in India, prior to the date on which we propose to send the Letter of Offer / Abridged Letter of Offer, Application Form and other applicable Issue materials, shall not be mailed the Letter of Offer / Abridged Letter of Offer, Application Form and other applicable Issue materials.

Further, this Letter of Offer will be provided to those who make a request in this regard. In the event that e-mail addresses of the Eligible Equity Shareholders are not available with the Company or the Eligible Shareholders have not provided valid e-mail addresses to the Company, our Company will dispatch the Abridged Letter of Offer, Application Form and other applicable Issue materials by way of physical delivery as per the applicable laws to those Eligible Equity Shareholders who have provided their Indian address. Investors can also access this Letter of Offer, the Abridged Letter of Offer and the Application Form from the websites of the Registrar, our Company, the Lead Manager, the Stock Exchange and on R-WAP.

No action has been or will be taken to permit the Issue in any jurisdiction where action would be required for that purpose, except that this Letter of Offer was filed with SEBI and the Stock Exchange. Accordingly, this Letter of Offer, the Abridged Letter of Offer, the Application Form (including by way of electronic means) or the Rights Entitlement Letter or any offering materials or advertisements in connection with the Issue may not be distributed or received in any jurisdiction outside India and the Rights Entitlements and the Rights Equity Shares may not be offered or sold, directly or indirectly, in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of this Letter of Offer or any offering materials or advertisements in connection with the Issue will not constitute an offer, invitation to or solicitation by anyone in those jurisdictions in which it would be illegal to make such an offer and, in those circumstances, this Letter of Offer and any offering materials and advertisements in connection with the Issue must be treated as sent for information only and should not be acted upon for subscription to Rights Equity Shares or the Rights Entitlements and should not be copied or re-distributed. Accordingly, persons receiving a copy of this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form (including by way of electronic means) should not, in connection with the issue of the Rights Equity Shares or the Rights Entitlements, distribute or send this Letter of Offer, the Abridged Letter of Offer, the Application Form and the Rights Entitlement Letter in, or into, any jurisdiction where to do so, would or might contravene local securities laws or regulations. If this Letter of Offer, the Abridged Letter of Offer, the Application Form or the Rights Entitlement Letter is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to subscribe to the Rights Equity Shares or purchase or acquire the Rights Entitlements referred to in this Letter of Offer, the Abridged Letter of Offer, the Application Form or the Rights Entitlement Letter. Any person who makes an application to acquire the Rights Entitlements or the Rights Equity Shares offered in the Issue will be deemed to have declared, represented, warranted and agreed that they are authorised to acquire the Rights Entitlements or the Rights Equity Shares in compliance with all applicable laws and regulations prevailing in his jurisdiction without requirement for our Company or our affiliates or the Lead Manager or their respective affiliates to make any filing or registration (other than in India). In addition, each purchaser of Rights Entitlements and the Rights Equity Shares will be deemed to make the representations, warranties, acknowledgments and agreements set forth in “*Other Regulatory and Statutory Disclosures – Selling Restrictions*” and “*Restrictions on Purchase and Resales*” on pages 103 and 150, respectively.

Neither the delivery of this Letter of Offer nor any sale/ offer of the Rights Equity Shares and/ or the Rights

Entitlements hereunder, shall, under any circumstances, create any implication that there has been no change in our Company's affairs from the date hereof or the date of such information or that the information contained herein is correct as at any time subsequent to the date of this Letter of Offer or the date of such information.

THE CONTENTS OF THIS LETTER OF OFFER SHOULD NOT BE CONSTRUED AS LEGAL, TAX OR INVESTMENT ADVICE. PROSPECTIVE INVESTORS MAY BE SUBJECT TO ADVERSE FOREIGN, STATE OR LOCAL TAX OR LEGAL CONSEQUENCES AS A RESULT OF THE ISSUE OF THE RIGHTS EQUITY SHARES. AS A RESULT, EACH INVESTOR SHOULD CONSULT ITS OWN COUNSEL, BUSINESS ADVISOR AND TAX ADVISOR AS TO THE LEGAL, BUSINESS, TAX AND RELATED MATTERS CONCERNING THE ISSUE OF THE RIGHTS EQUITY SHARES. IN ADDITION, NEITHER OUR COMPANY NOR THE LEAD MANAGER IS MAKING ANY REPRESENTATION TO ANY OFFEREE OR PURCHASER OF THE RIGHTS EQUITY SHARES OR THE RIGHTS ENTITLEMENTS REGARDING THE LEGALITY OF AN INVESTMENT IN THE RIGHTS EQUITY SHARES AND/ OR THE RIGHTS ENTITLEMENTS BY SUCH OFFEREE OR PURCHASER UNDER ANY APPLICABLE LAWS OR REGULATIONS.

NO OFFER IN THE UNITED STATES

THE RIGHTS ENTITLEMENTS AND THE RIGHTS EQUITY SHARES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "**US SECURITIES ACT**"), OR ANY U.S. STATE SECURITIES LAWS AND MAY NOT BE OFFERED, SOLD, RESOLD OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES OR THE TERRITORIES OR POSSESSIONS THEREOF (THE "**UNITED STATES**" OR "**U.S.**"), EXCEPT IN A TRANSACTION EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE US SECURITIES ACT. THE RIGHTS ENTITLEMENTS AND RIGHTS EQUITY SHARES REFERRED TO IN THIS LETTER OF OFFER ARE BEING OFFERED AND SOLD IN OFFSHORE TRANSACTIONS OUTSIDE THE UNITED STATES IN COMPLIANCE WITH REGULATION S UNDER THE US SECURITIES ACT ("**REGULATION S**") TO EXISTING SHAREHOLDERS LOCATED IN JURISDICTIONS WHERE SUCH OFFER AND SALE OF THE RIGHTS EQUITY SHARES AND/ OR RIGHTS ENTITLEMENTS ARE PERMITTED UNDER LAWS OF SUCH JURISDICTIONS. THE OFFERING TO WHICH THIS LETTER OF OFFER RELATES IS NOT, AND UNDER NO CIRCUMSTANCES IS TO BE CONSTRUED AS, AN OFFERING OF ANY RIGHTS EQUITY SHARES OR RIGHTS ENTITLEMENT FOR SALE IN THE UNITED STATES OR AS A SOLICITATION THEREIN OF AN OFFER TO BUY OR TRANSFER ANY OF THE SAID SECURITIES. ACCORDINGLY, YOU SHOULD NOT FORWARD OR TRANSMIT THIS LETTER OF OFFER IN OR INTO THE UNITED STATES AT ANY TIME. THE RIGHTS EQUITY SHARES AND/ OR RIGHTS ENTITLEMENTS AND THE RIGHTS ENTITLEMENTS ARE NOT TRANSFERABLE EXCEPT IN ACCORDANCE WITH THE RESTRICTIONS DESCRIBED IN THE SECTION ENTITLED "**RESTRICTIONS ON PURCHASES AND RESALES**" ON PAGE 150.

Neither our Company, nor any person acting on behalf of our Company, will accept a subscription or renunciation or purchase of the Rights Equity Shares and/ or Rights Entitlements from any person, or the agent of any person, who appears to be, or who our Company, or any person acting on behalf of our Company, has reason to believe is, in the United States when the buy order is made. No Application Form should be postmarked in the United States, electronically transmitted from the United States or otherwise dispatched from the United States or from any other jurisdiction where it would be illegal to make an offer of securities under this Letter of Offer. Our Company is making this Issue on a rights basis to the Eligible Equity Shareholders and will dispatch this Letter of Offer or the Abridged Letter of Offer, the Application Form and other applicable Issue materials primarily to the e-mail addresses of the Eligible Equity Shareholders who have provided an Indian address to our Company. Any person who acquires Rights Entitlements or Rights Equity Shares will be deemed to have declared, warranted and agreed, by accepting the delivery of this Letter of Offer, that it is not and that at the time of subscribing for the Rights Equity Shares or the Rights Entitlements, it will not be, in the United States and is authorized to acquire the Rights Entitlements and the Rights Equity Shares in compliance with all applicable laws and regulations.

Our Company reserves the right to treat as invalid any Application Form which: (i) appears to our Company or its agents to have been executed in, electronically transmitted from or dispatched from the United States or

other jurisdictions where the offer and sale of the Rights Equity Shares and/ or the Rights Entitlements is not permitted under laws of such jurisdictions; (ii) does not include the relevant certifications set out in the Application Form, including to the effect that the person submitting and/or renouncing the Application Form is not in the United States and eligible to subscribe for the Rights Equity Shares and/ or the Rights Entitlements under applicable securities laws, and such person is complying with laws of jurisdictions applicable to such person in connection with this Issue; or (iii) where either a registered Indian address is not provided or where our Company believes acceptance of such Application Form may infringe applicable legal or regulatory requirements; and our Company shall not be bound to issue or allot any Rights Equity Shares and/ or Rights Entitlements in respect of any such Application Form.

Any person who acquires Rights Entitlements or Rights Equity Shares will be deemed to have declared, warranted and agreed, by accepting the delivery of this Letter of Offer, that it is not, and that at the time of subscribing for the Rights Equity Shares or the Rights Entitlements, it will not be, in the United States, and is authorized to acquire the Rights Entitlements and the Rights Equity Shares in compliance with all applicable laws and regulations.

Our Company and the Lead Manager are not making, and will not make, and will not participate or otherwise be involved in any offers or sales of the Rights Entitlements, the Rights Equity Shares or any other security with respect to this Issue in the United States.

The Rights Entitlements and the Rights Equity Shares have not been approved or disapproved by the U.S. Securities and Exchange Commission (the “US SEC”), any state securities commission in the United States or any other U.S. regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the Rights Entitlements, the Rights Equity Shares or the accuracy or adequacy of this Letter of Offer. Any representation to the contrary is a criminal offence in the United States.

The above information is given for the benefit of the Applicants / Investors. Our Company and the Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Letter of Offer. Investors are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.

NOTICE TO THE INVESTOR

THIS DOCUMENT IS SOLELY FOR THE USE OF THE PERSON WHO RECEIVED IT FROM OUR COMPANY OR FROM THE REGISTRAR. THIS DOCUMENT IS NOT TO BE REPRODUCED OR DISTRIBUTED TO ANY OTHER PERSON.

CERTAIN CONVENTIONS AND PRESENTATION OF FINANCIAL INFORMATION

Certain Conventions

Unless otherwise specified or the context otherwise requires, all references in this Letter of Offer to 'India' are to the Republic of India and its territories and possessions and the 'Government' or the 'Central Government' or the 'State Government' are to the Government of India, Central or State, as applicable.

Unless otherwise specified, any time mentioned in this Letter of Offer is in Indian Standard Time. Unless indicated otherwise, all references to a year in this Letter of Offer are to a calendar year.

Unless stated otherwise, all reference to page numbers in this Letter of Offer are to the page numbers of this Letter of Offer.

Financial Data

Unless stated otherwise, the financial data in this Letter of Offer is derived from the Audited Consolidated Financial Statements and Unaudited Condensed Consolidated Interim Financial Statements.

Our Company prepares its financial statements in accordance with Ind AS, Companies Act, and other applicable statutory and / or regulatory requirements. Our Company publishes its financial statements in Indian Rupees.

We have prepared our Audited Consolidated Financial Statements in accordance with Ind AS and Unaudited Condensed Consolidated Interim Financial Statements in accordance with Ind AS 34 prescribed under the Section 133 of the Companies Act, 2013. The Unaudited Condensed Consolidated Interim Financial Statements have been subjected to limited review by our Statutory Auditors and they have issued a review report, based on their review conducted in accordance with Standard on Review Engagement (SRE) 2410 issued by the ICAI. The Audited Consolidated Financial Statements should be read along with the report issued thereon, and the Unaudited Condensed Consolidated Interim Financial Statements should be read along with the review report issued thereon.

We have also, in this Letter of Offer, included the audited consolidated financial statements for the financial year ended March 31, 2019 prepared in accordance with IND AS and the Limited Review Consolidated Financial Results, which have been prepared in accordance with Ind AS 34 prescribed under the Section 133 of the Companies Act, 2013. The Limited Review Consolidated Financial Results have also been subjected to limited review by our Statutory Auditors and they have issued a review report, based on their review conducted in accordance with Standard on Review Engagement (SRE) 2410 issued by the ICAI.

Our Limited Review Consolidated Financial Results and Unaudited Condensed Consolidated Interim Financial Statements are not necessarily indicative of results that may be expected for the full financial year or any future reporting period.

There are significant differences between Ind AS and IFRS. Our Company does not provide reconciliation of its financial information to IFRS. Our Company has not attempted to explain those differences or quantify their impact on the financial data included in this Letter of Offer and it is urged that you should consult your own advisors regarding such differences and their impact on our Company's financial data. For details in connection with risks involving differences between Ind AS and IFRS see "*Risk Factors – Differences exist between Ind AS and other accounting principles, such as IFRS, which may be material to investors' assessments of our financial condition.*" on page 30. Accordingly, the degree to which the financial information included in this Letter of Offer will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting policies and practices, the Companies Act and the SEBI ICDR Regulations. Any reliance by persons not familiar with Indian accounting policies and practices on the financial disclosures presented in this Letter of Offer should accordingly be limited.

For details of the Audited Consolidated Financial Statements, Unaudited Condensed Consolidated Interim Financial Statements, the Limited Review Consolidated Financial Results or the audited consolidated financial statement for the financial year ended March 31, 2019, please refer to the section titled “*Financial Statements*” beginning on page 72.

Our Company’s financial year commences on April 1 of every calendar year and ends on March 31 of the following calendar year. In this Letter of Offer, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off, and unless otherwise specified, all financial numbers in parenthesis represent negative figures.

Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Letter of Offer should accordingly be limited.

Market and Industry Data

Unless stated otherwise, market, industry and demographic data used in this Letter of Offer has been obtained from the report titled “*Special Report on Automobile, Auto Component and BPO Industry*” dated March, 2021 prepared by ICRA and other publicly available information, industry publications and government sources. Industry publications generally state that the information that they contain has been obtained from sources believed to be reliable but that the accuracy and completeness of that information is not guaranteed. Similarly, internal surveys, industry forecasts and market research, while believed to be reliable, have not been independently verified and neither our Company nor the Lead Manager make any representation as to the accuracy of that information. Accordingly, investors should not place undue reliance on this information.

Currency of Presentation

All references to ‘INR’, ‘₹’, ‘Rs.’, ‘Indian Rupees’ and ‘Rupees’ are to the legal currency of India.

Our Company has presented certain numerical information in this Letter of Offer in ‘lakh’ units. One lakh represents 1,00,000 and one crore represents 1,00,00,000.

Exchange Rates

This Letter of Offer contains translations of foreign currency into Indian Rupees. The following table sets forth as of the dates indicated, information with respect to the exchange rate between the foreign currency and the Indian Rupees:

(in ₹)

Currency	Exchange rate as at			
	December 31, 2020	December 31, 2019	March 31, 2020	March 31, 2019*
1 US \$	73.05	71.27	75.39	69.17

Source: www.rbi.org.in and www.fbil.org.in

*Exchange rate as on March 29, 2019, as FBIL reference rate is not available for March 31, 2019 and March 30, 2019 being a Sunday and Saturday, respectively.

These conversions should not be construed as a representation that these currency amounts could have been, or can be converted into Indian Rupees, at any particular rate or at all.

FORWARD LOOKING STATEMENTS

Certain statements contained in this Letter of Offer that are not statements of historical fact constitute ‘forward-looking statements.’ Investors can generally identify forward-looking statements by terminology including ‘aim’, ‘anticipate’, ‘are likely’, ‘believe’, ‘continue’, ‘can’, ‘could’, ‘estimate’, ‘expect’, ‘expected to’, ‘intend’, ‘is likely’, ‘may’, ‘objective’, ‘plan’, ‘potential’, ‘project’, ‘pursue’, ‘shall’, ‘should’, ‘will’, ‘will achieve’, ‘will continue’, ‘will likely result’, ‘would’, or other words or phrases of similar import. Similarly, statements that describe the strategies, objectives, plans or goals of our Company are also forward-looking statements. However, these are not the exclusive means of identifying forward-looking statements.

All statements regarding our Company’s expected financial conditions, results of operations, business plans and prospects are forward-looking statements. These forward-looking statements include statements as to our Company’s business strategy, planned projects, revenue and profitability (including, without limitation, any financial or operating projections or forecasts), new business and other matters discussed in this Letter of Offer that are not historical facts. These forward-looking statements contained in this Letter of Offer (whether made by our Company or any third party) involve known and unknown risks, uncertainties, assumptions and other factors that may significantly affect the actual results, performance or achievements of our Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections. All such forward-looking statements are based on our current plans and expectations and are subject to risks, uncertainties and assumptions about our Company that could significantly affect our current plans and expectations and cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Important factors that could cause actual results to differ materially from our Company’s expectations include, among others:

- Any adverse developments in the automotive and transportation industry;
- Any significant reduction in production and sales of, or demand for the products of such portfolio companies;
- Differing interests of our partners or the management of our portfolio companies or the management of our Promoter;
- Any failure by us to identify, manage, complete and integrate acquisitions, divestitures and other significant transactions successfully; and
- The impact of the COVID-19 pandemic on our business and operations, and the extent to which it may continue to affect our business and operations in the future.

Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed in the sections titled “*Risk Factors*” and “*Our Business*” beginning on pages 18 and 59, respectively. The forward-looking statements contained in this Letter of Offer are based on the beliefs of management, as well as the assumptions made by, and information currently available to, management of our Company. Whilst our Company believes that the expectations reflected in such forward-looking statements are reasonable at this time, it cannot assure investors that such expectations will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements. In any event, these statements speak only as of the date of this Letter of Offer or the respective dates indicated in this Letter of Offer, and neither our Company nor the Lead Manager undertake any obligation to update or revise any of them, whether as a result of new information, future events or otherwise. If any of these risks and uncertainties materialize, or if any of our Company’s underlying assumptions prove to be incorrect, the actual results of operations or financial condition of our Company could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent forward-looking statements attributable to our Company are expressly qualified in their entirety by reference to these cautionary statements. In accordance with SEBI and Stock Exchange requirements, our Company and the Lead Manager will ensure that the Eligible Equity Shareholders are informed of material developments until the time of the grant of listing and trading permissions for the Rights Equity Shares by the Stock Exchange.

SUMMARY OF THE LETTER OF OFFER

The following is a general summary of the terms of the Offer. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Letter of Offer, including the sections entitled “*Risk Factors*”, “*Industry Overview*”, “*Outstanding Litigation and Defaults*”, “*Financial Statements*” “*Objects of the Issue*”, “*Our Business*”, “*Terms of the Issue*” on pages 18, 55, 100, 72, 47, 59, 113, respectively.

Summary of Primary Business

We are an automotive sector focused investment company with investments in 20 portfolio companies of which 15 companies are involved across the automotive manufacturing value chain. Our investments are focused in the automotive space, with current investments in portfolio companies engaged in various aspects of automotive manufacturing.

Objects of the Issue

Our Company intends to utilize the proceeds from the Issue towards funding of the following objects:

(in ₹ lakhs)		
Sr. No	Particulars	Amount
1.	Financing of acquisition of additional shareholding in BIPL from ZF	34,999.97
2.	General Corporate Purposes (inclusive of Issue related expenses)	500.03
Total*		35,500.00

*Assuming full subscription in the Issue and subject to finalization of the Basis of Allotment

For further details, see “*Objects of the Issue*” beginning on page 47.

Intention and extent of participation by Promoter and Promoter Group

Our Promoter and Promoter Group have confirmed that they intend to (i) subscribe to their Rights Entitlements in the Issue and that they shall not renounce the Rights Entitlements (except to the extent of Rights Entitlements renounced by any of them in favour of the Promoter or other member(s) of our Promoter Group); and/or (ii) subscribe to the Rights Entitlements, if any, which are renounced in their favour by our Promoter or any other member(s) of the Promoter Group, each as may be applicable. Our Promoter and certain members of our Promoter Group have also confirmed that they intend to apply for and subscribe to additional Rights Equity Shares and any Equity Shares offered in the Issue that remain unsubscribed, subject to compliance with the minimum public shareholding requirements, as prescribed under the SCRR and the SEBI Listing Regulations.

Any such subscription for Equity Shares over and above their Rights Entitlement, if allotted, may result in an increase in their percentage shareholding in the Company. The allotment of Equity Shares of the Company subscribed by the Promoter and other members of the Promoter Group in this Issue shall be eligible for exemption from open offer requirements in terms of Regulation 10(4)(a) and 10(4)(b) of the SEBI SAST Regulations. The Issue shall not result in a change of control of the management of our Company in accordance with provisions of the SEBI SAST Regulations. Our Company is in compliance with Regulation 38 of the SEBI Listing Regulations and will continue to comply with the minimum public shareholding requirements under applicable law, pursuant to this Issue.

Outstanding Litigation and Defaults

For details, please refer to the section titled “*Outstanding Litigation and Defaults*” beginning on page 100.

Risk Factors

Please refer to the section titled “*Risk Factors*” beginning on page 18 for details about the risk factors.

Contingent Liabilities

For details of our contingent liabilities for the nine month period ended December 31, 2020 and Fiscal 2020, please refer to the Financial Statements included in the section titled “*Financial Statements*” beginning on page 72.

Related Party Transactions

For details of our related party transactions as per Ind AS 24 during Fiscal 2020 and for the nine month period ended December 31, 2020, please refer to the Financial Statements included in the section titled “*Financial Statements*” beginning on page 72.

Details of Equity Shares Issued for Consideration Other than Cash in last one year

No Equity Shares have been issued by our Company for consideration other than cash during the period of one year immediately preceding the date of filing of this Letter of Offer.

SECTION II – RISK FACTORS

This offering and an investment in equity shares involve a high degree of risk. This section describes the risks that we currently believe may materially affect our business and operations. You should carefully consider the following, in addition to any forward-looking statements and the cautionary statements in this Letter of Offer and the other information contained in this Letter of Offer, before making any investment decision relating to the Rights Equity Shares. Prospective investors should read this section in conjunction with the sections ‘Our Business’, ‘Forward Looking Statements’, ‘Financial Statements’ and ‘Management’s Discussion and Analysis of Financial Condition and Results of Operations’, as well as other financial and statistical information contained in this Letter of Offer. The occurrence of any of the following events, or the occurrence of other risks that are not currently known or are now deemed immaterial, could cause our business, results of operations, cash flows, financial condition and prospects to suffer and could cause the market price of our Equity Shares to decline or fall significantly and you may lose all or part of your investment.

This Letter of Offer also contains forward-looking statements that involve risks, estimates, assumptions and uncertainties. Our actual results may differ materially from the anticipated results in the forward-looking statements as a consequence of certain factors including the considerations described below and elsewhere in this Letter of Offer.

The risks described below are not the only ones relevant to us or the Equity Shares. Additional risks that may be unknown to us and some risks that we do not currently believe to be material could subsequently turn out to be material. Although we seek to mitigate or minimize these risks, one or more of a combination of these risks could materially and adversely impact our business, financial condition and results of operations. Investors should pay particular attention to the fact that our Company is an Indian company and is subject to a legal and regulatory regime which in some respects may be different from that applicable in other countries. Prospective investors should consult their own tax, financial and legal advisors about the particular consequences of an investment in the Issue.

Unless otherwise indicated, all industry and market data used in this section has been derived from the ICRA Report. None of our Company, the Lead Manager or any other person connected with the Issue has independently verified such information. Unless otherwise indicated, all financial, operational, industry and other related information derived from the ICRA Report and included herein with respect to any particular year refers to such information for the relevant calendar year.

All financial information used in this section is derived from the Financial Statements. For additional details, please refer to the section titled “Financial Statements” beginning on page 72.

Considerations relating to our Company and its Business

1. Our investments are focused on the automotive sector and any adverse developments in the automotive and transportation industry would adversely affect our results of operations.

Our investments are focussed primarily on the automotive sector with 15 of our 20 portfolio companies engaged in the automotive sector. For the nine month period ended December 31, 2020 and Fiscal 2020, 0.44% and 72.86% of our revenue from operations from investments was contributed by portfolio companies engaged in the automotive sector. As we focus on investments in the automotive sector, developments in the automotive and transportation industry have, and will likely continue in the future to have, a disproportionate impact on our investments. As per ICRA, the COVID-19 induced country-wide lockdown, caused factories to close and dealerships to shut, leading to complete loss of sales for the OEMs in April 2020 – a first in the history for the industry. While the operations of OEMs resumed in May-2020, the unabated rise in Covid-19 infections in the unlock phase have resulted in localized re-imposition of lockdowns in several states. This again impacted the domestic supply chains and interrupted the pace of overall economic recovery. (Source: ICRA Report)

Our business is, therefore, entirely dependent on various factors that impact this sector such as the demand for automobiles or transportation services in India, changes in Indian regulations and policies affecting vehicles, natural disasters and calamities as well as the Indian and global macroeconomic environment. For example, according to

ICRA, the scrappage policy has the potential to drive some replacement demand in the commercial vehicle sector when implemented. However, the extent of such benefit would remain dependent on the form and quantum of incentives offered under the scheme (*Source: ICRA Report*). Such factors may result in a decline in the sales or value of certain kinds of vehicles, which in turn may adversely affect the financial condition, the results of operations and/or cash flows of our portfolio companies. The enforcement of such scrappage policy may result in a decline in the sale of the products by our portfolio companies which would further, impair our investment and require us to write down our investments or may impact our ability to receive dividend income from our portfolio companies.

Our business, to a large extent, depends on the continued growth in the automobile and transportation industry in India, which is influenced by a number of extraneous factors which are beyond our control, inter-alia including (a) the macroeconomic environment in India, (b) the demand for transportation services, (c) natural disasters and calamities, and (d) changes in regulations and policies in connection with motor vehicles as well as the automotive industry.

Our investments are not diversified and any factor which adversely impacts the automotive and transportation industry may have a disproportionate impact on our operations, profitability and/or cash flows.

2. We depend on a limited number of portfolio companies for a significant portion of our revenues. Any significant reduction in production and sales of, or demand for the products of such portfolio companies may adversely affect our business, results of operations and financial condition.

We depend on a limited number of portfolio companies for a significant portion of our revenues. Our top 5 portfolio companies represented 71.12% and 58.63% of our revenue from operations from investments and 24.38% and 22.31% of our total revenue from operations for Fiscal 2020 and Fiscal 2019, respectively.

It is difficult to forecast the success or sustainability of any strategies undertaken by any of our key portfolio companies in response to the current economic or industry environment. Unfavourable industry conditions can also result in an increase in commercial disputes and other risks of supply disruption. A sustained decline in the demand for products produced by our portfolio companies could prompt them to cut their production volumes, directly affecting the demand from customers for their products. In addition to decline in demand for existing products, insufficient demand for new products launched by our portfolio companies may also affect demand for their products from customers. Further, the volume and timing of sales to end customers may vary due to variation in demand for our portfolio companies' products, their attempts to manage their inventory, design changes, changes in their product mix, manufacturing strategy and growth strategy, and macroeconomic factors affecting the economy in general, and our portfolio companies in particular.

Our growth depends on the growth of our portfolio companies. If our key portfolio companies do not successfully enter into new high-growth segments, we may be prevented from capitalising on new growth opportunities. Since we are significantly dependent on certain key portfolio companies for a significant portion of our revenues, the loss of any one of our key portfolio companies or any adverse change in the financial condition of any of these portfolio companies, could have an adverse effect on our business, results of operations and financial condition. We may continue to remain dependent upon our key portfolio companies for a substantial portion of our revenues.

3. The acquisition of additional shareholding in Brakes India Private Limited from the Issue Proceeds is subject to completion of conditions precedent under the Share Purchase Agreement. However, we may not be able to complete such acquisition in a timely manner and such acquisition may not prove to be profitable or achieve the profitability that justifies our investment, which may adversely impact our prospects, growth and results of operations.

The objects of the Issue are to acquire additional shareholding of 7.71% in BIPL from ZF, for an aggregate consideration of ₹ 34,999.97 lakhs. We have entered into the Share Purchase Agreement for the acquisition of the abovementioned additional shareholding. The completion of the transaction contemplated under the Share Purchase Agreement is subject to the completion of certain conditions precedent, including receipt of an unconditional approval from CCI or implementation of any mandatory conditions / observations set out in the approval from CCI. There is no guarantee that CCI approval will be granted or that any conditions imposed by CCI will be met in a timely manner

or at all. Failure to obtain CCI approval or failure to satisfy any or all of these conditions may result in the non-completion of the acquisition of additional shareholding in BIPL.

Additionally, once the acquisition is completed, we cannot assure you that the acquisition will prove to be profitable or would enable us to achieve profitability which justifies the investment. The foregoing may have an adverse impact on our prospects, growth and results of operations.

4. The acquisition of additional shareholding in BIPL from ZF by us is one among several transactions for acquisition of up to 49.00% of BIPL held by ZF. In the event of non-completion of the remaining acquisitions by other purchasing parties, our acquisition of 7.71% of BIPL may be rendered infructuous.

Our acquisition of 7.71% of BIPL from ZF, is one among several transactions where we along with other purchasing parties have agreed to acquire the entire 49.00% shareholding in BIPL held by ZF. The transactions for acquisition of the remaining 41.29% of the shareholding in BIPL by other purchasing parties are not in our control and, like our acquisition of 7.71%, will be subject to receipt of necessary corporate approvals, financing and regulatory and other permissions as may be required by the respective parties to such acquisitions. We cannot guarantee that any of the transactions for the acquisition of the remaining 41.29% shareholding in BIPL by the other purchasing parties will be completed in a timely manner or at all.

Further, in the event of a failure by other purchasing parties to consummate these transactions or termination of the share purchase agreement with the other purchasing parties, the Share Purchase Agreement shall also automatically stand terminated.

5. Differing interests of our partners or the management of our portfolio companies or the management of our Promoter may result in unfavourable outcomes for us, which could have an adverse effect on our business and results of operations.

We will continue to pursue strategic alliances and investments in the future. The success of our business collaborations and investments depends significantly on the satisfactory performance by our counterparties of their respective contractual and other obligations. As we do not control our partners or the management in our portfolio companies, we face the risk that they may not perform their obligations. Further, we do not usually undertake management obligations in respect of any of our portfolio companies, and are dependent on the management of the respective portfolio companies for the daily operations and management of such portfolio companies. If our partners or the management of the respective portfolio companies fail to perform their obligations satisfactorily, we may be unable to successfully carry out our goals, including receiving any value from our investments.

In such a circumstance, we may be required to make additional investments or become liable for our partner's obligations, which could result in reduced profits or, in some cases, significant losses. Our collaborations may face difficulties in their operations due to a variety of circumstances, which could have an adverse effect on our business, results of operations and financial condition. If the interests of our partner or those of the management of the respective portfolio companies conflict with our interests, this, and other factors may cause our counterparties to act in a manner that is contrary to our interests, or otherwise be unwilling to fulfil their obligations under our arrangements with them.

In addition, for our shared services business, we are dependent on our Promoter for daily operations and management. If our Promoter is unable to provide assistance or fail to perform its obligation, we may be unable to carry out our shared services business efficiently.

Further, we have limited experience in management of our portfolio companies. In the event that we are required to undertake obligations of our partners, there can be no assurances that we will be able to fulfill such obligations in a timely manner or at all or that such obligations will not require our management to devote substantial time and monetary resources. Further, if any of our portfolio companies are acquired by any other company, its management may change which in turn may affect our relationship with such portfolio company. Any of the foregoing could have an adverse effect on our business, results of operations, financial condition, and reputation.

6. Any failure by us to identify, manage, complete and integrate acquisitions, divestitures and other significant transactions successfully could adversely affect our results of operations, business prospects and/or cash flows.

As part of our business strategy, we may acquire or invest in companies or businesses, enter into strategic alliances and joint ventures, divest non-core businesses or assets, sell or dispose of any unit(s) or division(s), and make investments/disinvestments to further our business or any other restructuring. In order to pursue this strategy successfully, we must identify suitable entities for successfully completing such transactions, some of which may be large and complex, and manage the integration of acquired companies or employees. We may not fully realise all of the anticipated benefits of any such transaction within the anticipated timeframe or at all. Any increased or unexpected costs, unanticipated delays or failure to achieve contractual obligations could make such transactions less profitable or unprofitable. Managing business combination(s) and investment transactions requires varying levels of management resources, which may divert our attention from other business operations, and may result in significant costs and expenses and charges to earnings. The challenges involved in integration include:

- combining product offerings for different portfolio companies and entering into new markets in which we are not experienced;
- consolidating and maintaining relationships with customers of such portfolio companies;
- consolidating and rationalising transaction processes and corporate and information technology infrastructure;
- integrating employees and managing employee issues;
- coordinating and combining administrative and other operations and relationships with third parties in accordance with applicable laws and other obligations while maintaining adequate standards, controls and procedures;
- achieving savings from infrastructure integration; and
- managing other business, infrastructure and operational integration issues.

Accordingly, a failure to identify, manage, complete and integrate acquisitions, divestitures and other significant transactions successfully could adversely affect our results of operations, business prospects and/or cash flows.

7. We had applied for registration as a non-deposit taking non-banking finance company. In the event of not receiving the registration, our ability to carry on investment activities may be restricted.

Till Fiscal 2020, we were an exempted CIC, not requiring registration with RBI. However, due to decrease in market price of shares and corresponding decrease in value of investments in accordance with accounting norms, the value of certain of our investments has been altered, leading to us no longer meeting the criteria for being categorised as a CIC. We had thereafter, applied for registration as a non-deposit taking Non-Banking Finance Company (“NBFC-ND”). Our application was returned by RBI vide their letter dated February 25, 2021, post which we sought a clarification from RBI by way of our letter dated February 26, 2021.

In the event of non-receipt of registration as an NBFC-ND from the RBI, in a timely manner or at all, we will, subject to meeting the requisite criteria, once again be categorised as an exempted CIC and our ability to invest in non-group entities would be restricted. Inability to receive registration as an NBFC-ND may accordingly restrict our ability to diversify our investment portfolio.

8. The impact of the COVID-19 pandemic on our business and operations is uncertain and the extent to which it may continue to affect our business and operations in the future cannot be predicted.

Due to the emergence of the coronavirus disease 2019 (“COVID-19”), declared a pandemic by the World Health Organization, the Government of India had introduced stringent measures to prevent the spread of the disease. As on the date hereof, certain restrictions imposed by the GoI, such as on maintenance of social distancing, have not been completely lifted. As the viral pandemic has not yet fully subsided, there is little comprehension on the full impact of the pandemic induced lockdown on the Indian or the global economy. While the GoI has, through the Ministry of Finance, issued a series of liquidity enhancement measures to counteract the slowdown caused by a reduction in economic activity during the lockdown, the impact of such measures remains unknown at the present moment.

Some of the ascertainable impact of COVID-19 pandemic and the pandemic induced lockdown on the business and operations of our portfolio companies and consequently on our prospects, include:

- Adverse impact on the business of our portfolio companies and their customers, which in turn has adversely impacted our business prospects;
- Adverse liquidity on account of an RBI mandated moratorium, which in turn will also lead to decrease in overall auto sales and repayments; and
- Reduction of employee headcount or employee costs and other cost optimization measures.

While our Company was operational during the lockdown in accordance with the guidelines issued by the Ministry of Home Affairs and the concerned State Government, from time to time, there can be no assurance that even with easing of the pandemic containment measures, economic activity in general or the level of business enjoyed by our Company or our portfolio companies in the past will continue to exist.

The extent to which the COVID-19 outbreak impacts our business, cash flows, results of operations and financial condition will significantly depend on future developments, including the timeliness and effectiveness of actions taken or not taken to contain and mitigate the effects of COVID-19 both in India and internationally by governments, central banks, healthcare providers, health system participants, other businesses and individuals, which are highly uncertain and cannot be predicted.

Additionally, as we gradually transition towards pre-pandemic levels of office attendance for our employees, sanitisation and precautionary measures undertaken may cause our Company to incur additional expenses to maintain the health of employees, including operating with limited staff or at limited times, which in turn will impact our business and results of operations. Further, if any of our employees contract COVID-19 and are unable to continue working, we may be compelled to undertake additional measures including temporary suspension of operations at a particular office, which in turn will impact our business and results of operations.

The negative impact of the COVID-19 pandemic is expected to be reflected in the turnover and profitability of our Company for Fiscal 2021. Our revenue from operations decreased by 28.13% from ₹ 5,702.65 lakhs in the nine month period ended December 31, 2019 to ₹ 4,098.34 lakhs in the nine month period ended December 31, 2020, which was primarily on account of reduction in dividend income from portfolio companies.

Due to the limited information available currently, we have not been able to quantify the full impact of the containment measures on our financial statements. In the event that the containment measures have a significant adverse impact on the economic health of our customers in particular and the economy in general, our future prospects, profitability and results of operations may in turn be negatively impacted.

9. We may face difficulties in executing our strategies including our expansion plans, and there can be no assurance that our investments will result in growth and/or additional profitability for our Company.

In recent years, we have experienced significant growth. Our growth strategy includes capitalising on opportunities in the automotive space, strategically expanding our portfolio in segments which are more value accretive and diversifying our investment portfolio to non-automotive sectors. We cannot assure you that our growth strategies will be successful in a timely manner or at all or that we will be able to continue to expand further or diversify our investment portfolio.

We may not be able to sustain our rates of growth, due to a variety of reasons including a decline in the demand for products and services in the automotive industry as a whole or of those of any of our portfolio companies in particular, increased price competition, non-availability of raw materials, lack of management availability or a general slowdown in the economy. A failure to sustain our growth may have an adverse effect on our business, results of operations and financial condition.

Our growth strategy will place significant demands on our management as well as our financial, accounting and operating systems. If we are unable to execute our operations efficiently, we may not be able to successfully execute

our growth strategy. Further, as we scale-up and diversify our operations, we may not be able to execute our operations efficiently, which may result in delays, increased costs and lower profitability. We cannot assure you that our future performance or growth strategy will be successful. In addition, any of our current or future acquisition related strategies may not be executed as planned on account of factors such as lack of adequate experience, increase in competition from peers, amongst others. Further, expansion and acquisitions may require us to incur or assume new debt, expose us to future funding obligations or integration risks and we cannot assure you that such expansion or acquisition will contribute to our profitability. Our failure to manage our growth effectively may have an adverse effect on our business, results of operations and financial condition.

10. Our failure to identify and understand evolving industry trends in the industries in which we or our portfolio companies operate and changes in customer preferences may cause us to incur losses.

As on date, we primarily derive income from our 20 portfolio companies and from providing support services. We expect to continue to dedicate significant financial and other resources towards identification, development and acquisition of potential portfolio companies and retention of existing clients and seeking new clients in our support services vertical. Identification of appropriate acquisition targets or maintenance of client relationships is expensive and time consuming, and there is no assurance that such activities will result in significant new investments or marketable services, cost savings, revenues or other expected benefits. If we spend significant time and effort on research and are unable to generate an adequate return on our investment, our business and results of operations may be materially and adversely affected.

Further, changes in consumer preferences, regulatory or industry requirements or in competitive technologies may render certain of the services or products offered by our portfolio companies obsolete or less attractive. Our ability to anticipate changes in technology and regulatory standards and to successfully develop and introduce new and enhanced services or acquire technologies, partners or companies on a timely basis is a significant factor in our ability to remain competitive. However, there can be no assurance that we will be able to develop or secure the necessary technological or industry knowledge that will allow us to develop our investment portfolio or support services portfolio in this manner. If we are unable to obtain such knowledge in a timely manner, or at all, we may be unable to effectively implement our strategies, and our business and results of operations may be adversely affected. Moreover, we cannot assure you that we will be able to achieve the technological advancements that may be necessary for us to remain competitive or that certain of our services will not become obsolete.

Our portfolio companies are also subject to the risks generally associated with new product introductions and applications, including lack of market acceptance, delays in product development and failure of products to operate properly. For instance, product development by our portfolio companies to meet the BS VI emission norms may not be accepted by end customers.

To compete effectively in the support services vertical, we must be able to develop and produce new services to meet our customers' demand in a timely manner. We cannot assure you that we will be able to provide such support or services to our customers in a timely manner or at all. As a result, we may incur and have in the past incurred capital expenditures to develop products or services to meet customer demands and those demands may be delayed at the customer end due to delays in product launches, which in turn, could materially adversely affect our prospects and results of operations.

In addition, sales of automotive components are directly related to the production and sales of automobiles, particularly in the passenger vehicle segment, which are impacted by general economic or industry conditions, including seasonal trends in the automobile manufacturing sector, volatile fuel prices, rising employee expenses and challenges in maintaining amicable labour relations as well as evolving regulatory requirements, government initiatives, trade agreements and other factors. For example, according to ICRA, the domestic PV industry volume were significantly impacted during Q1FY2021 due to lockdown restrictions (*Source: ICRA Report*). Any economic downturn in the automobile manufacturing and sales would result in a reduction in demand for the products manufactured by our portfolio companies, which may, in turn, significantly affect our revenues.

11. Inability to assess, monitor and manage risks inherent in our business and respond to technological and

sectoral changes may adversely impact our results of operations and profitability.

We are exposed to a variety of risks, including liquidity risk, interest rate risk, credit risk, operational risk and regulatory risks. The effectiveness of our risk management is limited by the quality and timeliness of available data.

Our hedging strategies and other risk management techniques may not be fully effective in mitigating our risks in all market environments or against all types of risk, including risks that are unidentified or unanticipated. Some methods of managing risks are based upon observed historical market or industry behaviour. As a result, these methods may not predict future risk exposures, which could be greater than the historical measures indicated. Other risk management methods depend upon an evaluation of information regarding markets, customers or other matters. This information may not in all cases be accurate, complete, current or properly evaluated. Management of operational, legal or regulatory risk requires, among other things, policies and procedures to properly record and verify a number of transactions and events. Although we have established these policies and procedures, they may not be fully effective.

We have devoted significant resources to developing our risk management policies and procedures and expect to continue to do so in the future. Despite this, our policies and procedures may not be fully effective in identifying, monitoring and managing. As we seek to expand the scope of our operations, we also face the risk of inability to develop risk management policies and procedures that are properly designed for those new business areas in a timely manner. Implementation and monitoring may prove particularly challenging with respect to businesses that we have recently invested in. Inability to develop and implement effective risk management policies may adversely affect our business, prospects, financial condition and results of operations.

Our future success will depend, in part, on our ability to respond to new technological advances and evolving NBFC, automotive and finance sector standards and practices on a cost-effective and timely basis. The development and implementation of such technology entails significant technical and business risks. Failure to adapt to new technologies and sectoral preferences in a timely manner or at all, may adversely impact our profitability and results of operations.

12. We are subject to supervision and regulation by regulatory authorities in India, and changes in regulations governing us could adversely affect our business.

We are subject to the corporate, taxation and other laws in effect in India. The regulatory and legal framework governing us may continue to change as India's economy and commercial and financial markets evolve. In recent years, existing rules and regulations have been modified, new rules and regulations have been enacted and reforms have been implemented which are intended to provide tighter control and more transparency in India's non-banking finance sector.

The laws and regulations governing the banking and financial services industry in India have become increasingly complex and cover a wide variety of issues, such as interest rates, liquidity, securitisation, investments, money laundering and privacy. In some cases, there are overlapping regulations and enforcement authorities. Moreover, these laws and regulations can be amended, supplemented or changed at any time such that we may be required to restructure our activities and incur additional expenses to comply with such laws and regulations, which could materially and adversely affect our business and our financial performance.

Compliance with many of the regulations applicable to our operations in India, including any restrictions on investments and other activities currently being carried out by our Company, involves a number of risks, particularly in areas where applicable regulations may be subject to varying interpretations. Further, compliance with many of the regulations applicable to our operations may involve significant costs and otherwise may impose restrictions on our operations. There can be no assurance that the laws governing our Company and its operations will not change in the future or that such changes or the interpretation or enforcement of existing and future laws and rules by governmental and regulatory authorities will not adversely affect our business and future financial performance.

Additionally, we are required to make various filings with Registrar of Companies and other relevant regulatory or statutory authorities pursuant to the provisions of the Companies Act and other regulations. In addition, we are also

required to comply with the directives, regulations and guidelines issued by other regulators for listed companies, including stock exchanges and SEBI. If we fail to comply with these requirements, or a regulator claims we have not complied with these requirements, we may be subject to penalties and compounding proceedings. Imposition of any penalty or adverse findings by such authorities may have an adverse effect on our business, operations results, financial condition and reputation.

13. Any adverse impact on the ‘Sundaram Finance’ brand may have an impact on the benefits accruing to us from the use of the brand resulting in an adverse impact on our business and results of operations.

We benefit from our relationship with the ‘Sundaram Finance’ group in many ways, including such as reputation and experience. We believe that the ‘Sundaram Finance’ brand is perceived to be that of a trusted provider of quality products and services. Our growth and future success are influenced, in part, by our continued relationship with the ‘Sundaram Finance’ group. Many factors, some of which are beyond our control, are important -for maintaining and enhancing our brand image. A public perception that we do not provide satisfactory services, whether factually incorrect or based on isolated incidents, could damage our reputation, undermine the trust and credibility we have established for our stakeholders, including investors, lenders, customers and have a negative impact on our ability to attract new consumers or retain our current consumers. If we cease to benefit from these relationships for any reason, our business and growth prospects may decline, and our business and results of operations may be adversely affected.

We cannot assure you that the established ‘Sundaram Finance’ brand name will not be adversely affected in the future by events such as actions that are beyond our control, including customer complaints and dissatisfaction or adverse publicity from any other source. Negative public opinion about the financial services industry generally or about the ‘Sundaram Finance’ brand name, if not immediately and sufficiently remedied, can have an adverse effect on our business and results of operations.

14. We derive substantial income from our customers within a few geographies. Therefore, factors that adversely affect the demand for support services in such geographies may adversely affect our business.

We have in the past derived, and believe that we will continue to derive, a significant portion of our income from our customers within India and Australia. In addition, almost all of our employees are based in India. Consequently, factors that adversely affect the economies of India or Australia or the demand for support services within such jurisdictions, may adversely affect our business and profitability. We are, therefore, less insulated from the risk of adverse changes in market conditions as compared to other companies providing shared services who have significant operations across geographies.

15. The economic environment, pricing pressure and decreased employee utilisation rates have in the past, and may in the future, adversely impact spending on support services and therefore our income and operating results.

Spending on technology products and services is subject to fluctuations depending on many factors, including the economic environment in the markets in which our customers operate. Reductions in spending on support services, increased credit risk and extended credit terms arising from or related to the global economic slowdown have in the past adversely impacted, and may in the future adversely impact, our income, gross profits, operating margins and results of operations. When economic conditions weaken, our customers tend to reduce or postpone their spending on support services significantly which, in turn, lowers the demand for our shared services solutions and adversely affects our income and profitability. As a way of dealing with a challenging economic environment, customers tend to change their support services strategy by performing more work in-house or replacing their existing software with packaged software supported by the licensor.

Reduced spending on shared services in response to the challenging economic environment has also led to increased pricing pressure from our customers, which has led us to increasingly lower fixed price terms to our customers. Weak economic conditions in the future may also adversely impact our income, gross profits, operating margins and results of operations.

In addition to seeking lower fixed price terms rates, many of our customers may seek extensions in credit terms from the standard terms that we provide. Such extended credit terms may reduce our income, or result in the delay of the realisation of income, and may adversely affect our cash flows. In addition, extended credit terms also increase our exposure to customer-specific credit risks.

Moreover, our ability to maintain or increase pricing is restricted as customers often expect that as we do more business with them, they will receive volume discounts or special pricing incentives. Existing and new customers are also increasingly using third-party consultants with broad market knowledge to assist them in negotiating contractual terms. In addition, due to the growing demand for support services professionals in India, we may have to increase the levels of employee compensation in order to retain our employees and remain competitive in the employment market. Any inability to maintain or increase pricing on this account may also adversely impact our income, gross profits, operating margins and results of operations.

In addition, reduced or delayed spending on support services may adversely impact our utilisation rates for technology professionals. In addition to the business challenges and margin pressure resulting from the global economic slowdown and the response of our customers to such slowdown, there is also a growing trend among consumers of support services solutions towards consolidation of technology service providers in order to improve efficiency and reduce costs. A decrease in employee utilisation rate may have an adverse impact on our profitability in the future, whether on account of reduced or delayed spending on support services, particularly if accompanied by pricing pressure, and may also adversely impact our results of operations.

Our success in the competitive bidding process for new consolidation projects or in retaining existing projects is dependent on our ability to fulfil customer expectations relating to staffing, absorption of transition costs, deferment of billing and more stringent service levels. Our failure to meet a customer's expectations in such consolidation projects may adversely impact our business, income and operating margins. In addition, even if we are successful in securing the mandates for such consolidation projects, we may experience significant pressure on our operating margins as a result of the competitive bidding process.

16. The support services market is highly competitive, and our competitors may have advantages that may allow them to compete more effectively than we do to secure customer contracts.

The support services market in which we operate includes a large number of participants, and we have faced, and expect to continue to face, intense competition from providers of IT solutions both within and outside India. We believe that the principal competitive factors in our markets are breadth and depth of service offerings, reputation and track record, ability to tailor service offerings to customer needs, industry expertise, service quality, price, scalability of infrastructure, financial stability and sales and marketing skills.

To obtain engagements for our support service offerings, we are also competing with large, well-established global IT solutions companies as well as other India-based IT solutions companies resulting in increased competition and marketing costs. We also occasionally compete with in-house IT departments, vertically-focused IT service providers and local IT service providers based in the geographic areas where we compete.

Many of our competitors are significantly larger and some may have gained access to public and private capital or may have merged or consolidated with better capitalised partners, which has created, and may in the future create, larger and better capitalised competitors. These competitors may have superior abilities to compete for market share and for existing and prospective customers. Our competitors may be better able to use significant economic incentives, such as lower fixed price terms, to secure contracts with our existing and prospective customers. These competitors may also be better able to compete for and retain skilled professionals by offering them more attractive compensation or other incentives. These factors may provide these competitors with advantages over us to meet customer demands in an engagement for large numbers and varied types of resources with specific experience or skill-sets that we may not have available in the short or long-term. We cannot assure that we can maintain or enhance our competitive position against current and future competitors. Our failure to compete effectively could have a material adverse effect on our business, financial condition and results of operations.

17. System failures or inadequacy and security breaches in computer systems may adversely affect our business or reputation.

We utilize information technology systems to support our business processes which may be susceptible and vulnerable to damage or interruption from:

- events beyond our control, such as war, terrorist attacks and *force majeure* events, including earthquakes, tornados, hurricanes, fires or floods or break-ins
- power losses, computer systems failures, internet and telecommunications or data network failures, service provider negligence, improper operation by or supervision of employees, user error, physical and electronic losses of data and similar events; and
- computer viruses, cyber-attacks, penetration by individuals seeking to disrupt operations or misappropriate information and other breaches of security.

Our operations also rely on the secure processing, storage and transmission of confidential and other information in our computer systems and networks. Any accidental security breaches or other unauthorized access to confidential information could expose us to liability related to the loss of the information, legal proceedings and negative publicity. While there have been no such incidents in the past, security measures could be breached by third party actions, intrusion into our software due to flaw in the software by hackers, due to employee error and malfeasance. In addition, we may be required under applicable regulations to notify individuals of data security breaches involving their personal data. Any security breach may cause our customers to lose confidence in the effectiveness of our data security measures, and in turn have an adverse effect on our business, operations, financial condition or cash flows.

Our financial, accounting or other data processing systems may fail to operate adequately or become disabled as a result of the occurrence of any of the above-mentioned events.

Our ability to operate and remain competitive will depend in part on our ability to maintain and upgrade our information technology systems on a timely and cost-effective basis. The information available to and received by our management through our existing systems may not be timely and sufficient to manage risks or to plan for and respond to changes in market conditions and other developments in our operations. We may experience difficulties in upgrading, developing and expanding our systems as and when needed, to accommodate our growing customer base and range of products.

Any failure to effectively maintain or improve or upgrade our management information systems in a timely manner could materially and adversely affect our competitiveness, financial position and results of operations. Moreover, if any of these systems do not operate properly or are disabled or if there are other shortcomings or failures in our internal processes or systems, it could affect our operations or result in financial loss, disruption of our businesses, regulatory intervention or damage to our reputation. In addition, our ability to conduct business may be adversely impacted by a disruption in the infrastructure that supports our businesses and the geographical areas in which we are located.

18. We are exposed to fluctuations in the market values of our investment and other asset portfolio.

Deterioration of the credit and capital markets could result in volatility of our investment earnings and impairments to our investment and asset portfolio, which could negatively impact our financial condition and reported income.

19. We cannot assure you that the deployment of the Net Proceeds in the manner intended by us will result in an increase in the value of your investment.

We intend to utilize the Net Proceeds as set forth in “Objects of the Offer” on page 47.

The fund requirement mentioned as a part of the objects of the Offer is based on our estimates and has not been appraised by any bank or financial institution. This is based on current conditions and is subject to change in light of changes in external circumstances, costs, other financial conditions or business strategies.

Any variation in the objects of the Offer, including variations due to factors or circumstances involving competitive and dynamic market conditions, variation in cost structures, changes in estimates due to delays which may be beyond our control, would require a special resolution of our Shareholders and our Promoter or controlling Shareholders will be required to provide an exit opportunity to our Shareholders who do not agree to such variation, pursuant to Section 27 of the Companies Act 2013. If our Shareholders exercise such an exit option, our share price may be adversely affected, which may affect the value of your investment.

Further, our management will have significant flexibility in temporarily investing the Net Proceeds and there can be no assurance that we will earn significant interest income on, or that we will not suffer unanticipated diminution in the value of, such temporary investments.

20. Our Company and Subsidiary are subject legal proceedings, and an adverse outcome in any such proceedings may adversely affect our business, financial condition and growth strategy.

Our Company and Subsidiary are involved in certain legal proceedings, in the ordinary course of business, which are pending at varying levels of adjudication at different fora, from time to time. There are no outstanding matters involving moral turpitude or criminal proceedings, statutory and regulatory actions and economic offenses involving our Company and Subsidiary. There are no outstanding pending litigation (including tax proceedings) involving our Company and Subsidiary, which are considered “material” i.e., if the monetary amount of claim by or against the entity or person, in any such pending litigation exceeds ₹ 92.56 lakhs (“**Materiality Threshold**”), or any such litigation, an adverse outcome of which would materially and adversely affect our Company’s business, prospects, operations, financial condition or reputation, irrespective of the amount involved in such litigation, except as disclosed below:

Type of proceeding	Number of cases	Amount involved (in ₹ lakhs)
<i>Against the Company</i>		
Tax Proceedings	2	976.23

For further details, please see “*Outstanding Litigation and Defaults*” on page 100 of this Letter of Offer. We cannot assure you that these legal proceedings will be decided in our favour or that there will be no legal proceeding involving our Company and Subsidiary in the future. Such a proceeding, if arises, may adversely affect our business, financial condition and growth strategy.

21. Some of our Directors may have interests in entities, which are in businesses similar to our portfolio companies or support services business, and this may result in conflicts of interest with us.

As on the date of this Letter of Offer, some of our Directors also have interests, as directors or shareholders in other entities engaged in the automotive sector, other NBFCs, or other support services companies, including certain of our related parties, such as our Subsidiary and our Promoter. There can be no assurance that such Directors will not be subject to conflicts of interest or that we will be able to deal with such conflicts of interest in a timely manner.

Further, commercial transactions in the future between us and related parties, though legitimate business transactions conducted at an arm’s length basis, may result in conflicting interests which could have an adverse effect on our operations. Such factors may have an adverse effect on the results of our operations and financial condition. For further details, see “*Financial Statements*” on page 72.

22. The trademark/service mark and logo in connection with the “Sundaram Finance” or “SF” brand which we use is not owned by us and consequently, any infringement of such trademark/service mark and logo may adversely affect our goodwill, operations and profitability.

We use the brand name “Sundaram Finance” and the associated “SF” mark. In this regard, we hold the trademark for “Sundaram Finance Holdings”, but do not enjoy any rights over the “SF” mark or the “Sundaram Finance” mark, which is trademarked by our Promoter and are also used by other companies in the Sundaram Finance group.

In the event of any infringement of such trademark or service mark, we will suffer loss of goodwill and business. Our inability to register such logo and/or to adequately protect the same may adversely affect our goodwill, operations and profitability. Further, in the event of a loss of the “SF” brand, we may not be able to derive the goodwill that we have been enjoying under the “Sundaram Finance” brand. Further, if we are required to enter into commercial terms for use of such trademark or service mark in the future, such commercial terms and conditions including the consideration payable may be commercially unfavourable to our Company and we may be required to allocate a large portions of profits and/or revenues towards such consideration, which would adversely affect our profitability.

We operate in a competitive environment, and we believe that our brand recognition is a significant competitive advantage to us. If we lose the ability to utilise the “Sundaram Finance” or “SF” brand, we may need to change our name, trade mark/service mark or the logo. Any such change could require us to incur additional costs and may adversely impact our goodwill, business prospects and results of operations.

23. *We will continue to be controlled by our Promoter after the completion of the Issue.*

After the completion of the Issue, our Promoter will continue to exercise control over us, including being able to influence the composition of our Board and influence matters requiring shareholder approval. Our Promoter may take or block actions, which the Promoter, may believe to be in the interest of our Company but may conflict with the interests of our minority shareholders. Through its influence, our Promoter may be in a position to delay, defer or cause a change of our control or a change in our capital structure, delay, defer or cause a merger, consolidation, takeover or other business combination involving us, discourage or encourage a potential acquirer from making a tender offer or otherwise attempting to obtain control of us. There is no assurance that our Promoter will act to resolve any conflicts of interest in our Company’s or your favour.

24. *We have entered into certain related party transactions.*

We have entered into transactions with certain related parties. While we believe that all such transactions have been conducted on an arm’s length basis, we cannot assure you that we could not have obtained more favourable terms had such transactions been entered into with unrelated parties. Such transactions may give rise to current or potential conflicts of interest with respect to dealings between us and such related parties. Additionally, there can be no assurance that any dispute that may arise between us and related parties will be resolved in our favour. For more information on our related party transactions, please see “Financial Statements” on page 72.

25. *Our Statutory Auditors have provided certain matters of emphasis relating to the Audited Consolidated Financial Statements of our Company. We cannot assure you whether such matter of emphasis will not arise in the future.*

Our Statutory Auditors have included certain matters of emphasis in their report to the Audited Consolidated Financial Statements. The Statutory Auditors have drawn attention to Note 32h of audited consolidated financial statements for Fiscal 2020 and Note 27(c) of the Unaudited Condensed Consolidated Interim Financial Statements. For details, see “Financial Statements” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations - Auditor’s Qualification” on pages 72 and 75. Investors should consider these matters in evaluating our financial position, cash flows and results of operations. There is no assurance that our auditors’ reports for any future Fiscal periods will not contain such matters of emphasis.

26. *We have certain contingent liabilities which may adversely affect our financial condition.*

As per our Financial Statements, as of December 31, 2020 and March 31, 2020, we had contingent liabilities not provided for, aggregating to ₹ 655.81 lakhs and ₹ 1,557.44 lakhs, respectively.

In the event that any of these contingent liabilities materialise, our financial condition may be adversely affected. Further, in the event there is a change in any statutory/ regulatory requirement with respect to contingent liabilities, our Company may be required to make additional provisions to meet the revised criteria which may have an adverse effect on our financial condition and profitability.

27. *Our success depends in large part upon our management team and our ability to attract, train and retain such persons and on our relations with our employees.*

Our ability to sustain our rate of growth and to meet future business challenges depends significantly upon our ability to manage key issues such as selecting and retaining key managerial personnel, developing managerial experience to address emerging challenges and ensuring a high standard of client service. We are highly dependent on our Directors and our management team. In order to be successful, we must attract, train, motivate and retain highly skilled employees, especially branch managers and relationship executives. If we cannot hire additional qualified personnel or retain them, our ability to expand our business will be impaired and our revenue could decline. We will need to recruit new employees, who will have to be trained and integrated into our operations. We will also have to train existing employees to adhere properly to internal controls and risk management procedures. Failure to train and motivate our employees properly may result in an increase in employee attrition rates, require additional hiring, erode the quality of customer service, divert management resources, increase our exposure to high-risk credit and impose significant costs on us. While we have an incentive structure designed to encourage employee retention, our inability to attract and retain talented professionals, or the resignation or loss of key management personnel, may have an adverse impact on our business, future financial performance and/or cash flows.

As of December 31, 2020, we had 720 employees. Currently, none of our employees is members of any labour union. While we believe that we maintain good relationships with our employees, there can be no assurance that we will not experience future disruptions to our operations due to disputes or other problems with our work force, which may adversely affect our business and results of operations.

28. *Our Registered and Corporate Office is occupied by our Company and our Subsidiary on lease from our Promoter. The loss of our ability to utilise our Registered and Corporate Office, could adversely affect our activities.*

Currently, our Registered and Corporate Office, are not owned by us. Termination of leases or other relevant agreements in connection with such properties which are not owned by us or our failure to renew the same, on favourable conditions, in a timely manner, or at all, could require us to vacate such premises at short notice, and could adversely affect our operations, financial condition and profitability.

29. *Our inability to obtain, renew or maintain our statutory and regulatory permits and approvals required to operate our business may have a material adverse effect on our business.*

We require certain statutory and/or regulatory permits and approvals for our business. In the future, we will be required to renew such permits and approvals and obtain new permits and approvals for any proposed operations. There can be no assurance that the relevant authorities will issue any of such permits or approvals in a timely manner or at all and/or on favourable terms and conditions. Some of these approvals, licenses and permits have expired and we have either made or are in the process of making applications for renewing these approvals. We cannot assure you that our applications for renewal of these approvals will be issued or granted to us in a timely manner, or at all. Failure by us to comply with the terms and conditions to which such permits or approvals are subject and/or to renew, maintain or obtain the required permits or approvals may result in the interruption of our operations and may have a material adverse effect on our business, financial condition and results of operations.

30. *Any changes in the statutory and/or regulatory requirements in connection with taxation could adversely affect our operations, profitability and cashflows.*

The operations, profitability and cash flows could be adversely affected by any unfavourable changes in central and state-level statutory and/or regulatory requirements in connection with direct and indirect taxes and duties, including income tax, goods and service tax and/or by any unfavourable interpretation taken by the relevant taxation authorities and/or courts and tribunals. For example, the GST implemented with effect from July 1, 2017 has replaced the indirect taxes on goods and services, such as central excise duty, service tax, central sales tax, state value added tax, surcharge

and excise, collected by the central and state governments. The GST has increased administrative compliance for the Companies which is a consequence of increased registration and form filing requirements.

31. Differences exist between Ind AS and other accounting principles, such as IFRS, which may be material to investors' assessments of our financial condition.

Our Company has prepared the annual financial statements under Ind AS for the Fiscal 2020 as required under Section 133 of the Companies Act, 2013. From April 1, 2019, our Company has computed key parameters including fair value of investments derived from the financial statement prepared in accordance with Ind AS. Our historical financial statements relating to any period prior to Fiscal 2019 may not be comparable to the audited consolidated and standalone financial statements prepared under Ind AS. Ind AS and other accounting standards like IFRS differ in certain respects including first time adoption choices available.

32. Our insurance coverage may not adequately protect us against losses.

We maintain such insurance coverage as we believe is adequate for our operations. Our insurance policies, however, may not provide adequate coverage in certain circumstances and are subject to certain deductibles, exclusions and limits on coverage. We maintain general liability insurance coverage, including coverage for errors or omissions. We cannot, however, assure you that the terms of our insurance policies will be adequate to cover any damage or loss suffered by us or that such coverage will continue to be available on reasonable terms or will be available in sufficient amounts to cover one or more large claims, or that the insurer will not disclaim coverage as to any future claim.

A successful assertion of one or more large claims against us that exceeds our available insurance coverage or changes in our insurance policies, including premium increases or the imposition of a larger deductible or co - insurance requirement, could adversely affect our business, financial condition and results of operations.

33. Our ability to pay dividends will depend on our future earnings, cash flows, working, capital requirements, financial condition, and restrictive covenants under our financing arrangements.

Any future determination as to the declaration and payment of dividends will be decided by our Board and will be subject to the discretion of the Shareholders. The amount of our future dividend payments, if any, will depend on various factors such as our future earnings, cash flows, financial condition, working capital requirements, capital expenditures, restrictive covenants under our financing documents and in accordance with applicable laws. We may decide to retain all of our earnings to finance the development and expansion of our business and, therefore, may not declare dividends on the Equity Shares. The amounts paid as dividends in the past are not necessarily indicative of our Company's dividend policy or the dividend amounts, if any, in the future. There is no guarantee that any dividends will be paid or that the amount thereof will not be decreased in the future.

External Risks

34. Changes in environmental or other laws may lead to a decline in the sale of vehicles, which could adversely affect our business, results of operations and prospects.

Our Company is engaged in investments in automotive sector in India. Any regulation passed by either the central Government or any of the state Governments, or any orders of judiciary to ban the sale of a particular segment of vehicles or impose additional taxes on any particular segment of vehicles, could lead to a decline in the sales of such vehicles. For example, the Supreme Court of India imposed a ban on the sale of vehicles not complying with Bharat Emission Standards IV. Such regulatory amendments or orders of the judiciary may lead to a decline in sales of our portfolio companies and adversely affect our business, results of operations and prospects.

The automobile industry has witnessed substantial changes in recent years, including, among others, continued consolidation, outsourcing, decreasing profit margins in certain segments, regulatory changes, shifts in production to low-cost manufacturing centres and technological changes.

Our investment vertical is directly related to our portfolio companies' sales and production levels across various segments. Automotive sales and production are highly cyclical and depend on general economic conditions and other factors, including consumer spending and preferences as well as changes in interest rate levels, consumer confidence and fuel costs. For example, the recent growth in sales of electric vehicles, which is currently more prevalent for personal vehicles, may shift towards commercial vehicles as well, thereby directly impacting performance of certain portfolio companies engaged in manufacture of fuel based automotive components. The sales of our portfolio companies are also affected by inventory levels and production levels of automotive manufacturers. We cannot predict when manufacturers will decide to either build or reduce inventory levels or whether new inventory levels will approximate historical inventory levels. This may result in variability in sales and financial condition of our portfolio companies. Uncertainty regarding inventory levels may be exacerbated by favourable consumer financing programs initiated by manufacturers, which may accelerate sales that would otherwise occur in future periods. As automotive manufacturing companies generally have high fixed production costs, even relatively modest declines in customers' production levels and thus, production volumes, can have a significant adverse impact on their profitability. In addition, lower global automotive sales during the global financial crisis and the recent pandemic resulted in substantially all automotive manufacturers lowering vehicle production schedules. Continued uncertainty and other unexpected fluctuations could have an adverse effect on our business, results of operations and financial condition.

The automobile industry is also subject to seasonal characteristics. In addition, the automotive component industry is sensitive to other factors beyond our control such as technological changes, cyclical and unforeseen events, including political instability, recession, inflation, further volatility in fuel prices and other adverse occurrences. Any such event that results in decreased demand in the automotive industry, or increased pressure on automobile manufacturers to develop, implement and maintain in-house automotive component facilities, could have an adverse effect on our business, results of operations and financial condition.

35. Any slowdown in economic growth in India may adversely affect our business, results of operations and financial condition.

Our financial performance and the quality and growth of our business depend significantly on the health of the overall Indian economy, the gross domestic product growth rate and the economic cycle in India. All our assets and employees are located in India. Further, economic developments outside India also adversely affect the Indian economy. Accordingly, our business is affected by domestic and international economic conditions, including rates of economic growth and the impact that such economic conditions have on consumer spending.

Our performance and the growth of our business depends on the performance of the Indian economy and the economies of the regional markets we currently serve. These economies could be adversely affected by various factors, such as political and regulatory changes including adverse changes in liberalization policies, social disturbances, religious or communal tensions, terrorist attacks and other acts of violence or war, natural calamities, interest rates, commodity and energy prices and various other factors. Any slowdown in these economies could adversely affect the ability of our customers to afford our services, which in turn would adversely affect our business, results of operations and financial condition.

The current economic downturn that has led to an increased level of consumer delinquencies, lack of consumer confidence, decreased market valuations and liquidity, increased market volatility and a widespread reduction of business activity generally, may enhance market volatility. The resulting economic pressure and dampened consumer sentiment may adversely affect our business and our results of operations.

There can be no assurances that government responses to the disruptions in the financial markets will restore consumer confidence, the markets or increase liquidity and the availability of credit. Continuation or worsening of this downturn or general economic conditions may have an adverse effect on our business, liquidity and results of operations.

36. A decline in India's foreign exchange reserves may affect liquidity and interest rates in the Indian economy, which could adversely impact us.

One of the direct adverse impacts of the global financial crisis on India has been the reversal of capital inflows and a decline in exports, leading to pressures on the balance of payments and a sharp depreciation of the Indian Rupee vis-à-vis the U.S. dollar. Any increased intervention by the RBI in the foreign exchange market to control the volatility of the exchange rate may result in a decline in India's foreign exchange reserves and reduced liquidity and higher interest rates in the Indian economy, which could adversely affect our business and our future financial performance.

37. Any downgrading of India's debt rating by an international rating agency could adversely affect our business, results of operations and financial condition.

Any adverse revision to India's credit rating for domestic and international debt by international rating agencies may adversely impact our ability to raise additional finances at favourable interest rates and other commercial terms. For example, Fitch Ratings has recently revised the outlook on India's sovereign ratings from stable to negative, while Moody's Investors Services has downgraded foreign currency and local currency long term issuer ratings to BAA3. This could have an adverse effect on our growth, financial performance and our operations.

38. Civil unrest, acts of violence, including terrorism or war involving India and other countries, could materially and adversely affect the financial markets and our business.

Civil unrest, acts of violence, including terrorism or war, may negatively affect the Indian stock markets and also materially and adversely affect the worldwide financial markets. These acts may also result in a loss of business confidence, make travel and other services more difficult and ultimately materially and adversely affect our business. Although the governments of India and neighbouring countries have recently been engaged in conciliatory efforts, any deterioration in relations between India and neighbouring countries might result in investor concern about stability in the region, which could materially and adversely affect our business, results of operations and financial condition.

39. Our business may be adversely impacted by natural calamities, unfavourable climatic changes, health epidemics or pandemics.

Natural disasters such as floods, earthquakes, famines and droughts have in the past had a negative impact on the Indian economy. Further, health epidemics and pandemics like the recent COVID-19 pandemic have also affected the Indian economy negatively. If any such natural disaster, unfavourable climatic changes or health epidemics and pandemics were to occur, our business could be affected due to the event itself or due to the inability to effectively manage the effects of the particular event.

Our operations, including our branch network, may be damaged or disrupted as a result of political instability, natural disasters such as earthquakes, floods, heavy rainfall, epidemics, tsunamis and cyclones and other events such as protests, riots and labour unrest. Such events may lead to the disruption of information systems and telecommunication services for sustained periods. They also may make it difficult or impossible for employees to reach our business locations. Damage or destruction that interrupts our provision of services could adversely affect our reputation, our relationships with our customers, our senior management team's ability to administer and supervise our business or it may cause us to incur substantial additional expenditure to repair or replace damaged equipment or rebuild parts of our branch network. Any of the above factors may adversely affect our business, results of operations and financial condition.

40. Companies operating in India are subject to a variety of central and state government taxes and surcharges.

Tax and other levies imposed by the central and state governments in India that affect our tax liability include central and state taxes and other levies, income tax, value added tax, turnover tax, service tax, stamp duty and other special taxes and surcharges which are introduced on a temporary or permanent basis from time to time. Moreover, the central and state tax scheme in India is extensive and subject to change from time to time. The statutory corporate income tax in India, which includes a surcharge on the tax and an education cess on the tax and the surcharge, may range up to 29.12%. The central or state government may in the future further increase the corporate income tax it imposes. Any such future increases or amendments may affect the overall tax efficiency of companies operating in India and may

result in significant additional taxes becoming payable. Additional tax exposure could adversely affect our business and results of operations.

41. Investors may have difficulty enforcing foreign judgments in India against our Company or our management.

Our Company is a limited liability public company incorporated under the laws of India. All of our Company's directors and executive officers named herein are residents of India and all or a substantial portion of the assets of our Company and such persons are located in India. As a result, it may not be possible for investors to effect service of process on our Company or such persons in jurisdictions outside of India, or to enforce against them judgments obtained in courts outside of India. In addition, India is not a party to any international treaty in relation to the recognition or enforcement of foreign judgments. The manner of recognition and enforcement of foreign judgments in India is dependent on whether the country in which the foreign judgment has been pronounced is a reciprocating territory or not. A party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI under the FEMA to execute such a judgment or to repatriate outside India any amount recovered pursuant to execution. Any judgment in a foreign currency would be converted into Indian Rupees on the date of the judgment and not on the date of the payment. Our Company cannot predict whether a suit brought in an Indian court will be disposed of in a timely manner or be subject to considerable delays.

Risks pertaining to this Issue

42. Failure to exercise or sell the Rights Entitlements will cause the Rights Entitlements to lapse without compensation and result in a dilution of shareholding.

The Rights Entitlements that are not exercised prior to the end of the Issue Closing Date will expire and become null and void, and Eligible Equity Shareholders will not receive any consideration for them. The proportionate ownership and voting interest in our Company of Eligible Equity Shareholders who fail (or are not able) to exercise their Rights Entitlements will be diluted. Even if you elect to sell your unexercised Rights Entitlements, the consideration you receive for them may not be sufficient to fully compensate you for the dilution of your percentage ownership of the equity share capital of our Company that may be caused as a result of the Issue. Renouncees may not be able to apply in case of failure in completion of renunciation through off-market transfer in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees prior to the Issue Closing Date. Further in case the Rights Entitlements do not get credited in time, in case of On Market Renunciation (the last day for which is Friday, May 28, 2021), such Renouncee will not be able to apply in this Issue with respect to such Rights Entitlements.

43. There may be less information available in the Indian securities markets than in more developed securities markets in other countries.

There is a difference between the level of regulation and monitoring of the Indian securities markets and that of the activities of investors, brokers and other participants in securities markets in more developed economies. SEBI is responsible for monitoring disclosure and other regulatory standards for the Indian securities market. SEBI has issued regulations and guidelines on disclosure requirements, insider trading and other matters. There may be less publicly available information about Indian companies than is regularly made available by public companies in more developed countries pursuant to such disclosure requirements, which could adversely affect the market for our Equity Shares. As a result, investors may have access to less information about our business, financial condition, cash flows and results of operation, on an ongoing basis, than investors in companies subject to the reporting requirements of other more developed countries.

44. We may, at any time in the future, make further issuances or sales of our Equity Shares, and this may significantly dilute your future shareholding and affect the trading price of our Equity Shares.

Any future equity issuances by us, may lead to the dilution of investors' shareholdings in our Company. Any future equity issuances by us or sales of our Equity Shares by our Promoter or other major shareholders may adversely affect the trading price of our Equity Shares, which may lead to other adverse consequences for us including difficulty in raising capital through offering of our Equity Shares or incurring additional debt. In addition, any perception that such

issuance or sales of shares may occur, may lead to dilution of your shareholding, significantly affect the trading price of our Equity Shares and our ability to raise capital through an issue of our securities. There can be no assurance that such future issuance by us will be at a price equal to or more than the Issue Price. Further, there can be no assurance that we will not issue further shares or that the major shareholders will not dispose of, pledge or otherwise encumber their shares.

45. *Investors may be subject to Indian taxes arising out of capital gains on the sale of our Equity Shares and Rights Entitlements.*

Under current Indian tax laws and regulations, capital gains arising from the sale of shares in an Indian company are generally taxable in India. Previously, any gain realised on the sale of listed equity shares on or before March 31, 2018 on a stock exchange held for more than 12 months was not subject to long-term capital gains tax in India if securities transaction tax (“STT”) was paid on the sale transaction. However, now tax is payable on such long-term capital gains exceeding ₹1,00,000 arising from sale of equity shares on or after April 1, 2018, while unrealized capital gains earned up to January 31, 2018 on such Equity Shares are exempted.

Accordingly, you may be subject to payment of long-term capital gains tax in India, in addition to payment of STT, on the sale of any Equity Shares held for more than 12 months. STT will be levied on and collected by a domestic stock exchange on which our Equity Shares are sold. Further, any gain realized on the sale of listed equity shares held for a period of 12 months or less will be subject to short term capital gains tax in India. Capital gains arising from the sale of our Equity Shares will be exempt from taxation in India in cases where the exemption from taxation in India is provided under a treaty between India and the country of which the seller is resident. Generally, Indian tax treaties do not limit India’s ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on a gain upon the sale of our Equity Shares Rights Entitlements.

46. *We will not distribute this Letter of Offer, the Abridged Letter of Offer, the Application Form and the Rights Entitlement Letter to certain categories of overseas shareholders.*

In accordance with the SEBI ICDR Regulations and SEBI Rights Issue Circulars, our Company will send, primarily through email, the Abridged Letter of Offer, Application Form and other applicable Issue materials to the email addresses of all the Eligible Equity Shareholders who have provided their Indian addresses to our Company. Further, this Letter of Offer will be provided, to those who make a request in this regard. In the event that e-mail addresses of the Eligible Equity Shareholders are not available with the Company or the Eligible Shareholders have not provided valid e-mail addresses to the Company, our Company will dispatch the Abridged Letter of Offer, Application Form and other applicable Issue materials by way of physical delivery as per the applicable laws to those Eligible Equity Shareholders who have provided their Indian address. Investors can also access this Letter of Offer, the Abridged Letter of Offer and the Application Form from the websites of the Registrar, our Company, the Lead Manager, the Stock Exchange and on R-WAP. Other than as indicated above, the Issue materials will not be distributed to addresses outside India on account of restrictions that apply to circulation of such materials in overseas jurisdictions. However, the Companies Act, 2013 requires companies to serve documents at any address, which may be provided by the members as well as through e-mail. Presently, there is lack of clarity under the Companies Act, 2013 and the rules made thereunder with respect to distribution of the Issue materials in overseas jurisdictions where such distribution may be prohibited under the applicable laws of such jurisdictions. We have requested all the overseas Eligible Equity Shareholders to provide an address in India and their e-mail addresses for the purposes of distribution of the Issue materials. However, we cannot assure you that the regulator or authorities would not adopt a different view with respect to compliance with the Companies Act, 2013 and may subject us to fines or penalties.

47. *Applicants to this Issue are not allowed to withdraw their Applications after the Issue Closing Date.*

In terms of the SEBI ICDR Regulations, Applicants in this Issue are not allowed to withdraw their Applications after the Issue Closing Date. The Allotment in this Issue and the credit of such Equity Shares to the Applicant’s demat account with its depository participant shall be completed within such period as prescribed under the applicable laws. There is no assurance, however, that material adverse changes in the international or national monetary, financial, political or economic conditions or other events in the nature of force majeure, material adverse changes in our

business, results of operation or financial condition, or other events affecting the Applicant's decision to invest in the Rights Equity Shares, would not arise between the Issue Closing Date and the date of Allotment in this Issue. Occurrence of any such events after the Issue Closing Date could also impact the market price of our Equity Shares. The Applicants shall not have the right to withdraw their applications in the event of any such occurrence. We cannot assure you that the market price of the Equity Shares will not decline below the Issue Price. To the extent the market price for the Equity Shares declines below the Issue Price after the Issue Closing Date, the shareholder will be required to purchase Rights Equity Shares at a price that will be higher than the actual market price of the Equity Shares at that time. Should that occur, the shareholder will suffer an immediate unrealized loss as a result. We may complete the Allotment even if such events may limit the Applicants' ability to sell our Equity Shares after this Issue or cause the trading price of our Equity Shares to decline.

48. You may not receive the Rights Equity Shares that you subscribe in this Issue until 15 days after the date on which this Issue closes, which will subject you to market risk.

The Rights Equity Shares that you may be Allotted in this Issue may not be credited to your demat account with the depository participants until approximately 15 days from the Issue Closing Date. You can start trading such Rights Equity Shares only after they have been credited to an your demat account and the receipt of the listing and trading approval in respect thereof. There can be no assurance that the Rights Equity Shares allocated to you will be credited to your demat account, or that trading in such Rights Equity Shares will commence within the specified time period, subjecting you to market risk for such period.

49. The R-WAP payment mechanism facility proposed to be used for this Issue may be exposed to risks, including risks associated with payment gateways.

In accordance with the R-WAP Circulars, a separate web based application platform, i.e., the R-WAP facility (accessible at <https://rights.cameoindia.com/sfhl>), has been instituted for making an Application in this Issue by resident Investors. Further, R-WAP is only an additional option and not a replacement of the ASBA process. On R-WAP, the resident Investors can access and fill the Application Form in electronic mode and make online payment using the internet banking or UPI facility from their own bank account thereat. For details, see "*Terms of the Issue - Procedure for Application through R-WAP*" on page 127. Such payment gateways and mechanisms are faced with risks such as:

- keeping information technology systems aligned and up to date with the rapidly evolving technology;
- payment services industries;
- scaling up technology infrastructure to meet requirements of growing volumes;
- applying risk management policy effectively to such payment mechanisms;
- keeping users' data safe and free from security breaches; and
- effectively managing payment solutions logistics and technology infrastructure.

Investors should also note that only certain banks provide a net banking facility by way of which payments can be made on the R-WAP platform. In the event that your bank does not provide such facility, you will have to use an UPI ID to make a payment. Further, R-WAP is a new facility which has been instituted due to challenges arising out of COVID-19 pandemic. We cannot assure you that R-WAP facility will not suffer from any unanticipated system failure or breakdown or delay, including failure on the part of the payment gateway, and therefore, your Application may not be completed or rejected. These risks are indicative and any failure to manage them effectively can impair the efficacy and functioning of the payment mechanism for this Issue. Since Application process through R-WAP is different from the ASBA process, there can be no assurance that investors will not find difficulties in accessing and using the R-WAP facility.

50. Investors will not have the option of getting the Allotment of Rights Equity Shares in physical form.

In accordance with SEBI ICDR Regulations, the Rights Equity Shares shall be issued only in dematerialised form. Investors will not have the option of getting the allotment of Rights Equity Shares in physical form. The Rights Equity

Shares Allotted to the Applicants who do not have demat accounts or who have not specified their demat details, will be kept in abeyance till receipt of the details of the demat account of such Applicants. This further means that they will have no voting rights in respect of the Rights Equity Shares. For details, see “*Terms of the Issue – Credit and Transfer of Rights Equity Shares in case of Shareholders holding Equity Shares in Physical Form and disposal of Rights Equity Shares for non-receipt of demat account details in a timely manner*” on page 142 of the Letter of Offer.

51. SEBI has recently streamlined the process of rights issues. You should follow the instructions carefully, as stated in relevant SEBI circulars, and in this Letter of Offer.

The concept of crediting Rights Entitlements into the demat accounts of the Eligible Equity Shareholders has recently been introduced by the SEBI. Accordingly, the process for such Rights Entitlements has been recently devised by capital market intermediaries. Eligible Equity Shareholders are encouraged to exercise caution, carefully follow the requirements as stated in the SEBI Rights Issue Circulars, and ensure completion of all necessary steps in relation to providing/updating their demat account details in a timely manner. For details, see “*Terms of the Issue*” on page 113.

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialized form only. Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to (i) the demat accounts of the Eligible Equity Shareholders holding the Equity Shares in dematerialised form; and (ii) demat suspense escrow account (namely, “SFHL Rights Entitlement Suspense Escrow Demat Account”) opened by our Company, for the Eligible Equity Shareholders which would comprise Rights Entitlements relating to (a) Equity Shares held in a demat suspense account pursuant to Regulation 39 of the SEBI Listing Regulations; or (b) Equity Shares held in the account of IEPF authority; or (c) the demat accounts of the Eligible Equity Shareholder which are frozen or suspended for debit/credit or details of which are unavailable with our Company or with the Registrar on the Record Date; or (d) Equity Shares held by Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date where details of demat accounts are not provided by Eligible Equity Shareholders to our Company or Registrar; or (e) credit of the Rights Entitlements returned/reversed/failed; or (f) the ownership of the Equity Shares currently under dispute, including any court proceedings.

52. Investors will be subject to market risks until the Rights Equity Shares credited to their demat accounts are listed and permitted to trade.

Investors can start trading the Rights Equity Shares allotted to them only after they are listed and permitted to trade. Since the Equity Shares are currently traded on the Stock Exchange, investors will be subject to market risk from the date they pay for the Rights Equity Shares to the date when trading approval is granted for them. Further, there can be no assurance that the Rights Equity Shares allocated to an Investor will be credited to the Investor’s demat account or that trading in the Equity Shares will commence in a timely manner.

53. Eligible Equity Shareholders holding Equity Shares in physical form will have no voting rights in respect of Equity Shares until they provide details of their demat account and Equity Shares are transferred to such demat account from the demat suspense account thereafter.

The Equity Shares will be credited to a demat suspense account to be opened by our Company, in case of Allotment in respect of resident Eligible Equity Shareholders holding Equity Shares in physical form and who have not provided the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date. Such Eligible Equity Shareholders are required to send, amongst others, details of their demat accounts to our Company or the Registrar to enable our Company to transfer, after verification of the details of such demat account by the Registrar, the Rights Equity Shares from the demat suspense account to the demat accounts of such Eligible Equity Shareholders. Unless and until such Eligible Equity Shareholders provide details of their demat account and the Equity Shares are transferred from demat suspense account to such demat accounts thereafter, they will have no voting rights in respect of Equity Shares. For details, see “*Terms of the Issue*” on page 113.

54. *Foreign investors are subject to foreign investment restrictions under Indian law that limits our ability to attract foreign investors, which may adversely impact the market price of our Equity Shares.*

Foreign investment in Indian securities is subject to regulation by Indian regulatory authorities. Under the FDI Policy, issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India, foreign investment up to 100% is permitted in our sector, subject to satisfaction of certain conditions.

Also, under the foreign exchange regulations currently in force in India, transfers of shares between non-residents and residents are permitted (subject to certain exceptions) if they comply with, among other things, the pricing guidelines and reporting requirements specified by the RBI. If the transfer of shares does not comply with such pricing guidelines or reporting requirements, or falls under any of the exceptions referred to above, then prior approval of the RBI will be required.

Additionally, shareholders who seek to convert the Rupee proceeds from a sale of shares in India into foreign currency and repatriate any such foreign currency from India will require a no objection or a tax clearance certificate from the income tax authority. We cannot assure you that any required approval from the RBI or any other Government agency can be obtained on any particular terms or at all.

55. *Overseas shareholders may not be able to participate in the Company's future rights offerings or certain other equity issues.*

If the Company offers or causes to be offered to holders of its Equity Shares rights to subscribe for additional Equity Shares or any right of any other nature, the Company will have discretion as to the procedure to be followed in making such rights available to holders of the Equity Shares or in disposing of such rights for the benefit of such holders and making the net proceeds available to such holders. For instance, the Company may not offer such rights to the holders of Equity Shares who have a registered address in the United States unless:

- a registration statement is in effect, if a registration statement under the US Securities Act is required in order for the Company to offer such rights to holders and sell the securities represented by such rights; or
- the offering and sale of such rights or the underlying securities to such holders are exempt from registration under the provisions of the US Securities Act.

The Company has no obligation to prepare or file any registration statement. Accordingly, shareholders who have a registered address in the United States may be unable to participate in future rights offerings and may experience a dilution in their holdings as a result.

56. *Your ability to acquire and sell the Rights Equity Shares offered in the Issue is restricted by the distribution, solicitation and transfer restrictions set forth in this Letter of Offer.*

No actions have been taken to permit a public offering of the Rights Equity Shares offered in the Issue in any jurisdiction except India. As such, our Rights Equity Shares have not and will not be registered under the U.S. Securities Act, any state securities laws or the law of any jurisdiction other than India. Further, your ability to acquire Rights Equity Shares is restricted by the distribution and solicitation restrictions set forth in this Letter of Offer. For further information, see “Notice to Investors” and “Other Regulatory and Statutory Disclosures – Selling Restrictions” and “Restrictions on Purchases and Sales” on pages 10, 109 and 150, respectively. You are required to inform yourself about and observe these restrictions. Our representatives, our agents and us will not be obligated to recognize any acquisition, transfer or resale of the Rights Equity Shares made other than in compliance with applicable law.

SECTION III – INTRODUCTION

THE ISSUE

The Issue has been authorized by a resolution of the Board passed at their meeting held on April 1, 2021, pursuant to Section 62 of the Companies Act.

The following is a summary of the Issue. This summary should be read in conjunction with, and is qualified in its entirety by, more detailed information in the section titled “*Terms of the Issue*” beginning on page 113.

Issue details in brief	
Rights Equity Shares being offered by our Company	Up to 7,10,00,000 Rights Equity Shares aggregating up to ₹ 35,500 lakhs
Rights Entitlement for Rights Equity Shares*	23 Rights Equity Shares for every 49 Equity Shares held on the Record Date
Record Date	Tuesday, April 27, 2021
Issue Price	₹ 50 per Rights Equity Share (including a premium of ₹ 45 per Equity Share)
Issue Size	Up to ₹ 35,500 lakhs
Face Value per Equity Share	₹ 5
Dividend	Such dividend as may be recommended by our Board and declared by our Shareholders, as per applicable law.
Equity Shares subscribed and paid-up prior to the Issue	15,11,03,860 Equity Shares
Equity Shares subscribed and paid-up after the Issue (assuming full subscription for and Allotment of the Rights Entitlement)	Up to 22,21,03,860 Equity Shares
Terms of the Issue	Please refer to the section titled “ <i>Terms of the Issue</i> ” beginning on page 113 of this Letter of Offer.
Use of the proceeds of the Issue	Please refer to the section titled “ <i>Objects of the Issue</i> ” beginning on page 47 of this Letter of Offer.
Terms of Payment	The full amount of the Issue Price being ₹ 50 will be payable on application.
Security Codes	ISIN: INE202Z01029 NSE: SUNDARMHLD ISIN for Rights Entitlements: INE202Z20011

**For Rights Equity Shares being offered on a rights basis under this Issue, if the shareholding of any of the Eligible Equity Shareholders is less than 49 Equity Shares or is not in multiples of 49, the fractional entitlement of such Eligible Equity Shareholders shall be ignored for computation of the Rights Entitlements. However, Eligible Equity Shareholders whose fractional entitlements are being ignored will be given preference in the Allotment of one additional Rights Equity Share each, if such Eligible Equity Shareholders have applied for additional Rights Equity Shares over and above their Rights Entitlements.*

GENERAL INFORMATION

Our Company was incorporated in Chennai under the Companies Act, 1956 as a private limited company pursuant to a certificate of incorporation dated October 13, 1993, issued by the Registrar of Companies, Tamil Nadu at Chennai. Subsequently, our Company was converted into a public limited company and accordingly the name of our Company was changed to 'Sundaram Finance Securities Limited' with effect from November 22, 1993. In 2003, our Company's main object was amended for engaging in insurance broking and accordingly, the name of our Company was changed to 'Sundaram Insurance Broking Limited' and a fresh certificate of incorporation was issued to us on May 21, 2003 by the Registrar of Companies. Thereafter, the name of our Company was changed to 'Sundaram Finance Distribution Limited' as it entered the business of distribution of financial products and a fresh certificate of incorporation was issued to us on December 5, 2003 by the Registrar of Companies. The name of our Company was changed to 'Sundaram Finance Investments Limited' as the main object of our Company was amended to engaging in all forms of investments and a fresh certificate of incorporation was issued to us on December 21, 2016 by the Registrar of Companies. Subsequently, the name of our Company was changed to 'Sundaram Finance Holdings Limited' and a fresh certificate of incorporation was issued to us on March 29, 2017 by the Registrar of Companies.

Registered and Corporate Office

21, Patullos Road,
Chennai - 600 002,
Tamil Nadu, India
Telephone: +91 44 2852 1181
Website: www.sundaramholdings.in
CIN: L65100TN1993PLC025996
Company Registration Number: 025996

There have been no changes in the registered office of our Company since its incorporation.

Address of the RoC

Our Company is registered with the RoC, which is situated at the following address:

Registrar of Companies

Block No.6, B Wing 2nd Floor
Shastri Bhawan, 26 Haddows Road,
Chennai – 600034
Tamil Nadu, India

Company Secretary and Compliance Officer

P. N. Srikant

Secretary and Compliance Officer
Sundaram Finance Holdings Limited
21, Patullos Road,
Chennai - 600 002
Tamil Nadu, India
Telephone: +91 44 2852 1181 / +91 44 2888 1311
Email: investorservices@sundaramholdings.in

Lead Manager to the Issue

JM Financial Limited

7th Floor, Cnergy
Appasaheb Marathe Marg, Prabhadevi
Mumbai 400 025

Maharashtra, India
Telephone: +91 22 6630 3030; +91 22 6630 3262
E-mail: sfhl.rights@jmfl.com
Investor Grievance E-mail: grievance.ibd@jmfl.com
Contact Person: Prachee Dhuri
Website: www.jmfl.com
SEBI Registration No.: INM000010361

Legal Counsel to the Company as to Indian Law

J. Sagar Associates

Vakils House
18 Sprott Road
Ballard Estate
Mumbai – 400 001
Maharashtra, India
Telephone: +91 22 4341 8600

Legal Counsel to the Lead Manager as to Indian Law

Khaitan & Co

Max Towers
7th & 8th Floors
Sector 16B Noida
Gautam Buddh Nagar 201 301
Uttar Pradesh, India
Telephone: +91 120 479 1000

Special Purpose International Legal Counsel to the Lead Manager

Squire Patton Boggs Singapore LLP

1 Marina Boulevard
#21-01 One Marina Boulevard
Singapore 018989
Republic of Singapore
Telephone: +65 6922 8668

Statutory Auditors of the Company

M/s R.G.N. Price & Co.

Chartered Accountants
Simpson's Building, 861 Anna Salai
Chennai – 600 002
Tamil Nadu, India
Telephone: +91 44 2841 3633
Email: price@rgnprice.com
Peer Review No.: 011628
Firm Registration No.: 002785S
Membership No.: 208591
Contact Person: K. Venkatakrishnan

Registrar to the Issue

Cameo Corporate Services Limited

Subramanian Building, No.1
 Club House Road
 Chennai – 600 002
 Tamil Nadu, India
 Telephone: +91 44 2846 0390
 Toll free numbers: 1-800-102-3669
 E-mail: priya@cameoindia.com
 Investor Grievance E-mail: investor@cameoindia.com
 Contact Person: Sreepriya K
 Website: www.cameoindia.com
 SEBI Registration No.: INR000003753

Investors may contact the Registrar or our Secretary and Compliance Officer for any Issue related matter. All grievances relating to the ASBA process or R-WAP process may be addressed to the Registrar, with a copy to the SCSBs for grievances related to the ASBA process, giving full details such as name, address of the applicant, contact number(s), e-mail ID of the first holder, folio number or demat account number, number of Rights Equity Shares applied for, amount blocked (in case of ASBA process) or amount debited (in case of R-WAP process), ASBA Account number and the Designated Branch of the SCSBs where the plain paper application was submitted by the ASBA Investors along with a photocopy of the acknowledgement slip (in case of ASBA process), and copy of the e - acknowledgement (in case of R-WAP process). For further details on the ASBA and R-WAP process, please refer to the section titled “*Terms of the Issue*” beginning on page 113.

Experts

Our Company has received consent from its Statutory Auditors, M/s R.G.N. Price & Co., Chartered Accountants through its letter dated April 21, 2021 to include its name in this Letter of Offer in respect of the Financial Statements and as an “expert” as the Companies Act, 2013 to the extent and in its capacity as the Statutory Auditors and in respect of the reports issued by it included in this Letter of Offer and such consent has not been withdrawn as of the date of this Letter of Offer. However, the term “expert” shall not be construed to mean an “expert” as defined under the Securities Act, 1933.

Bankers to the Issue

ICICI Bank Limited

Capital Market Division, 1st Floor, 122, Mistry Bhavan
 Dinshaw Vachha Road, Backbay Reclamation, Churchgate
 Mumbai – 400020
 Maharashtra, India
 Telephone No.: +91 22 66818932 / 23 / 24
 Email: shweta.surana@icicibank.com
 Website: www.icicibank.com
 Contact Person: Shweta Surana

Self-Certified Syndicate Banks

The list of banks that have been notified by SEBI to act as the SCSBs for the ASBA process is provided on the website of SEBI at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes> and updated from time to time. For a list of branches of the SCSBs named by the respective SCSBs to receive the ASBA Forms from the Designated Intermediaries, please refer to the above-mentioned link.

Issue Schedule

Last Date for credit of Rights Entitlements	Wednesday, May 5, 2021
Issue Opening Date	Thursday, May 6, 2021

Last Date for On Market Renunciation#:	Friday, May 28, 2021
Issue Closing Date*	Wednesday, June 2, 2021
Finalisation of Basis of Allotment (on or about)	Wednesday, June 9, 2021
Date of Allotment (on or about)	Thursday, June 10, 2021
Date of credit (on or about)	Friday, June 11, 2021
Date of listing (on or about)	Tuesday, June 15, 2021

Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date.

* Our Board or a duly authorized committee thereof will have the right to extend the Issue period as it may determine from time to time, provided that this Issue will not remain open in excess of 30 (thirty) days from the Issue Opening Date. Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.

The above schedule is indicative and does not constitute any obligation on our Company or the Lead Manager.

Please note that if Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than two Working Days prior to the Issue Closing Date, i.e., Monday, May 31, 2021 to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least one day before the Issue Closing Date, i.e., Tuesday, June 1, 2021. Further, in accordance with the SEBI Rights Issue Circulars, (a) the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date; or (b) the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have not furnished the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, desirous of subscribing to Rights Equity Shares may also apply in this Issue during the Issue Period. For details, see “*Terms of the Issue*” on page 113.

Investors are advised to ensure that the Applications are submitted on or before the Issue Closing Date. Our Company and the Lead Manager or the Registrar will not be liable for any loss on account of non-submission of Applications on or before the Issue Closing Date. For details on submitting Application, see “*Terms of the Issue*” on page 113.

The details of the Rights Entitlements with respect to each Eligible Equity Shareholders can be accessed by such respective Eligible Equity Shareholders on the website of the Registrar (i.e. Cameo Corporate Services Limited at <https://rights.cameoindia.com/sfhl>) after keying in their respective details along with other security control measures implemented thereat. For details, see “*Terms of the Issue*” on page 113.

Statement of Responsibilities

JM Financial Limited is the sole Lead Manager to the Issue, and accordingly, there is no *inter se* allocation of responsibilities in the Issue. The details of responsibilities of the Lead Manager, are as follows:

Sr. No.	Activity
1.	Capital structuring with the relative components and formalities such type of instrument, number of instruments to be issued, etc.
2.	Coordination for drafting and design of the Letter of Offer as per the SEBI ICDR Regulations, SEBI Listing Regulations and other stipulated requirements and completion of prescribed formalities with the Stock Exchange and SEBI
3.	Assist in drafting, design of the Abridged Letter of Offer, Application Form, Rights Entitlement Letter etc.
4.	Selection of various agencies connected with Issue, such as Registrar to the Issue, printers, advertising agencies, Monitoring Agency, etc., as may be applicable and finalisation of the respective agreements
5.	Liaisoning with the Stock Exchange for obtaining in-principle approval and completion of prescribed formalities with the Stock Exchange and SEBI.
6.	Assist in drafting and approval of all statutory advertisements
7.	Drafting and approval of all publicity material including corporate advertisement, brochure, corporate films, etc.
8.	Formulating and Coordination of International marketing strategy
9.	Formulation and coordination of Domestic Institutional marketing strategy
10.	Co-ordination with Stock Exchange and formalities for use of online software, bidding terminal, mock trading, etc. including submission of 1% deposit

Sr. No.	Activity
11.	Non-Institutional and Retail Marketing of the Offer, which will cover, inter alia: • Formulating marketing strategies; • Finalising collection centres; and • Follow-up on distribution of publicity and Offer material including application form, letter of offer
12.	Post-issue activities, which shall involve essential follow-up steps including follow-up with bankers to the issue and Self Certified Syndicate Banks to get quick estimates of collection and advising the Company about the closure of the issue, based on correct figures, finalisation of the basis of allotment or weeding out of multiple applications, listing of instruments, dispatch of certificates or demat credit and refunds and coordination with various agencies connected with the post-issue activity such as registrar to the issue, bankers to the issue, Self-Certified Syndicate Banks, etc. and coordination of underwriting arrangement, if any

Credit Rating

As the Issue is of Rights Equity Shares, there is no requirement of credit rating for the Issue.

Debenture Trustee

As the Issue is of Rights Equity Shares, the appointment of a debenture trustee is not required.

Monitoring Agency

Our Company has appointed ICICI Bank Limited as the Monitoring Agency to monitor the utilization of the Net Proceeds in terms of Regulation 82 of the SEBI ICDR Regulations. The details of Monitoring Agency are as follows:

ICICI Bank Limited

Capital Market Division, 1st Floor, 122, Mistry Bhavan,
Dinshaw Vachha Road, Backbay Reclamation, Churchgate,
Mumbai – 400020,
Maharashtra, India

Telephone: +91 22 66818932 / 23 / 24

Email: shweta.surana@icicibank.com

Minimum Subscription

As the object of the Issue does not involve financing of capital expenditure and our Promoter, together with members of the Promoter Group have *vide* letters dated April 21, 2021 confirmed their intention to subscribe to their Rights Entitlement in the Issue and not renounce their Rights Entitlements except to the extent of renunciation within the Promoter Group, the minimum subscription criteria mentioned under the SEBI ICDR Regulations will not be applicable to the Issue.

Underwriting

This Issue shall not be underwritten.

Filing

This Letter of Offer is being filed with the Stock Exchange as per the provisions of the SEBI ICDR Regulations. Further, in terms of Regulation 71(8) of the SEBI ICDR Regulations, our Company will simultaneously while filing this Letter of Offer with the Stock Exchange, do an online filing with SEBI through the SEBI intermediary portal at <https://siportal.sebi.gov.in> in terms of the circular (No. SEBI/HO/CFD/DIL1/CIR/P/2018/011) dated January 19, 2018 issued by the SEBI. Further, in light of the SEBI notification dated March 27, 2020, our Company will submit a copy of this Letter of Offer to the email address: cfddil@sebi.gov.in.

CAPITAL STRUCTURE

The share capital of our Company as on the date of this Letter of Offer is as provided below:

(in ₹ lakhs, except share data)

Particulars	Aggregate Value at Face Value	Aggregate Value at Issue Price
AUTHORIZED SHARE CAPITAL		
32,00,00,000 Equity Shares of face value of ₹ 5 each	16,000.00	-
ISSUED, SUBSCRIBED AND PAID-UP CAPITAL BEFORE THE ISSUE		
15,11,03,860 Equity Shares of face value of ₹ 5 each	7,555.19	-
PRESENT ISSUE IN TERMS OF THIS LETTER OF OFFER*		
Up to 7,10,00,000 Rights Equity Shares of face value of ₹ 5 each for cash at a price of ₹ 50 per Rights Equity Share (including a premium of ₹ 45 per Rights Equity Share)	3,550.00	35,500.00
ISSUED, SUBSCRIBED AND PAID-UP CAPITAL AFTER THE ISSUE**		
22,21,03,860 Equity Shares of face value of ₹ 5 each fully paid-up	11,105.19	-
SECURITIES PREMIUM ACCOUNT		
Before the Issue	0.00	-
After the Issue**	31,950.00	-

* The Issue has been authorized by the Board at its meeting held on April 1, 2021.

** Assuming full subscription of the Issue and not adjusting for the expenses of the Issue.

Notes to the Capital Structure:

1. Shareholding Pattern of our Company

- (i) The details of the shareholding pattern of our Company as on March 31, 2021 can be accessed on the website of NSE at <https://www.nseindia.com/get-quotes/equity?symbol=SUNDARMHLD>.
- (ii) The details of shareholders of our Company holding 1% or more of the paid-up capital as on March 31, 2021 can be accessed on the website of NSE at <https://www.nseindia.com/get-quotes/equity?symbol=SUNDARMHLD>.
- (iii) The details of the Equity Shares held by our Promoter and members of our Promoter Group, including details of Equity Shares which are locked-in, pledged or encumbered can be accessed on the website of NSE at <https://www.nseindia.com/get-quotes/equity?symbol=SUNDARMHLD>.

2. Details for subscription of Issue by Promoter and Promoter Group

Our Promoter and Promoter Group have confirmed that they intend to (i) subscribe to their Rights Entitlements in the Issue and that they shall not renounce the Rights Entitlements (except to the extent of Rights Entitlements renounced by any of them in favour of the Promoter or other member(s) of our Promoter Group); and/or (ii) subscribe to the Rights Entitlements, if any, which are renounced in their favour by our Promoter or any other member(s) of the Promoter Group, each as may be applicable. Our Promoter and certain members of our Promoter Group have also confirmed that they intend to apply for and subscribe to additional Rights Equity Shares and any

Equity Shares offered in the Issue that remain unsubscribed, subject to compliance with the minimum public shareholding requirements, as prescribed under the SCRR and the SEBI Listing Regulations.

Any such subscription for Equity Shares over and above their Rights Entitlement, if allotted, may result in an increase in their percentage shareholding in the Company. The allotment of Equity Shares of the Company subscribed by the Promoter and other members of the Promoter Group in this Issue shall be eligible for exemption from open offer requirements in terms of Regulation 10(4)(a) and 10(4)(b) of the SEBI SAST Regulations. The Issue shall not result in a change of control of the management of our Company in accordance with provisions of the SEBI SAST Regulations. Our Company is in compliance with Regulation 38 of the SEBI Listing Regulations and will continue to comply with the minimum public shareholding requirements under applicable law, pursuant to this Issue.

3. Except as disclosed below, no Equity Shares have been acquired by our Promoter or members of the Promoter Group in the last one year immediately preceding the date of this Letter of Offer:

Name of the Promoter /member of the Promoter Group	Date of the Transaction*	Number of Equity Shares acquired	Price per Equity Share (in ₹)	Nature of Transaction
Promoter group				
R Ramanujam	October 1, 2020	1,77,088	-	Off-market transaction
Narayanan Ramji	October 22, 2020	4,600	-	Transmission
N Krishnan	December 7, 2020	6,000	-	Off-market transaction

**Our Company is in the process of carrying out the transmission of 2,912 Equity Shares which were held by Dangety Sathyanarayanamurthy and 4,000 Equity Shares which were held by S. Sundaram.*

4. Our Company is in compliance with Regulation 38 of the SEBI Listing Regulations and will continue to comply with the minimum public shareholding requirements pursuant to the Issue and the participation of our Promoter and members of our Promoter Group in the Issue, as specified above, shall not result in a breach of the same.
5. The ex-rights price of the Equity Shares as per regulation 10(4)(b)(ii) of the SEBI SAST Regulations is ₹ 70.79.
6. Our Company shall ensure that any transaction in the Equity Shares by the Promoter and the Promoter Group during the period between the date of filing this Letter of Offer and the date of closure of the Issue shall be reported to the Stock Exchange within 24 hours of such transaction.
7. Our Company shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time.
8. At any given time, there shall be only one denomination of the Equity Shares of our Company, unless otherwise permitted by law.
9. The Equity Shares issued pursuant to the Issue shall be fully paid up at the time of Allotment. Further, there are no partly paid up Equity Shares as on the date of this Letter of Offer.
10. As on the date of this Letter of Offer, there are no outstanding warrants, options or rights to convert debentures, loans or other convertible instruments into Equity Shares or any other right, which would entitle any person to any option to receive Equity Shares.

OBJECTS OF THE ISSUE

The objects as stated in the Memorandum of Association enable our Company to undertake its existing activities and the activities for which the funds are being raised by our Company through the Issue.

Our Company intends to utilize the proceeds from the Issue towards funding of the following objects:

1. Financing of acquisition of additional shareholding in BIPL from ZF; and
2. General corporate purposes.

Utilization of proceeds from the Issue

The details of the proposed utilization of proceeds from the Issue are summarized in the table below:

(in ₹ lakhs)		
Sr. No	Particulars	Amount
3.	Financing of acquisition of additional shareholding in BIPL from ZF	34,999.97
4.	General Corporate Purposes (inclusive of Issue related expenses)	500.03
Total*		35,500.00

**Assuming full subscription in the Issue and subject to finalization of the Basis of Allotment*

Proposed Schedule of Implementation and Deployment of Proceeds from the Issue

Our Company proposes to deploy the entire proceeds from the Issue towards the aforesaid objects during Fiscal 2022 depending upon various factors including the actual timing of the completion of the Issue and the receipt of the proceeds from the Issue.

For further details in relation to the risks associated with the acquisition of additional shareholding in BIPL, please see “Risk Factors - The acquisition of additional shareholding in Brakes India Private Limited from the Issue Proceeds is subject to completion of conditions precedent under the Share Purchase Agreement. However, we may not be able to complete such acquisition in a timely manner and such acquisition may not prove to be profitable or achieve the profitability that justifies our investment, which may adversely impact our prospects, growth and results of operations” and “Risk Factors - The acquisition of additional shareholding in BIPL by us is one among several transactions for acquisition of up to 49.00% of BIPL held by ZF. In the event of non-completion of the remaining acquisitions by other purchasing parties, our acquisition of up to 7.71% of BIPL may be rendered infructuous” on page 19 and 20.

The following table provides the schedule of utilisation of the proceeds from the Issue:

(in ₹ lakhs)		
Sr. No.	Particulars	Amount to be utilised in Fiscal 2022
1.	Financing of acquisition of additional shareholding in BIPL from ZF	34,999.97
2.	General corporate purposes (inclusive of Issue related expenses)	500.03
Total*		35,500.00

**Assuming full subscription in the Issue and subject to finalization of the Basis of Allotment*

Means of Finance

The funding requirement mentioned above is based on the purchase consideration as agreed upon in the share purchase agreement dated March 24, 2021 entered into by our Company for the acquisition of BIPL from ZF. Since our Company is not proposing to fund any specific project from the Net Proceeds, the requirement to make firm arrangements of finance through verifiable means towards 75% of the stated means of finance for such project

proposed to be funded from the Net Proceeds does not arise.

Details of the objects of the Issue

The details in relation to the objects of the Issue are set forth below:

1. Financing of acquisition of additional shareholding in BIPL from ZF

Our Company proposes to utilise ₹ 34,999.97 lakhs from the proceeds of the Issue, towards financing the acquisition of up to 7.71% of share capital of BIPL from ZF. As on December 31, 2020, our Company held 6.67% of the issued, subscribed and paid-up capital of BIPL, valued at ₹ 0.15 crores. Our Company received a total dividend of ₹ 698.43 lakhs from BIPL during Fiscal 2020. After this proposed acquisition, SFHL's shareholding in BIPL will increase from 6.67% to 14.38%. BIPL is engaged in the manufacture of braking systems for cars and commercial vehicles. BIPL is a leading supplier of braking systems in the personal vehicle and commercial vehicle segments and is also a prominent automotive ferrous casting supplier in India. (Source: ICRA Report)

The proposed acquisition of 7.71% of BIPL has been approved by our Board by way of a resolution passed at its meeting held on March 22, 2021 and disclosed to the Stock Exchange on the same date. In relation to the proposed acquisition, our Company has entered into the Share Purchase Agreement. The salient features of the Share Purchase Agreement are as follows:

Date of execution: March 24, 2021

Number of shares to be acquired: 1,84,372 equity shares of BIPL

Seller: ZF

Total consideration: ₹ 34,999.97 lakhs

The completion of the transaction contemplated under the Share Purchase Agreement is subject to the completion of certain conditions precedent, including receipt of an unconditional approval from CCI or implementation of any mandatory conditions / observations set out in the approval from CCI.

In addition, such acquisition of up to 7.71% of BIPL is one among several transactions for acquisition of up to 49.00% shareholding in BIPL held by ZF. The transactions for acquisition of the remaining 41.29% of the shareholding in BIPL are not in our control and will be subject to receipt of necessary corporate approvals, financing and other permissions as may be required by the respective parties to such acquisitions. Also see *“Risk Factors - The acquisition of additional shareholding in Brakes India Private Limited from the Issue Proceeds is subject to completion of conditions precedent under the Share Purchase Agreement. However, we may not be able to complete such acquisition in a timely manner and such acquisition may not prove to be profitable or achieve the profitability that justifies our investment, which may adversely impact our prospects, growth and results of operations”* and *“Risk Factors - The acquisition of additional shareholding in BIPL by us is one among several transactions for acquisition of up to 49.00% of BIPL held by ZF. In the event of non-completion of the remaining acquisitions by other purchasing parties, our acquisition of up to 7.71% of BIPL may be rendered infructuous”* on page 19 and 20.

2. General corporate purposes and Issue related expenses

Our Company proposes to deploy the balance proceeds from the Issue aggregating ₹ 500.03 lakhs towards general corporate purposes and issue related expenses, subject to such utilisation not exceeding 25% of the Gross Proceeds of the Issue, in compliance with Regulation 62(2) of the SEBI ICDR Regulations. The general corporate purposes for which our Company proposes to utilise proceeds from the Issue include expenses towards strategic initiatives, joint ventures, funding growth opportunities, meeting expenses incurred in the ordinary course of business, meeting exigencies which our Company may face in the ordinary course of business, or any other purposes as may be approved by the Board of Directors or a duly appointed committee from time to time, subject to compliance with necessary provisions of the Companies Act. Our Company's management, in accordance with the policies of the Board of Directors and subject to applicable laws, will have flexibility in utilising balance proceeds, if any.

Estimated Issue Related Expenses

The estimated Issue related expenditure is as follows:

Sr. No	Particulars	Amount# (₹ in lakhs)	Percentage of total estimated Issue Expenses (%)	Percentage of Issue Size (%)
1.	Fees of the Lead Manager	75.00	26.03	0.21
2.	Fees to the legal advisors, other professional services and statutory fees	135.95	47.18	0.38
3.	Fees of the regulators (including SEBI, Stock Exchange and depositories)	26.63	9.24	0.08
4.	Fees of Registrar to the Issue	6.00	2.08	0.02
5.	Advertising and marketing expenses including shareholder outreach	7.50	2.60	0.02
6.	Other expenses (including miscellaneous expenses and stamp duty)	37.10	12.87	0.10
Total estimated Issue related expenses*		288.18	100.00	0.81

* Subject to finalisation of basis of allotment.

Exclusive of goods and services tax and other taxes.

Bridge Financing Facilities

As on the date of this Letter of Offer, our Company has not availed any bridge loans from any banks or financial institutions towards the objects of the Issue, which are proposed to be repaid from the Net Proceeds.

Interim Use of Net Proceeds

Our Company shall deposit the Net Proceeds, pending utilisation (for the stated objects), with scheduled commercial banks included in the Second Schedule of the Reserve Bank of India Act, 1934, as amended.

Monitoring Utilization of Funds from the Issue

Our Company has appointed ICICI Bank Limited as the Monitoring Agency in relation to the Issue. Our Board and Monitoring Agency will monitor the utilization of the Net Proceeds, and the Monitoring Agency shall submit its report to the Board in terms of Regulation 82(2) of SEBI ICDR Regulations. Our Company will disclose the utilization of the Net Proceeds under a separate head in our balance sheet along with the relevant details, for all such amounts that have not been utilized. Our Company will indicate investments, if any, of unutilized Net Proceeds in the balance sheet of our Company for the relevant Fiscals subsequent to receipt of listing and trading approvals from the Stock Exchange.

Pursuant to Regulation 18(3) and 32(3) of SEBI Listing Regulations, our Company shall, on a quarterly basis, disclose to the Audit Committee, the uses and applications of the Net Proceeds. The report submitted by the Monitoring Agency will be placed before the Audit Committee of our Company, so as to enable the Audit Committee to make appropriate recommendations to our Board. Pursuant to Regulation 32(5) of the SEBI Listing Regulations, our Company shall, on an annual basis, prepare a statement of funds utilised for purposes other than those stated in this Letter of Offer and place it before the Audit Committee and make other disclosures as may be required until such time as the Net Proceeds remain unutilised. Such disclosure shall be made only until such time that all the Net Proceeds have been utilised in full. The statement shall be certified by the statutory auditors of our Company.

Further, according to Regulation 32(1) of SEBI Listing Regulations, our Company shall furnish to the Stock Exchange, on a quarterly basis, a statement indicating (i) deviations, if any, in the actual utilization of the proceeds of the Issue from the objects of the Issue as stated in this chapter; and (ii) details of category wise variations, if any, in the proposed

utilization of the proceeds of the Issue from the objects of the Issue as stated above. This information will also be published in newspapers simultaneously with the interim or annual financial results after review by the Audit Committee and its explanation in the Director's report in the Annual Report. Furthermore, our Company shall furnish to the Stock Exchange any comments or report received from the Monitoring Agency, in accordance with Regulation 32(6) of the SEBI Listing Regulations, and such report of the Monitoring Agency shall be placed before the Audit Committee promptly upon its receipt, in accordance with Regulation 32(7) of the SEBI Listing Regulations.

Appraising Entity

None of the purposes for which the Net Proceeds are proposed to be utilized have been financially appraised by any banks or financial institution or any other independent agency.

Financial and Strategic Partners

Our Company does not have any financial or strategic partners to the objects of the Issue as of the date of this Letter of Offer.

Other Confirmations

Our Promoter, members of our Promoter Group and our Directors do not have any interests in the objects of the Issue.

No part of the proceeds from the Issue will be paid by our Company as consideration to its Promoter, Promoter Group or Directors, except in the normal course of its business.

There are no existing or anticipated transactions in relation to the utilization of Net Proceeds with our Promoter, our Directors or members of the Promoter Group.

STATEMENT OF TAX BENEFITS

Date: April 21, 2021

To

The Board of Directors
Sundaram Finance Holdings Limited
21 Patullos Road
Chennai 600 002

(the “Company”)

Dear Sirs / Madams

Re: Statement of possible special tax benefits (the “Statement”) available to Sundaram Finance Holdings Limited (“the Company”), and its shareholders and its material subsidiary, prepared in accordance with the requirement under Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (the “ICDR Regulations”) for the proposed rights issue of equity shares of Rs. 5 each (the “Equity Shares”) of the Company (the “Issue”)

We, M/s. R.G.N. Price & Co., Chartered Accountants, the statutory auditors of the Company, hereby confirm that the enclosed Annexure states the possible special tax benefits available to the Company, its material **subsidiary** and its shareholders under Income Tax Act, 1961, Income tax Rules, 1962 including amendments made by the Finance Act, 2020 and the Taxation Laws (Amendment) Act, 2020 (hereinafter referred to as ‘Income Tax Laws’), the Central Goods and Services Tax Act, 2017, Integrated Goods and Services Tax Act, 2017, respective State Goods and Services Tax Act, 2017, Customs Act, 1962, Customs Tariff Act, 1975 and Foreign Trade Policy, as amended from time to time, the rules and regulations, circulars and notifications issued there under presently in force in India (together, the “Tax Laws”). Several of these benefits are dependent on the Company, its material **subsidiary** or its shareholders fulfilling the conditions prescribed under the relevant tax laws. Hence the ability of the Company, its material **subsidiary** or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions which are based on the business imperatives the Company or its material **subsidiary** may face and accordingly the Company, its material **subsidiary** or its shareholders may or may not choose to fulfill.

The benefits discussed in the enclosed Annexure cover only special tax benefits (under both direct and indirect tax laws) and do not cover general tax benefits available to the Company, its material **subsidiary** or its shareholders. We are informed that the Annexure is only intended to provide general information to the investors and hence it is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences, the changing tax laws, each investor is advised to consult his / her / their own tax consultant with respect to the specific tax implications arising out of their participation in the issue particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the benefits, which an investor can avail. We are neither suggesting nor advising the investor to invest money based on this statement.

We do not express any opinion or provide any assurance as to whether:

- (i) the Company or its shareholders and material subsidiary will continue to obtain these benefits in future; and
- (ii) the conditions prescribed for availing the benefits have been/would be met with.

The contents of this **Annexure** are based on the information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company and its material **subsidiary**.

This report is addressed to and is provided to enable the Board of Directors of the Company to include this report in the Letter of Offer, prepared in connection with the Issue to be filed by the Company with the Securities and Exchange

Board of India and the National Stock Exchange of India Limited (“**Stock Exchange**”) and any other statutory or regulatory authorities, and in any other material used in connection with the Issue.

Limitations

Our views expressed in the statement enclosed are based on the facts and assumptions indicated above. No assurance is given that the revenue authorities / courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes. Reliance on the statement is on the express understanding that we do not assume responsibility towards the investors who may or may not invest in the proposed Issue relying on the statement. This statement has been prepared solely in connection with the proposed Issue by the Company under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended.

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

Chartered Accountants

Firm's Registration Number: 002785S

K. Venkatakrishnan

Partner

Membership number - 208591

UDIN: 21208591AAAACD4826

ANNEXURE TO THE STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY, ITS SHAREHOLDERS, AND THE MATERIAL SUBSIDIARY

I. UNDER THE INCOME-TAX ACT, 1961 (hereinafter referred to as ‘the Act’)

1. Special tax benefits available to the Company and its material subsidiary under the Act

For the purpose of this Issue, there are no special tax benefits available to the Company and its material subsidiary.

2. Special tax benefits available to the shareholders under the Act

For the purpose of this Issue, there are no special tax benefits available to the shareholders of the Company.

Notes:

- a. The above Statement sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of shares.
- b. The above statement covers only certain relevant direct tax law benefits and does not cover any indirect tax law benefits or benefit under any other law.
- c. The above statement of possible tax benefits is as per the current direct tax laws relevant for the assessment year 2021-22.
- d. This statement is intended only to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of tax consequences, each investor is advised to consult his/her own tax advisor with respect to specific tax consequences of his/her investment in the shares of the Company.
- e. In respect of non-residents, the tax rates and consequent taxation will be further subject to any benefits available under the relevant DTAA, if any, between India and the country in which the non-resident has fiscal domicile.
- f. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes.

II. The Central Goods and Services Tax Act, 2017 / the Integrated Goods and Services Tax Act, 2017 (“GST Act”), the Customs Act, 1962 (“Customs Act”) and the Customs Tariff Act, 1975 (“Tariff Act”) (collectively referred to as “indirect tax”)

1. Special indirect tax benefits available to the Company and its material subsidiary.

For the purpose of this Issue, there are no special indirect tax benefits available to the Company and its material subsidiary.

2. Special indirect tax benefits available to the shareholders

For the purpose of this Issue, there are no special indirect tax benefits applicable in the hands of shareholders for investing in the Shares of the Company.

Notes:

- a. The above statement is based upon the provisions of the specified Indirect tax laws, and judicial interpretation thereof prevailing in the country, as on the date of this Annexure.
- b. The above statement covers only above-mentioned tax laws benefits and does not cover any income tax law benefits or benefit under any other law.
- c. This statement is intended only to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of tax consequences, each investor is advised to consult his/her own tax advisor with respect to specific tax consequences of his/her investment in the shares of the Company.
- d. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes.

SECTION IV – ABOUT THE COMPANY

INDUSTRY OVERVIEW

Unless otherwise indicated, the information in this section is obtained or extracted from “Special Report on Automobile, Auto Component and BPO Industry” dated March 2021 (the “ICRA Report”) prepared and issued by ICRA Research commissioned by us. Neither we nor any other person connected with the Offer have independently verified industry related information. The data may have been re-classified by us for the purposes of presentation. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect.

Accordingly, investors must rely on their independent examination of, and should not place undue reliance on, or base their investment decision solely on this information. The recipient should not construe any of the contents in this report as advice relating to business, financial, legal, taxation or investment matters and are advised to consult their own business, financial, legal, taxation, and other advisors concerning the transaction.

INDIAN AUTOMOBILE INDUSTRY

The Indian automobile industry accounts for 7% of India’s GDP and about 49% of manufacturing sector. The industry has grown steadily over the past decade driven by economic growth, rising per capita income, low penetration levels and improving financing accessibility. Between FY2011 and FY2019, the total domestic sales of automobiles in India grew at a CAGR of 7.4%, before witnessing a sharp contraction of 17.7% in FY2020. Across segments of the industry, India is positioned amongst the leading markets, globally. In volume terms, India ranks as the largest market for two-wheelers (2Ws), three-wheelers (3Ws) as well as tractors. It is also among the top five markets for medium & heavy commercial vehicles (M&HCVs) and passenger vehicles (PVs). Besides favourable growth prospects, India’s favourable foreign direct investment (FDI) policy, relatively low cost of manufacturing, adequate manpower pool has attracted several foreign original equipment manufacturers (OEMs) of the industry to invest in India and set up a manufacturing footprint.

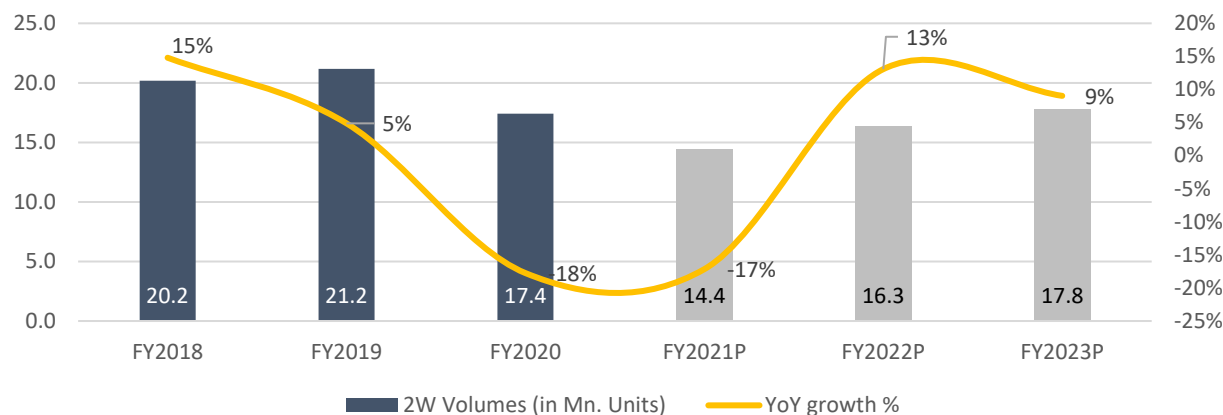
Apart from a reasonably-sized domestic market, exports of automobiles have also grown at a steady pace (i.e. at a CAGR of 8.6%) over the past decade (FY2011-20). Besides domestic players, several foreign OEMs have established India as their key manufacturing hub. Although, traditionally, a sizeable proportion of India’s exports may be directed to the emerging markets, the increasing focus on both domestic as well as foreign OEMs is gradually shifting the proportion of exports in favour of the developed markets as well. With a competitive manufacturing base, favourable policy environment and availability of well-established vendor base, India ranks favourably with other export-focused nations. These factors, along with the favourable growth prospects domestically, are likely to support investments by the OEMs going forward.

Indian Two-Wheeler Industry

ICRA’s Outlook

The domestic two-wheeler industry is likely to witness a second consecutive year of demand contraction with volumes contracting between 16-18% in FY2021. This would completely off-set increase in per unit realisations due to the BS-VI transition. However, assuming impact of the pandemic is contained in FY2021, the industry is expected to ramp-up consistently and achieve Rs. 1.3 lakh crore in revenues by end of FY2023 (CAGR of 6% FY2020-FY2023).

Exhibit 1: Projected Two-Wheeler Sales in the Domestic Market (FY 2018-2023) (in unit sales)

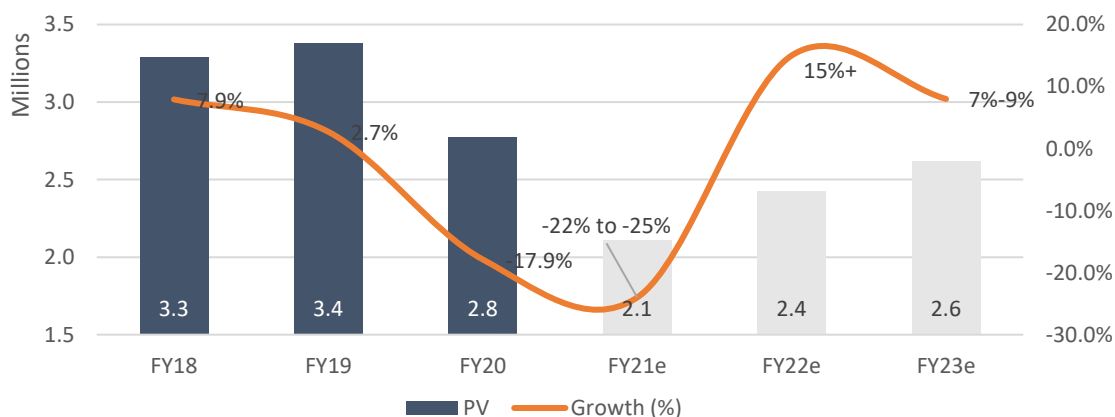


Source: ICRA research

Indian Passenger Vehicle Industry Outlook

ICRA research estimates domestic passenger vehicle demand to decline by 22% to 25% in FY2021, as multiple lockdown extensions have a direct bearing on the economic environment and consumer sentiments. Q1 FY2021 wholesale volume is already down by 78% YoY, which will have a bearing on the annual growth rate. While the demand environment is muted, a low base of Q2 FY2020 (when wholesale dispatches declined by 29% YoY) has moderated the pace of decline in Q2 FY2021. Most dealerships were operating at a lean inventory, and hence some inventory restocking at dealership will also support wholesale dispatches though retail sales will be relatively lower than wholesale ones in FY2021.

Exhibit 2: Projected PV sales in the domestic market (FY 2018-2023) (in unit sales)



Source: SIAM, ICRA Research

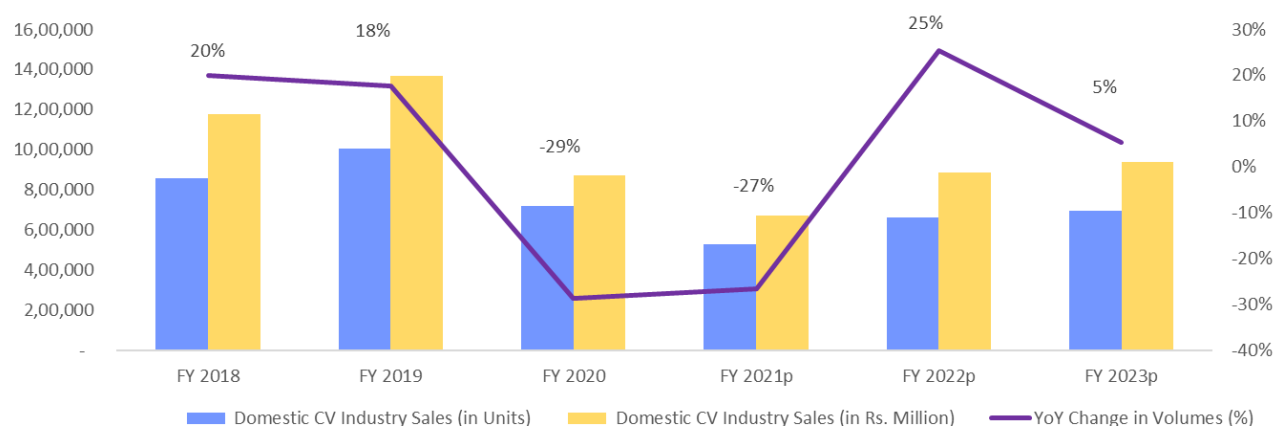
Owing to the low base effect as well as the expected pick-up in economic activity, the PV industry will witness strong double-digit (over 15%) growth in the subsequent fiscal i.e. FY2022. Over the medium-term duration, ICRA expects the PV industry to revert to a volume CAGR of 6-8% (domestic + exports). The market share in the domestic PV segment is expected to remain concentrated, with top five players constituting over 80% to the overall market. This implies that profitability pressures on the relatively low volume players may be even higher, resulting in sustained dependence on external financing to fund losses and capital expenditure requirements. Nevertheless, players having low volume in the domestic market can leverage on labour arbitrage present in the Indian market and can develop an export hub for their small car requirement globally.

Indian Commercial Vehicle Industry

ICRA's Outlook

The domestic CV industry witnessed one of the worst years in history in FY2020, with wholesale dispatches contracting by a sharp 29%. The segment continues to witness headwinds from all fronts, be it financing availability, macroeconomic environment, regulatory developments or fleet operator health. These headwinds have compounded with the outbreak of the pandemic and the lockdowns imposed in the country for an extended period, adding production constraints to the existing set of challenges. The only limited green shoot visible is the uptick in rural demand, which augurs well for the LCV (Truck) segment, although the ability to recoup lost sales of Q1 FY2021 remains to be seen. Accordingly, ICRA expects the domestic CV industry volumes to contract further by 25-28% in FY2021, which would bring industry volumes to the lowest levels in more than a decade. Although ICRA believes growth would be optically better in FY2022 at 24-27%, the recovery to industry volumes of even FY2017 levels would remain some time away.

Exhibit 3: Projected CV Sales in the Domestic Market (volumes and value)



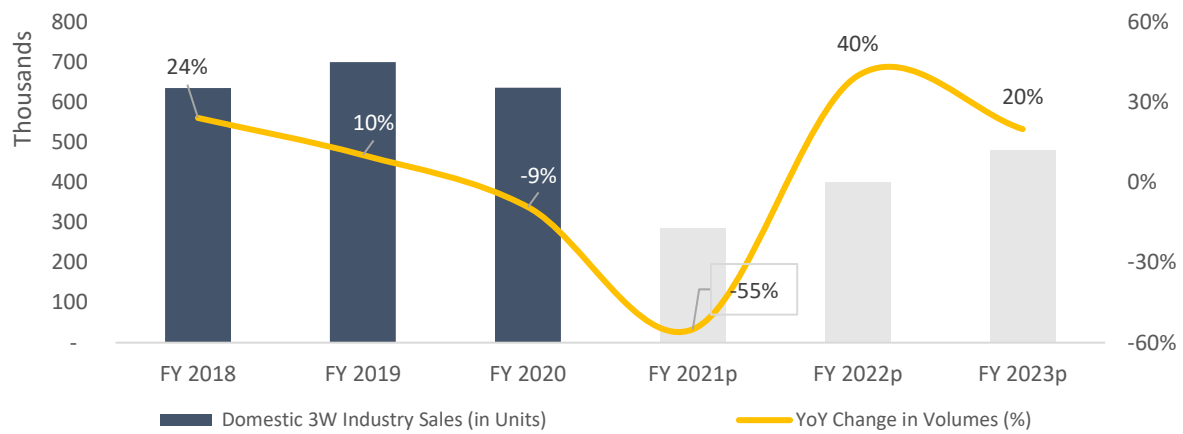
Source: SIAM, ICRA Research

Indian Three-Wheeler Industry

ICRA's Outlook

The domestic 3W segment is expected to report a sharp volume contraction in the current fiscal, given the extremely subdued demand sentiments. The passenger carrier segment would be most impacted as people continue to shy away from public transport. Although the goods carrier segment would fare relatively better, given the demand for last-mile transportation, especially of essentials, the same would be unable to offset the sharp contraction in passenger carrier segment. Accordingly, domestic 3W volumes are expected to contract by 50-60% in the current fiscal. Although growth would look optically better in the upcoming fiscal, recovery to pre-pandemic levels would be a longer-term phenomenon.

Exhibit 4: Projected Sales in the Domestic Three-Wheeler market (volumes)



Source: SIAM, ICRA Research

OUR BUSINESS

Some of the information in the following discussion, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read “Forward-Looking Statements” on page 15 for a discussion of the risks and uncertainties related to those statements. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. Also read “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” beginning on pages 18 and 75, respectively, for a discussion of certain factors that may affect our business, financial condition or results of operations. Our fiscal year ends on March 31 of each year, and references to a particular fiscal year are to the twelve months ended March 31 of that year.

We have, in this Letter of Offer, included various operational and financial performance indicators, some of which may not be derived from our Audited Consolidated Financial Statements and may not have been subjected to an audit or review by our Statutory Auditor. The manner in which such operational and financial performance indicators are calculated and presented, and the assumptions and estimates used in such calculation, may vary from that used by other companies in India and other jurisdictions. Investors are accordingly cautioned against placing undue reliance on such information in making an investment decision and should consult their own advisors and evaluate such information in the context of the Financial Statements and other information relating to our business and operations included in this Letter of Offer.

Unless the context otherwise requires, references in this section to “Company” are to Sundaram Finance Holdings Limited, on a standalone basis, to “we” or “us” or “our” are to Sundaram Finance Holdings Limited, on a consolidated basis.

Unless otherwise indicated, all industry and market data used in this section has been derived from the ICRA Report. None of our Company, the Lead Manager or any other person connected with the Issue has independently verified such information. Unless otherwise indicated, all financial, operational, industry and other related information derived from the ICRA Report and included herein with respect to any particular year refers to such information for the relevant calendar year.

Overview

We are an automotive sector focused investment company with investments in 20 portfolio companies of which 15 companies are involved across the automotive manufacturing value chain. Our investments are focused in the automotive space, with current investments in portfolio companies engaged in various aspects of automotive manufacturing including axles, axle housing, wheels and suspension, fuel injection equipment, precision aluminium cast products, iron castings, spare parts and electrical equipment. Further, several of our portfolio companies are market leaders in their respective segments, such as Brakes India Private Limited, which is amongst the leading suppliers of braking systems in the personal vehicle segment, Wheels India Limited, which is a key player in steel rims/wheels manufacturing as well as a key supplier on air suspension systems, Turbo Energy Private Limited, which is one of the largest turbocharger manufacturers in the domestic market, catering to all major personal vehicle OEMs as well as commercial vehicle players, Axles India Limited, which is a prominent axle housing suppliers, Sundaram Clayton Limited, which is a leading aluminium die-casting company, especially in the commercial vehicle segment, Lucas TVS Limited, which is a key supplier of automotive electrical components such as alternators, starter motors and wiper motors and Delphi TVS Technologies Limited, one of the few large players in the fuel injection system market. (Source: ICRA Report) As per ICRA, Turbo Energy, Honeywell Turbo Technologies India Private Limited (“Honeywell”) and Cummins Turbo Technologies Limited (“CTT”) together accounted for over 90% of the domestic turbocharger requirement.

Our Company was incorporated on October 13, 1993, under the name of Sundaram Finance Securities Private Limited. Pursuant to a scheme of arrangement and amalgamation between our Promoter, our Company, and certain other transferor companies, approved by the National Company Law Tribunal by way of an order dated January 12, 2018, certain identified shared services from our Promoter and Sundaram BPO India Limited and training services, non-core investments and identified immovable properties from our Promoter were transferred into and vested in our

Company, as a going concern, with effect from April 1, 2016. Pursuant to an application dated September 17, 2020, we had applied for registration as a non-deposit taking non-banking finance company. Our application was returned by RBI vide their letter dated February 25, 2021, post which we sought a clarification from RBI vide our letter dated February 26, 2021.

We also provide business process outsourcing services in the nature of information technology enabled services in areas of accounting, insurance, banking, human resources, telecom etc. and administrative, managerial, maintenance, document processing, data entry, reconciliation, training and orientation and other support services to our portfolio companies and to various third parties through our Subsidiary.

We derive income, amongst others, from our 20 portfolio companies and also from provision of support services. As of December 31, 2020, our holding in our portfolio companies in the automotive sector was as follows:

Sl. No.	Portfolio company	Segment	Holding (%)
1.	Brakes India Private Limited	Manufacture of automotive braking systems	6.67
2.	Wheels India Limited	Manufacture of wheels	23.28
3.	Turbo Energy Private Limited	Manufacture of turbochargers and turbo charger parts	32.00
4.	Axles India Limited	Manufacture of axle housing for medium and heavy commercial vehicles	38.81
5.	Dunes Oman LLC (FZC)	Manufacture of iron and steel castings for brakes and bearings	43.69
6.	India Motor Parts and Accessories Limited	Distribution of automotive components	18.62
7.	Flometallic India Private Limited	Manufacture of iron castings for automotive industry	40.00*
8.	Sundaram Dynacast Private Limited	Manufacturing of precision engineered metal components for automotive and non-automotive sectors	26.00
9.	Sundaram Hydraulics Limited	Design, testing and manufacture of hydraulic cylinders for off-highway equipment and industrial applications	25.71
10.	Sundaram Clayton Limited	Supply of aluminium die castings	11.24
11.	Lucas-TVS Limited	Manufacture of auto electrical equipment	5.32
12.	Delphi TVS Technologies Limited	Manufacture of diesel fuel injection equipment	3.19
13.	Mind S.r.l	Design and manufacture of industrial and commercial components in composite materials	40.60
14.	Transenergy Private Limited	Machining of Automotive brake components	43.74
15.	Vishnu Forge Industries Limited	Manufacture of Open and close Die forgings	12.44

* Our Board, pursuant to a board resolution dated March 22, 2021, has approved the acquisition of 6.84% shareholding in FIPL. Our Company's shareholding in FIPL will increase to 46.84% post the acquisition.

For the nine month period ended December 31, 2020 and Fiscal 2020, our total revenues were ₹ 4,584.50 lakhs and ₹ 9,846.85 lakhs, respectively. Our dividend income for the same periods was ₹ 2.37 lakhs and ₹ 2,412.90 lakhs, respectively and our income from sale of services was ₹ 3,559.73 lakhs and ₹ 6,082.81 lakhs, respectively. Our profit after tax in the same periods was ₹ 3,705.54 lakhs and ₹ 7,813.49 lakhs, respectively. Our return on net worth for the nine month period ended December 31, 2020 and Fiscal 2020 was 1.96 % and 4.21 %, respectively.

Our Strengths

Trusted brand and strong parentage

Our Promoter is Sundaram Finance Limited, a company with more than 66 years of history. Sundaram Finance Limited is present in various facets of the Indian finance industry, including vehicle finance, leasing, equipment finance, insurance and mutual funds. We believe that the ‘Sundaram Finance’ brand, owing to its long operational history, has immense brand recall in Indian financial markets and amongst customers generally. A significant portion of our Company’s support services business is sourced from our Promoter. Further, our brand and strong parentage allows our Subsidiary to source its business process outsourcing business from third parties.

We believe that our parentage and brand are strengthened by robust governance practices followed by us since inception. We strive to achieve and maintain high standards of integrity, dedicated customer service, fair business practices, efficient, safe and trusted financial policies of the Sundaram Finance Group.

Strong track record of financial performance supported by comprehensive investment philosophy and risk management

Our investment philosophy is based on the belief that the automotive sector is value accretive and over time could potentially be a significant contributor to the Indian economy. The focus of our research effort is on understanding the businesses and the key drivers, forming a view on such key drivers and understanding the risks. The research process emphasizes both quantitative and qualitative aspects. Quantitative aspects of research include key factors and growth prospects of the industry, our company’s competitive position in the industry, analysis of our company’s financial statements and performance, amongst other factors. Qualitative aspects of research focus on our company’s management and on the corporate governance standards, amongst other factors. We believe that long-term focus with an understanding of short-term factors, investment discipline, risk management and a team of talented individuals are key to a successful investment. As a result of this approach, we have been able to deliver strong and consistent financial performance. The following table sets out certain indicators of our financial performance for the nine month period ended December 31, 2020 and Fiscal 2020:

(In ₹ lakhs)

Particulars	Nine month period ended December 31, 2020	Fiscal 2020
Interest Income	1.31	251.34
Dividend Income [^]	2.37	2,412.90
Net gain on fair value of changes	534.93	508.56
Sale of services	3,559.73	6,082.81
Total revenue from operations	4,098.34	9,255.61
Rent receipts	136.21	178.84
Other Income	349.95	412.41
Profit after tax	3,705.54	7,813.49

[^]The reduction in the dividend income is on account of COVID-19

Presence across automotive manufacturing value chain

We have investments in 15 portfolio companies across the automotive manufacturing value chain, with investments in portfolio companies engaged in various aspects of automotive manufacturing including axles, axle housing, wheels and suspension, fuel injection equipment, precision aluminium cast products, iron castings, spare parts and electrical equipment. In volume terms, India ranks as the largest market for two-wheelers, three-wheelers as well as tractors. The Indian automobile industry accounts for 7% of India’s GDP and about 49% of manufacturing sector. The industry has grown steadily over the past decade driven by economic growth, rising per capita income, low penetration levels and improving financing accessibility. Between FY2011 and FY2019, the total domestic sales of automobiles (including tractors) in India grew at a CAGR of 7.4%, before witnessing a sharp contraction of 17.7% in FY2020. (Source: ICRA Report)

We have expanded our investment portfolio as we believe that our investments across the manufacturing value chain allows us to benefit from a de-risked strategy. Further, we have presence in the distribution of automotive components through our investment in India Motor Parts and Accessories Limited. Our presence across diverse manufacturing

processes and automotive components, including light-weight materials utilised in the aerospace sector and components required for the manufacture of alternative fuel vehicles allow us to effectively pursue a de-risked strategy with limited reliance on any one sector or fuel type or vehicle type.

Experienced senior management team and access to pool of skilled employees

Our senior management team brings to our Company industry experience and knowledge of cost and operational efficiencies, financial structuring, marketing, business strategy and development. In addition, through our Promoter, we have access to a large pool of skilled employees.

Further, we believe that we benefit from our access to the Sundaram Finance group's strong corporate governance standards and experienced manpower, which in turn allows us to have access to large number of employees who possess experience in the finance and automotive sectors.

Further, we are involved in the imparting of group level learning for employees of the Sundaram Finance group, through the Sundaram Learning division, which is part of our shared services business, vested in our Company pursuant to the scheme of arrangement and amalgamation between our Promoter, our Company, and certain other transferor companies, approved by the National Company Law Tribunal by way of an order dated January 12, 2018, in accordance with which, certain identified shared services from Sundaram BPO India Limited and certain training services, non-core investments and identified immovable properties from our Promoter were transferred into and vested in our Company, as a going concern, with effect from April 1, 2016. We believe that these policies and in-house training centre, allows us to train and continuously upskill employees for the rights roles in the organisation.

Established track record in support services industry in overseas jurisdiction with a scalable business model

We also offer support services domestically to our portfolio companies and internationally through our Subsidiary to over 40 clients, located in various offshore jurisdictions, including Australia. We offer support services to clients in various sectors, including financial services and insurance. We provide our services through a dedicated continuously available location in Chennai and have more than 652 employees for our shared services, as on December 31, 2020.

The Global BPM spend stood at US\$ 198 billion in calendar year 2020 and has grown at a CAGR of approximately 2.8% over calendar years 2013 to 2020 period. During the same period the BPO outsourcing market has reported a CAGR of 7.4%. The share of BPM outsourcing in the global BPM spend has increased from 32.3% in calendar year 2013 to 45.5% in calendar year 2020 led by cost pressures, availability of requisite manpower quality in low-cost countries such as India, Philippines and increased maturity of BPO outsourcing market evolving to non-voice based knowledge services, usage of analytics, automation and robotic process automation from erstwhile pure play voice-based consumer interaction support. The India BPO market is the largest contributor to the global outsourcing market with 38% market share. The exports market contributed 88% of the Indian BPO market and stood at US\$34.0 billion with growth of 2.4% in FY2021e. The growth during Fiscal 2021 was impacted by COVID-19 pandemic induced lockdown during the first half of Fiscal 2021, though has subsequently recovered. The exports market has grown at a marginally faster pace compared to the overall BPO industry with FY2014-2021e CAGR of 7.9%. (*Source: ICRA Report*)

Through our Subsidiary and the erstwhile Sundaram BPO India Limited, we have been providing support services both within the Sundaram Finance group and to external clients. We believe that our track record of delivering large, complex and multi-location projects makes us a recognised brand in certain jurisdictions like Australia and provides us with recall value to our clients.

Tested risk management and investment strategies

Risk is an inherent and integral part of the business of investments and business process outsourcing. We aim to achieve an appropriate balance between risk and returns by establishing an efficient risk mitigation system. In order to mitigate risks, we have instituted a risk management framework, wherein, the Audit Committee under the supervision of the Board is tasked with regular assessment and laying down of policies for management of risks.

In respect of certain investments, we have established systems to conduct due diligence of proposals received and to ensure that investments are in line with the overall objectives of our Company.

Our Strategies

Capitalise on acquisition opportunities with a focus on the automotive space

We aim to grow our investment portfolio by exploring fresh investment opportunities in the automotive space and by consolidating our holdings in the existing portfolio companies, whenever such opportunity arises. ICRA expects the automotive industry to register strong growth in Fiscal 2022, supported by expected pickup in economic activity as well as low base effect. ICRA also expects export revenues in the auto component industry to grow at healthy pace, supported by the government's "Make in India" initiative, increasing exports by few domestic original equipment manufacturers ("OEMs") and healthy growth in the US automotive market. Over the medium to long term, increasing efforts by OEMs on localization of raw material and increasing component value/sophistication per vehicle platform is a positive for industry. Further, revenue growth is expected to accelerate from Fiscal 2022 onwards, with robust growth expectation for the two wheeler, personal vehicle and commercial vehicle industry. With increasing import substitution, thrust of 'Make in India' (to boost exports) and overall improvement in demand, ICRA expects the industry to grow at CAGR of 8-10% growth during FY20 – FY25, with an upward bias. (Source: ICRA Report)

For example, we have recently invested in Mind S.r.l, a company incorporated in Italy, which is engaged in design and manufacture of industrial and commercial components in composite materials, a sector which we believe could be value accretive in the future.

Further, the objective of this Issue is to utilise the proceeds to acquire 7.71% of Brakes India Private Limited, a company which is a leading supplier of braking systems in the personal vehicle and commercial vehicle segments. (Source: ICRA Report) We currently hold 6.67% in Brakes India Private Limited and are categorised as one of the promoters of BIPL and earned a total dividend income of ₹ 698.43 lakhs from BIPL in Fiscal 2020.

Strategically expand our presence in automobile manufacturing / components segments which are more value additive

As per the ICRA Report, with a competitive manufacturing base, favourable policy environment and availability of well-established vendor base, India ranks favourably with other export-focused nations. These factors, along with the favourable growth prospects domestically, are likely to support investments by the OEMs going forward. We believe that on account of our extensive experience in the automotive sector as well as our existing network of portfolio companies engaged in various sub-sectors of automotive manufacturing and distribution, we are in a position to identify emerging opportunities and trends. This further allows us to identify and consider investments in companies engaged in such segments. For example, ICRA expects electric vehicle penetration to remain low (3-5%) till 2025. However, over the longer-term horizon, once BEV achieves price parity with ICE counterparts, EV may experience exponential growth. Accordingly, there is a possibility of an increased use of composite materials in the automotive and aerospace sectors. With a view to making timely use of this opportunity we have invested in Mind S.r.l.

We will continue to explore investment opportunities in companies in the automotive sector, especially in sectors which we believe are value accretive or may provide greater growth opportunities and returns in the long term. Further, we will continue to make an effort to consolidate our holdings in portfolio companies in a conscious manner, as and when a favourable opportunity arises. For example, the objects of this Issue will be utilised for acquisition of additional shareholding in Brakes India Private Limited.

Diversify our investment portfolio

Our investment portfolio is currently focussed largely on companies engaged in the automotive sector. In keeping with our strategy of diversification of our portfolio, we have also ventured into certain automotive allied sectors,

namely, the insurance sector. As of December 31, 2020, we held investments in an IRDAI registered insurance broker, which owns, operates and manages an online insurance aggregator platform.

While we may not actively seek to diversify into the non-automotive space in the near term, we believe that having non-automotive investments, especially in sectors such as insurance, allows us to effectively diversify our investment portfolio and to hedge our investments against industry wide or sector specific risks.

Expand our support services business, either in number of clients or revenue or geographically

Our support services business is currently focussed on provision of shared services to certain of our portfolio companies and provision of back-office services to the small and medium enterprise sector in Australia, India, New Zealand and United Kingdom, through our Subsidiary. Through SBSL, we are in the process of including robotic process automation (“**RPA**”) capabilities by partnering with a third party RPA solution provider, to enable us to move from being a pure play business process outsourcing player to a business transformation company providing three broad solution delivery models to clients, namely, automation solutions, extended office support (outsourcing solutions) and managed services (combination of automation solutions and outsourcing solutions).

We believe that our long term presence in the Australian market has made us a recognised name in the SME segment in that market. We intend to capitalise on our presence and long term client relationships to provide more value added services to our existing clients and to seek newer clients, especially for our RPA based services.

Our Business

Our business is divided into two broad verticals, our investments vertical, consisting of our investment in our portfolio companies and our support services vertical, consisting of domestic support services rendered to our key portfolio companies and overseas support services rendered to third parties by our Subsidiary.

The following table sets out our revenues from each of our business verticals for the periods mentioned:

(In ₹ lakhs, except percentage data)

Particulars	Nine month period ended December 31, 2020	% of total revenue	Fiscal 2020	% of total revenue
Interest income (A1)	1.31	0.03%	251.34	2.72%
Dividend income (A2)	2.37	0.06%	2,412.90	26.07%
Net gain on fair value changes (A3)	534.93	13.05%	508.56	5.49%
Sub-total (A)	538.61	13.14%	3,172.80	34.28%
Sale of services (B)	3,559.73	86.86%	6,082.81	65.72%
Total revenue from operations (C=A+B)	4,098.34	100.00%	9,255.61	100.00%

Investment Vertical

Portfolio Companies

As on December 31, 2020, our Company had investments in 20 portfolio companies. The details of our portfolio companies are as follows:

Sl. No.	Portfolio company	Holding cost (₹ in crores)	Holding (%)
1.	Brakes India Private Limited	0.15	6.67
2.	Wheels India Limited	141.68	23.28

Sl. No.	Portfolio company	Holding cost (₹ in crores)	Holding (%)
3.	Turbo Energy Private Limited	1.88	32.00
4.	Axles India Limited	10.16	38.81
5.	Dunes Oman LLC (FZC)	21.56	43.69
6.	India Motor Parts and Accessories Limited	6.35	18.62
7.	Flometallic India Private Limited	38.00	40.00*
8.	Sundaram Clayton Limited	14.28	11.24
9.	Lucas-TVS Limited	0.27	5.32
10.	Delphi TVS Technologies Limited	0.18	3.19
11.	Mind S.r.l	23.88	40.60
12.	Sundaram Business Services Limited	29.13	100.00
13.	Others**	28.36	NA

* Our Board, pursuant to a board resolution dated March 22, 2021, has approved the acquisition of 6.84% shareholding in FIPL. Our Company's shareholding in FIPL will increase to 46.84% post the acquisition.

** We have entered into a share purchase agreement dated February 1, 2021 for the sale of our entire stake in TVS Investments Private Limited, one of our portfolio companies of an aggregate consideration of ₹ 3,300 lakhs. The sale is subject to the completion of certain conditions precedent set out in the share purchase agreement dated February 1, 2021, including the approval of a scheme of arrangement between the purchaser and TVS Investments Private Limited.

Portfolio companies - Automotive Sector

The details of some of our key portfolio companies in the automotive space are set out below:

Brakes India Private Limited

Brakes India Private Limited is engaged in the manufacture of braking systems for cars and commercial vehicles. BIPL is a leading supplier of braking systems in the personal vehicle and commercial vehicle segments and is also a prominent automotive ferrous casting supplier in India. (Source: ICRA Report) Our Company holds 6.67% shareholding in Brakes India Private Limited and has been categorised as one of the promoters of BIPL. Our Company received a total dividend of ₹ 698.43 lakhs from BIPL during Fiscal 2020.

For further details, please see “Objects of the Issue” and “Financial Statements” on pages 47 and 72, respectively.

Wheels India Limited

Wheels India Limited is engaged in the manufacture of wheels and air suspension components for cars and commercial vehicles. Wheels India Limited is a key players in steel rims/wheels manufacturing in India. In India, Wheels India Limited, is among the key suppliers for air suspension systems. (Source: ICRA Report) Our Company holds 23.28% shareholding in WIL and has been categorised as one of the promoters of WIL. Our Company received a total dividend of ₹ 224.78 lakhs from WIL during Fiscal 2020.

Turbo Energy Private Limited

Turbo Energy Private Limited is engaged in the manufacture of turbo chargers and turbo charger parts. Turbo Energy Private Limited is one of the largest turbocharger manufacturers in the domestic market, catering to all major personal vehicle OEMs as well as commercial vehicle players. Further, Turbo Energy along with Honeywell Turbo Technologies India Private Limited and Cummins Turbo Technologies Limited together accounted for over 90% of the domestic turbocharger requirement. (Source: ICRA Report) Our Company holds 32.00% shareholding in TEPL and has been categorised as one of the promoters of TEPL. Our Company received a total dividend of ₹ 1,536.00 lakhs from TEPL during Fiscal 2020.

Axles India Limited

Axles India Limited is a manufacturer of axle housings for medium and heavy commercial vehicles. AIL is one of the prominent axle housing suppliers in India, with axle housings being one of the critical components of axles, accounting for roughly 30% of the axle raw material cost. (Source: ICRA Report) Our Company holds 38.81% shareholding in Axles India Limited and has been categorised as one of the promoters of AIL. Our Company received a total dividend of ₹ 395.67 lakhs from AIL during Fiscal 2020.

Dunes Oman LLC (FZC)

Dunes Oman LLC (FZC), operating in Salalah, Sultanate of Oman, is engaged in the manufacture of iron castings for the automotive industry. Our Company holds 43.69% shareholding in Dunes Oman LLC (FZC) and has been categorised as one of the promoters of Dunes, along with BIPL. Our Company received a total dividend of ₹ 1,012.22 lakhs from Dunes during Fiscal 2020.

India Motor Parts and Accessories Limited

India Motor Parts and Accessories Limited is engaged in the distribution of automotive spare parts and equipment. Our Company holds 18.62% shareholding in India Motor Parts and Accessories Limited. Our Company received a total dividend of ₹ 508.46lakhs from India Motor Parts and Accessories Limited during Fiscal 2020.

Flometallic India Private Limited

Flometallic India Private Limited is engaged in the manufacture of iron castings for the automotive industry. Our Company holds 40.00% shareholding in FIPL. Our Company received a total dividend of ₹ 325.00 lakhs from FIPL during Fiscal 2020.

Sundaram Clayton Limited

Sundaram Clayton Limited is engaged in the manufacture and supply of precision aluminium cast products for both automotive and non-automotive applications. Sundaram Clayton Limited is a leading aluminium die-casting company, especially in the commercial vehicle segment and is one of the few companies in India with annual capacity of in excess of 50,000 MT. (Source: ICRA Report) Our Company holds 11.24% shareholding in Sundaram Clayton Limited and has been categorised as one of the promoters of Sundaram Clayton Limited. Our Company received a total dividend of ₹ 704.66lakhs from Sundaram Clayton Limited during Fiscal 2020.

Lucas-TVS Limited

Lucas-TVS Limited is engaged in the manufacture of auto electrical equipment. Lucas TVS Limited, is a key supplier of automotive electrical components such as alternators, starter motors and wiper motors. (Source: ICRA Report) Our Company holds 5.32% shareholding in Lucas-TVS Limited and has been categorised as one of the promoters of Lucas-TVS Limited. Our Company received a total dividend of ₹ 120.13 lakhs from Lucas-TVS Limited during Fiscal 2020.

Delphi TVS Technologies Limited

Delphi TVS Technologies Limited is engaged in the manufacture of diesel fuel injection equipment for passenger vehicles, commercial vehicles and tractors. Fuel injection systems require strong technical knowhow and hence competitive intensity is limited with presence of few large players like Bosch, Delphi-TVS and Continental. (Source: ICRA Report) Our Company holds 3.19% shareholding in Delphi TVS Technologies Limited and has been categorised as one of the promoters of Delphi TVS Technologies Limited. Our Company received a total dividend of ₹ 53.11 lakhs from Delphi TVS Technologies Limited during Fiscal 2020.

Mind S.r.l

Mind S.r.l is a limited liability company, incorporated and registered in Bologna, Italy and is engaged in the business of production, assembling and finishing of composite materials components for the automotive, aerospace and medical sectors. ICRA estimates the global carbon fibre in the automotive market is projected to reach over \$1.2 billion in 2025. (Source: ICRA Report) Our Company holds 40.60% shareholding in Mind S.r.l.

Support Services Vertical

Our support services vertical business consists of our domestic support services rendered to our portfolio companies and overseas support services rendered to third parties by our Subsidiary. The support services provided by our Company include transaction processing, accounts payable processing, tele-calling, training, learning and development. Our revenue from sale of support services in the nine month period ended December 31, 2020 and in Fiscal 2020, was ₹ 3,559.73 lakhs and ₹ 6,082.81 lakhs, respectively. Sundaram Business Services Limited, our wholly owned Subsidiary, also offers a wide range of outsourcing services to over 40 clients located both in India and overseas. Our support services business, including that of our Subsidiary, had 652 employees as on December 31, 2020.

OUR MANAGEMENT

Board of Directors

Our Articles of Association require that our Board of Directors shall comprise of not less than three Directors and not more than 12 Directors. As on the date of this Letter of Offer, we have six Directors on our Board, comprising of three non-Executive Directors and three Independent Directors including a woman Independent Director. Our Company is in compliance with the corporate governance norms prescribed under the SEBI Listing Regulations and the Companies Act, 2013, in relation to the composition of our Board and constitution of committees thereof.

The following table sets forth the details of our Board of Directors and Manager of our Company as on the date of this Letter of Offer:

Name and Designation, Address, occupation, date of birth, tenure and DIN	Age	Other Directorships
T T Srinivasaraghavan <i>Designation:</i> Chairman and Non-Executive Director <i>Date of birth:</i> January 19, 1955 <i>Address:</i> New No. 9, Old No. 5, III Street, Kasturi Estates, Chennai – 600 086, Tamil Nadu, India <i>Occupation:</i> Professional <i>Current term:</i> Liable to retire by rotation <i>Period of directorship:</i> Director since February 16, 2017 <i>DIN:</i> 00018247	66	1. Sundaram Finance Limited; 2. Royal Sundaram General Insurance Co. Limited; 3. Sundaram Business Services Limited; 4. Brakes India Private Limited; 5. Turbo Energy Private Limited; 6. Sundaram Home Finance Limited; 7. Sundaram Asset Management Company Limited; and 8. Finance Industry Development Council
R Venkatraman <i>Designation:</i> Independent Director <i>Date of birth:</i> September 9, 1961 <i>Address:</i> New No. 6-B, Old No. 13/2, 1 st Floor, 9 th Cross Street, Shastrinagar, Adayar, Chennai – 600 020, Tamil Nadu, India <i>Occupation:</i> Professional <i>Current term:</i> Five years with effect from February 16, 2017 <i>Period of directorship:</i> Director since February 16, 2017 <i>DIN:</i> 07119686	59	1. Sundaram Trustee Company Limited; 2. Goodricke Group Limited; 3. Sundaram Business Services Limited; and 4. National Commodity Clearing Limited
S Prasad <i>Designation:</i> Independent Director <i>Date of birth:</i> May 30, 1948 <i>Address:</i> Flat D-1, New No. 41, Old No. 87, 'Ashok Prithvi', IV Street, Abhiramapuram, Chennai – 600 018, Tamil Nadu, India <i>Occupation:</i> Professional	72	1. Sundaram Finance Limited; 2. Wheels India Limited; 3. India Motor Parts & Accessories Limited; 4. Royal Sundaram General Insurance Co. Limited; and 5. WIL Car Wheels Limited

Name and Designation, Address, occupation, date of birth, tenure and DIN	Age	Other Directorships
<i>Current term:</i> Five years with effect from February 16, 2017 <i>Period of directorship:</i> Director since February 16, 2017 <i>DIN:</i> 00063667		
Shobhana Ramachandhran <i>Designation:</i> Independent Director <i>Date of birth:</i> January 30, 1960 <i>Address:</i> No. 16, Jawahar Road, Madurai - 625 002, Tamil Nadu, India <i>Occupation:</i> Professional <i>Current term:</i> Five years with effect from February 16, 2017 <i>Period of directorship:</i> Director since February 16, 2017 <i>DIN:</i> 00273837	61	1. Sundaram Finance Limited; 2. Sundaram Brake Linings Limited; 3. TVS Srichakra Limited; 4. TVS Srichakra Investments Limited; 5. TVS Automobile Solutions Private Limited; 6. TVS Argomm Private Limited; 7. TVS Supply Chain Solutions Limited; 8. Pusam Rubber Products Private Limited; 9. SI AIR Springs Private Limited; and 10. Sundaram Industries Private Limited
Srivats Ram <i>Designation:</i> Non-Executive Director <i>Date of birth:</i> February 20, 1970 <i>Address:</i> No.57, Prithvi Avenue, Alwarpet, Teynampet, Chennai – 600 018, Tamil Nadu, India <i>Occupation:</i> Service <i>Current term:</i> Liable to retire by rotation <i>Period of directorship:</i> Director since August 27, 2018 <i>DIN:</i> 00063415	51	1. Wheels India Limited; 2. Axles India Limited; 3. Maham Holdings Private Limited; 4. T.V. Sundram Iyengar & Sons Private Limited; 5. WIL Car Wheels Limited; 6. Revathi Holdings Private Limited; 7. Padmalakshmi Holdings Private Limited; 8. Sundaram Hydraulics Limited; 9. India Motor Parts & Accessories Limited; and 10. Enffluence Technologies Private Limited
Harsha Viji <i>Designation:</i> Non-Executive Director <i>Date of birth:</i> August 28, 1975 <i>Address:</i> New No 10A Old No 11, Raghavaveera Avenue Poes Garden, Gopalapuram Chennai 600 086, Tamil Nadu, India <i>Occupation:</i> Employed <i>Current term:</i> Liable to retire by rotation <i>Period of directorship:</i> Director since January 25, 2017 <i>DIN:</i> 00602484	45	1. Sundaram Asset Management Company Limited; 2. Sundaram Finance Limited; 3. Flometallic India Private Limited; 4. Royal Sundaram General Insurance Co. Limited; 5. Sundaram Home Finance Limited; 6. Azorius Holdings Private Limited; 7. Trichur Sundaram Santhanam & Family Private Limited; and 8. Sundaram Alternate Assets Limited
S. Ravi	59	-

Name and Designation, Address, occupation, date of birth, tenure and DIN	Age	Other Directorships
<i>Designation:</i> Chief Executive Officer (Manager under the Companies Act, 2013) <i>Date of birth:</i> June 4, 1961 <i>Address:</i> 25/12, 11th Cross Street, Indira Nagar, Adyar, Chennai 600 020, Tamil Nadu, India <i>Occupation:</i> Employed <i>Current term:</i> Until May 18, 2023 <i>Appointment Date:</i> May 19, 2020 <i>DIN:</i> NA		

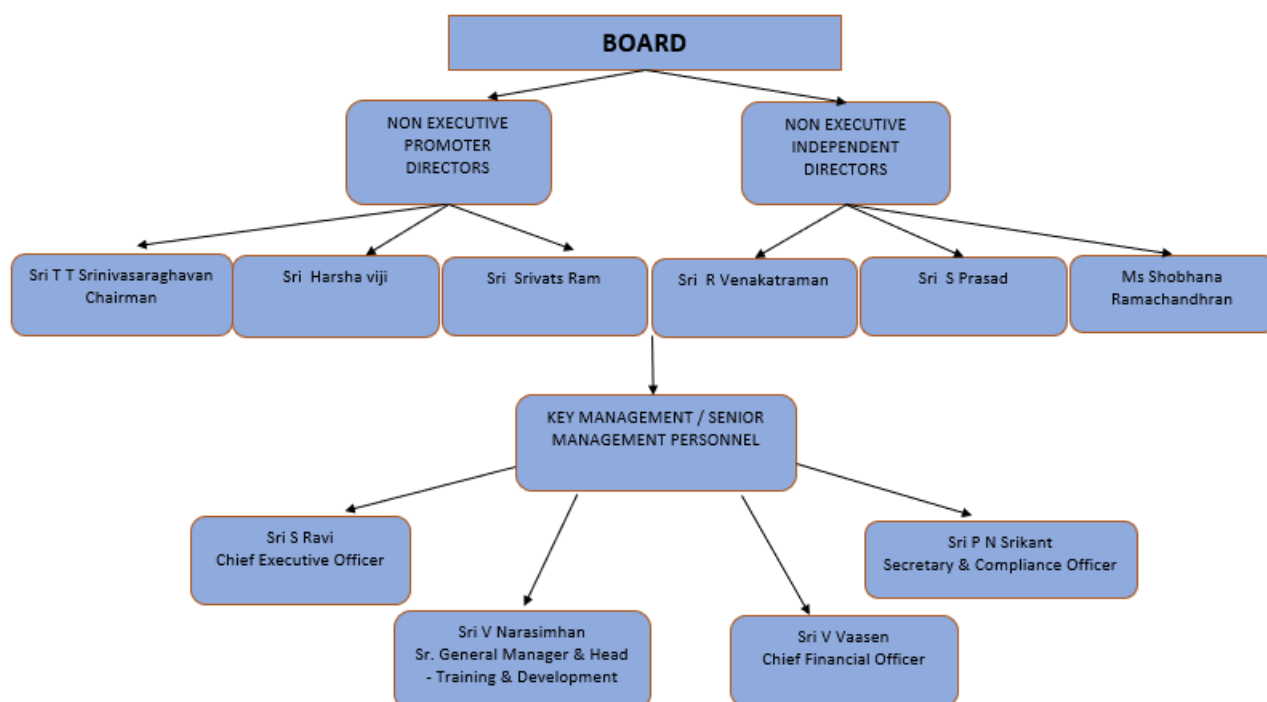
In compliance with Section 152 of the Companies Act 2013, not less than two-thirds of our non-independent Directors are liable to retire by rotation.

Details of directorship in companies suspended or delisted

None of our Directors is or was a director of any listed company, whose shares are or were suspended from being traded on any stock exchanges, during the last five years prior to the date of this Letter of Offer, during the term of his/her directorship in such company.

None of our Directors is, or was, a director of any listed company, which has been or was delisted from any stock exchange during the term of their directorship in such company.

Management Organisation Chart



Details of key management personnel and senior management personnel

Sr. No	Name	Designation
Key management personnel		
1.	S. Ravi	Chief Executive Officer (Manager under the Companies Act, 2013)
2.	V Vaasen	Chief Financial Officer
3.	P N Srikant	Secretary and Compliance Officer
Senior management personnel		
4.	V. Narasimhan	Senior General Manager & Head (Learning & Development)

SECTION V – FINANCIAL INFORMATION
FINANCIAL STATEMENTS

Sr. No.	Particulars	Page No.
1.	The Statutory Auditor's report and the audited consolidated financial statements as at and for Fiscal 2020	F - 1
2.	The Statutory Auditor's report and the audited consolidated financial statements as at and for Fiscal 2019	F - 56
3.	The Statutory Auditor's report and the unaudited condensed consolidated interim financial statements as at and for the nine month period ended December 31, 2020	F - 121
4.	The Statutory Auditor's report and the limited review unaudited consolidated financial results for the nine month period ended December 31, 2019	F - 157

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R.G.N. PRICE & CO.,

CHARTERED ACCOUNTANTS

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Simpson's Buildings,
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25th May 2020

INDEPENDENT AUDITOR'S REPORT

Report on the Audit of the Consolidated Financial Statements

To the Members of Sundaram Finance Holdings Limited

Opinion

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

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

Basis for Opinion

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

Emphasis of matter

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

Our opinion is not modified in respect of this matter.

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Key Audit Matters

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

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

Key Audit Matter	Our audit procedures with regards to key audit matter
<i>Valuation of Unquoted investments fair valued through OCI</i> Refer Note 2.2 "Fair value measurement", and Note 2.4 "Financial Assets" for relevant accounting policies and significant accounting estimates used by the Group. The investment portfolio is valued at Rs. 1,87,870 Lakhs which represents almost 98% of the total assets, where unquoted equity investments valued through OCI amounts to Rs. 20,681 Lakhs ("Investment") covering about 11% 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 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 Holding Company for accounting and disclosing Investments for compliance with the accounting framework. (ii) Evaluating valuation methodology recommended by Valuation Expert in the Group. (iii) Verified the correctness of market inputs used and mathematical accuracy of the valuation analysis. (iv) Assessed the adequacy of internal controls, evaluated the design and tested the operating effectiveness of such controls for initial recognition, subsequent measurement and disclosure of investments as on the reporting date as per applicable regulations. (v) Our team was supported by our in-house valuation specialist, especially in determining whether such valuation methodology is consistent with the market practice. (vi) We also assessed whether the disclosures in relation to investments are compliant with the relevant Indian accounting requirements and appropriately present the sensitivities in the valuations based on alternative outcome.

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

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

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

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

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

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

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

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

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

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

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

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

- (i) Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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- (ii) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Group and its associates which are companies incorporated in India, has adequate internal financial controls system in place and the operating effectiveness of such controls.
- (iii) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- (iv) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates to cease to continue as a going concern.
- (v) Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- (vi) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associates to express an opinion on the consolidated financial statements. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

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

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



Other Matters

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

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

Report on Other Legal and Regulatory Requirements

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

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements.

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive Income), Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

(d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act.

(e) On the basis of the written representations received from the directors of the Holding Company as on 1st April, 2020 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary and associate companies, none of the directors of the Group companies, and associate companies incorporated in India is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.

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



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

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

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

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

Place: Chennai
Date: 25th May 2020

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



K. Venkatakrisnan
Partner

Membership No.208591
UDIN: 20208591AAAABM2019



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

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

Management’s Responsibility for Internal Financial Controls

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

Auditor’s Responsibility

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

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

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

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

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



Meaning of Internal Financial Controls Over Financial Reporting

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

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

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

Other Matters

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

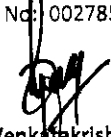
Place: Chennai
Date: 25th May 2020

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



K. Venkatakrishnan
Partner
Membership No. 208591
UDIN: 20208591AAAABM2019



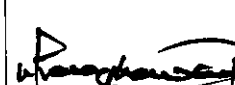
Sundaram Finance Holdings Limited			
Consolidated Balance sheet as at			
(₹ in Lakhs)			
Particulars	Notes	Mar 31, 2020	Mar 31, 2019
ASSETS			
(1) Financial Assets			
(a) Cash and cash equivalents	1	998.60	475.55
(b) Derivative financial instruments	2	575.74	247.99
(c) Receivables	3	774.10	1053.79
(d) Loans	4	44.47	33.92
(e) Investments	5	187865.49	241966.87
(f) Other financial assets	6	162.19	151.71
(2) Non-financial Assets			
(a) Current tax assets (Net)	7	467.66	331.11
(b) Investment property	8	171.26	164.26
(c) Property, plant and equipment	9	331.92	202.25
(d) Other intangible assets	9	24.20	40.84
(e) Goodwill		156.08	156.08
(f) Right of Use asset	25	202.12	-
(g) Other non-financial assets	10	435.07	427.46
Total Assets		192208.90	245251.83
LIABILITIES AND EQUITY			
LIABILITIES			
(1) Financial liabilities			
(a) Payables	11		
Trade Payables			
(i) Total outstanding dues of micro enterprises and small enterprises		0.67	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		86.26	105.37
(b) Other financial liabilities	12	127.90	90.27
(c) Lease Liability	25	213.68	-
(2) Non-Financial liabilities			
(a) Provisions	13	311.12	233.58
(b) Deferred tax liabilities (Net)	14	5616.13	8116.82
(c) Other non-financial liabilities	15	126.87	144.01
(3) Equity			
(a) Equity share capital	16	7555.19	7555.19
(b) Other equity	17	178171.08	229006.59
Total Liabilities and Equity		192208.90	245251.83
This is the Consolidated Balance sheet referred to in our report of even date attached.			
For and on behalf of the Board of Directors of Sundaram Finance Holdings Limited		For R.G.N. Price & Co. Chartered Accountants F.R No: 0027855	
 T.T. Srinivasaraghavan Chairman	 Harsha Viji Director	 R. Venkatraman Director	 K. Venkatakrishnan Partner M.No:208591
 S. Ravi Chief Executive Officer	 V. Vaasen Chief Financial Officer	 P.N. Srikanth Secretary & Compliance Officer	
Date: 25-05-2020 Place: Chennai			

Sundaram Finance Holdings Limited			
Consolidated Statement of Profit and Loss			
(₹ In Lakhs)			
Particulars	Note	For the year ended 31 March 2020	For the year ended 31 March 2019
Revenue from operations			
Interest Income	18	251.34	354.47
Dividend Income		2412.90	2367.51
Net gain on fair value changes	19	508.56	1062.40
Sale of services	29	6082.81	6161.96
Total Revenue from operations		9255.61	9946.34
Other Income	20	591.25	318.89
Total Income		9846.85	10265.23
Expenses			
Finance cost	21	27.52	24.64
Employee benefit expenses	22	4236.58	4001.21
Depreciation and Amortisation		133.04	100.66
Administrative and Other Expenses	23	1972.28	1934.32
Total expenses		6369.42	6060.83
Profit before exceptional items and tax		3477.44	4204.40
Exceptional items		-	-
Profit before tax		3477.44	4204.40
Tax expense	24		
1. Current tax		412.11	1177.65
2. Deferred tax		136.07	4.96
Total tax		548.18	1182.61
Profit for the period		2929.25	3021.79
Share of net profits from associates		4884.24	10724.44
Profit after tax		7813.49	13746.23
Other Comprehensive Income			
A. Items that will not be reclassified to profit or loss	31		
Remeasurements of the defined benefit plans		18.43	(38.89)
Income tax on above		5.07	11.05
Remeasurements of the defined benefit plans (Net of Income tax)		13.36	(27.84)
Change in Fair value of equity instruments		(57219.43)	(60870.32)
Income tax on above		(2701.41)	4126.60
Change in Fair value of equity instruments (Net of tax)		(54518.02)	(56743.72)
Share of other comprehensive income from associates using equity method (Net of tax)		(63.78)	(55.06)
B. Items that will be reclassified to profit or loss			
Change in fair value of derivative instrument		312.99	88.14
Income tax on above		49.27	(24.52)
Change in fair value of derivative instrument (Net of tax)		263.72	63.62
Share of other comprehensive income from associates using equity method		(520.09)	736.64
Foreign currency Translation Reserve		729.97	412.72
Other Comprehensive Income Net of Tax		(54094.83)	(55,613.63)
Total Comprehensive Income for the period		(46281.33)	(41,867.41)
Basic and Diluted Earnings per Equity Share of ₹ 5 each		5.17	9.10

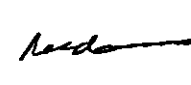
This is the Consolidated Statement of Profit and Loss referred to in our report of even date attached.

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

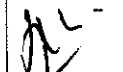
For R.G.N. Price & Co.
Chartered Accountants
F.R.No: 0027855

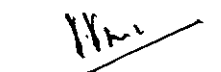

T.T. Srinivasan
Chairman


Harsha Vijl
Director


R. Venkatraman
Director


K. Venkatarishnan
Partner
M.No:208591

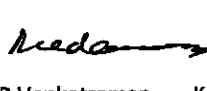
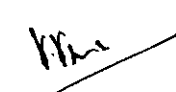

S. Ravi
Chief Executive Officer


V. Vaasen
Chief Financial Officer


P.N. Srikanth
Secretary & Compliance Officer

Date: 25-05-2020
Place: Chennai



Sundaram Finance Holdings Limited		
Statement of Cash Flows for the year ended		
	(₹ in Lakhs)	
Particulars	March 31, 2020	March 31, 2019
Cash flow from operating activities		
Profit before tax	3477.44	4204.40
<i>Adjustments to reconcile profit before tax to net cash used in operating activities</i>		
Depreciation and Amortisation	133.04	100.66
Fair value change in financial Instruments	(508.56)	(1075.04)
Interest income	(251.34)	(354.47)
(Gain)/loss on sale of property, plant and equipment	0.04	(0.18)
Finance costs paid	27.52	24.64
On account of Scheme of Amalgamation	-	597.05
Net Actuarial gain/(loss) on defined benefit plan	18.43	(17.44)
Add: Dividend received from associates	3535.28	4164.28
	6431.85	7643.91
<i>Working capital adjustments</i>		
(Increase)/ Decrease in trade and other receivables	279.69	(161.35)
(Increase)/ Decrease in Loans	(10.55)	4.83
(Increase)/ Decrease in Other financial assets	(25.24)	(22.30)
(Increase)/ Decrease in Other non-financial assets	(7.61)	(444.89)
Increase/ (Decrease) in trade and other payables	(18.44)	(86.18)
Increase/(Decrease) in financial liabilities	37.63	12.70
Increase/(Decrease) in other non-financial liabilities and provisions	60.40	100.29
	6747.74	7047.02
Income Tax paid	(538.36)	(1206.02)
Net cash flows from operating activities	6209.38	5841.00
Cash flow from investing activities		
Purchase of property, plant and equipment and intangible assets	(220.64)	(56.98)
(Purchase)/Sale of Mutual funds	(182.51)	(894.74)
(Purchase)/Sale of other investments	(682.31)	(4230.95)
Proceeds from Capital Reduction by Associates	-	2205.50
Proceeds from sale of property, plant and equipment	0.52	7.83
Interest received	1.74	1.74
Net cash flows from investing activities	(1083.20)	(2967.60)
Cash flow from financing activities		
Dividend Paid	(4554.17)	(2732.49)
Lease Liability Principal	(21.44)	-
Finance charges-Lease Liability Interest	(17.71)	-
Finance charges paid	(9.81)	(24.64)
Net cash flows from financing activities	(4603.13)	(2757.13)
Net Increase / (decrease) in cash and cash equivalents	523.05	116.27
Cash and cash equivalents at the beginning of the year	475.55	359.28
Cash and cash equivalents at the end of the year (Note 1)	998.60	475.55
This is the Consolidated Cash Flow Statement referred to in our report of even date attached.		
For and on behalf of the Board of Directors of Sundaram Finance Holdings Limited	For R.G.N. Price & Co Chartered Accountants F.R No. 0027855	
 T.T. Srinivasaraghavan Chairman	 Harsha Vijl Director	 R. Venkatraman Director
 S. Ravi Chief Executive Officer	 V. Vaasen Chief Financial Officer	 K. Venkatakrishnan Partner M.No:208591
	 P.N. Srikanth Secretary & Compliance Officer	
Date: 25-05-2020 Place: Chennai		



STATEMENT OF CHANGES IN EQUITY

(a) Equity Share Capital (₹ in Lakhs)

Particulars	Amount
As at April 1, 2018	7555.19
Changes in equity share capital	-
As at March 31, 2019	7555.19
Changes in equity share capital	-
As at March 31, 2020	7555.19

(b) Other equity

(₹ in Lakhs)

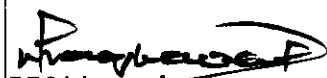
Particulars	Reserves and Surplus				Gains / (losses) from equity investments through OCI	Total
	Capital Reserve	General Reserve	FCTR	Retained Earnings		
Balance as at 01 April 2018	2569.62	13135.01	604.70	62214.62	195082.54	273606.48
Add: Profit or loss for the period				13,746.23		13,746.23
Add: Other comprehensive Income			412.72	(27.84)	(55998.52)	(55613.63)
Less: Final Dividend for FY 2017-18 paid				(2266.59)		(2266.59)
Less: Dividend Tax				(465.90)		(465.90)
Balance as at 31 March 2019	2569.62	13135.01	1017.42	73200.51	139084.02	229006.59
Add: Profit or loss for the period				7813.49		7813.49
Add: Other comprehensive Income			729.97	(306.78)	(54518.02)	(54094.83)
Less: Final Dividend for FY 2018-19 paid				(2644.35)		(2644.35)
Less: Dividend Tax				(543.55)		(543.55)
Less: Interim Dividend for FY 2019-20 paid				(1133.31)		(1133.31)
Less: Dividend Tax				(232.95)		(232.95)
Balance as at 31 March 2020	2569.62	13135.01	1747.39	76153.05	84566.00	178171.08

As per our report of even date attached.

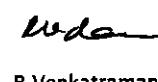
For R.G.N. Price & Co.

Chartered Accountants

F.R No: 0027855

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

T.T. Srinivasaraghavan
Chairman


Harsha Vijji
Director


R. Venkatraman
Director


K. Venkatakrishnan
Partner
M.No:208591


S. Ravi
Chief Executive Officer


V. Vaasen
Chief Financial Officer


P.N. Srikant
Secretary & Compliance Officer

Date: 25-05-2020

Place: Chennai

NOTES TO THE FINANCIAL STATEMENTS

1. Company Overview

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

2. SIGNIFICANT ACCOUNTING POLICIES

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

2.1 Basis of Preparation

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

The group combines the financial statements of the parent and its subsidiary line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset.

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

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

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

Associates:

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

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

Under the equity method of accounting, the investments are initially recognized at cost and adjusted thereafter to recognize the group's share of the post-acquisition profits or losses of the

NOTES TO THE FINANCIAL STATEMENTS

investee in profit and loss, and the group's share of other comprehensive income of the investee in other comprehensive income. Dividends received from associates are recognized as a reduction in the carrying amount of the investment.

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

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

2.2 Measurement of fair values

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

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

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

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

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

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

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



NOTES TO THE FINANCIAL STATEMENTS

2.3 Revenue Recognition:

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

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

Dividends:

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

Interest Income:

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

Rental Income:

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

2.4. Financial Assets

Classification

The Group classifies its financial assets in the following categories:

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

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

NOTES TO THE FINANCIAL STATEMENTS

Initial Measurement

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

Subsequent Measurement

Financial Asset measured at Amortised Cost (AC)

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

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

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

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

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

2.5. Financial Liabilities

Initial Recognition

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



NOTES TO THE FINANCIAL STATEMENTS

Subsequent Measurement

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

De-Recognition

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

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

Impairment of Financial Assets

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

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

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

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

Offsetting of financial instruments

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

Derivative financial instruments

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

To mitigate the risk of changes in foreign exchange rates on forecasted cash flows denominated in foreign currencies, the Group holds derivative financial instruments such as foreign exchange forward contracts. The counterparty for these contracts is generally a bank. Derivatives are recognized and measured at fair value. Attributable transaction costs are recognized in the Statement of Profit and Loss.



NOTES TO THE FINANCIAL STATEMENTS

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

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

2.6. Leases

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

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

2.7. Employee Benefits

SHORT TERM EMPLOYEE BENEFITS

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

POST EMPLOYMENT BENEFITS

a. Defined Contribution plans

i. Superannuation

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

ii. Provident Fund

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

b. Defined benefit plans

Gratuity

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

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

The present value of defined benefit obligation is determined by discounting the estimated future cash out flows by reference to market yields at the end of the reporting period on

NOTES TO THE FINANCIAL STATEMENTS

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

c. Other Long Term Employee Benefits

- i) The estimated liability in respect of other long term benefits like Employee Assured Bonus Scheme has been provided on the basis of actuarial valuation.
- ii) Leave Encashment:
The Group contributes to a staff leave encashment scheme managed by SBI Life Insurance Company Limited. The Group accounts its liability based on an actuarial valuation, as at the Balance Sheet date, using the Projected Unit Credit method.

2.8 Income Taxes

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

Current tax

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

NOTES TO THE FINANCIAL STATEMENTS

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

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

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

Deferred Tax

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

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

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

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

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

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

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

Current and Deferred tax for the year- OCI

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

NOTES TO THE FINANCIAL STATEMENTS

current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

2.9. Property, plant and equipment

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

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

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

Freehold land is not depreciated.

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

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

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

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

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

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

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(in years)

NOTES TO THE FINANCIAL STATEMENTS

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

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

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

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

2.10 Investment Property

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

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

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

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



NOTES TO THE FINANCIAL STATEMENTS

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

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

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

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

2.11. Intangible assets

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

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

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

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

2.12. Impairment of Assets

The carrying amounts of assets are reviewed at each balance sheet date to ascertain impairment based on internal / external factors. An impairment loss is recognised when the carrying amount of

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NOTES TO THE FINANCIAL STATEMENTS

an asset exceeds its recoverable amount. The recoverable amount is the higher of the net selling price of the assets and their value in use.

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

2.13. Foreign Currency Transactions

Functional and Presentation Currency:

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

Foreign Currency Transactions and balances:

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

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

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

2.14. Cash Flow Statement

Statement of cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or

NOTES TO THE FINANCIAL STATEMENTS

future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Group are segregated.

2.15. Provisions and Contingent Liabilities

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

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

A Contingent liability is

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

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

2.16 Earnings Per Share

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

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

2.17 Cash and Cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid



NOTES TO THE FINANCIAL STATEMENTS

investments with original maturities of three months or less that are readily Convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

2.18 Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

3. Critical accounting judgments and key sources of estimation uncertainty

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

Useful lives of Property Plant and Equipment / Intangible Assets

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

Impairment of Financial Assets

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



(₹ in Lakhs)

Particulars	Mar 31, 2020	Mar 31, 2019
Note 1		
Cash and cash equivalents		
Cash on hand	0.15	0.24
Balances with Banks in Current Accounts	978.00	467.85
Earmarked balances with banks (for unpaid dividend)	20.45	7.46
	998.60	475.55

Note 2**Derivative Financial Instruments**

(₹ in Lakhs)

Particulars	Mar 31, 2020			Mar 31, 2019		
	Notional amounts	Fair value assets	Fair value liabilities	Notional amounts	Fair value assets	Fair value liabilities
Part I						
(i) Currency Derivatives						
- Spot and forwards	-	575.74	-	-	247.99	-
Total Derivatives Financial Instruments	-	575.74	-	-	247.99	-
Part II						
Included in above (Part I) are derivatives held for hedging and risk management purpose as follows						
(i) Cash flow hedging						
- Currency derivatives	-	575.74	-	-	247.99	-
	-	575.74	-	-	247.99	-

The company holds forward contracts to mitigate the risk of changes in foreign exchange rates on forecasted cash flows denominated in foreign currencies. Derivatives are recognised and measured at fair value.

(₹ in Lakhs)

Particulars	Mar 31, 2020	Mar 31, 2019
Note 3		
Receivables		
Trade receivables		
- Considered good-Secured		
- Considered good-Unsecured *	774.10	1053.79
- Receivables having significant increase in credit risk	33.20	13.24
Less : Allowance for impairment loss	(33.20)	(13.24)
- Credit Impaired	5.64	32.33
Less : Allowance for impairment loss	(5.64)	(32.33)
Debts due by Directors and others	-	-
* Refer Note 30 for related party transactions	774.10	1053.79

Note 4 : Loans

(₹ in Lakhs)

Loans	31st March 2020				31st March 2019			
	Amortised cost	At Fair value		Total	Amortised cost	At Fair value		Total
		Through other comprehensive income	Through profit or loss			Through other comprehensive income	Through profit or loss	
Loans (Unsecured)								
Staff advance	46.96	-	-	46.96	36.41	-	-	36.41
Gross Loans	46.96	-	-	46.96	36.41	-	-	36.41
Less: Impairment Loss allowance	2.49	-	-	2.49	2.49	-	-	2.49
Net Loans	44.47	-	-	44.47	33.92	-	-	33.92

Note 5: Investments

(₹ in lakhs)

Particulars	Note No.	Face Value (₹)	As at 31.03.2020		As at 31.03.2019	
			Holding (Number)	Carrying Amount	Holding (Number)	Carrying Amount
At Carrying amount						
- Associates						
-Flometallic India Private Limited		100000	3800	6195.44	3800	6374.22
-The Dunes Oman LLC (FZC)	(i)	1	2293725	8892.95	1834980	8583.48
-Sundaram Hydraulics Limited		10	11250000	-	11250000	-
-Axles India Limited		10	9891754	5329.20	9891754	5359.28
-Turbo Energy Private Limited		10	2560000	46125.28	2560000	44942.87
-Transenergy Limited		100	120000	387.98	120000	394.52
-Sundaram Dynacast Private Limited		10	1170000	1395.71	1170000	1177.13
				68326.57		66831.50
Total - A				68326.57		66831.50
At fair value through other comprehensive income:						
Equity Instruments						
-Wheels India Limited		10	3269096	18814.52	2667482	24922.39
-Brakes India Private Limited		100	159460	12169.89	159460	27349.69
-India Motor Parts & Accessories Limited		10	2320005	13495.32	1540784	13593.51
-Sundaram Clayton Limited		5	2273081	45703.24	2273081	74466.64
-TVS Investments Private Limited		5	2273085	2188.55	2273085	2215.57
-Lucas-TVS Limited		100	63224	2923.22	63224	6678.49
-Delphi TVS Technologies Limited		10	252896	1196.02	252896	1121.84
-Techtran Polylenes Limited		10	250000	-	250000	-
-Vishnu Forge Industries Limited		10	297110	114.68	297110	105.84
-D2C Consulting Services Private Limited		10	-	1.75	-	-
Fettie Tone LLP		-	-	2087.00	-	-
-Senbonzakura Consultancy Private Ltd		10	-	-	10	-
				98694.19		150453.96
Total - B				98694.19		150453.96
At fair value through profit and loss:						
- Mutual Funds						
-Sundaram Money Fund-Growth			9845279	4122.18	3905169	1539.07
-Sundaram Ultra Short term Fund-Growth			58397132.06	7215.35	48354743.93	12723.73
-Sundaram Banking PSU & Debt Fund			10501895.15	3365.52	-	-
-Sundaram Money market fund			37678369.73	4220.81	-	4145.60
-JM Financial yield enhancer (Distressed Opportunity) Fund I - Series I			100.00	100.00	-	-
-D2C Consulting Services Private Limited-0.1% Cumulative Convertible Preference Shares		100	17014.00	298.26	-	-
				19322.11		18408.40
Total - C				19322.11		18408.40
At amortised cost:						
- Preference Shares						
Sundaram Asset Management Company-6.75% Redeemable Cumulative Non-Convertible Preference Shares		100	1500000	1500.00	1500000	1500.00
- Government securities						
-IRFC tax free bonds		1000	2175	22.62	2175	22.62
- Commercial Paper:						
-Cholamandam Investment and finance company				-		2370.16
-HDB Financial services				-		2380.24
				1522.62		6273.02
Total - D				1522.62		6273.02
Total Investments A+B+C+D				187865.49		241966.87
Less: Allowance for Impairment loss				-		-
Total Investments				187865.49		241966.87

(₹ in lakhs)

Investment outside India	8892.95		8583.48
Investment in India	178972.54		233383.39

Investments - Categorywise

(₹ in lakhs)

Particulars	As at 31.03.2020		As at 31.03.2019
Aggregate amount of Quoted Investments	78035.71		113005.15
Aggregate amount of Unquoted Investments (Net of allowance for Impairment loss)	109829.78		128961.72
Total	187865.49		241966.87

Note

(i) Face value in Omani Riyal

Dividends recognised during the period from Investments in equity Instruments designated

(₹ in Lakhs)

Investments held during/at the end of reporting period	2019-20	2018-19
-Brakes India Private Limited	698.43	904.14
-Lucas TVS Limited	120.13	120.12
-Delphi TVS Technologies Limited	53.11	40.46
-Sundaram Clayton Ltd	704.66	818.32
-Wheels India Limited	224.78	206.73
-Indian Motor Parts & Accessories Limited	508.46	169.49
-Vishnu Forge Industries Ltd	2.08	1.78
-TVS Investments Private Limited	-	5.22
Total Dividend	2311.64	2266.26

(₹ in Lakhs)

Particulars	Mar 31, 2020	Mar 31, 2019
Note 6		
Other Financial assets (Unsecured)		
Security Deposits	133.26	122.10
Unbilled Revenue	25.20	29.61
Other Assets	3.74	-
	162.19	151.71
Note 7		
Current Tax Assets (net)		
Advance Income Tax and Tax Deducted at source (Net of Provision for tax)	467.66	331.11
	467.66	331.11

Note 8 : Investment Property

(₹ in Lakhs)

Particulars	Land	Building
As at 01-04-2019	128.75	43.19
Additions	-	11.09
Sub-total	128.75	54.28
Sales / deletion	-	-
Total	128.75	54.28
Depreciation		
Upto 31-Mar-2019	-	7.69
For the year	-	4.08
Sub-total	-	11.77
Withdrawn on assets sold / deleted	-	-
Total	-	11.77
Net Carrying amount		
As at 31-03-2020	128.75	42.51

(₹ in Lakhs)

Particulars	Land	Building
As at 01-04-2018	128.75	39.16
Additions	-	-
Sub-total	128.75	39.16
Sales / deletion	-	-
Total	128.75	39.16
Depreciation		
Upto 31-Mar-2018	-	-
For the year	-	3.65
Sub-total	-	3.65
Withdrawn on assets sold / deleted	-	-
Total	-	3.65
Net Carrying amount		
As at 31-03-2019	128.75	35.51

(₹ in Lakhs)

Fair Value	Land	Building
At 31 March 2020	44583.81	293.10
At 31 March 2019	44583.81	293.10

Measurement of Fair Value**Fair Value Hierarchy**

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

The fair value measurement for all of the investment property has been categorised as a Level 3 fair value based on the inputs to the valuation technique used.

Valuation Techniques

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

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

Information regarding income and expenditure of Investment property

(₹ in Lakhs)

Particulars	31.03.20	31.03.19
Rental Income derived from Investment Properties	174.89	174.89
Direct Operating Expenses (including repairs and maintenance)	18.09	11.56
Profit arising from Investment Properties before Depreciation and Indirect Expenses	156.80	163.33
Depreciation	4.08	3.65
Profit arising from Investment Properties before Indirect Expenses	152.72	159.68

Note 9: PROPERTY, PLANT & EQUIPMENT AND INTANGIBLE ASSETS

(₹ in Lakhs)

Description	Property, Plant & Equipment							Intangible		Total (tangible and intangible)
	Free hold land	Buildings	Plant & equipment	Furniture & fixtures	Office equipment	Electrical Equipment	Vehicles	Total	Software- Bought out	
As at 01-04-2019	31.86	3.08	169.31	35.55	38.65	18.65	16.44	313.53	122.86	436.39
Additions	-	-	175.11	7.91	10.01	1.56	-	194.59	14.96	209.55
Sub-total	31.86	3.08	344.43	43.46	48.66	20.21	16.44	508.12	137.82	645.94
(-) Sales / deletion	-	-	0.38	-	0.30	-	2.72	3.40	-	3.40
Total	31.86	3.08	344.05	43.46	48.36	20.21	13.72	504.72	137.82	642.54
Depreciation										
Upto 31-03-2019		-	75.71	13.33	12.42	4.78	5.04	111.28	82.02	193.29
For the year			45.02	6.42	8.04	4.89	-	64.37	31.60	95.97
Sub-total	-	-	120.73	19.74	20.47	9.67	5.04	175.65	113.61	289.26
(-) Withdrawn on assets sold / deleted	-	-	0.04	-	0.08	-	2.72	2.84	-	2.84
Total	-	-	120.69	19.74	20.38	9.67	2.32	172.80	113.61	286.42
Net Carrying amount										
As at 31-03-2020	31.86	3.08	223.35	23.71	27.98	10.54	11.40	331.92	24.20	356.12

Description	Property, Plant & Equipment								Intangible Software- Bought out	Total (tangible and intangible)
	Free hold land	Buildings	Plant & equipment	Furniture & fixtures	Office equipment	Electrical Equipment	Vehicles	Total		
As at 01-04-2018	31.86	3.08	159.87	31.05	29.16	18.65	9.33	282.99	105.16	388.15
Additions	-	-	10.27	4.50	10.42	-	14.10	39.29	17.70	56.99
Sub-total	31.86	3.08	170.14	35.55	39.58	18.65	23.43	322.28	122.86	445.14
(-) Sales / deletion	-	-	0.83	-	0.93	-	6.99	8.75	-	8.75
Total	31.86	3.08	169.31	35.55	38.65	18.65	16.44	313.53	122.86	436.39
Depreciation										
Upto 31-03-2018	-	-	35.21	6.90	5.64	2.57	2.33	52.65	44.73	97.37
For the year	-	-	40.70	6.43	7.26	2.21	3.13	59.73	37.29	97.02
Sub-total	-	-	75.91	13.33	12.90	4.78	5.46	112.38	82.02	194.39
(-) Withdrawn on assets sold / deleted	-	-	0.20	-	0.48	-	0.42	1.10	-	1.10
Total	-	-	75.71	13.33	12.42	4.78	5.04	111.28	82.02	193.29
Net Carrying amount										
As at 31-03-2019	31.86	3.08	93.60	22.22	26.23	13.87	11.40	202.25	40.84	243.09

(₹ in Lakhs)

Particulars	Mar 31, 2020	Mar 31, 2019
Note 10		
Other Non-Financial Assets		
Prepaid expenses	77.65	103.71
Capital Advance	-	1.79
SEIS Scrip Incentive	106.23	-
Other advance	30.14	33.13
Service Tax /GST Input Credit	221.06	288.83
	435.07	427.46
Note 11		
Trade Payables		
(i) Total outstanding due to micro and small enterprises (Refer Note 32 f)	0.67	-
(ii) Total outstanding due of creditors other than micro and small enterprises		
- For Expenses *	86.26	105.37
- For Others	-	-
* Refer Note 30 for related party transactions		
	86.93	105.37
Note 12		
Other Financial Liabilities		
Accrued expenses	95.71	79.06
Other Liabilities	32.18	11.21
	127.90	90.27
Note 13		
Provisions		
Provision for Employee Benefits	283.50	218.58
Provision for expenses	27.62	15.00
	311.12	233.58
Note 14		
Deferred taxes		
Deferred tax liabilities		
On Investments	6019.92	8638.49
On Derivatives	145.08	58.01
Others	2.87	0.18
Deferred tax assets		
On Investments	(132.72)	(154.18)
On Employee Benefits	(22.11)	(21.32)
On Provision for doubtful debts	(11.50)	(13.37)
On Property, Plant & Equipment	(21.88)	(12.76)
On Security Deposits	(0.58)	(0.46)
On others	(2.95)	(1.03)
Minimum Alternate Tax (MAT) credit	(360.01)	(376.74)
Net Deferred tax liabilities	5616.13	8116.82
Note 15		
Other non-financial liabilities		
Statutory Liabilities	126.87	144.01
	126.87	144.01

Note 16: Equity Share Capital

Particulars	Mar 31, 2020	Mar 31, 2019
Authorised:		
16,00,00,000 Equity shares of face value of ₹. 5/- each	8000.00	8000.00
	8000.00	8000.00
Issued, Subscribed and fully paid up:		
15,11,03,860 Equity shares of face value of ₹. 5/- each	7555.19	7555.19
	7555.19	7555.19

(a) Reconciliation of share capital	March 31, 2020		March 31, 2019	
	No. of Shares	₹ In Lakhs	No. of Shares	₹ In Lakhs
Balance at the beginning of the year	151103860	7555.19	151103860	7555.19
Changes in equity share capital during the year				
Shares Issued/redeemed during the year				
Balance at the end of the year	151103860	7555.19	151103860	7555.19

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

Name	Status	No. of Shares	% held as at 31.03.20	No. of Shares	% held as at 31.03.19
Sundaram Finance Limited	Promoter	32650000	21.61%	40000000	26.47%

Note 17

(b) Other equity	Reserves and Surplus					(₹ In Lakhs)
Particulars	Capital Reserve	General Reserve	FCTR	Retained Earnings	Gains / (losses) from equity investments through OCI	Total
Balance as at 01 April 2019	2569.62	13135.01	1017.42	73200.51	139084.02	229006.59
Add: Profit or loss for the period				7813.49		7813.49
Add: Other comprehensive income			729.97	(306.78)	(54518.02)	(54094.83)
Less: Final Dividend for FY 2018-19 paid				(2644.35)		(2644.35)
Less: Dividend Tax				(543.55)		(543.55)
Less: Interim Dividend for FY 2019-20 paid				(1133.31)		(1133.31)
Less: Dividend Tax				(232.95)		(232.95)
Balance as at 31 March 2020	2569.62	13135.01	1747.39	76153.05	84566.00	178171.08

Profit & Loss Account
Note 18

(₹ In Lakhs)

Particulars	For the year ended 31 March 2020			For the year ended 31 March 2019		
	On financial assets measured at FVTOCI	On financial assets measured at amortised cost	On financial assets classified at FVTPL	On financial assets measured at FVTOCI	On financial assets measured at amortised cost	On financial assets classified at FVTPL
Interest Income from Investments	-	251.34	-	-	354.47	-
	-	251.34	-	-	354.47	-

Note 19

Net gain/(Loss) on fair value changes

(₹ in Lakhs)

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
Net gain/(Loss) on financial instruments at FVTPL		
On trading portfolio - Investments	508.56	1062.40
Fair Value changes:		
-Realised	216.23	915.65
-Unrealised	292.33	146.75
	508.56	1062.40
Note 20		
Other Income		
Interest Receipts	29.95	21.69
Rent Receipts	178.84	174.89
Interest income from Financial Asset at Amortized Cost	-	13.28
Other Non-Operating Income	0.49	3.20
Net gain on Exchange Fluctuation	180.04	44.92
Excess provisions/liabilities written back	29.90	23.41
Export Incentive SEIS	157.28	-
Derivative Income/(loss)	14.76	37.51
	591.25	318.89
Note 21		
Finance Costs		
Interest on Income Tax	9.81	19.29
Interest-others	17.71	5.34
	27.52	24.64
Note 22		
Employee benefit expense		
Salaries, bonus and commission	3811.34	3611.37
Contribution to Provident and Other Funds (Refer Note 31)	283.12	267.09
Staff welfare expenses	142.13	122.75
	4236.58	4001.21
Note 23		
Administrative and Other Expenses		
Rent (Refer Note 25)	491.97	496.16
Rates and taxes	26.31	23.75
Electricity expenses	156.22	164.79
Sales and Marketing expenses	280.18	228.57
Communication expenses	87.05	140.94
Outsourcing cost	160.92	171.30
Audit Fees (Refer Note 32g)	18.50	14.10
Repairs and Maintenance - others	128.81	183.84
Professional fees	131.08	98.56
Commission to KMP and Directors	21.00	15.00
Director sitting fees	13.50	11.25
Filing Fees	0.18	0.20
Travelling and Conveyance	100.75	116.86
Allowance for doubtful debts (Net)	23.17	10.57
CSR Expenditure (Refer Note 32e)	70.25	42.39
Miscellaneous expenses	262.39	216.04
	1972.28	1934.32

Note 24 : Income Tax

A. Reconciliation of effective tax rate

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

(₹ In Lakhs)

Particulars	31-Mar-20	31-Mar-19
Income tax expenses pertaining to current year	417.11	1177.65
Previous year reversal	(4.99)	-
Income tax expenses recognized in the Statement of Profit and Loss	412.12	1177.65

Particulars	31-Mar-20	31-Mar-19
Profit before tax	3477.44	4204.41
Enacted income tax rate in India	29.12%	29.12%
Tax using the Company's domestic tax rate :	1012.63	1224.32
Effect of:		
Exempted / Non taxable income	(725.16)	(689.93)
Tax on overseas income	176.85	707.52
Expenses disallowed	63.89	87.63
Additional allowance / adjustments	(111.10)	(151.89)
Income tax expenses recognized in the Statement of Profit and Loss	417.11	1177.65

B. Recognised deferred tax assets and liabilities

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

(₹ in Lakhs)

Particulars	As at 1 April 2019	Recognized in Statement of Profit or Loss*	Recognized in Other Comprehensive Income #	As at 31st March 2020
Deferred tax Assets				
Property, plant and Equipment	12.76	9.12	-	21.88
Investments at fair value through profit or loss	154.18	(21.46)	-	132.72
Minimum Alternate Tax (MAT) Credit	376.74	(16.73)	-	360.01
Provisions - employee benefits	21.32	(0.63)	1.42	22.11
Provision for doubtful debts	13.37	(1.87)	-	11.50
Others	1.49	2.04	-	3.53
	579.86	(29.53)	1.42	551.75
Deferred tax Liabilities				
Investments at fair value through profit or loss	73.09	82.83	-	155.92
Investments at fair value through OCI	8565.40	-	(2701.41)	5864.00
Change in fair value of derivative instrument	58.01	37.80	49.27	145.08
Others	0.18	2.70	-	2.88
	8696.68	123.33	(2652.13)	6167.88
Net deferred tax (Assets) / Liabilities	8116.82	152.86	(2653.56)	5616.13

Excludes Impact of Income tax on remeasurement of employee benefit

* Includes MAT movement

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

(₹ in Lakhs)

Particulars	As at 1 April 2018	Recognized in Statement of Profit or Loss*	Recognized in Other Comprehensive Income	As at 31st March 2019
Deferred tax Assets				
Property, plant and Equipment	6.45	6.31	-	12.76
Investments at fair value through profit or loss	103.12	51.06	-	154.18
Minimum Alternate Tax (MAT) Credit	262.83	113.91	-	376.74
Provisions - employee benefits	5.53	4.74	11.05	21.32
Provision for doubtful debts	17.87	(4.50)	-	13.37
Other Items	2.21	(0.72)	-	1.49
	398.01	170.80	11.05	579.86
Deferred tax Liabilities				
Investments at fair value through profit or loss	30.49	42.60	-	73.09
Investments at fair value through OCI	12692.00	-	(4126.60)	8565.40
Change in fair value of derivative instrument	-	33.49	24.52	58.01
Others	-	0.18	-	0.18
	12722.49	76.27	(4102.08)	8696.68
Net deferred tax (Assets) / Liabilities	12324.48	(94.53)	(4113.13)	8116.82

* Includes MAT movement

Note 25: Leases**(i) Group as a lessee**

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

(₹ in Lakhs)

Future minimum lease payable	Mar 31, 2020
Not later than 1 year	39.60
Later than 1 year and not later than 5 years	175.48
Later than 5 years	58.06

Movement of Right of Use asset

(₹ in Lakhs)

Particulars	Mar 31, 2020
Right of Use asset accounted as per IND AS 116	235.12
Additions	-
Depreciation on Right of Use Assets	33.00
Closing balance	202.12

Movement of Lease Liability

(₹ in Lakhs)

Particulars	Mar 31, 2020
Lease liability accounted as per IND AS 116	235.12
Additions	-
Repayments	21.44
Closing balance	213.68

Other Rental expenses categorised as short term and low value

(₹ in Lakhs)

Particulars	Mar 31, 2020
Equipment Rent (Low value)	85.65
Immovable Property Rent (Short term)	404.37

(ii) Group as a lessor

Undiscounted lease payments to be received on annual basis for first 5 years - Rs.178.84 lakhs

Note 26 : Capital Management

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

Note 27 : Financial instruments – Fair values and risk management**A. Accounting classification and fair values**

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

(₹ in Lakhs)

As at 31 March 2020	Carrying amount	Level 1	Level 2	Level 3
Financial assets measured at				
Amortized cost				
Preference securities	1500.00	-	1500.00	-
Bonds	22.62	-	22.62	-
Trade receivables	774.10	-	-	-
Cash and cash equivalents	998.60	-	-	-
Other Financial Assets	162.19	-	136.99	25.20
Loans	44.47	-	44.47	-
FVTPL				
Derivatives	54.25	54.25		
Mutual Funds	19023.86	18923.86	-	100.00
Preference securities	298.26			298.26
FVTOCI				
Equity instruments *	98694.19	78013.09	-	20681.10
Derivatives	521.50	521.50		
Financial Liabilities measured at				
Amortized cost				
Trade and other payables	86.93	-	-	-
Lease Liability	213.68		213.68	
Other Financial Liabilities	127.90	-	-	-

As at 31 March 2019	Carrying amount	Level 1	Level 2	Level 3
Financial assets measured at				
Amortized cost				
Preference securities	1500.00	-	1500.00	-
Commercial Paper	4750.40	-	4750.40	-
Bonds	22.62	-	22.62	-
Trade receivables	1053.79	-	-	-
Cash and cash equivalents	475.55	-	-	-
Other Financial Assets	151.71	-	122.10	29.61
Loans	33.92	-	33.92	-
FVTPL				
Derivatives	39.49	-	39.49	-
Mutual Funds	18408.39	18408.39	-	-
FVTOCI				
Equity instruments *	150453.96	112982.53	-	37471.42
Derivatives	208.51	208.51	-	-
Financial Liabilities measured at				
Amortized cost				
Trade and other payables	105.37	-	-	-
Other Financial Liabilities	90.27	-	-	-

* Excludes Investments in Associates (Refer Note 5)

Fair Value hierarchy

The fair value hierarchy is based on inputs to

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

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

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

B. Measurement of fair values

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

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

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

Note 28 : Financial Risk Management

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

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

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

(a) Liquidity Risk

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

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

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

(₹ in Lakhs)

Particulars	31 Mar 20	31 Mar 19
Trade payables	86.93	105.37
Other financial Liabilities	127.90	90.27

(b) Credit Risk

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

(i) Trade receivables:

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

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

(₹ in Lakhs)

Particulars	31 Mar 20	31 Mar 19
Trade receivables	812.94	1099.36
Loss allowance	38.84	45.57
Carrying amount	774.10	1053.79

(ii) Other financial assets:

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

Cash and Cash equivalents

The Group held cash and cash equivalents of INR 998.60 lakhs as on March 31, 2020 (March 31, 2019 : INR 475.55 lakhs). The cash and cash equivalents are held in hand and with bank. (Refer Note 1)

(c) Market Risk

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

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

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

The Group has a forex policy in place whose objective is to reduce foreign exchange risk by deploying the appropriate hedging strategies (forward contracts) and also by maintaining reasonable open exposures within approved parameters depending on the future outlook on currencies.

(a) The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities based on gross exposure at the end of the reporting period is as under:

Particulars	31-Mar-20		31-Mar-19	
	AUD (A\$'000)	Rs Lakhs	AUD (A\$'000)	Rs Lakhs
Monetary Assets				
Cash and Cash Equivalent	1608.29	741.02	800.58	392.44
Trade Receivables	956.96	440.92	1044.51	512.01
Monetary Liabilities				
Trade Payable	65.73	30.29	58.49	28.67

(b) Sensitivity analysis

(₹ in Lakhs)

Sensitivity analysis	Change in assumption		Impact on Carrying Value of Investments			
			Increase in assumption		Decrease in assumption	
Details	31 Mar 20	31 Mar 19	31 Mar 20	31 Mar 19	31 Mar 20	31 Mar 19
Quoted Equity Investments	1%	1%	780.13	1129.83	(780.13)	(1129.83)
Unquoted Equity Investments	1%	1%	150.83	340.28	(150.93)	(340.28)
Mutual Fund Investments	1%	1%	189.24	184.08	(189.24)	(184.08)

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

Particulars	31-Mar-20		31-Mar-19	
	Buy	Sell	Buy	Sell
Forward Contract: Cashflow Hedge				
AUD/INR (in A\$ '000)	-	11493.00	-	7620.00
AUD/INR (in Rs Lakhs)	-	6221.15	-	4135.80

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

Particulars	GBP	USD	NZD	Equivalent in INR
Unhedged	8559.20	6001.83	8750.00	1647200.69

Risk management structure

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

Note 29 : Revenue Recognition**Sale of Services:**

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

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

When the terms of the agreement specify service level parameters that must be met, the Group monitors such service level parameters and determine if there are any service credits or penalties that we need to account for.

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

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

Contracts with customers

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

Contract Balances

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

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

Note 29.a		(₹ in Lakhs)
Particulars	31-Mar-20	31-Mar-19
Sale of Services		
- Support Services	5891.52	6023.63
- Learning Income	191.29	138.33
Trade Receivables	774.10	1053.79

Note 30

Related Party Transactions

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

Related Parties:Holding Company

Sundaram Finance Limited

Fellow Subsidiaries

Sundaram Asset Management Company Ltd

Sundaram Fund Services Ltd

Sundaram Home Finance Ltd

Sundaram Asset Management Singapore Pte Ltd.

LGF Services Limited

Sundaram Alternate Assets Limited

Sundaram Trustee Company Limited

Associate Companies

Flometallic India Private Limited

Dunes Oman LLC (FZC)

Sundaram Hydraulics Limited

Axles India Limited

Turbo Energy Private Limited

Transenergy Limited

Sundaram Dynacast Private Limited

Key Management Personnel:

Sri. T.T.Srinivasaraghavan-Chairman

Sri. Harsha Viji - Director

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

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

Sri V. Vaasen - Chief Financial Officer

Joint Venture of Holding Company

Royal Sundaram General Insurance Co. Ltd

Others

Sundaram Finance Holdings Gratuity Trust #

Related Party Transactions:

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

Transactions during the year

('In Lakhs)

Nature of Transactions	Holding Company	Associates	Fellow Subsidiaries	Joint Venture of Holding Company	KMP	2019-20	2018-19
Income							
Dividend Income							
Sundaram Dynacast Private Limited	-	257.40	-	-	-	257.40	163.80
Turbo Energy Private Limited	-	1536.00	-	-	-	1536.00	512.00
Dunes Oman LLC (FZC)	-	1012.22	-	-	-	1012.22	2692.23
Axles India Limited	-	395.67	-	-	-	395.67	296.75
Transenergy Limited	-	9.00	-	-	-	9.00	12.00
Flometallic India Private Limited	-	325.00	-	-	-	325.00	487.50
Sundaram Asset Management Company Ltd	-	-	101.25	-	-	101.25	101.25
Income from Services							
Sundaram Finance Limited	1245.76	-	-	-	-	1245.76	1062.25
Sundaram Asset Management Company Ltd	-	-	237.79	-	-	237.79	307.81
Sundaram Fund Services Ltd	-	-	12.23	-	-	12.23	35.21
Sundaram Home Finance Ltd	-	-	48.84	-	-	48.84	47.17
Royal Sundaram General Insurance Co. Ltd	-	-	-	908.13	-	908.13	680.82
Sundaram Alternate Assets Limited	-	-	2.88	-	-	2.88	0.72
Turbo Energy Private Limited	-	0.50	-	-	-	0.50	0.90
Transenergy Limited	-	0.11	-	-	-	0.11	-
Other Income							
Rental Income							
Turbo Energy Private Limited	-	34.40	-	-	-	34.40	39.39
Sundaram Finance Limited	94.39	-	-	-	-	94.39	94.39
Expenses							
Sundaram Finance Limited	164.38	-	-	-	-	164.38	142.34
Rent & other Amenities	12.00	-	-	-	-	12.00	14.00
Internal Audit fees	0.06	-	-	-	-	0.06	0.51
IT/VO Charges	1.03	-	-	-	-	1.03	1.03
Website Maintenance	9.27	-	-	-	-	9.27	11.80
Fuel Expenses	-	-	-	-	-	-	-
Royal Sundaram General Insurance Co. Limited Insurance	-	-	-	6.60	-	6.60	4.62
Remuneration paid to KMP	-	-	-	-	85.35	85.35	60.98
Other Advances given							
Sundaram Finance Limited	-	-	-	-	-	-	7.50
Procurement of Software	-	-	-	-	-	-	-
Turbo Energy Private Limited	-	-	-	-	-	-	-
Procurement of Solar Panel	-	29.50	-	-	-	29.50	-
Other Transactions - Investments							
Capital Reduction - Dunes Oman LLC (FZC)	-	-	-	-	-	-	2205.50
Redemption of Preference Shares - Sundaram Hydraulics Limited	-	-	-	-	-	-	166.67

Note 30

Closing balance of assets/liabilities

(₹ in Lakhs)

Nature of Transactions	Holding Company	Associates	Fellow Subsidiaries	Joint Venture of Holding Company	KMP	As at 31 Mar 2020	As at 31 Mar 2019
<u>Carrying Value of Equity Shares</u>							
Flometallic India Private Limited	-	6195.44	-	-	-	6195.44	6374.22
Dunes Oman LLC (FZC)	-	8892.95	-	-	-	8892.95	8583.48
Sundaram Hydraulics Limited	-	-	-	-	-	-	-
Axles India Limited	-	5329.20	-	-	-	5329.20	5359.28
Turbo Energy Private Limited	-	46125.28	-	-	-	46125.28	44942.87
Transenergy Limited	-	387.98	-	-	-	387.98	394.52
Sundaram Dynacast Private Limited	-	1395.71	-	-	-	1395.71	1177.13
<u>Carrying Balance of Preference Shares</u>							
Sundaram Asset Management Company Ltd	-	-	1500.00	-	-	1500.00	1500.00
<u>Insurance Deposit</u>							
Royal Sundaram General Insurance Co. Ltd	-	-	-	0.01	-	0.01	0.20
<u>Other Advances</u>							
Sundaram Finance Limited	7.50	-	-	-	-	7.50	7.50
Procurement of Software	-	-	-	-	-	-	-
<u>Receivables:</u>							
Sundaram Finance Limited	178.28	-	-	-	-	178.28	162.35
Sundaram Asset Management Company Ltd	-	-	7.54	-	-	7.54	35.29
Sundaram Fund Services Ltd	-	-	0.34	-	-	0.34	1.90
Sundaram Home Finance Ltd	-	-	-	-	-	-	8.55
Royal Sundaram General Insurance Co. Ltd	-	-	-	85.22	-	85.22	86.35
Sundaram Alternate Assets Limited	-	-	0.28	-	-	0.28	0.28
<u>Payables:</u>							
Sundaram Finance Limited	12.66	-	-	-	-	12.66	-

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

*Remuneration to KMP			(₹ in Lakhs)
Particulars	2019-20	2018-19	
Short term Employee benefits	75.35	50.98	
Post Employment benefits	-	-	
Other long term employee benefits	-	-	
Termination benefits	-	-	
Others(Commission)	10.00	10.00	
TOTAL	85.35	60.98	

Note 31: Employee Benefits: Defined Contribution Plan

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

Note 31a : Contribution to PF & Other Funds

(₹ in Lakhs)

Particulars	2019-20	2018-19
Contribution to Provident Fund	210.20	206.58
Contribution to Superannuation Fund	5.64	6.32
Contribution to Labour Welfare Fund	0.41	0.46

Note 31b : Employee Benefits: Defined Benefit Plan - Gratuity**(i) A. Reconciliation of opening and closing balances of the present value of the defined benefit obligation**

(₹ in Lakhs)

Particulars	31 Mar 20	31 Mar 19
Present Value of Defined Benefit Obligation at the beginning of the Period	227.45	180.99
Service Cost		
a. Current Service Cost	65.88	56.36596
b. Past Service Cost	-	-
c. (Gain)/Loss on Curtailments	-	-
d. (Gain)/Loss on Settlements	-	-
Interest Expense	16.66	11.06
Remeasurements		
a. Effect of Changes in Demographic Assumptions	-	(1.96)
b. Effect of Changes in Financial Assumptions	1.40	12.10
c. Effect of Experience Adjustments	(20.78)	18.74
Cashflows		
a. Benefit Payments		
(i) From the Plan	(20.6)	(49.84)
(ii) Directly from the Employer	-	-
b. Settlement Payments from the Plan	-	-
c. Participant Contributions	-	-
Effect of Business Combinations / Disposals	-	-
Present Value of Defined Benefit Obligation at the end of the Period	270.05	227.45

B. Reconciliation of opening and closing balances of the fair value of plan assets

(₹ in Lakhs)

Particulars	31 Mar 20	31 Mar 19
Fair value of plan assets as at the beginning of the period	210.50	167.82
Interest Income on Plan Assets	15.67	13.69
Cash Flows		
a. Benefit Payments		
(i) From the Plan	(20.6)	(49.84)
(ii) Directly from the Employer	-	-
b. Settlement Payments from the Plan	-	-
c. Participant Contributions	-	-
d. Total Employer Contributions		
(i) Employer Contributions	43.59	88.83
(ii) Employer Direct Benefit Payments	-	-
Remeasurements		
a. Actual Return on Plan Assets	(1.0)	(10.0)
Effect of Business Combinations / Disposals	-	-
Effect of Changes in Foreign Exchange Rates	-	-
Fair value of plan assets as at the end of the period*	248.25	210.50

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

(₹ in Lakhs)

Particulars	31 Mar 20	31 Mar 19
Present Value of Defined Benefit Obligation	270.05	227.45
Fair value of plan assets	248.25	210.50
Net Assets (Liability) recognized in the Balance Sheet	(21.80)	(16.95)
Effect of Asset Ceiling	-	-
Net Assets (Liability)	(21.80)	(16.95)

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

(₹ in Lakhs)

Particulars	31 Mar 20	31 Mar 19
Service Cost		
a. Current Service Cost	65.88	56.37
b. Past Service Cost	-	-
c. (Gain)/Loss on Curtailments	-	-
d. (Gain)/Loss on Settlements	-	-
e. Total Service Cost	65.88	56.37
Net Interest Expense		
a. Interest Expense on DBO	16.66	11.06
b. Interest Income on Plan Assets	(15.67)	(13.69)
c. Interest Income on Reimbursement Rights	-	-
d. Interest Income on Asset Ceiling	-	-
e. Total Net Interest Cost	0.99	(2.63)
Remeasurements		
a. Effect of Changes in Demographic Assumptions	-	(1.96)
b. Effect of Changes in Financial Assumptions	1.40	12.10
c. Effect of Experience Adjustments	(20.78)	18.74
d. Actual Return on Plan Assets	0.96	10.01
e. Actual Return on Reimbursement Rights	-	-
f. Actual Change in Asset Ceiling	-	-
g. Total Remeasurements	(18.43)	38.89
Defined Benefit Cost included in Profit & Loss Account	66.87	53.73
Defined Benefit Cost Included in Other Comprehensive Income	(18.43)	38.89

*All the plan assets are funded with LIC

E. Principal Actuarial Assumptions [Expressed as weighted averages]

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

Particulars	31 Mar 20	31 Mar 19
Discount Rate	6.47%	7.36%
Salary Escalation	5.00%	6.00%
Attrition	10.00%	10.00%

(ii) Sensitivity analysis

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

(₹ in Lakhs)

Gratuity	Change in assumption		Impact on defined benefit obligation			
			Increase in assumption		Decrease in assumption	
Details	31 Mar 20	31 Mar 19	31 Mar 20	31 Mar 19	31 Mar 20	31 Mar 19
Discount rate	0.50%	0.50%	-5.80	-5.06	6.09	5.32
Salary growth rate	0.50%	0.50%	6.14	5.36	-5.89	-5.15
Attrition rate	5.00%	5.00%	-0.43	-0.35	0.43	0.32
Mortality rate	5.00%	5.00%	0.02	0.01	-0.03	-0.02

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

(iii) Maturity profile of defined benefit obligation

(₹ in lakhs)

Particulars	31.03.2020	31.03.2019
Year 1	67.84	53.08
Year 2	36.91	33.86
Year 3	32.60	28.58
Year 4	38.11	25.79
Year 5	28.33	28.93
Next 5 years	87.33	78.81

(iv) Risk exposure

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

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

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

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

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

(v) The expected contribution to the plan for the next year amounts to Rs.5.19 lakhs

Note 31c : Other Long Term Employee Benefits

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

(₹ in Lakhs)

Particulars	2019-20	2018-19
Leave encashment	60.56	42.47
Employee Assured Bonus Scheme	38.25	31.44

Note 32

32a : Earnings Per Share

Basic and diluted earnings per share

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

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

(₹ In Lakhs)

Particulars	Year ended	
	March 31 2020	March 31 2019
Profit/ (Loss) for the year, attributable to the equity holders	7813.49	13746.23

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

Particulars	As at March 31 2020	As at March 31 2019
Opening balance	151,103,860	151,103,860
Effect of fresh issue of shares for cash	-	-
Effect of share options exercised	-	-
Weighted average number of equity shares for the year	151,103,860	151,103,860

Earnings per share	31-Mar-20	31-Mar-19
Basic earnings per share (in ₹)	5.17	9.10
Diluted earnings per share (in ₹)	5.17	9.10

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

32b : Dividend

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

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

32c : Contingent liabilities and commitments

(i) Uncalled liability on partly paid equity shares of Flomettalac India Private Limited ₹ 550 lakhs.

(ii) Estimated amount of investment to be made in JM Financial yield enhancer (Distressed Opportunity) Fund I - Series I for Capital Commitment-Rs.900 Lakhs

(iii) Estimated amount of capital commitments for Property, Plant and equipment and Investment property - Rs.54.13 lakhs

(iv) The Liability in respect of Guarantee Issued by bank amount to Rs.50 lakhs.

(v) ESI Claims against the erstwhile Professional Management Consultants Limited (PMCL) not accepted by the company - Rs 2.06 lakhs (previous year - Rs 2.06 lakhs). Against this claim, PMCL filed an appeal before the Employees' Insurance (EI) Court and a stay was obtained, on a payment of 20% of the disputed amount. Accordingly, PMCL has deposited a sum of Rs 0.41 lakhs with the EI Court.

(vi) In an earlier year, the above appeal was dismissed by the ESI Court and PMCL has since filed an appeal before Hon'ble High Court of Chennai and has obtained a stay against the order of the ESI Court. The case is yet to be posted for hearing.

(vii) ESI Claims against the company not acknowledged as debts - Rs 1.25 lakhs (Previous Year - Rs 1.25 lakhs). The company has filed an appeal against the Order dated 19.02.2016 Accordingly, the Company has deposited a sum of Rs 0.63 lakhs with EI Court.

32d : Transactions in foreign currency

(₹ In Lakhs)

Particulars	31-Mar-20	31-Mar-19
Earnings in Foreign Currency		
Income from Services	2871.61	3020.54
Dividend from an Associate Company	1012.21	2692.23
Capital Reduction from an Associate Company	-	2205.50
Expenditure in Foreign Currency		
Travel and Office Expenses	421.77	375.79

32e : Details of Corporate Social Responsibility (CSR)

(a) Gross amount required to be spent by the Group during t ₹. 70.25Lakhs

(b) Amount spent during the year on:

(₹ In Lakhs)

Particulars	Amount Spent	Amount to be Spent	Total
i) Construction / Acquisition of any asset	-	-	-
ii) On purpose other than i) above	70.25	-	70.25

32f : DISCLOSURE UNDER MSME DEVELOPMENT ACT, 2016

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

(₹ In Lakhs)

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

32g : Audit Fees

(₹ in Lakhs)

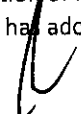
Details	31-Mar-20	31-Mar-19
As Statutory auditors	14.50	10.00
Taxation matters	2.75	2.50
Certification matters	1.25	1.60
Total	18.50	14.10

32h : COVID-19

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

32i : Adoption of Financial Statements

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



Note 33 : Segment Reporting

(i) The Group has following operating segments namely Investments, Domestic Support Services and Overseas Support Services. The operating segments are established on the basis of individual segment's revenue being more than 10% of the combined revenue of all operating segments

(₹ in Lakhs)

Business Segments	Investments		Support services				Eliminations		Total	
			Domestic		Overseas					
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
REVENUE										
Segment Revenue	3172.80	3784.38	3300.57	3217.21	2830.84	2993.35	(48.60)	(48.60)	9255.61	9946.34
RESULT										
Segment Result	3130.69	3746.80	92.29	62.22	233.93	513.78	-	-	3456.91	4322.80
Unallocated income / (expenses) (Net)									20.53	(118.40)
Profit before tax									3477.44	4204.40
Less: Income tax									548.18	1182.61
Profit after tax before share of profits from associates									2929.25	3021.78
Add: Share of profit from Associates									4884.24	10724.44
Profit after tax									7813.49	13746.23
OTHER INFORMATION										
Segment Assets	188182.95	241943.82	1398.91	1163.41	1798.14	1793.24	-	-	191380.00	244900.47
Unallocated Assets									828.90	351.36
Total Assets									192208.90	245251.83
Segment Liabilities	5887.20	8484.32	525.34	287.91	298.47	141.03	-	-	6711.01	8913.26
Unallocated Liabilities									(228.38)	(223.21)
Total Liabilities									6482.63	8690.05
Capital Expenditure									220.64	56.99
Depreciation									133.04	100.66

(ii) The Group is generating 12% of the total revenue from a single customer

Entity wide disclosures:

(i) Revenue from overseas is already disclosed as above

(ii) The group is not holding any non current assets outside India

Note 34 : Additional Information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary/Associates as at Mar 2020

(₹ in lakhs)

Name of the entity	Net Assets, i.e., total assets minus total liabilities		Share In Total Profit or Loss		Share in other comprehensive Income		Share In Total Comprehensive Income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated Total Comprehensive Income	Amount
Sundaram Finance Holdings Ltd.	63.45	124055.86	54.09	6138.88	100.79	(54521.49)	113.19	(48382.61)
Subsidiary:								
Indian:								
Sundaram Business Services Ltd.	1.60	3120.86	2.87	325.65	-0.52	280.55	-1.42	606.20
Associates:								
Indian:								
Axles India Ltd.	2.73	5329.20	3.44	390.65	0.05	(25.05)	-0.86	365.59
Turbo Energy Private Ltd.	23.59	46125.28	25.74	2921.40	0.38	(202.98)	-6.36	2718.41
Transenergy Ltd.	0.20	387.98	0.02	2.34	0.00	0.12	-0.01	2.46
Sundaram Dynacast Private Ltd.	0.71	1395.71	4.25	481.79	0.01	(5.80)	-1.11	475.99
Sundaram Hydraulics Ltd.	0.00	0.00	0.00	0.00	-	0.00	0.00	0.00
Flometallic India Private Ltd.	3.17	6195.44	3.04	345.51	0.37	(199.29)	-0.34	146.22
Foreign:								
Dunes Oman LLC (FZC)	4.55	8892.95	6.54	742.56	-1.07	579.11	-3.09	1321.69
	100.00	195503.29	100.00	11348.77	100.00	(54094.83)	100.00	(42746.05)
Adjustments arising out of consolidation		(9777.03)		(3535.28)		-		(3535.28)
Total		185726.27		7813.49		(54094.83)		(46281.33)

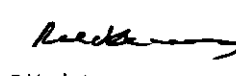
As per our report of even date attached.

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

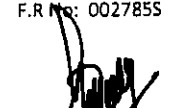
For R.G.N. Price & Co.
Chartered Accountants
F.R.No: 0027855

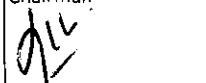

T.T. Srinivasaraghavan
Chairman

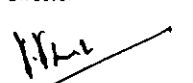

Harsha Vijl
Director


R. Venkatraman
Director




K. Venkat Krishnan
Partner
M.No:208591


S. Ravi
Chief Executive Officer


V. Vaasen
Chief Financial Officer


P.N. Srikanth
Secretary & Compliance Officer

Date: 25-05-2020
Place: Chennai

Form AOC-I

(Pursuant to first provision to sub-section (3) of section 129 of the Companies Act, 2013, read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of
Subsidiaries/Associate companies/Joint Ventures

Part "A": Subsidiaries

(₹ in lakhs)

1. Sl. No.	1
2. Name of the subsidiary	Sundaram Business Services Limited
3. Reporting period for the subsidiary concerned, if different from the holding company's reporting period	NA
4. Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	NA
5. Share capital	2236.73
6. Reserves & surplus	884.13
7. Total assets	3463.43
8. Total Liabilities	342.57
9. Investments	540.71
10. Turnover	3649.74
11. Profit/(Loss) before taxation	500.95
12. Provision for taxation	175.30
13. Profit/(Loss) after taxation	325.65
14. Proposed Dividend	-
15. % of shareholding	100.00%

Part "B": Associates and Joint Ventures
Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

(₹ in lakhs)

Name of Associates/Joint Ventures	Axles India Limited	Turbo Energy Private Limited	Transenergy Limited	Sundaram Dynacast Private Limited	Sundaram Hydraulics Limited	Flometallic India Private Limited	Dunes Oman LLC (FZC)
1. Latest audited Balance Sheet Date	31-03-2020	31-03-2020	31-03-2020	31-03-2020	31-03-2020	31-03-2020	31-03-2020
2. Shares of Associate held by the company on the year end Number	9891754	2560000	120000	1170000	11250000	3800	2293725
Amount of Investment in Associates	1015.70	188.41	187.50	117.00	1125.00	3250.00	2155.89
Extent of Holding %	38.81%	32.00%	42.31%	26.00%	25.71%	40.63%	43.69%
3. Description of how there is significant influence	By Virtue of Holdings being 20% or more						
4. Reason why the Associate/Joint Venture is not consolidated	NA	NA	NA	NA	NA	NA	NA
5. Networth attributable to Shareholding as per latest audited Balance Sheet	5310.52	46115.19	378.54	1392.20	44.10	6195.22	8701.93
6. Profit / Loss for the year							
i. Considered in Consolidation	471.98	3237.12	4.19	534.70	-	412.32	742.56
ii. Not Considered in Consolidation	744.20	6878.88	5.71	1521.83	(536.35)	602.61	957.04

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

As per our report of even date attached.

For R.G.N. Price & Co

Chartered Accountants

F.R.No: 0027855



K. Venkateshkrishnan
Partner
M.No: 208591

T.T. Srinivasaraghavan
Chairman

Harsha Vijji
Director

R. Venkatraman
Director

S.Ravi

Chief Executive Officer

V.Vaasen

Chief Financial Officer

P.N. Srikant

Secretary & Compliance Officer

Date: 25-05-2020

Place: Chennai

R.G.N. PRICE & CO.

CHARTERED ACCOUNTANTS

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Telefax : 28544569
E-Mail : price@rgnprice.com
Offices at : Mumbai, Bangalore, New Delhi, Cochin,
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Simpson's Buildings,
861, Anna Salai,
Chennai - 600 002.

Ref. :

17th May 2019

INDEPENDENT AUDITOR'S REPORT

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

Opinion

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

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with Indian Accounting Standards prescribed under section 133 of the Act (Ind AS) and the other accounting principles generally accepted in India, of their consolidated state of affairs of the Group and its associates as at March 31, 2019, of Consolidated Profit, Consolidated Changes in Equity and its Consolidated Cash Flows for the year then ended.

Basis for Opinion

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



Key Audit Matters

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

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

Key Audit Matter	Our audit procedures with regards to key audit matter
<i>Valuation of Unquoted investments fair valued through OCI</i> Refer Note 2.2 "Fair value measurement", and Note 2.4 "Financial Assets" for relevant accounting policies and significant accounting estimates used by the Group. The investment portfolio is valued at Rs. 2,41,966.87 Lakhs which represents almost 100% of the total assets, where unquoted equity investments valued through OCI amounts to Rs. 37,471.42 Lakhs ("Investment") covering about 15.50% of investment value as at 31st March'19. As the above investment are not traded in the active market, fair value of these investments involved significant management judgment and estimate and were valued based on the valuation methodology recommended by a valuation expert in the Group. For determination of Fair Value, the market Approach has been considered according to which the earnings and book value based market multiples of listed peer companies in the same sector as that of the investments have been used to determine the fair value of unquoted equity investments after adjusting for illiquidity discount. 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 the valuation expert in the Group. (iii) Verified the correctness of market inputs used and mathematical accuracy of the valuation analysis. (iv) Assessed the adequacy of internal controls, evaluated the design and tested the operating effectiveness of such controls for initial recognition, subsequent measurement and disclosure of investments as on the reporting date as per applicable regulations. (v) Our team was supported by our in-house valuation specialist, especially in determining whether such valuation methodology is consistent with the market practice. (vi) We also assessed whether the disclosures in relation to investments are compliant with the relevant Indian accounting requirements and appropriately present the sensitivities in the valuations based on alternative outcome.

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

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

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

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

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

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

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

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

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

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

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

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

- (i) Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (ii) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Group and its associates which are companies incorporated in India, has adequate internal financial controls system in place and the operating effectiveness of such controls.
- (iii) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- (iv) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates to cease to continue as a going concern.
- (v) Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial

statements represent the underlying transactions and events in a manner that achieves fair presentation.

- (vi) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associates to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

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

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

Other Matters

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

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

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

Report on Other Legal and Regulatory Requirements

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

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements.

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive Income), Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

(d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act.

(e) On the basis of the written representations received from the directors of the Holding Company as on 1st April, 2019 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary and associate companies, none of the directors of the Group companies, its and associate companies incorporated in India is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in **Annexure A**. Our

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

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

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

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

- i. The Group has disclosed the impact of pending litigations on the consolidated financial position of the Group and its associates in Note 34j.
- ii. The Group and its associates entities did not have any material foreseeable losses on long-term contracts including derivative contracts.
- iii. There has been no delays in transferring amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies and its associate companies incorporated in India.

For R.G.N. PRICE & CO.
Chartered Accountants


K. Venkatakrisnan
Partner
M. No. 208591
FR No. 002785S

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

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

Management’s Responsibility for Internal Financial Controls

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

Auditor’s Responsibility

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

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

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



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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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



Opinion

In our opinion, to the best of our information and according to the explanations given to us the Holding company, its subsidiary companies and its associate companies, which are companies incorporated in India, have in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31,2019 based on, the internal control over financial reporting criteria established by these entities considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial reporting issued by the ICAI.

Other Matters

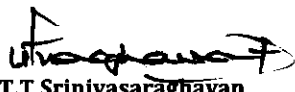
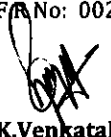
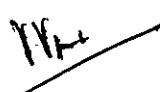
Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to its subsidiary companies and associate companies, which are incorporated in India, is based on the reports of the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

Place : Chennai
Date : 17th May 2019

For R.G.N. PRICE & CO.
Chartered Accountants



K. Venkatakrisnan
Partner
M. No. 208591
FR No. 002785S

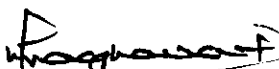
Sundaram Finance Holdings Limited				
Consolidated Balance sheet as at				
(₹ in Lakhs)				
Particulars	Notes	Mar 31, 2019	Mar 31, 2018	Apr 1, 2017
ASSETS				
(1) Financial Assets				
(a) Cash and cash equivalents	1	475.55	359.28	292.14
(b) Derivative financial instruments	2	247.99	122.34	71.76
(c) Receivables	3	1053.79	1053.30	570.24
(d) Loans	4	33.92	40.21	13.41
(e) Investments	5	241966.87	290964.86	197774.01
(f) Other financial assets	6	151.71	205.21	9903.29
(2) Non-financial Assets				
(a) Current tax assets (Net)	7	331.11	283.96	603.34
(b) Investment property	8	164.26	167.90	171.94
(c) Property, plant and equipment	9	202.25	230.34	208.89
(d) Other intangible assets	9	40.84	60.43	77.01
(e) Goodwill		156.08	156.08	156.08
(f) Other non-financial assets	10	427.46	348.36	252.84
Total Assets		245251.83	293992.27	210094.95
LIABILITIES AND EQUITY				
LIABILITIES				
(1) Financial liabilities				
(a) Payables	11			
Trade Payables				
(i) Total outstanding dues of micro enterprises and small enterprises		-	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		105.37	113.56	132.08
(b) Other financial liabilities	12	90.27	15.64	24.79
(c) Borrowings	13	-	-	221.01
(2) Non-Financial liabilities				
(a) Provisions	14	233.58	242.10	33.82
(b) Deferred tax liabilities (Net)	15	8116.82	12324.48	9199.02
(c) Other non-financial liabilities	16	144.01	134.82	216.17
(3) Equity				
(a) Equity share capital	17	7555.19	7555.19	2000.00
(b) Other equity	18	229006.59	273606.48	198268.06
Total Liabilities and Equity		245251.83	293992.27	210094.95
This is the Consolidated Balance sheet referred to in our report of even date attached.				
For and on behalf of the Board of Directors of Sundaram Finance Holdings Limited			For R.G.N. Price & Co Chartered Accountants Firm No: 002785S	
 T.T. Srinivasaraghavan Chairman	 Harsha Vijji Director	 R. Venkatraman Director	 K. Venkatakrishnan Partner M.No:208591	
 Paramesh Krishnaier Chief Executive Officer	 V. Vaasen Chief Financial Officer	 P. N. Srikant Secretary & Compliance Officer		
Date: 17-05-2019 Place: Chennai				

Sundaram Finance Holdings Limited			
Consolidated Statement of Profit and Loss			
(₹ in Lakhs)			
Particulars	Note	For the year ended 31 March 2019	For the year ended 31 March 2018
Revenue from operations			
Interest Income	19	354.47	1.74
Dividend Income		2367.51	1641.54
Net gain on sale of Current investments		915.65	275.73
Net gain on fair value changes	20	146.75	79.87
Sale of services		6161.96	4832.57
Total Revenue from operations		9946.34	6831.45
Other Income	21	318.89	333.36
Total Income		10265.23	7164.81
Expenses			
Finance cost	22	24.64	19.73
Impairment on financial instrument		-	98.18
Employee benefit expenses	23	4001.21	2855.23
Depreciation and Amortisation		100.66	103.52
Administrative and Other Expenses	24	1934.32	1782.90
Total expenses		6060.83	4859.56
Profit before exceptional items and tax		4204.40	2305.25
Exceptional items		-	-
Profit before tax		4204.40	2305.25
Tax expense	25		
1. Current tax		1177.65	707.61
2. Deferred tax		4.96	(191.03)
Total tax		1182.61	516.58
Profit for the period		3021.79	1788.67
Share of net profits from associates		10724.44	11177.83
Profit after tax		13746.23	12966.50
Other Comprehensive Income			
A. Items that will not be reclassified to profit or loss			
Remeasurements of the defined benefit plans		(38.89)	(11.71)
Income tax on above		11.05	1.76
Remeasurements of the defined benefit plans (Net of Income tax)		(27.84)	(9.95)
Change in Fair value of equity instruments		(60870.32)	71580.30
Income tax on above		4126.60	(3349.75)
Change in Fair value of equity instruments (Net of tax)		(56743.72)	68230.55
Share of other comprehensive income from associates using equity method (Net of tax)		(55.06)	25.50
B (i). Items that will be reclassified to profit or loss			
Change in fair value of derivative instrument		88.14	60.41
Income tax on above		(24.52)	(16.64)
Change in fair value of derivative instrument (Net of tax)		63.62	43.77
Share of other comprehensive income from associates using equity method (Net of tax)		736.64	(308.38)
Foreign currency Translation Reserve		412.72	(9.20)
Other Comprehensive Income Net of Tax		(55613.63)	67972.29
Total Comprehensive Income for the period		(41867.41)	80938.79
Basic and Diluted Earnings per Equity Share of ₹ 5 each		9.10	8.58

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

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

For R.G.N. Price & Co
Chartered Accountants
F.R No: 0027855

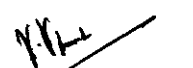

T.T. Srinivasaraghavan
Chairman


Harsha Viji
Director


R. Venkatraman
Director


K. Venkatakrishnan
Partner
M.No:208591

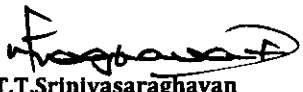
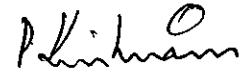
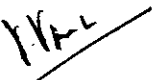
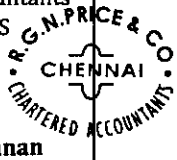

Paramesh Krishnaier
Chief Executive Officer


V. Vaasen
Chief Financial Officer


P.N. Srikant
Secretary & Compliance Officer

Date: 17-05-2019
Place: Chennai



Sundaram Finance Holdings Limited		
Consolidated Cash Flow Statement for the year ended		
	(₹ in Lakhs)	
Particulars	March 31, 2019	March 31, 2018
Cash flow from operating activities		
Profit before tax	4204.40	2305.24
Adjustments to reconcile profit before tax to net cash used in operating activities		
Depreciation and impairment of property, plant and equipment	100.66	103.52
Fair value change in financial instruments	(159.59)	(109.31)
(Gain)/loss on sale of current investment	(1269.92)	(278.75)
(Gain)/loss on sale of property, plant and equipment	(0.18)	0.41
Finance costs paid	24.64	19.74
On account of Scheme of Amalgamation	597.05	-
Impairment on financial instrument	-	98.18
Net Actuarial gain/(loss) on defined benefit plan	(17.44)	(10.79)
Add: Dividend received from associates	4164.28	4,058.22
	7643.91	6186.45
Working capital adjustments		
(Increase)/ Decrease in trade and other receivables	(161.35)	(534.21)
(Increase)/ Decrease in Loans	4.83	(106.13)
(Increase)/ Decrease in Other financial assets	(22.30)	9687.00
(Increase)/ Decrease in Other non-financial assets	(444.89)	173.62
Increase/ (Decrease) in trade and other payables	(86.18)	68.85
Increase/(Decrease) in financial liabilities	12.70	(179.18)
Increase/(Decrease) in other non-financial liabilities and provisions	100.29	(1.38)
	7047.02	15295.02
Income Tax paid	(1206.02)	(565.13)
Net cash flows from operating activities	5841.00	14729.89
Cash flow from investing activities		
Purchase and construction of property, plant and equipment	(54.00)	(88.45)
Payment for purchase and development of intangible assets	(2.98)	(17.04)
(Purchase) / sale of other investments	(5125.69)	(14493.12)
Proceeds from Capital Reduction by Associates	2205.50	-
Proceeds from sale of property, plant and equipment	7.83	0.73
Interest received	1.74	-
Net cash flows from investing activities	(2967.60)	(14597.88)
Cash flow from financing activities		
Dividend Paid	(2732.49)	(45.13)
Finance charges paid	(24.64)	(19.74)
Net cash flows from financing activities	(2757.13)	(64.87)
Net increase / (decrease) in cash and cash equivalents	116.27	67.14
Cash and cash equivalents at the beginning of the year	359.28	292.14
Cash and cash equivalents at the end of the year (Note 1)	475.55	359.28
This is the Consolidated Cash Flow Statement referred to in our report of even date attached.		
For and on behalf of the Board of Directors of Sundaram Finance Holdings Limited		For R.G.N. Price & Co Chartered Accountants F.R.No: 0027855
 T.T.Srinivasaraghavan Chairman	 Harsha Viji Director	 R.Venkatraman Director
 Paramesh Krishnaier Chief Executive Officer	 V.Vaasen Chief Financial Officer	 K.Venkatakrishnan Partner M.No:208591
		
		 P.N. Srikant Secretary & Compliance Officer
Date: 17-05-2019 Place: Chennai		

Sundaram Finance Holdings Limited

STATEMENT OF CHANGES IN EQUITY

(a) Equity Share Capital (₹ in Lakhs)

Particulars	Amount
As at April 1, 2017	2000.00
Changes in equity share capital	5555.19
As at March 31, 2018	7555.19
Changes in equity share capital	-
As at March 31, 2019	7555.19

(b) Other equity

(₹ in Lakhs)

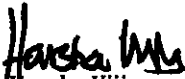
Particulars	Reserves and Surplus				Gains / (losses) from equity investments through OCI	Total
	Capital Reserve	General Reserve	FCTR	Retained Earnings		
Balance as at 01 April, 2017 *	3278.71	17574.11	613.90	49710.22	127091.12	198268.06
Less: Shares issued during the year	(709.09)	(4439.10)		(407.00)		(5555.19)
Add: Profit or loss for the period				12966.49		12966.49
Add: Other comprehensive income			(9.20)	(9.95)	67991.42	67972.27
Less: Final Dividend for FY 2016-17 paid				(37.50)		(37.50)
Less: Dividend Tax				(7.63)		(7.63)
Balance as at 01 April, 2018	2569.62	13135.01	604.70	62214.62	195082.54	273606.48
Add: Profit or loss for the period				13,746.23		13746.23
Add: Other comprehensive income			412.72	(27.84)	(55998.52)	(55613.63)
Less: Final Dividend for FY 2017-18 paid				(2266.59)		(2266.59)
Less: Dividend Tax				(465.90)		(465.90)
Balance as at 31 March 2019	2569.62	13135.01	1017.42	73200.51	139084.02	229006.59

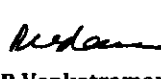
* Includes impact on Scheme of Arrangement (Refer Note 31a)

As per our report of even date attached.

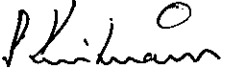
**For and on behalf of the Board of Directors of
Sundaram Finance Holdings Limited**


T.T. Srinivasaraghavan
Chairman

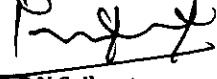

Harsha Viji
Director


R. Venkatraman
Director


K. Venkatakrishnan
Partner


Paramesh Krishnaier
Chief Executive Officer


V. Vaasen
Chief Financial Officer


P N Srikant
Secretary & Compliance Officer

For R.G.N. Price & Co
Chartered Accountants
F.R. No: 0027855

K. Venkatakrishnan
Partner
M.No: 208591

Date: 17-05-2019
Place: Chennai

NOTES TO THE FINANCIAL STATEMENTS

1. COMPANY OVERVIEW

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

2. SIGNIFICANT ACCOUNTING POLICIES

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

2.1 Basis of Preparation

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

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

Subsidiaries:

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

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

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

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

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

Associates:

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

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

NOTES TO THE FINANCIAL STATEMENTS

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

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

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

2.2 Measurement of fair values

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

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

Revenue Recognition:

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

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

Dividends:

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

Interest Income:

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

Rental Income:

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

2.4. Financial Assets

Initial Measurement

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



NOTES TO THE FINANCIAL STATEMENTS

Subsequent Measurement

Financial Asset measured at Amortised Cost (AC)

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

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

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

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

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

2.5. Financial Liabilities

Initial Recognition

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

Subsequent Measurement

Financial liabilities are subsequently carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet

NOTES TO THE FINANCIAL STATEMENTS

date, the carrying amounts approximate fair value due to the short maturity of these instruments.

De-Recognition

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

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

Impairment of Financial Assets

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

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

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

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

Offsetting of financial instruments

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

Derivative financial instruments

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

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

NOTES TO THE FINANCIAL STATEMENTS

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

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

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

2.6. Leases

The Group as lessee

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

2.7. Employee Benefits

SHORT TERM EMPLOYEE BENEFITS

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

POST EMPLOYMENT BENEFITS

a. Defined Contribution plans

i. Superannuation

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

ii. Provident Fund



NOTES TO THE FINANCIAL STATEMENTS

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

b. Defined benefit plans

i. Gratuity

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

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

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

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

d. Other Long Term Employee Benefits



NOTES TO THE FINANCIAL STATEMENTS

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

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

2.8 Income Taxes

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

Current tax

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

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

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

Deferred Tax

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

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the

NOTES TO THE FINANCIAL STATEMENTS

carrying amount of its assets and liabilities. It is measured using tax rates enacted or substantively enacted at the reporting date.

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

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

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

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

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

Current and Deferred tax for the year- OCI

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

2.9. Property, plant and equipment

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

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

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

Freehold land is not depreciated.

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

NOTES TO THE FINANCIAL STATEMENTS

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

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

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

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

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

2.10 Investment Property

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

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

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

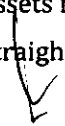
Depreciation is provided on written down value method by adopting useful life prescribed under schedule II to the Companies Act, 2013 after retaining 5% of Original cost as residual value for Buildings.

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

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

2.11. Intangible assets

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



NOTES TO THE FINANCIAL STATEMENTS

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

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

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

2.12. Impairment of Assets

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

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

2.13. Foreign Currency Transactions

Functional and Presentation Currency:

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

Foreign Currency Transactions and balances:

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

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

NOTES TO THE FINANCIAL STATEMENTS

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

2.14. Cash Flow Statement

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

2.15. Provisions and Contingent Liabilities

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

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

A Contingent liability is

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



NOTES TO THE FINANCIAL STATEMENTS

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

2.16 Earnings Per Share

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

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

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

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

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

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

3.2 Derecognition of financial assets and financial liabilities

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

3.3 Deemed cost for investments in Subsidiaries and Associates

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

3.4 Past Business Combinations

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

3.5 Estimates

On assessment of the estimates made under the Previous GAAP financial statements, the Group has concluded that there is no necessity to revise the estimates under Ind AS, as

NOTES TO THE FINANCIAL STATEMENTS

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

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

4. Critical accounting judgments and key sources of estimation uncertainty

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

Useful lives of Property Plant and Equipment / Intangible Assets

Property, Plant and Equipment / Intangible Assets are depreciated / amortised over their estimated useful lives, after taking into account estimated residual value.

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

Impairment of Financial Assets

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



(₹ in Lakhs)

Particulars	Mar 31, 2019	Mar 31, 2018	Apr 1, 2017
Note 1			
Cash and cash equivalents			
Cash on hand	0.24	0.24	0.20
Balances with Banks in Current Accounts *	467.85	359.04	291.94
	7.46	-	-
Earmarked balances with banks (for unpaid dividend)			
	475.55	359.28	292.14

Note 2
Derivative Financial instruments

(₹ in Lakhs)

Particulars	Mar 31, 2019			31-Mar-18			01-Apr-17		
	Notional amounts	Fair value assets	Fair value liabilities	Notional amounts	Fair value assets	Fair value liabilities	Notional amounts	Fair value assets	Fair value liabilities
Part I									
(i) Currency Derivatives									
-Spot and forwards	-	247.99	-	-	122.34	-	-	71.76	-
Total Derivatives Financial instruments	-	247.99	-	-	122.34	-	-	71.76	-
Part II									
Included in above (Part I) are derivatives held for hedging and risk management purpose as follows									
(i) Cash flow hedging									
-Currency derivatives	-	247.99	-	-	122.34	-	-	71.76	-
Total Derivative Financial instruments	-	247.99	-	-	122.34	-	-	71.76	-

The company holds forward contracts to mitigate the risk of changes in foreign exchange rates on forecasted cash flows denominated in foreign currencies. Derivatives are recognised and measured at fair value.

(₹ in Lakhs)

Particulars	Mar 31, 2019	Mar 31, 2018	Apr 1, 2017
Note 3			
Receivables			
Trade receivables			
- Considered good-Secured			
- Considered good-Unsecured *	1053.79	1053.30	570.24
- Receivables having significant increase in credit risk	13.24	3.47	-
Less : Allowance for impairment loss	(13.24)	(3.47)	-
- Credit Impaired	32.33	65.41	15.20
Less : Allowance for impairment loss	(32.33)	(65.41)	(15.20)
Debts due by Directors and others	-	-	-
* Refer Note 32 for related party transactions			
	1053.79	1053.30	570.24

Note 4 : Loans

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

(' in Lakhs)

Note 5: Investments

(₹ in lakhs)

Particulars	Note No.	Face Value (₹)	As at 31.03.2019		As at 31.03.2018		As at 01.04.2017	
			Holding (Number)	Carrying Amount	Holding (Number)	Carrying Amount	Holding (Number)	Carrying Amount
At Carrying amount								
- Associates								
-Flometallic India Private Limited	(i) & (ii)	100000	3800	6374.22	3800	5579.08	3800	4865.31
-The Dunes Oman LLC (FZC)		1	1834980	8583.48	2293725	10255.92	2293725	10097.68
-Sundaram Hydraulics Limited		10	11250000	0.00	11250000	110.54	11250000	120.15
-Axles India Limited		10	9891754	5359.28	9891754	4245.79	9891754	3612.95
-Turbo Energy Private Limited		10	2560000	44942.87	2560000	39971.15	2560000	34758.29
-Transenergy Limited		100	120000	394.52	120000	388.07	120000	366.63
-Sundaram Dynacast Private Limited		10	1170000	1177.13	1170000	831.99	1170000	734.01
				66831.50		61382.54		54555.02
Total - A				66831.50		61382.54		54555.02
At fair value through other comprehensive income:								
Equity Instruments								
-Wheels India Limited		10	2667482	24922.39	1333741	25829.10	1333741	16432.49
-Brakes India Private Limited		100	159460	27349.69	159460	38251.13	159460	31888.63
-India Motor Parts & Accessories Limited		10	1540784	13593.51	1540784	16053.58	1540784	12077.90
-Sundaram Clayton Limited		5	2273081	74466.64	2273081	118468.68	2273081	70047.72
-TVS Investments Private Limited		5	2273085	2215.57	2273085	2215.57	2273085	1983.81
-Lucas-TVS Limited		100	63224	6678.49	63224	9388.60	63224	6283.89
-Delphi TVS Diesel Systems Limited		10	252896	1121.84	252896	1011.71	252896	916.43
-Techtran Polylenses Limited		10	250000	-	250000	-	250000	8.80
-Vishnu Forge Industries Limited		10	297110	105.84	297110	105.84	297110	102.59
-UMW Industries Limited		10	-	-	-	-	78000	0.02
-Senbonzakura Consultancy Private Ltd		10	10	-	10	0.10	-	-
Total - B				150453.96		211324.30		139742.28
At fair value through profit or loss:								
- Mutual Funds								
-Sundaram Money Fund-Growth			3905169	1539.07	22049972	8078.03	9226820	3163.49
-Sundaram Ultra Short term Fund-Growth			48354743.93	12723.73	18392103.95	4477.98		
-ICICI Prudential Fixed Maturity Plan				-	40000000	4026.00		
-Sundaram Money market fund				4145.60		-		
				18408.40		16582.01		3163.49
Total - C				18408.40		16582.01		3163.49
At amortised cost:								
- Preference Shares								
Sundaram Hydraulics Limited - 9% Redeemable Cumulative Non-Convertible Preference Shares		100	-	-	166667	153.39	333333	290.61
Sundaram Asset Management Company-6.75% Redeemable Cumulative Non-Convertible Preference Shares		100	1500000	1500.00	1500000	1500.00		
- Government securities								
-IRFC tax free bonds		1000	2175	22.62	2175	22.62	2175	22.62
- Commercial Paper:								
-Cholamandalam investment and finance company				2370.16				
-HDB Financial services				2380.24				
				6273.02		1676.01		313.23
Total Investments A+B+C+D				241966.87		290964.86		197774.01
Less: Allowance for Impairment loss				-		-		-
Total Investments				241966.87		290964.86		197774.01

	(₹ in lakhs)		
Investment outside India	8583.48	10255.92	10097.68
Investment in India	233383.39	280708.95	187676.34

Investments - Categorywise

	(₹ in lakhs)		
Particulars	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
Aggregate amount of Quoted Investments	113005.15	160373.98	98580.73
Aggregate amount of Unquoted Investments (Net of allowance for Impairment loss)	128961.72	130590.88	99193.28
Total	241966.87	290964.86	197774.01

Note

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

(ii) Face value in Omani Riyal

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

	(₹ in Lakhs)	
-Investments held during/at the end of reporting period	2018-19	2017-18
-Brakes India Private Limited	904.14	877.03
-Lucas TVS Limited	120.12	107.47
-Delphi TVS Diesel Systems Limited	40.46	35.41
-Sundaram Clayton Limited	818.32	340.96
-Wheels India Limited	206.73	186.73
-Indian Motor Parts & Accessories Limited	169.49	92.45
-Vishnu Forge Industries Limited	1.78	1.48
-TVS Investments Private Limited	5.22	-
Total Dividend	2266.26	1641.53

(₹ in Lakhs)

Particulars	Mar 31, 2019	Mar 31, 2018	Apr 1, 2017
Note 6			
Other Financial assets (Unsecured)			
Amount Receivable on Merger	-	-	9746.32
Security Deposits	122.10	128.58	126.49
Unbilled Revenue	29.61	55.64	25.55
Other Assets	-	20.99	4.93
	151.71	205.21	9903.29
Note 7			
Current Tax Assets (net)			
Advance Income Tax and Tax Deducted at source (Net of Provision for tax)	331.11	283.96	603.34
	331.11	283.96	603.34

Note 8 : Investment Property

Particulars	Land	Building
Deemed Cost *		
As at 01-04-2017	128.75	43.19
Additions	-	-
Sub-total	128.75	43.19
(-) Sales / deletion	-	-
Total	128.75	43.19
Depreciation		
Upto 31-Mar-2017	-	-
For the year	-	4.04
Sub-total	-	4.04
(-) Withdrawn on assets sold / deleted	-	-
Total	-	4.04
Net Carrying amount		
As at 31-03-2018	128.75	39.15

Particulars	Land	Building
As at 01-04-2018	128.75	43.19
Additions	-	-
Sub-total	128.75	43.19
(-) Sales / deletion	-	-
Total	128.75	43.19
Depreciation		
Upto 31-Mar-2018	-	4.03
For the year	-	3.65
Sub-total	-	7.68
(-) Withdrawn on assets sold / deleted	-	-
Total	-	7.68
Net Carrying amount		
As at 31-03-2019	128.75	35.51

*** Deemed cost disclosure**

(₹ in Lakhs)		
Description	Land	Buildings
Gross carrying amount as per previous GAAP	128.75	130.32
Accumulated Depreciation	-	87.13
Deemed cost as at April 1 2017	128.75	43.19

(₹ in Lakhs)		
Fair Value	Land	Building
At 31 March 2019	44583.81	293.10
At 31 March 2018	44583.81	293.10
At 1 April 2017	44583.81	293.10

Measurement of Fair Value**Fair Value Hierarchy**

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

The fair value measurement for all of the investment property has been categorised as a Level 3 fair value based on the inputs to the valuation technique used.

Valuation Techniques

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

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

Information regarding income and expenditure of Investment property

(₹ in Lakhs)		
Particulars	31.03.19	31.03.18
Rental Income derived from Investment Properties	174.89	91.88
Direct Operating Expenses (including repairs and maintenance)	11.56	7.79
Profit arising from Investment Properties before Depreciation and Indirect Expenses	163.33	84.09
Depreciation	3.65	4.03
Profit arising from Investment Properties before Indirect Expenses	159.68	80.06

Note 9

(₹ in Lakhs)

Description	Property, Plant & Equipment								Intangible	Total (tangible and intangible)
	Free hold land	Buildings	Plant & equipment	Furniture & fixtures	Office equipment	Electrical Equipment	Vehicles	Total	Software-Bought out	
As at 01-04-2017	31.86	3.08	96.38	26.69	22.90	18.65	9.33	208.89	77.01	285.90
Additions			64.32	4.46	8.56			77.34	28.15	105.48
Sub-total	31.86	3.08	160.70	31.16	31.46	18.65	9.33	286.23	105.16	391.38
(-) Sales / deletion			0.82	0.11	2.30			3.24		3.24
Total	31.86	3.08	159.87	31.05	29.16	18.65	9.33	282.99	105.16	388.15
Depreciation										
Upto 01-04-2017	-	-	-	-	-	-	-	-	-	-
For the year			35.59	6.92	7.34	2.57	2.33	54.75	44.73	99.48
Sub-total	-	-	35.59	6.92	7.34	2.57	2.33	54.75	44.73	99.48
(-) Withdrawn on assets sold / deleted	-	-	0.38	0.02	1.70		-	2.10	-	2.10
Total	-	-	35.21	6.90	5.64	2.57	2.33	52.65	44.73	97.37
Net Carrying amount										
As at 31-03-2018	31.86	3.08	124.66	24.15	23.52	16.08	7.00	230.34	60.43	290.77

Description	Property, Plant & Equipment								Intangible	Total (tangible and intangible)
	Free hold land	Buildings	Plant & equipment	Furniture & fixtures	Office equipment	Electrical Equipment	Vehicles	Total	Software-Bought out	
As at 01-04-2018	31.86	3.08	159.87	31.05	29.16	18.65	9.33	282.99	105.16	388.15
Additions			10.27	4.50	10.42		14.10	39.29	17.70	56.99
Sub-total	31.86	3.08	170.14	35.55	39.58	18.65	23.43	322.28	122.86	445.14
(-) Sales / deletion			0.83		0.93		6.99	8.75	-	8.75
Total	31.86	3.08	169.31	35.55	38.65	18.65	16.44	313.53	122.86	436.39
Depreciation										
Upto 31-03-2018		-	35.21	6.90	5.64	2.57	2.33	52.65	44.73	97.37
For the year			40.70	6.43	7.26	2.21	3.13	59.73	37.29	97.02
Sub-total	-	-	75.91	13.33	12.90	4.78	5.46	112.38	82.02	194.39
(-) Withdrawn on assets sold / deleted	-	-	0.20		0.48		0.42	1.10	-	1.10
Total	-	-	75.71	13.33	12.42	4.78	5.04	111.28	82.02	193.29
Net Carrying amount										
As at 31-03-2019	31.86	3.08	93.60	22.22	26.23	13.87	11.40	202.25	40.84	243.09

* Deemed cost

Description	Property, Plant & Equipment								Intangible	Total (tangible and intangible)
	Free hold land	Buildings	Plant & equipment	Furniture & fixtures	Office equipment	Electrical Equipment	Vehicles	Total	Software-Bought out	
Gross carrying amount as per previous GAAP	31.86	61.48	426.26	59.88	58.99	36.65	14.24	689.36	376.83	1066.20
(-) Accumulated Depreciation	-	58.40	329.89	33.19	36.08	18.00	4.91	480.48	299.83	780.30
Deemed cost as at April 1 2017	31.86	3.08	96.38	26.69	22.90	18.65	9.33	208.89	77.01	285.90

Particulars	Mar 31, 2019	Mar 31, 2018	Apr 1, 2017
Note 10			
Other Non-Financial Assets			
Prepaid expenses	103.71	98.88	97.27
Capital Advance	1.79	-	2.56
Other advance	33.13	27.01	-
Service Tax /GST Input Credit	288.83	222.47	153.01
	427.46	348.36	252.84
Note 11			
(i) Total outstanding due to micro and small enterprises (Refer Note 34 f)	-	-	-
(ii) Total outstanding due of creditors other than micro and small enterprises			
- For Expenses *	105.37	113.56	132.08
- For Others	-	-	-
* Refer Note 32 for related party transactions			
	105.37	113.56	132.08
Note 12			
Other Financial Liabilities			
Payable on account of Merger	-	-	24.79
Accrued expenses	79.06	10.82	-
Other Liabilities	11.21	4.82	-
	90.27	15.64	24.79

Note 13	31st March 2019				31st March 2018				01st April 2017			
	At Fair value			Total	At Fair value			Total	At Fair value			Total
	Amortised Cost	Through Other Comprehensive Income	Through profit or loss		Amortised Cost	Through Other Comprehensive Income	Through profit or loss		Amortised Cost	Through Other Comprehensive Income	Through profit or loss	
Borrowings (Other than Debt Securities)												
(a) Loans repayable on Demand												
(i) From Banks (Secured)	-	-	-	-	-	-	-	-	21.01	-	-	21.01
(ii) From other parties (Unsecured)	-	-	-	-	-	-	-	-	200.00	-	-	200.00
TOTAL (A)	-	-	-	-	-	-	-	-	221.01	-	-	221.01
Borrowings in India	-	-	-	-	-	-	-	-	221.01	-	-	221.01
TOTAL (B)	-	-	-	-	-	-	-	-	221.01	-	-	221.01

(₹ in Lakhs)

Particulars	Mar 31, 2019	Mar 31, 2018	Apr 1, 2017
Note 14			
Provisions			
Provision for Employee Benefits	218.58	191.74	33.82
Provision for expenses	15.00	50.36	-
	233.58	242.10	33.82
Note 15			
Deferred taxes			
Deferred tax liabilities			
On Property, Plant & Equipment	-	-	3.70
On Investments	8638.49	12722.49	9349.41
On Derivatives	58.01	-	19.77
Others	0.18	-	-
Deferred tax assets			
On Investments	(154.18)	(103.12)	(80.60)
On Employee Benefits	(21.32)	(5.53)	(5.41)
On Provision for doubtful debts	(13.37)	(17.87)	(4.85)
On Property, Plant & Equipment	(12.76)	(6.45)	-
On Security Deposits	(0.46)	(1.27)	(0.47)
On others	(1.03)	(0.94)	-
Minimum Alternate Tax (MAT) credit	(376.74)	(262.83)	(82.53)
	8116.82	12324.48	9199.02
Note 16			
Other non-financial liabilities			
Statutory Liabilities	144.01	134.82	40.11
Others	-	-	176.06
TOTAL	144.01	134.82	216.17

Note 17

Particulars	31.03.2019	31.03.2018	01.04.2017
Authorised: 16,00,00,000 Equity shares of face value of ₹. 5/- each (2,50,00,000 Equity shares of face value of ₹. 10/- each as at 01.04.2017)	8000.00	8000.00	2500.00
	8000.00	8000.00	2500.00
Issued, Subscribed and fully paid up: 15,11,03,860 Equity shares of face value of ₹. 5/- each (2,00,00,000 Equity shares of face value of ₹. 10/- each as at 01.04.2017)	7555.19	7555.19	2000.00
	7555.19	7555.19	2000.00

(a) Equity share capital	As at 31 Mar 2019		As at 31 Mar 2018		As at 01 Apr 2017	
	No. of Shares	₹ in Lakhs	No. of Shares	₹ in Lakhs	No. of Shares	₹ in Lakhs
Balance at the beginning of the year	151103860	7555.19	20000000	2000.00	20000000	2000.00
Changes in equity share capital during the year						
Increase in No. of Equity Shares on Conversion of Face Value from ₹. 10 to ₹. 5 per share pursuant to Scheme of Arrangement (Refer Note 31a)			20000000	-		
Issued during the year	-	-	111103860	5555.19		
Balance at the end of the year	151103860	7555.19	151103860	7555.19	20000000	2000.00

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

Name	Status	No. of Shares	% held as at 31.03.19	No. of Shares	% held as at 31.03.18	No. of Shares	% held as at 01.04.2017
Sundaram Finance Limited	Promoter	40000000	26.47%	40000000	26.47%	20000000	100.00%

Note 18

(₹ in Lakhs)

Particulars	Reserves and Surplus				Gains / (losses) from equity investments	Total
	Capital Reserve	General Reserve	FCTR	Retained Earnings		
Balance as at 01 April, 2017 *	3278.71	17574.11	613.90	49710.22	127091.12	198268.06
Less: Shares issued during the year	(709.09)	(4,439.10)		(407.00)		(5555.19)
Add: Profit or loss for the period				12966.49		12966.49
Add: Other comprehensive income			(9.20)	(9.95)	67991.42	67972.27
Less: Final Dividend for FY 2016-17 paid				(37.50)		(37.50)
Less: Dividend Tax				(7.63)		(7.63)
Balance as at 01 April, 2018	2569.62	13135.01	604.70	62214.62	195082.54	273606.48
Add: Profit or loss for the period				13746.23		13746.23
Add: Other comprehensive income			412.72	(27.84)	(55998.52)	(55613.63)
Less: Final Dividend for FY 2017-18 paid				(2266.59)		(2266.59)
Less: Dividend Tax				(465.90)		(465.90)
Balance as at 31 March 2019	2569.62	13135.01	1017.42	73200.51	139084.02	229006.59

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

Profit & Loss Account
Note 19

(₹ in Lakhs)

Interest Income						
Particulars	For the year ended 31 March 2019			For the year ended 31 March 2018		
	On financial assets measured at FVTOCI	On financial assets measured at amortised cost	On financial assets classified at FVTPL	On financial assets measured at FVTOCI	On financial assets measured at amortised cost	On financial assets classified at FVTPL
Interest income from investments	-	354.47	-	-	1.74	-
Total	-	354.47	-	-	1.74	-

Note 20

Net gain/(Loss) on fair value changes

Particulars	For the year ended 31st March 2019	For the year ended 31st March 2018
Net gain/(Loss) on financial instruments at FVTPL		
-Investments	146.75	79.87
Fair Value changes:		
-Realised	-	-
-Unrealised	146.75	79.87
Total Net gain/(Loss) on fair value changes	146.75	79.87
Note 21		
Other Income		
Interest Receipts	21.69	84.89
Rent Receipts	174.89	91.88
Interest income from Financial Asset at Amortized Cost	13.28	29.44
Other Non-Operating Income	3.20	4.59
Net gain on Exchange Fluctuation	44.92	127.86
Excess provisions/liabilities written back	23.41	4.52
Derivative income/(loss)	37.51	(9.82)
TOTAL	318.89	333.36
Note 22		
Finance Costs		
Interest on Income Tax	19.29	7.17
Interest-others	5.34	12.57
TOTAL	24.64	19.74
Note 23		
Employee benefit expense		
Salaries, bonus and commission	3611.37	2615.32
Contribution to Provident and Other Funds (Refer Note 33)	232.86	154.20
Staff welfare expenses	156.98	85.71
TOTAL	4001.21	2855.23
Note 24		
Administrative and Other Expenses		
Rent (Refer Note 34g)	496.16	440.47
Rates and taxes	23.75	17.67
Electricity expenses	164.79	114.02
Sales and Marketing expenses	228.57	202.55
Communication expenses	140.94	125.67
Outsourcing cost	171.30	181.00
Audit Fees (Refer Note 34i)	22.85	10.47
Repairs and Maintenance - others	183.84	87.96
Professional fees	89.81	84.70
Commission to KMP and Directors	15.00	-
Director sitting fees	11.25	13.79
Filing Fees	0.20	44.51
Travelling and Conveyance	116.86	119.31
Allowance for doubtful debts (Net)	10.57	55.55
CSR Expenditure (Refer Note 34e)	42.39	18.50
Miscellaneous expenses	216.04	266.75
TOTAL	1934.32	1782.90

Note 25 : Income Tax**A. Reconciliation of effective tax rate**

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

Particulars	31-Mar-19	31-Mar-18
Profit before tax	4204.41	2305.24
Enacted income tax rate in India	29.12%	28.84%
Tax using the Company's domestic tax rate :	1224.32	664.83
Effect of:		
Exempted income	(689.93)	(473.92)
Effect of overseas tax	707.52	451.24
Expenses disallowed	87.63	47.03
Additional allowance net of MAT Credit	(151.89)	18.43
Income tax expenses recognized in the Statement of Profit and Loss	1177.65	707.61

B. Recognised deferred tax assets and liabilities

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

(₹ in Lakhs)

Particulars	As at 1 April 2017	Recognized in Statement of Profit or Loss*	Recognized in Other Comprehensive Income	As at 31st March 2018
Deferred tax Assets				
Property, plant and Equipment	(3.70)	10.15		6.45
Investments at fair value through profit or loss	80.60	22.52		103.12
Minimum Alternate Tax (MAT) Credit	82.53	180.30		262.83
Provisions - employee benefits	5.41	0.12		5.53
Provision for doubtful debts	4.85	13.02		17.87
Others	0.47	1.74		2.21
	170.16	227.85	-	398.01
Deferred tax Liabilities				
Investments at fair value through profit or loss	7.16	23.33		30.49
Investments at fair value through OCI	9342.25		3349.75	12692.00
Change in fair value of derivative instrument	19.77	(36.41)	16.64	-
	9369.18	(13.08)	3366.39	12722.49
Net deferred tax (assets) liabilities	9199.02	(240.93)	3366.39	12324.48

* Includes MAT movement

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

(₹ in Lakhs)

Particulars	As at 1 April 2018	Recognized in Statement of Profit or Loss*	Recognized in Other Comprehensive Income	As at 31st March 2019
Deferred tax Assets				
Property, plant and Equipment	6.45	6.31		12.76
Investments at fair value through profit or loss	103.12	51.06		154.18
Minimum Alternate Tax (MAT) Credit	262.83	113.91		376.74
Provisions - employee benefits	5.53	4.74	11.05	21.32
Provision for doubtful debts	17.87	(4.50)		13.37
Other items	2.21	(0.72)		1.49
	398.01	170.80	11.05	579.86
Deferred tax Liabilities				
Investments at fair value through profit or loss	30.49	42.60		73.09
Investments at fair value through OCI	12692.00		(4126.60)	8565.40
Change in fair value of derivative instrument	-	33.49	24.52	58.01
Others	-	0.18		0.18
	12722.49	76.27	(4102.08)	8696.68
Net deferred tax (assets) liabilities	12324.48	(94.53)	(4113.13)	8116.82

* Includes MAT movement

Note 26

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

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

26a Equity Reconciliation:

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

(₹ in Lakhs)

Particulars	As at Mar 31, 2018			As at Apr 01, 2017		
	Amount as per previous GAAP	Effect of transition to Ind AS	Amount as per Ind AS	Amount as per previous GAAP	Effect of transition to Ind AS	Amount as per Ind AS
ASSETS						
(1) Financial Assets						
(a) Cash and cash equivalents	359.28	-	359.28	292.14	-	292.14
(b) Derivative financial instruments		122.34	122.34	0.00	71.76	71.76
(c) Receivables	1053.21	0.10	1053.30	574.50	(4.26)	570.24
(d) Loans	611.08	(570.87)	40.21	847.99	(834.58)	13.41
(e) Investments	80428.58	2,10,536.29	290964.86	59337.93	1,38,436.08	197774.01
(f) Other financial assets	351.87	(146.66)	205.21	9809.99	93.30	9903.29
(2) Non-financial Assets						
(a) Current tax assets (Net)	-	283.96	283.96		603.34	603.34
(b) Deferred tax assets (Net)	76.12	(76.12)		27.63	(27.63)	-
(c) Investment property		167.90	167.90		171.94	171.94
(d) Property, plant and equipment	230.34	-	230.34	227.11	(18.23)	208.89
(e) Other intangible assets	60.43	-	60.43	77.01	-	77.01
(f) Goodwill	383.63	(227.55)	156.08	156.08	-	156.08
(g) Other non-financial assets	313.95	34.41	348.36	212.34	40.50	252.84
Total Assets	83868.48	210123.81	293992.27	71562.73	138532.22	210094.95
LIABILITIES AND EQUITY						
LIABILITIES						
(1) Financial liabilities						
(a) Payables						
(i) Trade Payables						
(ii) Total outstanding dues of micro enterprises and small enterprises			-			-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	156.46	(42.90)	113.56	202.13	(70.05)	132.08
(b) Other financial liabilities	50.99	(35.35)	15.64		24.79	24.79
(c) Borrowings				21.01	200.00	221.01
(2) Non-Financial liabilities						
(a) Provisions	191.74	50.36	242.10	122.41	(88.59)	33.82
(b) Deferred tax liabilities (Net)	-	12324.48	12324.48		9199.02	9199.02
(c) Other non-financial liabilities	110.63	24.19	134.82	293.83	(77.65)	216.18
(3) Equity						
(a) Equity share capital	7555.19	-	7555.19	2000.00	-	2000.00
(b) Other equity						
(i) Retained Earnings	59498.75	2715.87	62214.62	47684.18	2,026.03	49710.21
(ii) Others	16304.71	195087.16	211391.87	21239.16	1,27,318.67	148557.84
Total Liabilities and Equity	83868.48	210123.81	293992.27	71562.73	138532.22	210094.95

(₹ in Lakhs)	
Equity as per IGAAP as at April 01,2017	70923.34
<i>Ind AS Adjustments</i>	
Fair Value of Quoted equity Instruments	95714.23
Fair Value of Unquoted equity Instruments	40777.84
Fair value of Mutual Funds	26.21
Fair Value of Investments in Preference Shares	(42.72)
Derivative assets on receivables	71.76
Other Adjustments	(5.77)
Deferred taxes	(9310.17)
Changes in carrying amount of associates	2113.33
Equity as per Ind AS as at April 01,2017	200268.06

(₹ in Lakhs)	
Equity as per IGAAP as at March 31, 2018	83358.66
<i>Ind AS Adjustments</i>	
Fair Value of Quoted equity Instruments	157507.48
Fair Value of Unquoted equity Instruments	50573.68
Fair value of Mutual Funds	106.26
Fair Value of Investments in Preference Shares	(111.46)
Other Adjustments	(8.36)
Deferred taxes	(12664.39)
Changes in carrying amount of associates	2399.81
Equity as per Ind AS as at March 31, 2018	281161.67

Note 26b : Total Comprehensive Income Reconciliation:

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

(₹ in Lakhs)

Particulars	31 March 2018		
	Previous GAAP	Effect of Ind AS Transition	Ind AS
Revenue from operations			
Interest Income	1.74	-	1.74
Dividend Income	1641.54	-	1641.54
Net gain on sale of Current investments	275.56	0.17	275.73
Net gain on fair value changes		79.87	79.87
Sale of services	4832.57	-	4832.57
Total Revenue from operations	6751.40	80.04	6831.45
Other Income	413.39	(80.03)	333.36
Total Income	7164.79	0.01	7164.80
Expenses			
Finance cost	19.73	-	19.73
Impairment on financial instrument	-	98.18	98.18
Employee benefit expenses	2853.64	1.59	2855.23
Depreciation, Amortisation and Impairment	103.52	0.00	103.52
Other expenses	1779.83	3.07	1782.90
Total expenses	4756.72	102.84	4859.56
Profit/(loss) before exceptional items and tax	2408.07	(102.82)	2305.25
Exceptional items	-	-	-
Profit/(loss) before tax	2408.07	(102.82)	2305.25
Tax expense			
1. Current tax	575.43	132.18	707.61
2. Deferred tax	(48.48)	(142.55)	(191.03)
Total tax	526.95	26.27	516.58
Profit/(loss) for the period	1881.12	(129.09)	1788.67
Share of net profits from associates	10562.49	615.34	11177.83
Profit after tax	12443.61	522.89	12966.50
Other Comprehensive Income			
A (i). Items that will not be reclassified to profit or loss			
Remeasurements of the defined benefit plans		(11.71)	(11.71)
Tax on above		1.76	1.76
Remeasurements of the defined benefit plans (Net of tax)		(9.95)	(9.95)
Change in Fair value of equity instruments		71580.30	71580.30
Tax on above		(3349.75)	(3349.75)
Change in Fair value of equity instruments (Net of tax)		68230.55	68230.55
Share of other comprehensive income from associates using equity method (Net of tax)		25.50	25.50
B (i). Items that will be reclassified to profit or loss			
Change in fair value of derivative instrument		60.41	60.41
Income tax on above		(16.64)	(16.64)
Change in fair value of derivative instrument (Net of tax)		43.77	43.77
Share of other comprehensive income from associates using equity method		(308.38)	(308.38)
Foreign currency Translation Reserve		(9.20)	(9.20)
Other Comprehensive Income	-	67972.29	67972.29
Total Comprehensive Income for the period	12443.61	68495.18	80938.79

Effect of Ind AS adoption on the Statement of Profit and Loss for the year ended

(₹ in Lakhs)

Profit as per IGAAP for the year ended March 31, 2018	12443.61
Ind AS Adjustments	
Fair Value of Equity Instruments	71589.10
Fair value of Mutual Funds	80.05
Fair Value of Investments in Preference Shares	(68.74)
Derivative assets on receivables	(71.76)
Other adjustments	(2.52)
Deferred taxes on above adjustments	(3354.22)
Changes in share of net profit from associates	323.27
Profit as per Ind AS for the year ended March 31, 2018	80938.79

Note 26c : Cash Flow Reconciliation**Impact of Ind AS adoption on cash flow statement for the year ended 31st March 2018**

(₹ in Lakhs)

Particulars	GAAP	Adjustments	Ind AS
Net cashflow from operating activities *	5253.56	9468.11	14721.67
Net cashflow from investing activities	(14595.08)	(2.80)	(14597.88)
Net cashflow from financing activities	(266.14)	209.49	(56.64)
Transferred to Company pursuant to Scheme of Arrangement (Refer Note 31a)	9674.79	(9674.79)	-
Net increase / (decrease) in cash and cash equivalents	67.13	0.01	67.14
Cash and cash equivalents as at April 1, 2017	292.14		292.14
Cash and cash equivalents as at March 31, 2018	359.27		359.28

* includes an amount of Rs. 5.88 lakhs on account of foreign exchange fluctuation



Note 27 : Capital Management

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

Note 28 : Financial instruments – Fair values and risk management**A. Accounting classification and fair values**

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

(₹ in Lakhs)				
As at 31 March 2019 (In Rs Lakhs)	Carrying amount	Level 1	Level 2	Level 3
Financial assets measured at				
Amortized cost				
Preference securities	1500.00	-	1500.00	-
Commercial Paper	4750.40	-	4750.40	-
Bonds	22.62	-	22.62	-
Trade receivables	1053.79	-	-	-
Cash and cash equivalents	475.55	-	-	-
Security Deposits	122.10	-	122.10	-
Unbilled revenue	29.61	-	-	-
Staff Advances	33.92	-	33.92	-
FVTPL				
Derivatives	39.49	-	39.49	-
Mutual Fund	18408.39	18408.39	-	-
FVTOCI				
Equity securities *	150453.96	112982.53	-	37471.42
Derivatives	208.51	208.51	-	-
Financial Liabilities measured at				
Amortized cost				
Trade and other payables	105.37	-	-	-
Other Financial Liabilities	90.27	-	-	-
As at 31 March 2018 (in Rs Lakhs)	Carrying amount	Level 1	Level 2	Level 3
Financial assets measured at				
Amortized cost				
Preference securities	1653.39	-	1653.39	-
Bonds	22.62	-	22.62	-
Trade receivables	1053.30	-	-	-
Cash and cash equivalents	359.28	-	-	-
Security Deposits	128.59	-	128.59	-
Unbilled revenue	55.64	-	-	-
Staff Advances	40.21	-	40.21	-
Other Financial Assets	20.99	-	-	-
FVTPL				
Derivatives	1.97	-	1.97	-
Mutual Fund	16582.00	16582.00	-	-
FVTOCI				
Equity securities *	211324.30	160351.36	-	50972.94
Derivatives	120.37	120.37	-	-
Financial Liabilities measured at				
Amortized cost				
Trade and other payables	113.56	-	-	-
Other Financial Liabilities	15.64	-	-	-

As at 01 April 2017(In Rs Lakhs)	Carrying amount	Level 1	Level 2	Level 3
Financial assets measured at				
Amortized cost				
Preference securities	290.61	-	290.61	-
Bonds	22.62	-	22.62	-
Trade receivables	570.24	-	-	-
Cash and cash equivalents	292.14	-	-	-
Security Deposits	126.49	-	126.49	-
Unbilled revenue	25.55	-	-	-
Staff Advances	13.41	-	13.41	-
Other Financial Assets	9751.25	-	-	-
FVTPL				
Derivatives	11.79	-	11.79	-
Mutual Fund	3163.49	3163.49	-	-
FVTOCI				
Equity securities *	139742.27	98558.11	-	41184.16
Derivative	59.96	59.96	-	-
Financial Liabilities measured at				
Amortized cost				
Trade payables	132.08	-	-	-
Other Financial Liabilities	24.79	-	-	-
Borrowings	221.01	-	-	-

* Excludes Investments in Associates (Refer Note 5)

Fair Value hierarchy

The fair value hierarchy is based on inputs to

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

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

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

B. Measurement of fair values

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

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

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

Note 29 : Financial Risk Management

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

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

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

(a) Liquidity Risk

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

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

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

(₹ in Lakhs)			
Particulars	31 Mar 19	31 Mar 18	01 Apr 17
Payable within one year			
Trade payables	105.37	113.56	132.08
Other financial Liabilities	90.27	15.64	24.79
Borrowings	-	-	221.01

(b) Credit Risk

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

(i) Trade receivables:

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

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

(₹ in Lakhs)			
Particulars	31 Mar 19	31 Mar 18	01 Apr 17
Trade receivables	1099.36	1122.18	585.44
Loss allowance	45.57	68.88	15.20
Carrying amount	1053.79	1053.30	570.24

(ii) Other financial assets:

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

Cash and Cash equivalents

The Group held cash and cash equivalents of INR 475.55 lakhs as on March 31, 2019 (March 31, 2018 : INR 359.28 lakhs; April 1, 2017 : INR 292.14 lakhs). The cash and cash equivalents are held in hand and with bank. (Refer Note 1)

(c) Market Risk

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

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

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

The Group has a forex policy in place whose objective is to reduce foreign exchange risk by deploying the appropriate hedging strategies (forward contracts) and also by maintaining reasonable open exposures within approved parameters depending on the future outlook on currencies.

(a) The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities based on gross exposure at the end of the reporting period is as under:

Particulars	31-Mar-19		31-Mar-18		01-Apr-17	
	AUD (A\$'000)	Rs Lakhs	AUD (A\$'000)	Rs Lakhs	AUD (A\$'000)	Rs Lakhs
Monetary Assets						
Cash and Cash Equivalent	800.577	392.44	145.05	72.59	517.95	256.79
Trade Receivables	1044.507	512.01	788.713	394.71	864.51	428.6
Monetary Liabilities						
Trade Payable	58.48	28.67	80.56	40.32	121.65	60.31

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

Particulars	31-Mar-19		31-Mar-18		01-Apr-17	
	Buy	Sell	Buy	Sell	Buy	Sell
Forward Contract: Cashflow Hedge						
AUD/INR (in A\$ '000)	-	7620.00	-	8107.79	-	4200.00
AUD/INR (in Rs Lakhs)	-	4135.80	-	4299.74	-	2200.55

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

Particulars	GBP	Equivalent in INR
Unhedged	2020.75	182928.40

Risk management structure

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

Note 30 : Revenue Recognition**Sale of Services:**

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

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

When the terms of the agreement specify service level parameters that must be met, we monitor such service level parameters and determine if there are any service credits or penalties that we need to account for.

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

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

Contracts with customers

There are no other revenue under Contract with Customers other than those which are accounted in Profit and Loss Account as revenue which comprises of Service income and Learning income. Refer Note 30.a for the details of income earned from contracts with customers.

Contract Balances

The Group classifies the right to consideration in exchange for deliverables as either a receivable or as unbilled revenue. Refer Note 30.a for the Trade Receivable balances.

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

Note 30.a		(₹ in Lakhs)	
Particulars	31-Mar-19	31-Mar-18	
Sale of Services			
Learning Income	138.33	38.26	
Support Services	6023.63	4794.30	
Trade Receivables	1053.79	1053.30	

Note 31 : Scheme of arrangement**Note 31a**

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

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

All shareholders of SFL were allotted one fully paid up equity share of ₹ 5 each in the Company, for every equity share of ₹ 10 each held by them in SFL. Consequently, the Issued and Paid up Equity Share Capital of the Company increased from ₹ 2000.00 lakhs to ₹ 7555.19 lakhs. Net assets of ₹ 20241.59 lakhs as of 1st Apr 2016 has been transferred from Demerged Company.

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

Note 31b

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

o Pursuant to the scheme, All the assets, liabilities, rights, powers and duties of SBIL is transferred SBSL.

o Consequent to the merger, the company will be allotted one fully paid up equity share of Rs.10 each in SBSL for every 1.215 share held in SBIL.

Note 32 :Related Party Transactions

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

Related Parties:

Company having control over the entity
Sundaram Finance Limited

Subsidiaries of Company having control over the entity
Sundaram Asset Management Company Ltd
Royal Sundaram General Insurance Co. Ltd (till 23-02-2019)
LGF Services Limited
Sundaram Alternate Assets Limited
Sundaram Trustee Company Limited
Sundaram Asset Management Singapore Pte Ltd.

Associate Companies
Flometallic India Private Limited
Dunes Oman LLC (FZC)
Sundaram Hydraulics Limited
Axles India Limited
Turbo Energy Private Limited
Transenergy Limited
Sundaram Dynacast Private Limited

Key Management Personnel:
Sri. T.T.Srinivasaraghavan-Chairman
Sri. Harsha Viji - Director
Sri. Srivats Ram- Director (from 27th August 2018)
Sri. Paramesh Krishnaier-Chief Executive Officer

Enterprise over which KMP has significant influence
Wheels India Limited (from 27th August 2018)

Related Party Transactions:

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

(₹ in Lakhs)

Nature of Transactions	Company having control over the entity	Associates	Subsidiaries of Company having control over the entity	KMP	Enterprise over which KMP has significant influence	2018-19	2017-18
Income							
Dividend Income							
Sundaram Dynacast Private Limited	-	163.80	-	-	-	163.80	140.40
Turbo Energy Private Limited	-	512.00	-	-	-	512.00	716.80
Dunes Oman LLC (FZC)	-	2,692.23	-	-	-	2,692.23	2,607.72
Axles India Limited	-	296.75	-	-	-	296.75	178.05
Transenergy Limited	-	12.00	-	-	-	12.00	9.00
Flometallic India Private Limited	-	487.50	-	-	-	487.50	406.25
Sundaram Asset Management Company Ltd	-	-	101.25	-	-	101.25	-
Wheels India Limited	-	-	-	-	206.73	206.73	-
Income from Services							
Sundaram Finance Limited	1,062.25	-	-	-	-	1,062.25	678.38
Sundaram Asset Management Company Ltd	-	-	307.81	-	-	307.81	33.03
Royal Sundaram General Insurance Co. Ltd	-	-	568.33	-	-	568.33	236.76
Sundaram Alternate Assets Limited	-	-	0.72	-	-	0.72	-
Wheels India Limited	-	-	-	-	6.24	6.24	-
Turbo Energy Private Limited	-	0.90	-	-	-	0.90	0.65
Other Income							
Rental Income							
Turbo Energy Private Limited	-	39.39	-	-	-	39.39	49.37
Sundaram Finance Limited	94.39	-	-	-	-	94.39	19.28
Expenses							
Sundaram Finance Ltd							
Rent & other Amenities	142.34	-	-	-	-	142.34	94.72
Internal Audit fees	14.00	-	-	-	-	14.00	5.00
Web Hosting	1.03	-	-	-	-	1.03	0.77
ITVO Charges	0.51	-	-	-	-	0.51	0.31
Fuel Expenses	11.80	-	-	-	-	11.80	0.89
Other Advances							
Sundaram Finance Ltd							
Procurement of Software	7.50	-	-	-	-	7.50	-
Royal Sundaram General Insurance Co. Limited							
Insurance	-	-	4.62	-	-	4.62	-
Remuneration paid to KMP*	-	-	-	49.60	-	49.60	4.86

(₹ in Lakhs)

Nature of Transactions	Company having control over the entity	Associates	Subsidiaries of Company having control over the entity	KMP	Enterprise over which KMP has significant influence	2018-19	2017-18
Other Transactions - Investments							
Sundaram Asset Management Company Ltd-Purchase of Preference Shares	-	-	-	-	-	-	1500.00
Dunes Oman LLC (FZC)- Capital Reduction	-	2205.50	-	-	-	2205.50	-
Sundaram Hydraulics Limited - Redemption of Preference Shares	-	166.67	-	-	-	166.67	166.67
Closing Balance of Investment in Equity Shares							
Flometallic India Private Limited	-	3250.00	-	-	-	3250.00	3250.00
Dunes Oman LLC (FZC)	-	2155.89	-	-	-	2155.89	2694.86
Sundaram Hydraulics Limited	-	1125.00	-	-	-	1125.00	1125.00
Axles India Limited	-	1015.70	-	-	-	1015.70	1015.70
Turbo Energy Private Limited	-	188.41	-	-	-	188.41	188.41
Transenergy Limited	-	187.50	-	-	-	187.50	187.50
Sundaram Dynacast Private Limited	-	117.00	-	-	-	117.00	117.00
Wheels India Limited	-	-	-	-	24922.39	24922.39	-
Closing Balance of Investment in Preference Shares							
Sundaram Hydraulics Limited	-	-	-	-	-	-	166.67
Sundaram Asset Management Company Ltd	-	-	1500.00	-	-	1500.00	1500.00
Insurance Deposit							
Royal Sundaram General Insurance Co. Ltd	-	-	0.20	-	-	0.20	0.1
Receivables:							
Sundaram Finance Limited	162.35	-	-	-	-	162.35	148.15
Sundaram Asset Management Company Ltd	-	-	35.29	-	-	35.29	7.00
Sundaram Alternate Assets Limited	-	-	0.28	-	-	0.28	-
Turbo Energy Private Limited	-	-	-	-	-	-	14.68
Payables:							
Sundaram Finance Ltd.	-	-	-	-	-	-	0.25

(₹ in Lakhs)

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

Note 33 : Employee Benefits: Defined Contribution Plan

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

Note 33a : Contribution to PF & Other Funds

(₹ in Lakhs)

Particulars	2018-19	2017-18
Contribution to Provident Fund	206.58	104.23
Contribution to Superannuation Fund	6.32	2.64
Contribution to Labour Welfare Fund	0.46	0.40

Note 33b : Employee Benefits: Defined Benefit Plan - Gratuity**A. Reconciliation of opening and closing balances of the present value of the defined benefit obligation**

(₹ in Lakhs)

Particulars	31 Mar 19	31 Mar 18
Present Value of Defined Benefit Obligation at the beginning of the Period	180.99	102.39
Service Cost		
a. Current Service Cost	56.37	13.35
b. Past Service Cost		0.15
c. (Gain)/Loss on Curtailments		
d. (Gain)/Loss on Settlements		
Interest Expense	11.06	7.40
Remeasurements		
a. Effect of Changes in Demographic Assumptions	-1.96	
b. Effect of Changes in Financial Assumptions	12.10	(0.06)
c. Effect of Experience Adjustments	18.74	-2.33
Cashflows		
a. Benefit Payments		
(i) From the Plan	(49.8)	(3.89)
(ii) Directly from the Employer		-
b. Settlement Payments from the Plan		-
c. Participant Contributions		-
Effect of Business Combinations / Disposals		63.98
Present Value of Defined Benefit Obligation at the end of the Period	227.45	180.99

B. Reconciliation of opening and closing balances of the fair value of plan assets

(₹ in Lakhs)

Particulars	31 Mar 19	31 Mar 18
Fair value of plan assets as at the beginning of the period	167.82	67.99
Interest Income on Plan Assets	13.69	6.14
Cash Flows		
a. Benefit Payments		
(i) From the Plan	(49.8)	(3.89)
(ii) Directly from the Employer	-	-
b. Settlement Payments from the Plan	-	-
c. Participant Contributions	-	-
d. Total Employer Contributions		
(i) Employer Contributions	88.83	36.49
(ii) Employer Direct Benefit Payments	-	-
Remeasurements		
a. Actual Return on Plan Assets	(10.0)	(14.1)
Effect of Business Combinations / Disposals		75.16
Effect of Changes in Foreign Exchange Rates	-	-
Fair value of plan assets as at the end of the period	210.50	167.82

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

(₹ in Lakhs)		
Particulars	31 Mar 19	31 Mar 18
Present Value of Defined Benefit Obligation	227.45	180.99
Fair value of plan assets	210.50	167.82
Net Assets (Liability) recognized in the Balance Sheet	(16.95)	(13.16)
Effect of Asset Ceiling		
Net Assets (Liability)	(16.95)	(13.16)

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

(₹ in Lakhs)		
Particulars	31 Mar 19	31 Mar 18
Service Cost		
a. Current Service Cost	56.37	13.35
b. Past Service Cost		0.15
c. (Gain)/Loss on Curtailments		
d. (Gain)/Loss on Settlements		
e. Total Service Cost	56.37	13.50
Net Interest Expense		
a. Interest Expense on DBO	11.06	7.40
b. Interest Income on Plan Assets	-13.69	-6.14
c. Interest Income on Reimbursement Rights		
d. Interest Income on Asset Ceiling		
e. Total Net Interest Cost	-2.63	1.26
Remeasurements		
a. Effect of Changes in Demographic Assumptions	-1.96	
b. Effect of Changes in Financial Assumptions	12.10	(0.06)
c. Effect of Experience Adjustments	18.74	-2.33
d. Actual Return on Plan Assets	10.01	14.07
e. Actual Return on Reimbursement Rights		
f. Actual Change in Asset Ceiling		
g. Total Remeasurements	38.89	11.68
Defined Benefit Cost included in Profit & Loss Account	53.73	14.76
Defined Benefit Cost included in Other Comprehensive Income	38.89	11.68

E. Principal Actuarial Assumptions [Expressed as weighted averages]

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

Particulars	31 Mar 19	31 Mar 18
Discount Rate	7.36%	7.74%
Salary Escalation	6.00%	5.00%
Attrition	10.00%	10.00%

(II) Sensitivity analysis

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

(₹ in Lakhs)						
Gratuity	Change in assumption		Impact on defined benefit obligation			
			Increase in assumption		Decrease in assumption	
Details	31 Mar 19	31 Mar 18	31 Mar 19	31 Mar 18	31 Mar 19	31 Mar 18
Discount rate	0.50%	0.50%	5.06	3.71	5.32	3.91
Salary growth rate	0.50%	0.50%	5.36	3.98	5.15	3.82
Attrition rate	5.00%	5.00%	0.63	0.65	0.64	0.66
Mortality rate	5.00%	5.00%	0.01	0.03	0.02	0.03

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

(III) Maturity profile of defined benefit obligation

(₹ in lakhs)		
Particulars	31.03.2019	31.03.2018
Year 1	53.08	39.75
Year 2	33.86	39.41
Year 3	28.58	23.06
Year 4	25.79	19.34
Year 5	28.93	17.54
Next 5 years	78.81	64.34

(iv) Risk exposure

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

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

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

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

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

Note 33c : Other Long Term Employee Benefits

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

Particulars	2018-19	2017-18
Leave encashment	42.47	2.74
Employee Assured Bonus Scheme	31.44	32.54

Note 34**34a : Earnings Per Share****Basic and diluted earnings per share**

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

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

Particulars	(₹ In Lakhs)	
	Year ended	
	March 31 2019	March 31 2018
Profit/ (Loss) for the year, attributable to the equity holders	13746.23	12966.50

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

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

Earnings per share	31-Mar-19	31-Mar-18
Basic earnings per share (in ₹)	9.10	8.58
Diluted earnings per share (in ₹)	9.10	8.58

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

34b : Dividend

Dividend of ₹2644.32 lakhs (₹1.75/- per share) has been recommended by the Board for the year ended 31st March 2019.

34c : Contingent liabilities and commitments

Uncalled liability on partly paid equity shares of Flomettallic India Private Limited ₹ 550 lakhs as of 31.03.2019.

Estimated amount of contractual commitments for the acquisition of Property, Plant and equipment - Rs.7.5 lakhs
The Liability in respect of Guarantee issued by bank amount to Rs.50 lakhs.

34d : Transactions in foreign currency

Particulars	(₹ In Lakhs)	
	31-Mar-19	31-Mar-18
Earnings in Foreign Currency		
Income from Services	3020.54	2715.11
Dividend from an Associate Company	2692.23	2607.72
Capital Reduction by an Associate Company	2205.50	0.00
Expenditure in Foreign Currency		
Travel and Office Expenses	375.79	434.39

34e : Details of Corporate Social Responsibility (CSR)

(a) Gross amount required to be spent by the Group during the ye ₹. 42.48Lakhs

(b) Amount spent during the year on:

(₹ in Lakhs)			
Particulars	Amount Spent	Amount to be Spent	Total
i) Construction / Acquisition of any asset	-	-	-
ii) On purpose other than i) above	42.39	0.09	42.48

34f : DISCLOSURE UNDER MSME DEVELOPMENT ACT, 2016

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

34g : Leases

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

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

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

(₹ in Lakhs)		
Future minimum lease payable	March 31, 2019	March 31, 2018
Not later than 1 year	40.95	36.00
Later than 1 year and not later than 5 years	177.50	170.84

34h : Standard Issued but not effective**Ind AS 116**

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

Ind AS 12

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

(ii) Recognition of the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

Ind AS 19

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

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

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

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

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

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

34i : Audit Fees

(₹ in Lakhs)

Details	March 31, 2019	March 31, 2018
As Statutory auditors	13.75	6.75
Taxation matters	3.50	1.75
Certification matters	5.59	10.47
Total	22.84	18.97

34j: Claims against Group not acknowledged as Debt

(₹ in Lakhs)

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

ESI Claims against the erstwhile Professional Management Consultants Limited (PMCL) not accepted by the company - Rs 2.06 lakhs (previous year - Rs 2.06 lakhs). Against this claim, PMCL filed an appeal before the Employees' Insurance (EI) Court and a stay was obtained, on a payment of 20% of the disputed amount. Accordingly, PMCL has deposited a sum of Rs 0.41 lakhs with the EI Court.

In an earlier year, the above appeal was dismissed by the ESI Court and PMCL has since filed an appeal before Hon'ble High Court of Chennai and has obtained a stay against the order of the ESI Court. The case is yet to be posted for hearing.

ESI Claims against the company not acknowledged as debts - Rs 1.25 lakhs (Previous Year - Rs 1.25 lakhs). The company has filed an appeal against the Order dated 19.02.2016 Accordingly, the Company has deposited a sum of Rs 0.63 lakhs with EI Court.

34k : Adoption of Financial Statements

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

Note 35 : Segment Reporting

(₹ in Lakhs)

Business Segments	Investments		Support services				Eliminations		Total	
			Domestic		Overseas					
	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
REVENUE										
Segment Revenue	3784.38	1998.88	3217.22	2150.05	2993.36	2731.42	(48.60)	(48.90)	9946.36	6831.44
RESULT										
Segment Result	3746.81	1882.05	62.22	(121.49)	513.78	429.48	-	-	4322.80	2190.04
Unallocated income(net of expense)									(118.40)	115.21
Profit before tax									4204.40	2305.25
Less: Income tax									1182.61	516.58
Profit after tax before share of profits from associates									3021.79	1788.65
Add: Share of profit from Associates									10724.44	11177.83
Profit after tax									13746.22	12966.49
OTHER INFORMATION										
Segment Assets	241943.82	291011.03	1163.41	1398.01	1793.24	1353.51	-	(94.25)	244900.47	293668.30
Unallocated Assets									351.36	323.97
Total Assets									245251.83	293992.27
Segment Liabilities	8484.31	12619.37	287.91	345.60	141.03	69.74	-	(94.25)	8913.26	12940.46
Unallocated Liabilities									(223.21)	(109.87)
Total Liabilities									8690.05	12830.60
Capital Expenditure									56.99	105.48
Depreciation									100.66	103.52

Note 36 : Additional information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary/Associates as at Mar 2019

(₹ in lakhs)

Name of the entity	Net Assets, i.e., total assets minus total liabilities		Share in Total Profit or Loss		Share in other comprehensive income		Share in Total Comprehensive Income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated Total Comprehensive Income	Amount
Sundaram Finance Holdings Ltd.	71.85	176992.65	43.38	8493.26	102.05	(56756.08)	133.93	(48262.83)
Subsidiaries:								
Indian:								
Sundaram Business Services Ltd.	1.02	2514.66	1.84	359.34	(0.09)	48.14	(1.13)	407.49
Associates:								
Indian:								
Axles India Ltd.	2.18	5359.28	7.23	1415.91	0.01	(5.67)	(3.91)	1410.24
Turbo Energy Private Ltd.	18.24	44942.87	26.89	5264.87	(0.39)	218.85	(15.22)	5483.72
Transenergy Ltd.	0.16	394.52	0.09	18.46	-	-	(0.05)	18.45
Sundaram Dynacast Private Ltd.	0.48	1177.13	2.61	511.89	0.01	(2.96)	(1.41)	508.94
Sundaram Hydraulics Ltd.	-	-	(0.56)	(110.54)	-	-	0.31	(110.54)
Flometallic India Private Ltd.	2.59	6374.22	5.43	1063.60	(0.39)	219.04	(3.56)	1282.63
Foreign:								
Dunes Oman LLC (FZC)	3.48	8583.49	13.08	2560.26	(1.20)	665.04	(8.95)	3225.30
	100.00	246338.81	100.00	19577.04	100.00	(55613.63)	100.00	(36036.61)
Adjustment arising out of consolidation		(9777.04)		(5830.81)		-		(5830.81)
Total		236561.78		13746.23		(55613.63)		(41867.42)

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

As per our report of even date attached.

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

T.T. Srinivasaraghavan
Chairman


Harsha Viji
Director


R. Venkatraman
Director


K. Venkatkrishnan
Partner
M.No:208591


Paramesh Krishnaler
Chief Executive Officer


V. Jaasen
Chief Financial Officer


P. N. Srikanth
Secretary & Compliance Officer
Date: 17-05-2019
Place: Chennai

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

1. Sl. No.	1
2. Name of the subsidiary	Sundaram Business Services Limited
3. Reporting period for the subsidiary concerned, if different from the holding company's reporting period	NA
4. Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	NA
5. Share capital	1500.00
6. Reserves & surplus	1014.66
7. Total assets	2830.71
8. Total Liabilities	316.05
9. Investments	329.53
10. Turnover	4087.18
11. Profit/(Loss) before taxation	486.55
12. Provision for taxation	127.20
13. Profit/(Loss) after taxation	359.35
14. Proposed Dividend	-
15. % of shareholding	100.00%

Part "B": Associates and Joint Ventures
Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

(₹ in lakhs)

Name of Associates/Joint Ventures	Axles India Limited	Turbo Energy Private Limited	Transenergy Limited	Sundaram Dynacast Private Limited	Sundaram Hydraulics Limited	Flometallic India Private Limited	Dunes Oman LLC (FZC)
1. Latest audited Balance Sheet Date	31-03-2019	31-03-2019	31-03-2018	31-03-2019	31-03-2019	31-03-2019	31-03-2019
2. Shares of Associate held by the company on the year end	9891754	2560000	120000	1170000	11250000	3800	1834980
Amount of Investment in Associates	1015.70	188.41	187.50	117.00	1125.00	3250.00	2155.89
Extend of Holding %	38.81%	32.00%	42.31%	26.00%	27.44%	40.63%	43.69%
3. Description of how there is significant influence	By Virtue of Holdings being 20% or more						
4. Reason why the Associate/Joint Venture is not consolidated	NA	NA	NA	NA	NA	NA	NA
5. Networth attributable to Shareholding as per latest audited Balance Sheet	5340.53	44932.78	385.11	1173.61	119.05	6373.99	8392.47
6. Profit / Loss for the year							
i. Considered in Consolidation	1476.90	5370.12	20.92	545.56	(110.54)	1163.80	2264.81
ii. Not Considered in Consolidation	2328.74	11411.49	28.53	1552.75	(309.21)	1700.94	2919.01

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

As per our report of even date attached.
For R.G.N. Price & Co
Chartered Accountants
F.R.No: 0027855

T.T. Sriivasaraghavan
Chairman

Harsha Viji
Director

R Venkatraman
Director

K Venkatakrishnan
Partner
M.No:208591

Paramesh Krishnaier
Chief Executive Officer

V.Keasen
Chief Financial Officer

P. Srikanth
Secretary & Compliance Officer

Date: 17-05-2019
Place: Chennai

R.G.N. PRICE & CO.
CHARTERED ACCOUNTANTS

Phone : 28413633 /28583494
E-Mail : price@rgnprice.com
Offices at : Mumbai, Bengaluru, New Delhi
Kochi, Kollam and Kozhikode

Simpson's Buildings,
861, Anna Salai
Chennai - 600 002

1st April 2021

Report on Review of Unaudited Condensed Consolidated Interim Financial Statements

To the Board of Directors of Sundaram Finance Holdings Limited

We have reviewed the accompanying unaudited condensed consolidated interim financial statements of Sundaram Finance Holdings Limited (the "Company" / "Holding Company") its subsidiary (the Holding Company and its subsidiary together referred to as "the Group") and its Associates, which comprise the unaudited condensed consolidated interim balance sheet as at December 31, 2020, the unaudited condensed consolidated interim statement of profit and loss, including other comprehensive income, unaudited condensed consolidated interim cash flow statement and the unaudited condensed consolidated interim statement of changes in equity for the nine-months period ended and a summary of selected explanatory notes (together hereinafter referred to as, the "Unaudited Condensed Consolidated Interim Financial Statements"). The Unaudited Condensed Consolidated Interim Financial Statements have been prepared by the Company in connection with raising of funds in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("SEBI ICDR Regulations").

Responsibilities of Management for the Unaudited Condensed Consolidated Interim Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these Unaudited Condensed Consolidated Interim Financial Statements in accordance with the requirements of Indian Accounting Standard (Ind AS 34) "Interim Financial Reporting" specified under section 133 of the Companies Act, 2013 (the "Act"), read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Unaudited Condensed Consolidated Interim Financial Statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Unaudited Condensed Consolidated Interim Financial Statements

We conducted our review of the Unaudited Condensed Consolidated Interim Financial Statements in accordance with the Standard on Review Engagements (SRE) 2410 "*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*", issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing specified under section 143(10) of the Act and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

The Unaudited Condensed Consolidated Interim Financial Statements include the results of the following entities:

Subsidiary - Sundaram Business Services Limited

Associates:

1. Axles India Limited
2. Turbo Energy Private Limited
3. Transenergy Limited
4. Sundaram Dynacast Private Limited
5. Sundaram Hydraulics Limited
6. Flometallic India Private Limited
7. Dunes Oman LLC (FZC)
8. Wheels India Limited
9. Mind S.r.l.

Conclusion

Based on our review conducted as above and based on the consideration of the review reports of other auditors, nothing has come to our attention that causes us to believe that the accompanying Unaudited Condensed Consolidated Interim Financial Statements are not prepared, in all material respects, in accordance with requirements of Ind AS 34 as specified under Section 133 of the Act, read with relevant rules issued thereunder and other accounting principles generally accepted in India.

Emphasis of Matter

We draw your attention to Note 27(C) of the Unaudited Condensed Consolidated Interim Financial Statements wherein the Holding Company has disclosed impact assessment due to COVID-19 pandemic. As stated in the said note, the Management has assessed that the pandemic and consequent lockdown imposed by the Government till end of November 2020 have considerably impacted the business operations of the Holding Company's Associates, including their subsidiaries, which in turn, have impacted the financial results of the Holding Company, being an investment entity. The management is also of the view that though there have been signs of a reasonably healthy recovery in the automotive sector during the third quarter of the financial year pursuant to the phased release of the lock down, a full recovery to the levels of the pre-COVID era is unlikely in the near future. Considering the uncertainties prevailing in the economic conditions globally and in India, such impact assessment done by the Management of the Holding Company is highly dependent on the circumstances as they evolve in subsequent periods.

Our conclusion is not modified in respect of this matter.

Other matters

We did not review the Unaudited Condensed Interim Financial Statements and other financial information of the Subsidiary; whose Unaudited Condensed Interim Financial Statements and other financial information reflect total assets of Rs. 3474.95 Lakhs as at 31st December, 2020, total revenues of Rs. 2209.72 Lakhs, total net profit after tax of Rs. 264.09 Lakhs, total comprehensive income/(loss) of Rs. (-) 456.66 Lakhs and net cash inflows amounting to Rs. 70.91 Lakhs for the nine-months period then ended, as considered in the Unaudited Condensed Consolidated Interim Financial Statements, whose unaudited condensed interim financial information have been reviewed by other auditor and their report was provided to us by the management. The Unaudited Condensed Consolidated Interim Financial Statements also include the Group's share of net profit of Rs. 3121.56 Lakhs and total comprehensive income of Rs. 2,568.24 lakhs for the nine-months period ended 31st December 2020, as considered in the Unaudited Condensed Consolidated Interim Financial Statements, in respect of nine Associates, whose unaudited financial results have not been reviewed by us. These unaudited financial results have been reviewed by other auditors whose reports have been furnished to us by the Management during our review of unaudited consolidated financial results for the quarter ended December 31, 2020 and nine months period then ended being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by circular No. CIR/CFD/CMD1/44/2019 dated, March 29, 2019 (the "Circular").

Our conclusion on the Unaudited Condensed Consolidated Interim Financial Statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiary and nine associates, is based solely on the reports of the other auditors.

Our conclusion is not modified in respect of the above matters.

Restriction on use

The accompanying Unaudited Condensed Consolidated Interim Financial Statements have been prepared in connection with the raising of funds in accordance with the provisions of the SEBI ICDR Regulations. Accordingly, this report should not be used, referred to or distributed for any other purpose.

For R.G.N. Price & Co.
Chartered Accountants
Firm's Registration Number: 002785S



K. Venkatakrishnan
Partner
Membership number : 208591
UDIN: 21208591AAAABR7700

Sundaram Finance Holdings Limited			
Unaudited Condensed Consolidated Interim Balance sheet as at Dec 31,2020			
(₹ in Lakhs)			
Particulars	Notes	Dec 31,2020 (Unaudited)	Mar 31,2020 (Audited)
ASSETS			
(1) Financial Assets			
(a) Cash and cash equivalents	1	939.73	998.60
(b) Derivative financial instruments	2	-	575.74
(c) Receivables	3	587.74	774.10
(d) Loans	4	34.05	44.47
(e) Investments	5	193992.32	187865.49
(f) Other financial assets	6	247.83	162.19
(2) Non-financial Assets			
(a) Current tax assets (Net)	7	493.01	467.66
(b) Investment property	8	185.71	171.26
(c) Property, plant and equipment	9	287.59	331.92
(d) Other intangible assets	9	36.77	24.20
(e) Goodwill		156.08	156.08
(f) Right of Use asset		118.25	202.12
(g) Other non-financial assets	10	383.73	435.07
Total Assets		197462.81	192208.90
LIABILITIES AND EQUITY			
LIABILITIES			
(1) Financial liabilities			
(a) Payables	11		
Trade Payables			
(i) Total outstanding dues of micro enterprises and small enterprises		3.76	0.67
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		67.39	86.26
(b) Other financial liabilities	12	177.95	127.90
(c) Derivative financial instruments	13	498.23	-
(d) Lease Liability		130.74	213.68
(2) Non-Financial liabilities			
(a) Provisions	14	326.25	311.12
(b) Deferred tax liabilities (Net)	15	7278.81	5616.13
(c) Other non-financial liabilities	16	87.22	126.87
(3) Equity			
(a) Equity share capital	17	7555.19	7555.19
(b) Other equity	18	181337.27	178171.08
Total Liabilities and Equity		197462.81	192208.90

For Sundaram Finance Holdings Limited



Harsha

Director

For Sundaram Finance Holdings Limited

V. Vasanth
Chief Financial Officer

For SUNDARAM FINANCE HOLDINGS LIMITED

P.N. SRIKANT
Secretary & Compliance Officer

Sundaram Finance Holdings Limited			
Unaudited Condensed Consolidated Interim Statement of Profit and Loss for the period ended 31 Dec 2020			
(₹ in Lakhs)			
Particulars	Notes	For the period ended 31 Dec 2020	For the period ended 31 Dec 2019
Revenue from operations			
Interest Income	19	1.31	250.91
Dividend Income		2.37	688.15
Net gain on fair value changes	20	534.93	153.39
Sale of services		3559.73	4610.20
Total Revenue from operations		4098.34	5702.65
Other Income	21	486.16	523.31
Total Income		4584.50	6225.96
Expenses			
Finance cost	22	11.26	27.43
Employee benefit expenses	23	2675.36	3225.11
Depreciation and Amortisation		109.89	171.09
Administrative and Other Expenses	24	1036.02	1465.35
Total expenses		3832.53	4888.98
Profit before exceptional items and tax		751.97	1336.98
Exceptional items		-	-
Profit before tax		751.97	1336.98
Tax expense			
1. Current tax		239.04	289.48
2. Deferred tax		(71.05)	27.82
Total tax		167.99	317.30
Profit for the period		583.98	1019.68
Share of net profits from associates		3121.56	4011.34
Profit after tax		3705.54	5031.02
Other Comprehensive Income			
A. Items that will not be reclassified to profit or loss			
Remeasurements of the defined benefit plans		(11.36)	(2.49)
Income tax on above		(3.31)	-
Remeasurements of the defined benefit plans (Net of tax)		(8.05)	(2.49)
Change in Fair value of equity instruments		(6654.82)	(41764.18)
Income tax on above		1971.34	379.91
Change in Fair value of equity instruments (Net of tax)		(8626.16)	(42144.09)
Share of other comprehensive income from associates using equity method (Net of tax)		75.69	3.86
B. Items that will be reclassified to profit or loss			
Change in fair value of derivative instrument		(998.55)	(238.70)
Income tax on above		(277.80)	(66.41)
Change in fair value of derivative instrument (Net of tax)		(720.75)	(172.29)
Share of other comprehensive income from associates using equity method		(374.57)	(453.97)
Foreign currency Translation Reserve		(254.44)	249.77
Other Comprehensive Income Net of Tax		(9908.28)	(42519.21)
Total Comprehensive Income for the period		(6202.74)	(37488.19)
Basic and Diluted Earnings per Equity Share of ₹ 5 each		2.45	3.33

For Sundaram Finance Holdings Limited

Harsha Kumar
Director

For Sundaram Finance Holdings Limited

V. Vaseen
Chief Financial Officer

For SUNDARAM FINANCE HOLDINGS LIMITED

P.N. Srikanth
Secretary & Compliance Officer



Sundaram Finance Holdings Limited		
Unaudited Condensed Consolidated Interim Statement of Cash Flows For the period ended 31 Dec 2020		
(₹ in Lakhs)		
Particulars	For the period ended 31 Dec 2020	For the period ended 31 Dec 2019
Cash flow from operating activities		
Profit before tax	751.97	1336.98
<i>Adjustments to reconcile profit before tax to net cash used in operating activities</i>		
Depreciation and Amortisation	109.89	171.09
Fair value change in financial instruments	(534.93)	(153.39)
Interest income	(1.31)	(250.91)
(Gain)/loss on sale of property, plant and equipment	(0.06)	0.04
Gain on lease modification	(5.74)	-
Finance costs paid	11.26	27.43
Net Actuarial gain/(loss) on defined benefit plan	(11.36)	(2.49)
Add: Dividend received from associates	390.41	2626.88
	710.13	3755.64
<i>Working capital adjustments</i>		
(Increase)/ Decrease in trade and other receivables	186.36	96.03
(Increase)/ Decrease in Loans	10.42	(22.31)
(Increase)/ Decrease in Other financial assets	(10.22)	(8.41)
(Increase)/ Decrease in Other non-financial assets	51.34	(95.40)
Increase/ (Decrease) in trade and other payables	(15.78)	(67.65)
Increase/(Decrease) in financial liabilities	50.05	79.80
Increase/(Decrease) in other non-financial liabilities and provisions	(24.50)	9.24
	957.79	3746.94
Income Tax paid	(220.64)	(441.87)
Net cash flows from operating activities	737.15	3305.07
Cash flow from investing activities		
Purchase of property, plant and equipment and intangible assets	(81.24)	(137.69)
(Purchase)/Sale of Mutual funds	13340.26	3993.00
(Purchase)/Sale of other investments	(13285.36)	(3630.32)
Proceeds from sale of property, plant and equipment	11.63	0.53
Interest received	1.74	1.74
Net cash flows from investing activities	(12.97)	227.26
Cash flow from financing activities		
Dividend Paid	(755.55)	(3187.91)
Lease Liability Principal	(16.24)	(94.00)
Finance charges-Lease Liability Interest	(11.26)	(17.62)
Finance charges paid	-	(9.81)
Net cash flows from financing activities	(783.05)	(3309.34)
Net increase / (decrease) in cash and cash equivalents	(58.87)	222.99
Cash and cash equivalents at the beginning of the year	998.60	475.55
Cash and cash equivalents at the end of the period (Note 1)	939.73	698.54

For Sundaram Finance Holdings Limited

For Sundaram Finance Holdings Limited

For SUNDARAM FINANCE HOLDINGS LIMITED



Harsha V
Director

V. Vasan
V. Vasan
Chief Financial Officer

P.N. Srikanth
P.N. SRIKANT
Secretary & Compliance Officer

Unaudited Condensed Consolidated Interim Statement of Changes in Equity for the period ended 31 Dec 2020

(a) Equity Share Capital (₹ in Lakhs)

Particulars	Amount
As at April 1, 2019	7555.19
Changes in equity share capital	-
As at Mar 31, 2020	7555.19
As at April 1, 2020	7555.19
Changes in equity share capital	-
As at Dec 31, 2020	7555.19

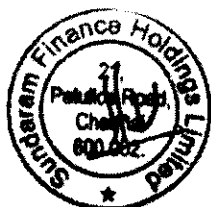
(b) Other equity

(₹ in Lakhs)

Particulars	Reserves and Surplus				Gains / (losses) from equity investments through OCI	Total
	Capital Reserve	General Reserve	FCTR	Retained Earnings		
Balance as at 01 April, 2019	2569.62	13135.01	1017.42	73200.51	139084.02	229006.59
Add: Profit or loss for the period				7813.49		7813.49
Add: Other comprehensive income			729.97	(306.78)	(54518.02)	(54094.83)
Less: Final Dividend for FY 2018-19 paid				(2644.35)		(2644.35)
Less: Dividend Tax				(543.55)		(543.55)
Less: Interim Dividend for FY 2019-20 paid				(1133.31)		(1133.31)
Less: Dividend Tax				(232.95)		(232.95)
Balance as at 31 Mar 2020	2569.62	13135.01	1747.39	76153.05	84566.00	178171.08

(₹ in Lakhs)

Particulars	Reserves and Surplus				Gains / (losses) from equity investments through OCI	Total
	Capital Reserve	General Reserve	FCTR	Retained Earnings		
Balance as at 01 April, 2020	2569.62	13135.01	1747.39	76153.05	84566.00	178171.08
Add: Profit or loss for the period				3705.54		3705.54
Add: Other comprehensive income			(254.44)	(1027.68)	(8626.16)	(9908.28)
Adjustment on account of acquisition of Wheels India Limited				9849.76		9849.76
Add: Equity impact	23.92			250.80		274.72
Less: Final Dividend for FY 2019-20 paid				(755.55)		(755.55)
Balance as at 31 Dec 2020	2593.54	13135.01	1492.95	88175.93	75939.84	181337.27



NOTES TO THE FINANCIAL STATEMENTS

1. Company Overview

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

2. SIGNIFICANT ACCOUNTING POLICIES

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

2.1 Basis of Preparation

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

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

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



NOTES TO THE FINANCIAL STATEMENTS

The group combines the financial statements of the parent and its subsidiary line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset.

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

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

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

Associates:

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

Name of the Associates	Country of Incorporation	Proportion of Ownership Interest (%)
Axles India Limited	India	38.81
Turbo Energy Private Limited	India	32.00
Wheels India Limited	India	23.28
Transenergy Limited	India	43.74
Sundaram Dynacast Private Limited	India	26.00
Sundaram Hydraulics Limited	India	25.71
Flometallic India Private Limited	India	40.00
Dunes Oman LLC (FZC)	Sultanate of Oman	43.69
Mind S.r.l Italy	Italy	40.60

NOTES TO THE FINANCIAL STATEMENTS

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

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

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

2.2 Measurement of fair values

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

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

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

2.3 Revenue Recognition:

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

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

Dividends:

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

Interest Income:

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

Rental Income:

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

NOTES TO THE FINANCIAL STATEMENTS

2.4. Financial Assets

Classification

The Group classifies its financial assets in the following categories:

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

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

Initial Measurement

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

Subsequent Measurement

Financial Asset measured at Amortised Cost (AC)

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

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

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

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

Any financial asset not subsequently measured at amortized cost or at fair value through other comprehensive income, is subsequently measured at fair value through profit or loss. Financial

NOTES TO THE FINANCIAL STATEMENTS

assets falling in this category are measured at fair value and all changes are recognized in the Statement of Profit and Loss.

2.5. Financial Liabilities

Initial Recognition

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

Subsequent Measurement

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

De-Recognition

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

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

Impairment of Financial Assets

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

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

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

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

Offsetting of financial instruments

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

NOTES TO THE FINANCIAL STATEMENTS

Derivative financial instruments

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

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

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

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

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

2.6. Leases

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

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

NOTES TO THE FINANCIAL STATEMENTS

determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

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

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

2.7. Employee Benefits

SHORT TERM EMPLOYEE BENEFITS

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

POST EMPLOYMENT BENEFITS

a. Defined Contribution plans

i. Superannuation

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

ii. Provident Fund

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

NOTES TO THE FINANCIAL STATEMENTS

b. Defined benefit plans

i. Gratuity

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

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

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

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

c. Other Long Term Employee Benefits

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

- ii) Leave Encashment:

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

NOTES TO THE FINANCIAL STATEMENTS

2.8 Income Taxes

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

Current tax

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

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

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

Deferred Tax

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

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

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

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

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

Current and Deferred tax for the year- OCI

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

2.9. Property, plant and equipment

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

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

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

Freehold land is not depreciated.

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

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

NOTES TO THE FINANCIAL STATEMENTS

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

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

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

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

(in years)

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

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

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

An item of the property plant equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of asset. Any gain or loss arising on the

NOTES TO THE FINANCIAL STATEMENTS

disposal or retirement of the item of property plant equipment is determined as the difference between the sale proceeds and carrying amount of the asset and is recognised in profit and loss.

2.10 Investment Property

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

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

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

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

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

Items of Investment property	Useful Lives(Total)
------------------------------	---------------------

Freehold Land	N.A
Building	30 years

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

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

NOTES TO THE FINANCIAL STATEMENTS

2.11. Intangible assets

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

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

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

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

2.12. Impairment of Assets

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

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

2.13. Foreign Currency Transactions

Functional and Presentation Currency:

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

Foreign Currency Transactions and balances:

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

NOTES TO THE FINANCIAL STATEMENTS

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

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

2.14. Cash Flow Statement

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

2.15. Provisions and Contingent Liabilities

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

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

NOTES TO THE FINANCIAL STATEMENTS

A Contingent liability is

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

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

2.16 Earnings Per Share

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

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

2.17 Cash and Cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily Convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

2.18 Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

3. Critical accounting judgments and key sources of estimation uncertainty

The preparation of consolidated financial statements in accordance with Ind AS requires use of estimates and assumptions for some items, which might have an effect on their recognition and measurement in the balance sheet and statement of profit and loss. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. The actual results may differ from these estimates. The

NOTES TO THE FINANCIAL STATEMENTS

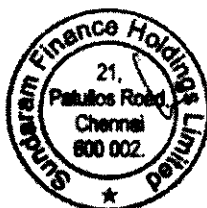
management believes that the estimates used in preparation of the consolidated financial statements are prudent and reasonable. Any revision to the accounting estimates is recognised prospectively in the current and future periods.

Useful lives of Property Plant and Equipment / Intangible Assets

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

Impairment of Financial Assets

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



(₹ in Lakhs)

Particulars	Dec 31, 2020	Mar 31, 2020
Note 1		
Cash and cash equivalents		
Cash on hand	0.20	0.15
Balances with Banks in Current Accounts	918.51	978.00
Earmarked balances with banks (for unpaid dividend)	21.02	20.45
	939.73	998.60

(₹ in Lakhs)

Particulars	Dec 31, 2020			Mar 31, 2020		
	Notional amounts	Fair value assets	Fair value liabilities	Notional amounts	Fair value assets	Fair value liabilities
Note 2						
Derivative Financial Instruments						
Part I						
(i) Currency Derivatives						
-Spot and forwards	-	-	-	-	575.74	-
Total Derivatives Financial Instruments	-	-	-	-	575.74	-
Part II						
Included in above (Part I) are derivatives held for hedging and risk management purpose as follows						
(i) Cash flow hedging						
-Currency derivatives	-	-	-	-	575.74	-
	-	-	-	-	575.74	-

The company holds forward contracts to mitigate the risk of changes in foreign exchange rates on forecasted cash flows denominated in foreign currencies. Derivatives are recognised and measured at fair value.

Particulars	Dec 31, 2020	Mar 31, 2020
Note 3		
Receivables		
Trade receivables		
- Considered good-Secured	-	-
- Considered good-Unsecured	587.74	774.10
- Receivables having significant increase in credit risk	37.07	33.20
Less : Allowance for impairment loss	(37.07)	(33.20)
- Credit Impaired	0.60	5.64
Less : Allowance for impairment loss	(0.60)	(5.64)
Debts due by Directors and others	-	-
	587.74	774.10
Note 4		
Loans-Unsecured and Measured at amortized cost		
Staff advance		
Gross Loans	36.54	46.96
Less: Impairment Loss allowance	2.49	2.49
Net Loans	34.05	44.47



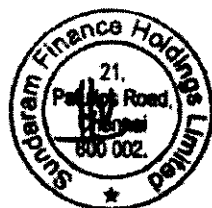
Note 5: Investments

(₹ in lakhs)

Particulars	Face Value (₹)	As at 31.12.2020		As at 31.03.2020	
		Holding (Number)	Carrying Amount	Holding (Number)	Carrying Amount
At Carrying amount					
- Associates					
-Flometallic India Private Limited	100000	3800	7305.36	3800	6195.44
-The Dunes Oman LLC (FZC)	1*	2293725	8846.76	2293725	8892.95
-Sundaram Hydraulics Limited	10	11250000	-	11250000	-
-Axles India Limited	10	9891754	4985.98	9891754	5329.20
-Turbo Energy Private Limited	10	2560000	47699.56	2560000	46125.28
-Transenergy Limited	100	120000	752.61	120000	387.98
-Sundaram Dynacast Private Limited	10	1170000	1505.58	1170000	1395.71
-Wheels India Limited	10	5601117	24333.53	-	-
-Mind S.r.l Italy	1#	305838	2305.63	-	-
Total - A			97735.01		68326.57
At fair value through other comprehensive income:					
-Equity Instruments					
-Wheels India Limited				3269096	18814.52
-Brakes India Private Limited	100	159460	22104.21	159460	12169.89
-India Motor Parts & Accessories Limited	10	2320005	12619.73	2320005	13495.32
-Sundaram Clayton Limited	5	2273081	40888.55	2273081	45703.24
-TVS Investments Private Limited	5	2273085	1956.06	2273085	2188.55
-Lucas-TVS Limited	100	63224	6861.96	63224	2923.22
-Delphi TVS Technologies Limited	10	252896	1244.14	252896	1196.02
-Techtran Polylenes Limited	10	250000	-	250000	-
-Vishnu Forge Industries Limited	10	297110	125.20	297110	114.68
-D2C Consulting Services Private Limited	10		1.75		1.75
-Fettle Tone LLP			2087.00		2087.00
Total - B			87888.60		98694.19
At fair value through profit or loss:					
- Mutual Funds					
-Sundaram Money Fund-Growth		2700510	1162.49	9845279.02	4122.18
-Sundaram Ultra Short term Fund-Growth		8136772.02	892.86	68397132.06	7215.35
-Sundaram Banking PSU & Debt Fund			-	10501895.15	3365.52
-Sundaram Money market fund		153582.661	17.84	37678369.73	4220.81
-JM Financial yield enhancer (Distressed Opportunity) Fund I - Series I			430.00		100.00
-HDFC Short Term Fund		2079494.746	517.61		
-ICICI Prudential Short Term Fund		1070399.41	517.66		
-HDFC Corporate Fund		3991402.1	1004.88		
-IDFC- Banking & Psu Debt fund		5150664.482	1002.50		
-IDFC Corporate Bond Fund		6567125.967	1002.42		
-Preference Shares					
-D2C Consulting Services Private Limited-0.1% Cumulative Convertible Preference Shares		17014	298.26	17014	298.26
Total - C			6846.52		19322.11
At amortised cost:					
-Preference Shares					
Sundaram Asset Management Company-6.75% Redeemable Cumulative Non-Convertible Preference Shares	100	1500000	1500.00	1500000	1500.00
- Government securities					
-IRFC tax free bonds	1000	2175	22.19	2175	22.62
Total - D			1522.19		1522.62
Total Investments A+B+C+D			193992.32		187865.49
Less: Allowance for Impairment loss					
Total Investments			193992.32		187865.49

* Face value in Omani Riyal

Face value in EURO



(₹ in Lakhs)

Particulars	Dec 31, 2020	Mar 31, 2020
Note 6		
Other Financial assets (Unsecured)		
Income receivable	82.13	3.74
Security Deposits	136.96	133.26
Unbilled Revenue	28.74	25.20
	247.83	162.19
Note 7		
Current Tax Assets (net)		
Advance Income Tax and Tax Deducted at source (Net of Provision for tax)	493.01	467.66
	493.01	467.66

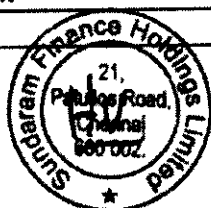
Note 8 : Investment Property

(₹ in Lakhs)

Particulars	Land	Building
As at 01-04-2020	128.75	54.28
Additions	-	19.95
Sub-total	128.75	74.23
Sales / deletion	-	-
Total	128.75	74.23
Depreciation		
Upto 31-03-2020	-	11.77
For the year	-	5.50
Sub-total	-	17.27
Withdrawn on assets sold / deleted	-	-
Total	-	17.27
Net Carrying amount		
As at 31-12-2020	128.75	56.96

(₹ in Lakhs)

Particulars	Land	Building
As at 01-04-2019	128.75	43.19
Additions	-	11.09
Sub-total	128.75	54.28
Sales / deletion	-	-
Total	128.75	54.28
Depreciation		
Upto 31-03-2019	-	7.68
For the year	-	4.09
Sub-total	-	11.77
Withdrawn on assets sold / deleted	-	-
Total	-	11.77
Net Carrying amount		
As at 31-03-2020	128.75	42.51



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Note 9

(₹ in Lakhs)

Description	Property, Plant & Equipment									Intangible Software-Bought out	Total (tangible and Intangible)
	Free hold land	Buildings	Plant & equipment	Furniture & fixtures	Office equipment	Electrical Equipment	Vehicles	Total			
As at 01-04-2020	31.86	3.08	344.05	43.46	48.36	20.21	13.72	504.72	137.82	642.54	
Additions	-	0.53	24.30	4.88	1.25	-	-	30.97	30.33	61.30	
Sub-total	31.86	3.61	368.35	48.34	49.61	20.21	13.72	535.69	168.15	703.83	
(-) Sales / deletion	-	-	0.87	5.78	1.28	-	13.46	21.39	-	21.39	
Total	31.86	3.61	367.48	42.56	48.32	20.21	0.26	514.30	168.15	682.45	
Depreciation											
Upto 31-03-2020	-	-	120.69	19.74	20.38	6.72	5.27	172.80	113.61	286.42	
For the year	-	-	52.27	4.32	5.14	1.39	0.60	63.71	17.76	81.47	
Sub-total	-		172.96	24.06	25.52	8.11	5.87	236.52	131.37	367.88	
(-) Withdrawn on assets sold / deleted	-		0.45	2.93	0.49	-	5.94	9.81	-	9.81	
Total	-	-	172.51	21.13	25.03	8.11	(0.07)	226.71	131.37	358.07	
Net Carrying amount											
As at 31-12-2020	31.86	3.61	194.97	21.43	23.30	12.10	0.33	287.59	36.77	324.38	

Description	Property, Plant & Equipment								Total (tangible and intangible)	
	Free hold land	Buildings	Plant & equipment	Furniture & fixtures	Office equipment	Electrical Equipment	Vehicles	Total		
As at 01-04-2019	31.86	3.08	169.31	35.55	38.65	18.65	16.44	313.53	122.86	436.39
Additions	-		175.11	7.91	10.01	1.56	-	194.59	14.96	209.55
Sub-total	31.86	3.08	344.43	43.46	48.66	20.21	16.44	508.12	137.82	645.94
(-) Sales / deletion			0.38	-	0.30	-	2.72	3.40	-	3.40
Total	31.86	3.08	344.05	43.46	48.36	20.21	13.72	504.72	137.82	642.54
Depreciation										
Upto 31-03-2019			75.71	13.33	12.42	4.78	5.04	111.28	82.02	193.29
For the year			45.02	6.42	8.04	1.94	2.95	64.37	31.60	95.97
Sub-total			120.73	19.74	20.47	6.72	7.99	175.65	113.61	289.26
(-) Withdrawn on assets sold / deleted			0.04	-	0.08	-	2.72	2.84	-	2.84
Total			120.69	19.74	20.38	6.72	5.27	172.80	113.61	286.42
Net Carrying amount										
As at 31-03-2020	31.86	3.08	223.35	23.71	27.98	13.49	8.45	331.92	24.20	356.12



(₹ in Lakhs)

Particulars	Dec 31, 2020	Mar 31, 2020
Note 10		
Other Non-Financial Assets		
Prepaid expenses	69.72	77.65
SEIS Scrip Incentive	-	106.23
Other advance	121.27	30.14
Service Tax /GST Input Credit	192.74	221.06
	383.73	435.07
Note 11		
Trade Payables		
(i) Total outstanding due to micro and small enterprises	3.76	0.67
(ii) Total outstanding due of creditors other than micro and small enterprises		
- For Expenses	67.39	86.26
- For Others	-	-
	71.15	86.93
Note 12		
Other Financial Liabilities		
Accrued expenses	90.17	95.72
Other Liabilities	87.78	32.18
	177.95	127.90

(₹ in Lakhs)

Particulars	Dec 31, 2020			Mar 31, 2020		
	Notional amounts	Fair value assets	Fair value liabilities	Notional amounts	Fair value assets	Fair value liabilities
Note 13						
Derivative Financial Instruments						
Part I						
(i) Currency Derivatives						
-Spot and forwards	-	-	498.23	-	-	-
Total Derivatives Financial Instruments	-	-	498.23	-	-	-
Part II						
Included in above (Part I) are derivatives held for hedging and risk management purpose as follows						
(i) Cash flow hedging						
-Currency derivatives	-	-	498.23	-	-	-
	-	-	498.23	-	-	-

The company holds forward contracts to mitigate the risk of changes in foreign exchange rates on forecasted cash flows denominated in foreign currencies. Derivatives are recognised and measured at fair value.



(₹ in Lakhs)

Particulars	Dec 31, 2020	Mar 31, 2020
Note 14		
Provisions		
Provision for Employee Benefits	326.25	283.50
Provision for expenses	-	27.62
	326.25	311.12
Note 15		
Deferred taxes		
Deferred tax liabilities		
On Investments	7850.53	6019.92
On Derivatives	(132.72)	145.08
Others	7.69	2.87
Deferred tax assets		
On Investments	(132.72)	(132.72)
On Employee Benefits	(22.49)	(22.11)
On Provision for doubtful debts	(11.17)	(11.50)
On Property, Plant & Equipment	(28.82)	(21.88)
On Security Deposits	(0.47)	(0.58)
On others	(2.15)	(2.95)
Minimum Alternate Tax (MAT) credit	(248.87)	(360.01)
Net Deferred tax liabilities	7278.81	5616.13
Note 16		
Other non-financial liabilities		
Statutory Liabilities	87.22	126.87
	87.22	126.87



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Note 17

(₹ in Lakhs)

Particulars	As at 31 Dec 2020	As at 31 Mar 2020
Authorised:		
32,00,00,000 Equity shares of face value of ₹. 5/- each (16,00,00,000 equity shares of face value of ₹. 5/- as on 31.03.2020)	16000.00	8000.00
	16000.00	8000.00
Issued, Subscribed and fully paid up:		
15,11,03,860 Equity shares of face value of ₹. 5/- each	7555.19	7555.19
	7555.19	7555.19

(a) Equity share capital	As at 31 Dec 2020		As at 31 Mar 2020	
	No. of Shares	₹ in Lakhs	No. of Shares	₹ in Lakhs
Balance at the beginning of the year	151103860	7555.19	151103860	7555.19
Changes in equity share capital during the year	-	-	-	-
Issued during the year	-	-	-	-
Balance at the end of the year	151103860	7555.19	151103860	7555.19

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

Name	Status	No. of Shares	% held as at 31.12.2020	No. of Shares	% held as at 31.03.2020
Sundaram Finance Limited	Promoter	32650000	21.61%	32650000	21.61%

Note 18

(₹ in Lakhs)

Particulars	Reserves and Surplus				Gains / (losses) from equity investments through OCI	Total
	Capital Reserve	General Reserve	FCTR	Retained Earnings		
Balance as at 01 Apr, 2019	2569.62	13135.01	1017.42	73200.51	139084.02	229006.59
Add: Profit or loss for the period				7813.49		7813.49
Add: Other comprehensive income			729.97	(306.78)	(54518.02)	(54094.83)
Less: Final Dividend for FY 2018-19 paid				(2644.35)		(2644.35)
Less: Dividend Tax				(543.55)		(543.55)
Less: Interim Dividend for FY 2019-20 paid				(1133.31)		(1133.31)
Less: Dividend Tax				(232.95)		(232.95)
Balance as at 31 Mar, 2020	2569.62	13135.01	1747.39	76153.05	84566.00	178171.08

(₹ in Lakhs)

Particulars	Reserves and Surplus				Gains / (losses) from equity investments through OCI	Total
	Capital Reserve	General Reserve	FCTR	Retained Earnings		
Balance as at 01 Apr, 2020	2569.62	13135.01	1747.39	76153.05	84566.00	178171.08
Add: Profit or loss for the period				3705.54		3705.54
Add: Other comprehensive income			(254.44)	(1103.37)	(8550.47)	(9908.28)
Adjustment on account of acquisition of Wheels India Limited				9849.76		9849.76
Add: Equity impact	23.92			250.80		274.72
Less: Final Dividend for FY 2019-20 paid				(755.55)		(755.55)
Balance as at 31 Dec, 2020	2593.54	13135.01	1492.95	88100.24	76015.53	181337.27



Profit & Loss Account

(₹ in Lakhs)

Particulars	For the period ended 31st Dec 2020	For the period ended 31st Dec 2019
Note 19		
Interest Income		
On financial assets measured at amortised cost		
Interest income from investments	1.31	250.91
Total	1.31	250.91
Note 20		
Net gain/(Loss) on fair value changes		
Net gain/(Loss) on financial instruments at FVTPL	534.93	153.39
-Investments		
Fair Value changes:		
-Realised	466.10	(175.11)
-Unrealised	68.83	328.50
Total Net gain/(Loss) on fair value changes	534.93	153.39
Note 21		
Other Income		
Interest Receipts	10.83	22.62
Rent Receipts	136.21	134.13
Other Non-Operating Income	21.72	0.44
Net gain on Exchange Fluctuation	304.73	198.20
Excess provisions/liabilities written back	2.72	22.43
Export Incentive SEIS	85.37	159.94
Derivative income/(loss)	(75.42)	(14.45)
TOTAL	486.16	523.31
Note 22		
Finance Costs		
Interest on Income Tax	-	9.81
Interest-others	11.26	17.62
TOTAL	11.26	27.43
Note 23		
Employee benefit expense		
Salaries, bonus and commission	2436.46	2899.88
Contribution to Provident and Other Funds	193.45	228.95
Staff welfare expenses	39.83	78.79
Staff Recruitment and Training Expenses	5.64	17.49
TOTAL	2675.36	3225.11
Note 24		
Administrative and Other Expenses		
Rent	256.42	309.70
Rates and taxes	8.19	25.34
Electricity expenses	68.46	124.85
Sales and Marketing expenses	72.17	227.21
Communication expenses	60.33	68.62
Outsourcing cost	117.94	123.40
Audit Fees	20.25	18.75
Repairs and Maintenance - others	76.13	132.47
Professional fees	85.44	93.62
Director sitting fees	8.85	10.75
Filing Fees	0.11	-
Travelling and Conveyance	3.92	90.30
Allowance for doubtful debts (Net)	3.87	4.94
CSR Expenditure	30.00	67.00
Miscellaneous expenses	223.94	168.40
TOTAL	1036.02	1465.35

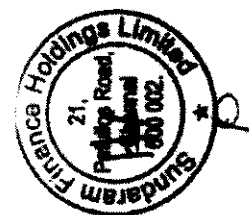


Note 25: Segment Reporting

(i) The Group has following operating segments namely Investments, Domestic Support Services and Overseas Support Services. The operating segments are established on the basis of individual segment's revenue being more than 10% of the combined revenue of all operating segments

₹ in Lakhs)

Business Segments		Investments		Support services				Eliminations		Total	
				Domestic		Overseas					
				Apr-Dec'20	Apr-Dec'19	Apr-Dec'20	Apr-Dec'19				
REVENUE											
Segment Revenue		538.60	1092.45	1761.46	2485.12	1834.73	2125.08	(36.45)		4098.34	5702.65
RESULT											
Segment Result		505.32	1060.86	7.43	10.67	137.35	181.85			650.09	1253.38
Unallocated income / (expenses) (Net)										101.88	83.60
Profit before tax										751.97	1336.98
Less: Income tax										167.99	317.30
Profit after tax before share of profits from associates										583.98	1019.68
Add: Share of profit from Associates										3121.56	4011.34
Profit after tax										3705.54	5031.02
Business Segments		Investments		Support services				Eliminations		Total	
				Domestic		Overseas					
		Apr-Dec'20	Apr-Mar'20	Apr-Dec'20	Apr-Mar'20	Apr-Dec'20	Apr-Mar'20	Apr-Dec'20	Apr-Mar'20	Apr-Dec'20	Apr-Mar'20
OTHER INFORMATION											
Segment Assets		194348.89	188182.95	913.27	1398.91	1857.34	1798.14			197119.50	191380.00
Unallocated Assets										343.31	828.90
Total Assets										197462.81	192208.90
Segment Liabilities		7775.30	5887.20	407.64	525.34	189.41	298.47			8377.35	6711.01
Unallocated Liabilities										197.99	(228.38)
Total Liabilities										8570.34	6482.63
Capital Expenditure										81.24	220.64
Depreciation										109.89	133.04



Note 26**Related Party Transactions**

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

Related Parties:**Holding Company**

Sundaram Finance Limited

Fellow Subsidiaries

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

Associate Companies

Plometallic India Private Limited
Dunes Oman LLC (FZC)
Sundaram Hydraulics Limited
Axles India Limited
Turbo Energy Private Limited
Transenergy Limited
Sundaram Dynacast Private Limited
Wheels India Limited (w.e.f. Jun'20)
Mind S.r.l Italy (w.e.f. Oct'20)

Key Management Personnel:

Sri. T.T.Srinivasaraghavan-Chairman
Sri. Harsha Vijji - Director
Sri. Paramesh Krishnaier-Chief Executive officer (Till 18th May 2020)
Sri. Ravi S -Chief Executive Officer
Sri.Vaasen V-Chief Financial Officer

Others

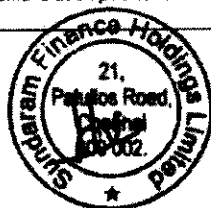
Sundaram Finance Holdings Gratuity Trust

Related Party Transactions:

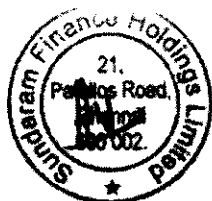
The nature and volume of transactions of the company during the period, with the above related parties are as follows:

(₹ in Lakhs)

Nature of Transactions	Holding Company	Associates	Fellow Subsidiaries	Joint Venture of Holding Company	KMP	Apr- Dec' 20	Apr- Dec' 19
Income							
Dividend Income							
Sundaram Dynacast Private Limited		93.60				93.60	117.00
Turbo Energy Private Limited						-	768.00
Dunes Oman LLC (FZC)						-	1012.22
Axles India Limited		148.38				148.38	395.67
Transenergy Limited						-	9.00
Plometallic India Private Limited						-	325.00
Wheels India Limited		148.43				148.43	-
Income from Services							
Sundaram Finance Limited	893.92					893.92	909.07
Sundaram Asset Management Company Ltd			17.28			17.28	220.01
Sundaram Fund Services Ltd			0.43			0.43	11.68
Sundaram Home Finance Ltd			29.71			29.71	38.26
Royal Sundaram General Insurance Co. Ltd				457.46		457.46	688.22
Sundaram Alternate Assets Limited			2.16			2.16	2.16
Turbo Energy Private Limited						-	0.50
Wheels India Limited		5.21				5.21	-
Transenergy Limited						-	0.11
Other Income							
Rental Income							
Turbo Energy Private Limited		25.80				25.80	25.80
Sundaram Finance Limited	70.79					70.79	70.79
Expenses							
Sundaram Finance Limited							
Rent & other Amenities	111.98					111.98	122.55
Internal Audit fees	9.00					9.00	9.00
ITVO Charges	0.30					0.30	0.09
Website Maintenance	0.77					0.77	0.77
Fuel Expenses	6.25					6.25	8.14
Royal Sundaram General Insurance Co. Limited							
Insurance				0.05		0.05	0.17
Turbo Energy Private Limited							
Procurement of Solar Panel						-	29.50
Sundaram Finance Limited							
Purchase of License	19.18					19.18	-
Remuneration paid to KMP					76.41	76.41	57.51



Nature of Transactions	Holding Company	Associates	Fellow Subsidiaries	Joint Venture of Holding Company	KMP	Apr- Dec' 20	FY 19-20
<u>Other Transactions - Investments</u>							
Purchase of Equity Shares - Wheels India Limited		9999.94				9999.94	-
Purchase of Equity Shares - Mind S.r.l.		2387.75				2387.75	-
Payment of Call money-Flometallic India		550.00				550.00	-
<u>Closing Balance of Investment in Equity Shares</u>							
Flometallic India Private Limited		7305.36				7305.36	6195.44
Dunes Oman LLC (FZC)		8846.76				8846.76	8892.95
Sundaram Hydraulics Limited		-				-	-
Axles India Limited		4985.98				4985.98	5329.20
Turbo Energy Private Limited		47699.56				47699.56	46125.28
Transenergy Limited		752.61				752.61	387.98
Sundaram Dynacast Private Limited		1505.58				1505.58	1395.71
Wheels India Limited		24333.53				24333.53	-
Mind S.r.l Italy		2305.63				2305.63	-
<u>Closing Balance of Investment in Preference Shares</u>							
Sundaram Asset Management Company Ltd			1500.00			1500.00	1500.00
<u>Insurance Deposit</u>							
Royal Sundaram General Insurance Co. Ltd				0.43		0.43	0.01
<u>Receivables:</u>							
Sundaram Finance Limited	111.26					111.26	178.28
Sundaram Asset Management Company Ltd			2.60			2.60	7.54
Sundaram Fund Services Ltd			0.28			0.28	0.34
Sundaram Home Finance Ltd			9.29			9.29	-
Royal Sundaram General Insurance Co. Ltd				6.08		6.08	85.22
Sundaram Alternate Assets Limited			0.28			0.28	0.28
<u>Payables:</u>							
Sundaram Finance Limited	2.04					2.04	12.66



Note 27**27(a) Contingent liabilities and commitments**

- (i) Estimated amount of investment to be made in JM Financial yield enhancer (Distressed Opportunity) Fund I - Series I for Capital Commitment-Rs.570 Lakhs.
- (ii) Estimated amount of capital commitments for Property,Plant and equipment and Investment property - Rs.32.50 lakhs.
- (iii) The Liability in respect of Guarantee issued by bank amount to Rs.50 lakhs.
- (iv) ESI Claims against the erstwhile Professional Management Consultants Limited (PMCL) not accepted by the company - Rs 2.06 lakhs (previous year – Rs 2.06 lakhs). Against this claim, PMCL filed an appeal before the Employees' Insurance (EI) Court and a stay was obtained, on a payment of 20% of the disputed amount. Accordingly, PMCL has deposited a sum of Rs 0.41 lakhs with the EI Court. The said amount has been grouped under Loans and Advances in the Balance Sheet.

In an earlier year, the above appeal was dismissed by the ESI Court and PMCL has since filed an appeal before Hon'ble High Court of Chennai and has obtained a stay against the order of the ESI Court. The Hon'bl High Court of Chennai issued a favourable order and set aside the order earlier passed by the Employee Insurance Court.

- (v) ESI Claims against the company not acknowledged as debts - Rs 1.25 lakhs (Previous Year - Rs 1.25 lakhs). The company has filed an appeal against the Order dated 19.02.2016 Accordingly, the Company has deposited a sum of Rs 0.63 lakhs with EI Court. The said amount has been grouped under Loans and Advances in the Balance Sheet.

27(b) MSME Disclosures -

There is no amount due to small scale industries more than 45 days in terms of "The Micro, Small and Medium Enterprises Development Act, 2006".

27(c) COVID -19

The worldwide disruption caused by the COVID-19 pandemic and the consequent lockdown imposed almost till end-November 2020 have considerably impacted the business operations of our associate companies, including their subsidiaries, which in turn, have impacted the financial results of the Company. Though there have been signs of a reasonably healthy recovery in the automotive sector during the third quarter of the financial year pursuant to the phased release of the lock down, a full recovery to the levels of the pre-COVID era is unlikely in the near term. The company will however continue to closely monitor any material changes to future economic conditions and take appropriate risk mitigation measures.



R.G.N. PRICE & CO.,

CHARTERED ACCOUNTANTS

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Kochi, Kollam & Kozhikode

Simpson's Buildings,
861, Anna Salai,
Chennai - 600 002

7th February 2020

Independent Auditor's Review Report on Quarterly and Year to Date Unaudited Consolidated Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

To the Board of Directors of Sundaram Finance Holdings Limited

1. We have reviewed the accompanying Statement of Unaudited Consolidated Financial Results of Sundaram Finance Holdings Limited ("the Parent") and its Subsidiary (the Parent and its Subsidiary together referred to as "the Group"), and its share of the net profit after tax and total comprehensive income of its Associates for the quarter ended December 31, 2019 and year to date from April 1, 2019 to December 31, 2019 ("the Statement"), being submitted by the Parent pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by circular No. CIR/CFD/CMD1/44/2019 dated, March 29, 2019 (the "Circular"). Attention is drawn to the fact that the consolidated figures for the corresponding period April 1, 2018 to December 31, 2018, as reported in the statement have been approved by the Parent's Board of Directors, but have not been subjected to review by us.
2. This Statement, which is the responsibility of the Parent's Management and approved by the Parent's Board of Directors, has been prepared in accordance with the recognition and measurement principles as laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013, (the Act) and other accounting principles generally accepted in India. Our responsibility is to issue a report on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing specified under section 143(10) of the Act and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, to the extent applicable.



4. The statement includes the results of the following entities:

Subsidiary - Sundaram Business Services Limited

Associates:

1. Axles India Limited
2. Turbo Energy Private Limited
3. Transenergy Limited
4. Sundaram Dynacast Private Limited
5. Sundaram Hydraulics Limited
6. Flometallic India Private Limited
7. Dunes Oman LLC (FZC)

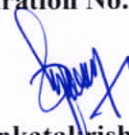
5. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review reports of other auditors referred to in paragraph 6 below, nothing has come to our attention that causes us to believe that the Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.
6. We did not review the interim financial results of the Subsidiary included in the unaudited consolidated financial results, whose interim financial results reflect total revenues of Rs.936.37 lakhs and Rs.2,801.15 lakhs, total net profit after tax of Rs.215.67 lakhs and Rs.297.51 lakhs, total comprehensive income of Rs.26.29 lakhs and Rs.125.22 lakhs for the quarter ended December 31, 2019 and for the period from April 01, 2019 to December 31, 2019 respectively. The consolidated unaudited financial results also includes the Group's share of net profit after tax of Rs.1,414.84 lakhs and Rs.4,011.34 lakhs and total comprehensive income of Rs.1,193.91 lakhs and Rs.3,811 lakhs for the quarter ended December 31, 2019 and for the period from April 01, 2019 to December 31, 2019 respectively, as considered in the unaudited consolidated financial results, in respect of seven Associates, whose interim financial results have not been reviewed by us. These interim financial results have been reviewed by other auditors whose reports have been furnished to us by the Management and our conclusion on the statement, in so far as it relates to the amounts and disclosures included in respect of the Subsidiary and seven Associates are based solely on the reports of the other auditors and the procedures performed by us as stated in paragraph 3 above.

Our conclusion on the Statement is not modified in respect of the above matters.

Place: Chennai

Date: 7th February 2020

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



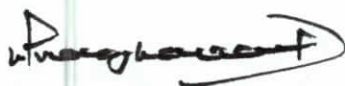
K. Venkatakrishnan
Partner
Membership No.208591
UDIN: 20208591AAAAAU9736

STATEMENT OF UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31.12.2019

Sl.No	Particulars	QUARTER ENDED			NINE MONTHS ENDED		YEAR ENDED
		31.12.2019 (Unaudited)	30.09.2019 (Unaudited)	31.12.2018 (Unaudited)	31.12.2019 (Unaudited)	31.12.2018 (Unaudited)	31.03.2019 (Audited)
1	Revenue from Operations						
	-Interest Income	34.36	110.06	104.40	250.91	251.42	354.47
	-Dividend Income	44.27	489.80	461.87	688.15	997.60	2367.51
	-Fair value gain/(loss) on financial instruments through FVTPL	172.43	601.79	74.33	328.50	176.72	146.75
	-Net gain/(loss) on derecognition of financial instruments	100.49	(280.55)	192.13	(175.11)	562.42	915.65
	-Sale of services	1537.73	1460.74	1511.88	4610.20	4587.92	6161.96
2	Other income	294.19	109.38	196.75	523.31	208.36	318.89
3	Total Income	2183.47	2491.22	2541.36	6225.96	6784.44	10265.23
4	EXPENSES:						
	Finance cost	5.28	15.69	19.38	27.43	24.94	24.64
	Employee benefits expense	1046.81	1082.70	1001.83	3225.11	2997.55	4001.21
	Depreciation and Amortisation	59.95	55.82	27.08	171.09	77.90	100.66
	Administrative and Other Expenses	505.68	459.38	450.72	1465.35	1424.27	1934.32
	Total Expenses	1617.72	1613.59	1499.01	4888.98	4524.66	6060.83
5	Profit/ (Loss) before exceptional items,share of profit from associate and tax	565.75	877.63	1042.35	1336.98	2259.78	4204.40
6	Exceptional items	-	-	-	-	-	-
7	Profit/ (Loss) before tax	565.75	877.63	1042.35	1336.98	2259.78	4204.40
8	Tax Expense						
	- Current tax	130.04	22.47	297.45	289.48	804.78	1177.65
	- Deferred tax	42.72	126.33	19.18	27.82	9.98	4.96
9	Profit/(Loss) after Tax	392.99	728.83	725.72	1019.68	1445.02	3021.79
10	Share of profit from associates	1414.84	1403.79	2304.77	4011.34	8043.15	10724.44
11	Profit after Tax and share of profit from associates	1807.81	2132.62	3030.49	5031.02	9488.17	13746.23
12	Other Comprehensive Income						
	A (i) Items that will not be reclassified to profit or loss	(6379.40)	(18212.94)	(20199.21)	(41766.67)	(43322.85)	(60909.21)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	2438.05	(1061.49)	(2958.43)	379.91	(6274.78)	(4137.65)
	(iii)Share of other comprehensive income from associates using equity method that will not be reclassified to profit or loss (net of tax)	4.14	(7.65)	(0.32)	3.86	(49.43)	(55.06)
	B (i) Items that will be reclassified to profit or loss	(262.38)	23.28	123.78	(238.70)	123.78	88.14
	(ii) Income tax relating to items that will be reclassified to profit or loss	(73.00)	6.48	0.00	(66.41)	-	24.52
	(iii) Share of other comprehensive income from associates using equity method that will be reclassified to profit or loss (net of tax)	(302.15)	164.87	(4.62)	(453.97)	380.69	736.64
	(iv) Exchange difference on translation of foreign operations	77.10	179.74	75.50	249.77	836.80	412.72
13	Total Other Comprehensive Income/(Loss)	(9227.74)	(16797.69)	(17046.45)	(42519.21)	(35756.23)	(55613.64)
14	Total Comprehensive Income/(Loss) for the period	(7419.93)	(14665.07)	(14015.96)	(37488.19)	(26268.06)	(41867.41)
15	Basic and Diluted Earnings per Equity Share (₹) (not annualised)	1.20	1.41	2.01	3.33	6.28	9.10

Notes:

- The above results were reviewed by the audit committee and approved by the Board of Directors at the respective meetings held on February 7, 2020.
- The financial results for the quarter and nine months ended December 31,2019 has been subjected to limited review by the statutory auditors of the company.
- Effective 1st April 2019, the Company adopted Ind AS 116 "Leases" and applied the same to lease contracts existing on 1st April 2019 using the modified retrospective method, wherein the right of use asset was created for an amount equal to the lease liability. Accordingly, comparatives for the year ended 31st March 2019 have not been retrospectively adjusted.The effect of this adoption is insignificant on the profit for the period and earnings per share.

By Order of the Board

T.T. SRINIVASARAGHAVAN
Chairman

Chennai
February 7,2020

Sundaram Finance Holdings Limited

CIN: L65100TN1993PLC025996

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CONSOLIDATED SEGMENT INFORMATION FOR THE QUARTER AND NINE MONTHS ENDED 31.12.2019

(₹ in Lakhs)

Particulars	QUARTER ENDED			NINE MONTHS ENDED		YEAR ENDED
	31.12.2019 (Unaudited)	30.09.2019 (Unaudited)	31.12.2018 (Unaudited)	31.12.2019 (Unaudited)	31.12.2018 (Unaudited)	31.03.2019 (Audited)
Business Segments						
1. Segment Revenue						
a) Investments	351.55	921.10	832.73	1092.45	1988.16	3784.38
b) Support Services						
- Domestic	795.26	818.64	762.01	2485.12	2348.98	3217.21
- Overseas	742.47	642.10	762.02	2125.08	2275.39	2993.35
Total	1889.28	2381.84	2356.76	5702.65	6612.53	9994.94
Less: Inter Segment Revenue	-	-	(12.15)	-	(36.45)	(48.60)
Income from Operations	1889.28	2381.84	2344.61	5702.65	6576.08	9946.34
2. Segment Results						
a) Investments	341.02	910.58	823.28	1060.86	1960.13	3746.80
b) Support Services						
- Domestic	20.81	(29.76)	(13.08)	10.67	55.52	62.22
- Overseas	98.87	33.51	134.15	181.85	344.34	513.78
Total	460.70	914.33	944.35	1253.38	2359.99	4322.80
Add: Other Unallocable income net of Unallocable expenditure	105.05	(36.70)	98.00	83.60	(100.21)	(118.40)
Profit Before Tax	565.75	877.63	1042.35	1336.98	2259.78	4204.40
3. Capital Employed						
Segment Assets						
a) Investments	201784.37	206525.80	255498.42	201784.37	255498.42	241943.82
b) Support Services						
- Domestic	1278.89	1202.18	1160.39	1278.89	1160.39	1163.41
- Overseas	1761.93	2019.80	1605.51	1761.93	1605.51	1793.24
Total Segment Assets	204825.19	209747.78	258264.32	204825.19	258264.32	244900.47
Add: Unallocable Corporate Assets	263.30	432.92	456.54	263.30	456.54	351.36
Total Assets	205088.49	210180.70	258720.86	205088.49	258720.86	245251.83
Segment Liabilities						
a) Investments	8893.67	6406.63	6369.47	8893.67	6369.47	8484.32
b) Support Services						
- Domestic	501.57	527.20	248.51	501.57	248.51	287.91
- Overseas	59.13	175.12	33.16	59.13	33.16	141.03
Total Segment Liabilities	9454.37	7108.95	6651.14	9454.37	6651.14	8913.26
Add: Unallocable Corporate Liabilities	(251.56)	(233.86)	(91.42)	(251.56)	(91.42)	(223.21)
Total Liabilities	9202.81	6875.09	6559.72	9202.81	6559.72	8690.05



ACCOUNTING RATIOS AND CAPITALISATION STATEMENT

The following tables present certain key accounting and other ratios of our Company computed on the basis of the Financial Statements included in the section titled “Financial Statements” beginning on page 72.

Accounting Ratios

Particulars	As at and for			
	Nine month period ended December 31, 2020	Nine month period ended December 31, 2019	Financial year ended March 31, 2020	Financial year ended March 31, 2019
Earnings per Equity Share				
a. Basic earnings per Equity Share (₹)	2.45*	3.33*	5.17	9.10
b. Diluted earnings per Equity Share (₹)	2.45*	3.33*	5.17	9.10
Return on net worth (%)	1.96%*	-	4.21%	5.81%
Net asset value per Equity Share (₹)	125.01	-	122.91	156.56
EBITDA (₹ in lakhs)	3,508.52	5,023.54	7,930.99	14,735.25

*Not annualized

The ratios have been computed as below:

Ratios	Computation
Basic and Diluted Earnings Per Share	$\frac{\text{Profit attributable to shareholder}}{\text{Total number of weighted average number of shares}}$
Return on Net Worth (%)	$\frac{\text{Profit for the Year}}{\text{Net Worth}}$
Net Asset Value per Share	$\frac{\text{Net Worth}}{\text{Number of shares as at the end of the relevant period}}$
EBITDA	Profit before tax + depreciation and amortization expenses and finance cost + share of profit from associates-other income

Calculation of Earning per Equity Share

(in ₹ lakhs)

Particulars	As at and for			
	Nine month period ended December 31, 2020	Nine month period ended December 31, 2019	Financial year ended March 31, 2020	Financial year ended March 31, 2019
Profit attributable to Equity shareholders (A)	3,705.54	5,031.02	7,813.49	13,746.23
Weighted average number of equity shares outstanding at the end of the period (B)	15,11,03,860	15,11,03,860	15,11,03,860	15,11,03,860
Basic and Diluted EPS (A)/(B)	2.45	3.33	5.17	9.10

Calculation of Return on Net Worth

(in ₹ lakhs)

Particulars	As at and for		
	Nine month period ended December 31, 2020	Financial year ended March 31, 2020	Financial year ended March 31, 2019
Profit / (loss) after tax (A)	3,705.54	7,813.49	13,746.23
Net Worth (B)	1,88,892.46	1,85,726.27	2,36,561.78
Return on Net-Worth [A / B] * 100	1.96%	4.21%	5.81%

Calculation of Net Worth and Net Asset Value per Equity Share

(in ₹ lakhs, except per share data)

Particulars	As at and for		
	Nine month period ended December 31, 2020	Financial year ended March 31, 2020	Financial year ended March 31, 2019
Equity share capital (A)	7,555.19	7,555.19	7,555.19
Other equity (B)	1,81,337.27	1,78,171.08	2,29,006.59
Net-Worth (C) = [A + B]	1,88,892.46	1,85,726.27	2,36,561.78
Number of Equity shares as at the end of the relevant period (D)	15,11,03,860	15,11,03,860	15,11,03,860
Net Asset Value per Equity Share [(C*10⁵ / D] (₹)	125.01	122.91	156.56

Calculation of EBITDA

(in ₹ lakhs)

Particulars	As at and for			
	Nine month period ended December 31, 2020	Nine month period ended December 31, 2019	Financial year ended March 31, 2020	Financial year ended March 31, 2019
Profit / (loss) before tax (A)	751.97	1,336.98	3,477.44	4,204.40
Finance costs (B)	11.26	27.43	27.52	24.64
Depreciation and amortisation expense (C)	109.89	171.09	133.04	100.66
Add: Share of profits from associates (D)	3,121.56	4,011.34	4,884.24	10,724.44
Other income (E)	486.16	523.31	591.25	318.89
EBITDA [A + B + C + D - E]	3,508.52	5,023.54	7,930.99	14,735.25

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Unless indicated otherwise, the financial information included herein are based on our Audited Consolidated Financial Statements for the financial year ended March 31, 2020 and Unaudited Condensed Consolidated Interim Financial Statements for the nine month period ended December 31, 2020. For further details, please see "Financial Statements" on page 72. You should read the following discussion and analysis of our financial condition and results of operations together with the Financial Statements, including the significant accounting policies, notes thereto and reports thereon, which have been prepared in accordance with Companies Act and SEBI ICDR Regulations. The Financial Statements have been prepared on a basis that differs in certain material respects from generally accepted accounting principles in other jurisdictions, including IFRS. Accordingly, the degree to which Financial Statements will provide meaningful information to a prospective investor in countries other than India is entirely dependent on the reader's level of familiarity with Ind AS. Our fiscal year ends on March 31 of each year, so all references to a particular fiscal year are to the twelve-month period ended March 31 of that year.

The following discussion and analysis contain forward-looking statements that involve risks and uncertainties. Our actual results may differ from those anticipated in these forward-looking statements as a result of any number of factors, including those set forth in the sections "Forward-Looking Statements" and "Risk Factors" on pages 15 and 18, respectively.

Unless otherwise indicated, all industry and market data used in this section has been derived from the ICRA Report. None of our Company, the Lead Manager or any other person connected with the Issue has independently verified such information. Unless otherwise indicated, all financial, operational, industry and other related information derived from the ICRA Report and included herein with respect to any particular year refers to such information for the relevant calendar year.

OVERVIEW

We are an automotive sector focused investment company with investments in 20 portfolio companies of which 15 companies are involved across the automotive manufacturing value chain. Our investments are focused in the automotive space, with current investments in portfolio companies engaged in various aspects of automotive manufacturing including axles, axle housing, wheels and suspension, fuel injection equipment, precision aluminium cast products, iron castings, spare parts and electrical equipment. Further, several of our portfolio companies are market leaders in their respective segments, such as Brakes India Private Limited, which is amongst the leading suppliers of braking systems in the personal vehicle segment, Wheels India Limited, which is a key player in steel rims/wheels manufacturing as well as a key supplier on air suspension systems, Turbo Energy Private Limited, which is one of the largest turbocharger manufacturers in the domestic market, catering to all major personal vehicle OEMs as well as commercial vehicle players, Axles India Limited, which is a prominent axle housing suppliers, Sundaram Clayton Limited, which is a leading aluminium die-casting company, especially in the commercial vehicle segment, Lucas TVS Limited, which is a key supplier of automotive electrical components such as alternators, starter motors and wiper motors and Delphi TVS Technologies Limited, one of the few large players in the fuel injection system market. (Source: ICRA Report) As per ICRA, Turbo Energy, Honeywell Turbo Technologies India Private Limited ("Honeywell") and Cummins Turbo Technologies Limited ("CTT") together accounted for over 90% of the domestic turbocharger requirement.

Our Company was incorporated on October 13, 1993, under the name of Sundaram Finance Securities Private Limited. Pursuant to a scheme of arrangement and amalgamation between our Promoter, our Company, and certain other transferor companies, approved by the National Company Law Tribunal by way of an order dated January 12, 2018, certain identified shared services from our Promoter and Sundaram BPO India Limited, and training services, non-core investments and identified immovable properties from our Promoter were transferred into and vested in our Company, as a going concern, with effect from April 1, 2016. Pursuant to an application dated September 17, 2020, we had applied for registration as a non-deposit taking non-banking finance company. Our application was returned by RBI vide their letter dated February 25, 2021, post which we sought a clarification from RBI vide our letter dated February 26, 2021.

We also provide business process outsourcing services in the nature of information technology enabled services in areas of accounting, insurance, banking, human resources, telecom etc. and administrative, managerial, maintenance, document processing, data entry, reconciliation, training and orientation and other support services to our portfolio companies and to various third parties through our Subsidiary.

We derive income, amongst others, from our 20 portfolio companies and also from provision of support services.

FACTORS AFFECTING OUR RESULTS OF OPERATIONS

We believe that the following factors, amongst others, have significantly affected our results of operations, cash flows and financial condition during the periods under review, and may continue to affect our results of operations and financial condition in the future:

Macro-economic conditions in the sector in which we operate

Our investments are focussed primarily on the automotive sector with 15 of our 20 portfolio companies engaged in the automotive sector. For the nine month period ended December 31, 2020 and Fiscal 2020, 0.44% and 72.86% of our revenue from operations from investments was contributed by portfolio companies engaged in the automotive sector. As we focus on investments in the automotive sector, developments in the automotive and transportation industry have, and will likely continue in the future to have, a disproportionate impact on our investments. As per ICRA, the COVID-19 induced country-wide lockdown, caused factories to close and dealerships to shut, leading to complete loss of sales for the OEMs in April 2020 – a first in the history for the industry. While the operations of OEMs resumed in May-2020, the unabated rise in Covid-19 infections in the unlock phase have resulted in localized re-imposition of lockdowns in several states. This again impacted the domestic supply chains and interrupted the pace of overall economic recovery. (Source: ICRA Report)

Our business is, therefore, entirely dependent on various factors that impact this sector such as the demand for automobiles or transportation services in India, changes in Indian regulations and policies affecting vehicles, natural disasters and calamities as well as the Indian and global macroeconomic environment. For example, according to ICRA, the scrappage policy has the potential to drive some replacement demand in the commercial vehicle sector when implemented. However, the extent of such benefit would remain dependent on the form and quantum of incentives offered under the scheme (Source: ICRA Report). Such factors may result in a decline in the sales or value of certain kinds of vehicles, which in turn may adversely affect the financial condition, the results of operations and/or cash flows of our portfolio companies. The enforcement of such scrappage policy may result in a decline in the sale of the products by our portfolio companies which would further, impair our investment and require us to write down our investments or may impact our ability to receive dividend income from our portfolio companies.

Our business, to a large extent, depends on the continued growth in the automobile and transportation industry in India, which is influenced by a number of extraneous factors which are beyond our control, inter-alia including (a) the macroeconomic environment in India, (b) the demand for transportation services, (c) natural disasters and calamities, and (d) changes in regulations and policies in connection with motor vehicles as well as the automotive industry.

Our investments are not diversified and any factor which adversely impacts the automotive and transportation industry may have a disproportionate impact on our operations, profitability and/or cash flows.

Revenue from our portfolio companies

We depend on a limited number of portfolio companies for a significant portion of our revenues. Our top 5 portfolio companies represented 71.12% and 58.63% of our revenue from operations from investments and 24.38% and 22.31% of our total revenue from operations for Fiscal 2020 and Fiscal 2019, respectively.

It is difficult to forecast the success or sustainability of any strategies undertaken by any of our key portfolio companies in response to the current economic or industry environment. Unfavourable industry conditions can also result in an

increase in commercial disputes and other risks of supply disruption. A sustained decline in the demand for products produced by our portfolio companies could prompt them to cut their production volumes, directly affecting the demand from customers for their products. In addition to decline in demand for existing products, insufficient demand for new products launched by our portfolio companies may also affect demand for their products from customers. Further, the volume and timing of sales to end customers may vary due to variation in demand for our portfolio companies' products, their attempts to manage their inventory, design changes, changes in their product mix, manufacturing strategy and growth strategy, and macroeconomic factors affecting the economy in general, and our portfolio companies in particular.

Our growth depends on the growth of our portfolio companies. If our key portfolio companies do not successfully enter into new high-growth segments, we may be prevented from capitalising on new growth opportunities. Since we are significantly dependent on certain key portfolio companies for a significant portion of our revenues, the loss of any one of our key portfolio companies or any adverse change in the financial condition of any of these portfolio companies, could have an adverse effect on our business, results of operations and financial condition. We may continue to remain dependent upon our key portfolio companies for a substantial portion of our revenues.

Government Regulations and Policies

We are subject to the corporate, taxation and other laws in effect in India. The regulatory and legal framework governing us may continue to change as India's economy and commercial and financial markets evolve. In recent years, existing rules and regulations have been modified, new rules and regulations have been enacted and reforms have been implemented which are intended to provide tighter control and more transparency in India's non-banking finance sector.

The laws and regulations governing the banking and financial services industry in India have become increasingly complex and cover a wide variety of issues, such as interest rates, liquidity, securitisation, investments, money laundering and privacy. In some cases, there are overlapping regulations and enforcement authorities. Moreover, these laws and regulations can be amended, supplemented or changed at any time such that we may be required to restructure our activities and incur additional expenses to comply with such laws and regulations, which could materially and adversely affect our business and our financial performance.

Compliance with many of the regulations applicable to our operations in India, including any restrictions on investments and other activities currently being carried out by our Company, involves a number of risks, particularly in areas where applicable regulations may be subject to varying interpretations. Further, compliance with many of the regulations applicable to our operations may involve significant costs and otherwise may impose restrictions on our operations. There can be no assurance that the laws governing our Company and its operations will not change in the future or that such changes or the interpretation or enforcement of existing and future laws and rules by governmental and regulatory authorities will not adversely affect our business and future financial performance.

Additionally, we are required to make various filings with Registrar of Companies and other relevant regulatory or statutory authorities pursuant to the provisions of the Companies Act and other regulations. In addition, we are also required to comply with the directives, regulations and guidelines issued by other regulators for listed companies, including stock exchanges and SEBI. If we fail to comply with these requirements, or a regulator claims we have not complied with these requirements, we may be subject to penalties and compounding proceedings. Imposition of any penalty or adverse findings by such authorities may have an adverse effect on our business, operations results, financial condition and reputation.

Our Investments, divestitures and other significant transactions

As part of our business strategy, we may acquire or invest in companies or businesses, enter into strategic alliances and joint ventures, divest non-core businesses or assets, sell or dispose of any unit(s) or division(s), and make investments/disinvestments to further our business or any other restructuring. In order to pursue this strategy successfully, we must identify suitable entities for successfully completing such transactions, some of which may be large and complex, and manage the integration of acquired companies or employees. We may not fully realise all of

the anticipated benefits of any such transaction within the anticipated timeframe or at all. Any increased or unexpected costs, unanticipated delays or failure to achieve contractual obligations could make such transactions less profitable or unprofitable. Managing business combination(s) and investment transactions requires varying levels of management resources, which may divert our attention from other business operations, and may result in significant costs and expenses and charges to earnings. The challenges involved in integration include:

- combining product offerings for different portfolio companies and entering into new markets in which we are not experienced;
- consolidating and maintaining relationships with customers of such portfolio companies;
- consolidating and rationalising transaction processes and corporate and information technology infrastructure;
- integrating employees and managing employee issues;
- coordinating and combining administrative and other operations and relationships with third parties in accordance with applicable laws and other obligations while maintaining adequate standards, controls and procedures;
- achieving savings from infrastructure integration; and
- managing other business, infrastructure and operational integration issues.

Accordingly, a failure to identify, manage, complete and integrate acquisitions, divestitures and other significant transactions successfully could adversely affect our results of operations, business prospects and/or cash flows.

Impact of COVID-19

Due to the emergence of the coronavirus disease 2019 (“**COVID-19**”), declared a pandemic by the World Health Organization, the Government of India had introduced stringent measures to prevent the spread of the disease. As on the date hereof, certain restrictions imposed by the GoI, such as on maintenance of social distancing, have not been completely lifted. As the viral pandemic has not yet fully subsided, there is little comprehension on the full impact of the pandemic induced lockdown on the Indian or the global economy. While the GoI has, through the Ministry of Finance, issued a series of liquidity enhancement measures to counteract the slowdown caused by a reduction in economic activity during the lockdown, the impact of such measures remains unknown at the present moment.

Some of the ascertainable impact of COVID-19 pandemic and the pandemic induced lockdown on the business and operations of our portfolio companies and consequently on our prospects, include:

- Adverse impact on the business of our portfolio companies and their customers, which in turn has adversely impacted our business prospects;
- Adverse liquidity on account of an RBI mandated moratorium, which in turn will also lead to decrease in overall auto sales and repayments; and
- Reduction of employee headcount or employee costs and other cost optimization measures.

While our Company was operational during the lockdown in accordance with the guidelines issued by the Ministry of Home Affairs and the concerned State Government, from time to time, there can be no assurance that even with easing of the pandemic containment measures, economic activity in general or the level of business enjoyed by our Company or our portfolio companies in the past will continue to exist.

The extent to which the COVID-19 outbreak impacts our business, cash flows, results of operations and financial condition will significantly depend on future developments, including the timeliness and effectiveness of actions taken or not taken to contain and mitigate the effects of COVID-19 both in India and internationally by governments, central banks, healthcare providers, health system participants, other businesses and individuals, which are highly uncertain and cannot be predicted.

Additionally, as we gradually transition towards pre-pandemic levels of office attendance for our employees, sanitisation and precautionary measures undertaken may cause our Company to incur additional expenses to maintain the health of employees, including operating with limited staff or at limited times, which in turn will impact our business and results of operations. Further, if any of our employees contract COVID-19 and are unable to continue

working, we may be compelled to undertake additional measures including temporary suspension of operations at a particular office, which in turn will impact our business and results of operations.

The negative impacts of the COVID-19 pandemic is expected to be reflected in the turnover and profitability of our Company for the Fiscal 2021. Our revenue from operations decreased by 28.13% from ₹ 5,702.65 lakhs in the nine month period ended December 31, 2019 to ₹ 4,098.34 lakhs in the nine month period ended December 31, 2020, which was primarily on account of reduction in dividend income from portfolio companies.

Due to the limited information available currently, we have not been able to quantify the full impact of the containment measures on our financial statements. In the event that the containment measures have a significant adverse impact on the economic health of our customers in particular and the economy in general, our future prospects, profitability and results of operations may in turn be negatively impacted.

For details of certain other risks which may adversely impact our results, see “*Risk Factors*” beginning on page 18.

Significant accounting policies

Basis of Preparation

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

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

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

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

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

The group combines the financial statements of the parent and its subsidiary line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset.

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

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

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

Associates:

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

Name of the Associates	Country of Incorporation	Proportion of Ownership Interest (%)
Axles India Limited	India	38.81
Turbo Energy Private Limited	India	32.00
Wheels India Limited	India	23.28
Transenergy Limited	India	43.74
Sundaram Dynacast Private Limited	India	26.00
Sundaram Hydraulics Limited	India	25.71
Flometallic India Private Limited	India	40.00
Dunes Oman LLC (FZC)	Sultanate of Oman	43.69
Mind s.r.l Italy	Italy	40.60

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

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

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

Measurement of fair values

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

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

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

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

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

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

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

Revenue Recognition:

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

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

Dividends:

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

Interest Income:

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

Rental Income:

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

Financial Assets**Classification**

The Group classifies its financial assets in the following categories:

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

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

Initial Measurement

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

Subsequent Measurement**Financial Asset measured at Amortised Cost ("AC")**

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

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

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

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

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

Financial Liabilities

Initial Recognition

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

Subsequent Measurement

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

De-Recognition

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

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

Impairment of Financial Assets

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

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

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

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

Offsetting of financial instruments

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

Derivative financial instruments

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

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

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

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

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

Leases

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

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

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

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

Employee Benefits

Short Term Employee Benefits

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

Post Employment Benefits

a. Defined Contribution plans

i. Superannuation

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

ii. Provident Fund

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

b. Defined benefit plans

i. Gratuity

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

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

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

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

c. Other Long Term Employee Benefits

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

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

Income Taxes

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

Current tax

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

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

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

Deferred Tax

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

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

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

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

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

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

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

Current and Deferred tax for the year- OCI

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

Property, plant and equipment

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

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

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

Freehold land is not depreciated.

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

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

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

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

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

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

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

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

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

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

Investment Property

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

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

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

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

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

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

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

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

Intangible assets

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

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

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

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

Impairment of Assets

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

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

Foreign Currency Transactions

Functional and Presentation Currency:

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

Foreign Currency Transactions and balances:

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

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

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

Cash Flow Statement

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

Provisions and Contingent Liabilities

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

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

A Contingent liability is

- (i) a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group (or)

- (ii) a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation, or a reliable estimate of the amount cannot be made.

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

Earnings Per Share

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

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

Cash and Cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily Convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

Critical accounting judgments and key sources of estimation uncertainty

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

Useful lives of Property Plant and Equipment / Intangible Assets

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

Impairment of Financial Assets

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

Components of revenue and expenses

Our revenue and expenses are reported in the following manner:

Revenue

Total revenue consists of revenue from operations and other income.

Revenue from operations

Our revenue from operations comprise interest income, dividend income, net gain on fair value changes and income from sale of services.

Other income

Our other income consists of interest receipts, rent receipts, interest income from financial asset at amortized cost, other non-operating income, net gain on exchange fluctuation, excess provisions / liabilities written back, export incentive SEIS, derivative income / (loss).

Expenses

Our expenses consist of finance cost, impairment on financial instrument, employee benefit expenses, depreciation and amortisation, administrative and other expenses.

Finance cost

Finance cost includes interest on income tax and other interest paid.

Employee benefit expenses

Employee benefit expenses included salaries, bonus, commission, contribution to provident and other funds and staff welfare expenses.

Administrative and other expenses

Administrative and other expenses includes rent, rates and taxes, electricity expenses, sales and marketing expenses, communication expenses, outsourcing cost, audit fees, repairs and maintenance, professional fees, commission to KMPs and Directors, Director sitting fees, filing fees, traveling and conveyance, allowance of doubtful debts, CSR expenditure and miscellaneous expenditure.

Tax expenses

Our tax expenses consist of current tax and deferred tax expenses.

Our results of operations

The following table sets forth selected financial data from our Financial Statements, the components of which are also expressed as a percentage of total revenue for the periods indicated:

Particulars	For the nine month period ended December 31, 2020		For the nine month period ended December 31, 2019		Fiscal 2020		Fiscal 2019	
	Amount (in ₹ lakhs)	(% of total revenue)	Amount (in ₹ lakhs)	(% of total revenue)	Amount (in ₹ lakhs)	(% of total revenue)	Amount (in ₹ lakhs)	(% of total revenue)
Revenue								
Revenue from operations	4,098.34	89.40%	5,702.65	91.59%	9,255.61	94.00%	9,946.34	96.89%
Other Income	486.16	10.60%	523.31	8.41%	591.25	6.00%	318.89	3.11%

Particulars	For the nine month period ended December 31, 2020		For the nine month period ended December 31, 2019		Fiscal 2020		Fiscal 2019	
	Amount (in ₹ lakhs)	(% of total revenue)	Amount (in ₹ lakhs)	(% of total revenue)	Amount (in ₹ lakhs)	(% of total revenue)	Amount (in ₹ lakhs)	(% of total revenue)
Total revenue	4,584.50	100.00%	6,225.96	100.00%	9,846.85	100.00%	10,265.23	100.00%
Expenses								
Finance cost	11.26	0.25%	27.43	0.44%	27.52	0.28%	24.64	0.24%
Employee benefit expenses	2,675.36	58.36%	3,225.11	51.80%	4,236.58	43.02%	4,001.21	38.98%
Depreciation and Amortisation	109.89	2.40%	171.09	2.75%	133.04	1.35%	100.66	0.98%
Administrative and Other Expenses	1,036.02	22.60%	1,465.35	23.54%	1,972.28	20.03%	1,934.32	18.84%
Total expenses	3,832.53	83.60%	4,888.98	78.53%	6,369.42	64.68%	6,060.83	59.04%
Profit before exceptional items and tax	751.97	16.40%	1,336.98	21.47%	3,477.44	35.32%	4,204.40	40.96%
Exceptional items	-	-	-	-	-	-	-	-
Profit before tax	751.97	16.40%	1,336.98	21.47%	3,477.44	35.32%	4,204.40	40.96%
Tax expense								
(i) Current tax	239.04	5.21%	289.48	4.65%	412.11	4.19%	1,177.65	11.47%
(ii) Deferred tax expense / (credit)	(71.05)	(1.55)%	27.82	0.45%	136.07	1.38%	4.96	0.05%
Total tax	167.99	3.66%	317.30	5.10%	548.18	5.57%	1,182.61	11.52%
Profit for the period	583.98	12.74%	1,019.68	16.38%	2,929.25	29.75%	3,021.79	29.44%
Share of net profits from associates	3,121.56	68.09%	4,011.34	64.43%	4,884.24	49.60%	10,724.44	104.47%
Profit after tax	3,705.54	80.83%	5,031.02	80.81%	7,813.49	79.35%	13,746.23	133.91%
Other comprehensive income / (loss) Items that will not be reclassified to profit or loss, net of tax								
Re-measurement of defined benefit plan	(11.36)	(0.25)%	(2.49)	(0.04)%	18.43	0.19%	(38.89)	(0.38)%
Income tax on above	(3.31)	(0.07)%	-	-	5.07	0.05%	11.05	0.11%
Remeasurements of the defined benefit plans (Net of Income tax)	(8.05)	(0.18)%	(2.49)	(0.04)%	13.36	0.14%	(27.84)	(0.27)%
Change in Fair value of equity instruments	(6,654.82)	(145.16)%	(41,764.18)	(670.81)%	(57,219.43)	(581.09)%	(60,870.32)	(592.98)%
Income tax on above	1,971.34	43.00%	379.91	6.10%	(2,701.41)	(27.43)%	4,126.60	40.20%
Change in Fair value of equity instruments (Net of tax)	(8,626.16)	(188.16)%	(42,144.09)	(676.91)%	(54,518.02)	(553.66)%	(56,743.72)	(552.78)%
Share of other comprehensive income from associates using	75.69	1.65%	3.86	0.06%	(63.78)	(0.65)%	(55.06)	(0.54)%

Particulars	For the nine month period ended December 31, 2020		For the nine month period ended December 31, 2019		Fiscal 2020		Fiscal 2019	
	Amount (in ₹ lakhs)	(% of total revenue)	Amount (in ₹ lakhs)	(% of total revenue)	Amount (in ₹ lakhs)	(% of total revenue)	Amount (in ₹ lakhs)	(% of total revenue)
equity method (Net of tax)								
Other comprehensive income / (loss) Items that will be reclassified to profit or loss								
Change in fair value of derivative instrument	(998.55)	(21.78)%	(238.70)	(3.83)%	312.99	3.18%	88.14	0.86%
Income tax on above	(277.80)	(6.06)%	(66.41)	(1.07)%	49.27	0.50%	(24.52)	(0.24)%
Change in fair value of derivative instrument (Net of tax)	(720.75)	(15.72)%	(172.29)	(2.77)%	263.72	2.68%	63.62	0.62%
Share of other comprehensive income from associates using equity method	(374.57)	(8.17)%	(453.97)	(7.29)%	(520.09)	(5.28)%	736.64	7.18%
Foreign currency Translation Reserve	(254.44)	(5.55)%	249.77	4.01%	729.97	7.41%	412.72	4.02%
Other comprehensive income / (loss) for the period, net of tax	(9,908.28)	(216.13)%	(42,519.21)	(682.93)%	(54,094.83)	(549.36)%	(55,613.63)	(541.77)%
Total comprehensive income / (loss) for the period	(6,202.74)	(135.30)%	(37,488.19)	(602.13)%	(46,281.33)	(470.01)%	(41,867.41)	(407.86)%
Basic and Diluted Earnings per Equity Share of ₹ 5 each	2.45		3.33		5.17		9.10	

For the nine month period ended December 31, 2020 compared to nine month ended December 31, 2019

Income

Our total income decreased by 26.36% from ₹ 6,225.96 lakhs in nine month period ended December 31, 2019 to ₹ 4,584.50 lakhs in nine month ended December 31, 2020, which was primarily due to reduction in dividend income and sale of services.

Revenue from operations

Our revenue from operations decreased by 28.13% from ₹ 5,702.65 lakhs in the nine month period ended December 31, 2019 to ₹ 4,098.34 lakhs in the nine month period ended December 31, 2020, which was primarily on account of dividend income and sale of services. There was a decrease in (i) interest income by 99.48% from ₹ 250.91 lakhs in nine month period ended December 31, 2019 to ₹ 1.31 lakhs in the nine month period ended December 31, 2020; (ii) dividend income by 99.66 % from ₹ 688.15 lakhs in the nine month period ended December 31, 2019 to ₹ 2.37 lakhs

in the nine month period ended December 31, 2020; and (iii) sale of services by 22.79 % from ₹ 4,610.20 lakhs in nine month period ended December 31, 2019 to ₹ 3,559.73 lakhs in nine month period ended December 31, 2020. There was an increase in net gain on fair value changes by 248.73% from ₹ 153.39 lakhs in the nine month period ended December 31, 2019 to ₹ 534.93 lakhs in the nine month period ended December 31, 2020.

Other income

Our other income decreased by 7.10% from ₹ 523.31 lakhs in the nine month period ended December 31, 2019 to ₹ 486.16 lakhs in the nine month period ended December 31, 2020 primarily on account of a reduction in export incentive received from us.

Expenditure

Our total expenses decreased by 21.61% from ₹ 4,888.98 lakhs in the nine month period ended December 31, 2019 to ₹ 3,832.53 lakhs in the nine month period ended December 31, 2020 on account of the following reasons:

Finance cost

Our expenditure on account of finance cost decreased by 58.96% from ₹ 27.43 lakhs in the nine month period ended December 31, 2019 to ₹ 11.26 lakhs in the nine month period ended December 31, 2020, primarily on account of interest on income tax.

Employee benefit expenses

Our employee benefit expenses decreased by 17.05%, from ₹ 3,225.11 lakhs in the nine month period ended December 31, 2019 to ₹ 2,675.36 lakhs in the nine month period ended December 31, 2020, primarily due to decrease in employee count.

Depreciation and amortisation

Depreciation and amortisation expenses decreased by 35.77 % from ₹ 171.09 lakhs in the nine month period ended December 31, 2019 to ₹ 109.89 lakhs in the nine month period ended December 31, 2020 on account of depreciation on Right of Use asset as per Ind AS 116.

Administrative and other expenses

Our administrative and other expenses decreased by 29.30% from ₹ 1,465.35 lakhs in the nine month period ended December 31, 2019 to ₹ 1,036.02 lakhs in the nine month period ended December 31, 2020.

Decrease in other expenses was primarily driven by sales and marketing expense.

Profit before tax

As a result of the foregoing, our profit before tax decreased by 43.76% from ₹ 1,336.98 lakhs in the nine month period ended December 31, 2019 to ₹ 751.97 lakhs in the nine month period ended December 31, 2020.

Tax expense

Tax expenses decreased by 47.06% from ₹ 317.30 lakhs in the nine month period ended December 31, 2019 to ₹ 167.99 lakhs in the nine month period ended December 31, 2020, due to a (i) decrease in current tax, which decreased by 17.42% from ₹ 289.48 lakhs in the nine month period ended December 31, 2019 to ₹ 239.04 lakhs in the nine month period ended December 31, 2020; and (ii) decrease in deferred tax from ₹ 27.82 lakhs in the nine month period ended December 31, 2019 to ₹ (71.05) lakhs in the nine month period ended December 31, 2020.

Net profit after tax

As a result of the foregoing, our net profit after tax for the year decreased by 26.35% to ₹ 3,705.54 lakhs in the nine month period ended December 31, 2020 from ₹ 5,031.02 lakhs in the nine month period ended December 31, 2019. On account of the above, and after adjusting for other comprehensive loss of ₹ 9,908.28 lakhs in nine month period ended December 31, 2020 and ₹ 42,519.21 lakhs in nine month period ended December 31, 2019 towards fair value of equity instruments and re-measurement of defined benefit plan and taxes related to the same, our total comprehensive loss decreased by 83.45 % from ₹ 37,488.19 lakhs in the nine month period ended December 31, 2019 to ₹ 6,202.74 lakhs in the nine month period ended December 31, 2020.

Fiscal 2020 compared to Fiscal 2019

Revenue

Our total revenues decreased by 4.08% from ₹ 10,265.23 lakhs in Fiscal 2019 to ₹ 9,846.85 lakhs in Fiscal 2020, which was primarily due to fair value changes in mutual funds.

Revenue from operations

Our revenue from operations decreased by 6.94% from ₹ 9,946.34 lakhs in Fiscal 2019 to ₹ 9,255.61 lakhs in Fiscal 2020, which was primarily on account of fair value changes in mutual funds. There was an increase in dividend income by 1.92 % from ₹ 2,367.51 lakhs in Fiscal 2019 to ₹ 2,412.9 lakhs in Fiscal 2020. This increase was offset by a decrease in (i) interest income by 29.09 % from ₹ 354.47 lakhs in Fiscal 2019 to ₹ 251.34 lakhs in Fiscal 2020; (ii) net gain on fair value changes by 52.13 % from ₹ 1062.4 lakhs in Fiscal 2019 to ₹ 508.56 lakhs in Fiscal 2020; and (iii) sale of services by 1.28 % from ₹ 6,161.96 lakhs in Fiscal 2019 to ₹ 6,082.81 lakhs in Fiscal 2020.

Other income

Our other income increased by 85.41% from ₹ 318.89 lakhs in Fiscal 2019 to ₹ 591.25 lakhs in Fiscal 2020 primarily owing to export incentive on account of overseas BPO services.

Expenditure

Our total expenses increased by 5.09% from ₹ 6,060.83 lakhs in Fiscal 2019 to ₹ 6,369.42 lakhs in Fiscal 2020 on account of the following reasons:

Finance cost

Our expenditure on account of finance cost increased by 11.69% from ₹ 24.64 lakhs in Fiscal 2019 to ₹ 27.52 lakhs in Fiscal 2020, primarily on account of interest on lease liability as per IND AS 116.

Employee benefit expenses

Our employee benefit expenses increased by 5.88%, from ₹ 4,001.21 lakhs in Fiscal 2019 to ₹ 4,236.58 lakhs in Fiscal 2020, primarily due to inflation.

Depreciation and amortisation

Depreciation and amortisation expenses increased by 32.17% from ₹ 100.66 lakhs in Fiscal 2019 to ₹ 133.04 lakhs in Fiscal 2020 on account of depreciation on Right of Use Asset as per IND AS 116.

Administrative and other expenses

Our administrative and other expenses increased by 1.96% from ₹ 1,934.32 lakhs in Fiscal 2019 to ₹ 1,972.28 lakhs in Fiscal 2020.

Increases in other expenses was primarily driven by sales and marketing expense.

Profit before tax

As a result of the foregoing, our profit before tax decreased by 17.29% from ₹ 4,204.4 lakhs in Fiscal 2019 to ₹ 3,477.44 lakhs in Fiscal 2020.

Tax expense

Tax expenses decreased by 53.65% from ₹ 1,182.61 lakhs in Fiscal 2019 to ₹ 548.18 lakhs in Fiscal 2020, due to a (i) decrease in current tax, which decreased by 65.01% from ₹ 1,177.65 lakhs in Fiscal 2019 to ₹ 412.11 lakhs in Fiscal 2020; and (ii) increase in deferred tax from ₹ 4.96 lakhs in Fiscal 2019 to ₹ 136.07 lakhs in Fiscal 2020.

Net profit after tax

As a result of the foregoing, our net profit after tax for the year decreased by 43.16% to ₹ 7,813.49 lakhs in Fiscal 2020 from ₹ 13,746.23 lakhs in Fiscal 2019. On account of the above, and after adjusting for other comprehensive loss of ₹ 54,094.83 lakhs in Fiscal 2020 and ₹ 55,613.63 lakhs in Fiscal 2019 towards fair value of equity instruments and re-measurement of defined benefit plan and taxes related to the same, our total comprehensive loss increased by 10.54 % from ₹ 41,867.41 lakhs in Fiscal 2019 to ₹ 46,281.33 lakhs in Fiscal 2020.

Cash flows

Net cash flow generated from or used in operating activities

For the nine month period ended December 31, 2020

Net cash generated from operating activities was ₹ 737.14 lakhs and consisted of profit before tax of ₹ 751.97 lakhs. Operating profit before working capital changes was ₹ 710.13 lakhs. The main working capital adjustment was on account of the decrease in trade and other receivables of ₹ 186.36 lakhs. This was partially offset by the decrease in the trade payables of ₹ 15.78 lakhs. Income tax paid for the nine month period ended December 31, 2020 was ₹ 220.65 lakhs.

Fiscal 2020

Net cash generated from operating activities was ₹ 6,209.38 lakhs and consisted of profit before tax of ₹ 3,477.44 lakhs. Operating profit before working capital changes was ₹ 6,431.85 lakhs. The main working capital adjustment was on account of the decrease in trade receivables of ₹ 279.69 lakhs and increase in the financial liabilities of ₹ 37.63 lakhs. This was partially offset by the decrease in the trade payables of ₹ 18.44 lakhs. Income tax paid for Fiscal 2020 was ₹ 538.36 lakhs.

Net cash flow used in Investing Activities

For the nine month period ended December 31, 2020

Net cash used in investing activities was ₹ 12.97 lakhs and primarily consisted of purchase of other investments of ₹ 13,285.36 lakhs, Sale of mutual funds was ₹ 13,340.26 lakhs and purchase of property, plant and equipment and intangible assets of ₹ 81.24 lakhs.

Fiscal 2020

Net cash used in investing activities was ₹ 1,083.2 lakhs and primarily consisted of purchase of other investments of ₹ 682.31 lakhs, purchase of mutual funds was ₹182.51 lakhs and purchase of property, plant and equipment and intangible assets of ₹ 220.64 lakhs.

Net cash flow used in financing activities

Net cash used in financing activities was ₹ 783.05 lakhs and ₹ 4,603.13 lakhs for the nine month period ended December 31, 2020 and Fiscals 2020, respectively.

QUANTITATIVE AND QUALITATIVE DISCLOSURES

The Company along with its Subsidiary (“**Group**”) has exposure to the following risks arising from financial instruments: Credit risk; Liquidity risk; and Market risk.

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

(a) Liquidity Risk

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

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

(b) Credit Risk

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

i. Trade receivables:

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

ii. Other financial assets:

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

(c) Market Risk

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

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

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

The Group has a forex policy in place whose objective is to reduce foreign exchange risk by deploying the appropriate hedging strategies (forward contracts) and also by maintaining reasonable open exposures within approved parameters depending on the future outlook on currencies.

Competitive Conditions

We operate in a competitive environment. For further details, see “Our Business”, “Industry Overview” and “Risk Factors” on pages 59, 55 and 18.

Auditor’s Qualification

Other than as disclosed below, there have been no reservations/ qualifications/ adverse remarks/ matters of emphasis highlighted by our statutory auditors in their auditor’s reports on the Financial Statements:

Audited Consolidated Financial Statements for the Financial Year 2020

Emphasis of Matter

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

Actions taken by the Company

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

Unaudited Condensed Consolidated Interim Financial Statements for the nine month period ended December 31, 2020

Auditor’s review report

We draw your attention to Note 27(C) of the Unaudited Condensed Consolidated Interim Financial Statements wherein the Holding Company has disclosed impact assessment due to COVID-19 pandemic. As stated in the said note, the Management has assessed that the pandemic and consequent lockdown imposed by the Government till end

of November 2020 have considerably impacted the business operations of the Holding Company's Associates, including their subsidiaries, which in turn, have impacted the financial results of the Holding Company, being an investment entity. The management is also of the view that though there have been signs of a reasonably healthy recovery in the automotive sector during the third quarter of the financial year pursuant to the phased release of the lock down, a full recovery to the levels of the pre-COVID era is unlikely in the near future. Considering the uncertainties prevailing in the economic conditions globally and in India, such impact assessment done by the Management of the Holding Company is highly dependent on the circumstances as they evolve in subsequent periods. Our conclusion is not modified in respect of this matter.

Actions taken by the Company

The worldwide disruption caused by the COVID-19 pandemic and the consequent lockdown imposed almost till end-November 2020 have considerably impacted the business operations of our associate companies, including their subsidiaries, which in turn, have impacted the financial results of the Company. Though there have been signs of a reasonably healthy recovery in the automotive sector during the third quarter of the financial year pursuant to the phased release of the lock down, a full recovery to the levels of the pre-COVID era is unlikely in the near future. The company will however continue to closely monitor any material changes to future economic conditions and take appropriate risk mitigation measures.

Contingent Liabilities

For details of our contingent liabilities for the nine month period ended December 31, 2020 and Fiscal 2020, please refer to the Financial Statements included in the section titled "*Financial Statements*" beginning on page 72.

Related party transactions

We enter into various transactions with related parties in the ordinary course of business. For further information relating to our related party transactions, please see "*Financial Statements*" on page 72.

Changes in accounting policies

There have been no changes in accounting policies during the preceding three fiscal years.

Off-Balance sheet arrangements

Except as disclosed in this Letter of Offer, we do not have any material off-balance sheet arrangements, derivative instruments, swap transactions or relationships with unconsolidated entities or financial partnerships established or contemplated for the purpose of facilitating off-balance sheet transactions.

Segment Results

We operate in the following operating segments, namely, investments, domestic support services and overseas support services:

(₹ in lakhs)

Business segment	For the nine month period ended December 31, 2020	Fiscal 2020	Fiscal 2019
Investments	505.32	3,130.69	3746.80
Support Services (Domestic)	7.43	92.29	62.22
Support Services (Overseas)	137.35	233.93	513.78

Seasonality

We do not believe our business to be seasonal.

Significant dependence on single or few customers/investee companies

We depend on a limited number of portfolio companies for a significant portion of our revenues. Our top 5 portfolio companies represented 71.12% and 58.63% of our revenue from operations from investments and 24.38% and 22.31% of our total revenue from operations for Fiscal 2020 and Fiscal 2019, respectively.

Since we are significantly dependent on certain key portfolio companies for a significant portion of our revenues, the loss of any one of our key portfolio companies could have an adverse effect on our business, results of operations and financial condition. We may continue to remain dependent upon our key portfolio companies for a substantial portion of our revenues.

Unusual or infrequent events or transactions

Except as described in sections “*Risk Factors*” and “*Our Business*”, on pages 18 and 59, respectively, to our knowledge, there have been no events or transactions to our knowledge which may be described as “unusual” or “infrequent”.

Significant economic changes that materially affected or are likely to affect income from continuing operations

Except as disclosed in this Letter of Offer, to our knowledge there are no significant economic changes that materially affected or are likely to affect income from continuing operations.

Known Trends or Uncertainties

Except as disclosed in this Letter of Offer, to our knowledge there are no known trends or uncertainties that have or had or are expected to have a material adverse impact on the revenues or income of our Company from continuing operations.

New product or business segments

We have not publicly announced any new services or business segments nor have there been any material increases in our revenues due to increased disbursements and introduction of new services or business segments.

Future relationships between costs and income

Except as disclosed in this Letter of Offer, to our knowledge there are no known factors which will have a material adverse impact on the operations or finances of our Company and its Subsidiary.

SECTION VI – LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND DEFAULTS

*Our Company and our Subsidiary are subject to various legal proceedings from time to time, primarily arising in the ordinary course of business. There is no outstanding litigation which has been considered material in accordance with our Company's 'Policy for Determination of Materiality', framed in accordance with Regulation 30 of the SEBI Listing Regulations, and accordingly, there is no such outstanding litigation involving our Company and/or our Subsidiary that requires disclosure in this Letter of Offer. However, solely for the purpose of the Issue, the following outstanding litigations have been disclosed in this section of this Letter of Offer, to the extent applicable: any outstanding civil litigation, including tax litigation, involving our Company and/or our Subsidiary, where the amount involved is ₹ 92.56 lakhs (being 1% of the consolidated revenue from operations of our Company, in terms of the Audited Consolidated Financial Statements as of March 31, 2020) ("**Materiality Threshold**") or above.*

Except as disclosed below, there are no outstanding litigation with respect to (i) issues of moral turpitude or criminal liability on the part of our Company and/or our Subsidiary; (ii) material violations of statutory regulations by our Company and/or our Subsidiary; (iii) economic offences where proceedings have been initiated against our Company and/or our Subsidiary; (iv) any pending matters, which if they result in an adverse outcome, would materially and adversely affect our operations or our financial position.

Pre-litigation notices received by our Company and/or our Subsidiary from third-parties (excluding notices pertaining to any offence involving issues of moral turpitude, criminal liability, material violations of statutory regulations or proceedings related to economic offences) shall not be evaluated for materiality until such time our Company and/or our Subsidiary are impleaded as defendants in litigation proceedings before any judicial forum.

Litigations involving our Company

There are no issues of moral turpitude or criminal liability, material violations of statutory regulations or economic offences or material pending matters involving our Company, except as follows:

Tax Proceeding

1. The Income Tax Department issued an assessment order dated December 29, 2019 (the "**Assessment Order**") under Section 143(3) of the Income-tax Act, 1961 indicating that the return of income was incorrectly filed by our Company for the assessment year 2017-2018, and pursuant to a demand notice dated December 29, 2019, directed our Company to make a payment of ₹ 557.33 lakhs within 30 days. Our Company filed an appeal dated January 28, 2020 against the Assessment Order with the Commissioner of Income-tax (Appeals). The matter is currently pending.
2. The Income Tax Department has issued an assessment order dated April 6, 2021 (the "**Assessment Order**") under Section 143(3) of the Income-tax Act, 1961 indicating that the return of income was incorrectly filed by our Company for the assessment year 2018-2019, and pursuant to a demand notice dated April 6, 2021, directed our Company to make a payment of ₹ 418.90 lakhs within 30 days. The matter is currently pending.

Litigations involving our Subsidiary

There are no issues of moral turpitude or criminal liability, material violations of statutory regulations, economic offences or material pending matters involving our Subsidiary.

GOVERNMENT AND OTHER APPROVALS

As on the date of this Letter of Offer, there are no material pending government and regulatory approvals pertaining to the objects of the Issue, except as stated below:

1. Our Company will have to receive an approval from CCI for the completion of the acquisition of additional shareholding of BIPL. For further information, please see *“Risk Factors - The acquisition of additional shareholding in Brakes India Private Limited from the Issue Proceeds is subject to completion of conditions precedent under the Share Purchase Agreement. However, we may not be able to complete such acquisition in a timely manner and such acquisition may not prove to be profitable or achieve the profitability that justifies our investment, which may adversely impact our prospects, growth and results of operations.”* on page 19.

MATERIAL DEVELOPMENTS

Except as disclosed in the section “*Our Business*” on page 59, no circumstances have arisen since last balance sheet, i.e. from January 1, 2021, which materially or adversely affect or are likely to affect, our operations or profitability, or the value of our assets or our ability to pay our material liabilities within the next 12 months.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

The Issue has been authorized by a resolution of the Board passed at its meeting held on April 1, 2021, pursuant to Section 62 of the Companies Act, 2013.

The Board, at its meeting held on April 21, 2021, has determined the Issue Price, in consultation with the Lead Manager, to be ₹ 50 per Rights Equity Shares and the Rights Entitlement as 23 Rights Equity Shares for every 49 fully paid-up Equity Share, as held on the Record Date.

This Letter of Offer has been approved by our Board pursuant to its resolution dated April 21, 2021.

Our Company has received in-principle approval from NSE pursuant to Regulation 28 of SEBI Listing Regulations for listing of the Rights Equity Shares to be Allotted pursuant to the Issue through its letter dated April 9, 2021. Our Company will also make an application to NSE to obtain the listing and trading approvals for the Rights Entitlements as required under the SEBI Rights Issue Circulars.

Our Company has been allotted the ISIN 'INE202Z20011' for the Rights Entitlements to be credited to the respective demat accounts of the Equity Shareholders of our Company. For details, please see "*Terms of the Issue*" on page 113.

Prohibition by SEBI

Our Company, the Promoter, the members of the Promoter Group and the Directors have not been or are not debarred from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI, any securities market regulator in any other jurisdiction or any other authority/court.

Further, the Promoter and the Directors are not promoter(s) or director(s) of any other company which is debarred from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI.

Neither the Promoter nor any of the Directors have been declared as a fugitive economic offender under section 12 of the Fugitive Economic Offenders Act, 2018 (17 of 2018).

Association of our Directors with the securities market

None of our Directors are associated with the securities market in any manner.

Prohibition by RBI

Neither the Company, nor the Promoter, nor any of the Directors have been or are identified as a Wilful Defaulter.

Confirmation under Companies (Significant Beneficial Ownership) Rules, 2018

Our Company, Promoter and members of our Promoter Group are in compliance and undertake to comply with the requirements of the Companies (Significant Beneficial Ownership) Rules, 2018, as amended ("**SBO Rules**"), to the extent applicable, as on the date of this Letter of Offer.

Under the Companies (Significant Beneficial Ownership) Rules, 2018, certain persons who are 'significant beneficial owners' ("**SBO**"), are required to intimate their beneficial holdings to our Company in Form no. BEN-1. Upon receipt of a declaration by an SBO, our Company is required to, within 30 days of receiving such declaration, file a return in Form No. BEN-2 with the Registrar of Companies in respect of each such declaration received by us. Further, we are required to maintain a register of SBOs in Form No. BEN-3 which shall be available for inspection to the shareholders of the Company, and are also required to give notice in Form No. BEN-4 to all our members (who are not individuals)

who hold more than 10% of the Equity Shares, asking them to, *inter alia*, disclose information of the respective SBO of such member.

Eligibility for the Issue

We are a company incorporated under the Companies Act and our Equity Shares are listed on NSE. We are eligible to undertake the Issue in terms of Chapter III of the SEBI ICDR Regulations.

Compliance with Regulations 61 and 62 of the SEBI ICDR Regulations

Our Company is in compliance with the conditions specified in Regulation 61 of the SEBI ICDR Regulations, to the extent applicable. Our Company confirms that it is also in compliance with the conditions specified in Regulation 62 (1) of the SEBI ICDR Regulations, to the extent applicable, and will ensure compliance with the conditions specified in Regulation 62 (2) of the SEBI ICDR Regulations, to the extent applicable.

Compliance with conditions of Fast Track Issue

Our Company satisfies the following conditions specified in Regulation 99 of the SEBI ICDR Regulation read with SEBI circular, bearing reference no. SEBI/HO/CFD/CIR/CFD/DIL/ 67/2020 dated April 21, 2020 and accordingly, our Company is eligible to make the Issue by way of a 'fast track issue':

1. the Equity Shares have been listed on NSE, being a recognized stock exchange having nationwide trading terminals, for a period of at least three years immediately preceding the date of filing of this Letter of Offer with the Stock Exchange;
2. the entire shareholding of the Promoter Group is held in dematerialized form as on the date of filing this Letter of Offer with the Stock Exchange;
3. the average market capitalization of the public shareholding of the Company is at least ₹ 25,000 lakhs;
4. the annualized trading turnover of the Equity Shares during six calendar months immediately preceding the month of the filing of this Letter of Offer with the Stock Exchange has been at least 2% of the weighted average number of Equity Shares listed during such six months' period;
5. the annualized delivery-based trading turnover of the Equity Shares during six calendar months immediately preceding the month of filing of this Letter of Offer with the Stock Exchange has been at least 10% of the annualized trading turnover of the Equity Shares during such six months' period;
6. the Company has been in compliance with the Listing Agreement and the provisions of SEBI Listing Regulations, as applicable, including with respect to the composition of the Board, for a period of three years immediately preceding the date of filing this Letter of Offer with the Stock Exchange;
7. the Company has redressed at least 95% of the complaints received from the investors till the end of the quarter immediately preceding the month of the date of filing this Letter of Offer with the Stock Exchange;
8. that no show-cause notices, including proceedings for imposition of penalty, have been issued by SEBI, and no prosecution proceeding have been initiated by SEBI, which are pending against our Company or our Promoter as at the date of filing this Letter of Offer with SEBI and the Stock Exchange. Further, as on the date of this Letter of Offer, our Company does not have any whole-time director;
9. neither our Company nor the Promoter nor members of the Promoter Group nor any of our Directors have settled any alleged violation of securities laws through the consent or settlement mechanism with SEBI during three years immediately preceding the date of filing of this Letter of Offer with the Stock Exchange;

10. the Equity Shares of our Company have not been suspended from trading as a disciplinary measure during the last three years immediately preceding the date of filing of this Letter of Offer with the Stock Exchange;
11. there is no conflict of interest between the Lead Manager and the Company or its Group Companies in accordance with the applicable regulations;
12. the Promoter and Promoter Group shall mandatorily subscribe to their rights entitlement and shall not renounce their rights, except to the extent of renunciation within the Promoter Group or for the purpose of complying with minimum public shareholding norms prescribed under the Securities Contracts (Regulation) Rules, 1957, as amended; and
13. there are no audit qualifications, in respect of any of the financial years for which accounts are disclosed in the Letter of Offer, which have not been adjusted in the Audited Consolidated Financial Statements.

Compliance with Part B of Schedule VI of the SEBI ICDR Regulations

Our Company is in compliance with the provisions specified in Clause (1) of Part B of Schedule VI of the SEBI ICDR Regulations as explained below:

1. Our Company has been filing periodic reports, statements and information in compliance with the SEBI Listing Regulations, as applicable for the last one year immediately preceding the date of filing of this Letter of Offer with NSE;
2. The reports, statements and information referred to above are available on the website of NSE; and
3. Our Company has an investor grievance-handling mechanism which includes meeting of the Stakeholders' Relationship Committee at frequent intervals, appropriate delegation of power by our Board as regards share transfer and clearly laid down systems and procedures for timely and satisfactory redressal of investor grievances.

As our Company satisfies the conditions specified in Clause (1) of Part B of Schedule VI of SEBI ICDR Regulations, and given that the conditions specified in Clause (3) of Part B of Schedule VI of SEBI ICDR Regulations are not applicable to our Company, the disclosures in this Letter of Offer are in terms of Clause (4) of Part B of Schedule VI of the SEBI ICDR Regulations.

DISCLAIMER CLAUSE OF SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE LETTER OF OFFER TO THE SEBI SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE LETTER OF OFFER. THE LEAD MANAGER(S), HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE LETTER OF OFFER ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI ICDR REGULATIONS. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE LETTER OF OFFER, THE LEAD MANAGER(S) IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MANAGER(S) HAS FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED APRIL 21, 2021 WHICH READS AS FOLLOWS:

WE CONFIRM THAT:

- 1. WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION, INCLUDING COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS, ETC. AND OTHER MATERIAL WHILE FINALISING THE LETTER OF OFFER OF THE SUBJECT ISSUE;**
- 2. ON THE BASIS OF SUCH EXAMINATION AND DISCUSSIONS WITH THE COMPANY, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PRICE JUSTIFICATION, CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE COMPANY, WE CONFIRM THAT:**
 - (A) THE LETTER OF OFFER FILED WITH SEBI IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS WHICH ARE MATERIAL TO THE ISSUE;**
 - (B) ALL MATERIAL LEGAL REQUIREMENTS RELATING TO THE ISSUE AS SPECIFIED BY THE BOARD, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND**
 - (C) THE MATERIAL DISCLOSURES MADE IN THE LETTER OF OFFER ARE TRUE AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 2013, SEBI ICDR REGULATIONS AND OTHER APPLICABLE LEGAL REQUIREMENTS.**
- 3. BESIDES OURSELVES, ALL INTERMEDIARIES NAMED IN THE LETTER OF OFFER ARE REGISTERED WITH SEBI AND THAT TILL DATE, SUCH REGISTRATION IS VALID - COMPLIED WITH;**
- 4. WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS – NOT APPLICABLE;**
- 5. WRITTEN CONSENT FROM THE PROMOTERS HAS BEEN OBTAINED FOR INCLUSION OF THEIR SPECIFIED SECURITIES AS PART OF THE PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN AND THE SPECIFIED SECURITIES PROPOSED TO FORM PART OF THE PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED OR SOLD OR TRANSFERRED BY THE PROMOTERS DURING THE PERIOD STARTING FROM THE DATE OF FILING LETTER OF OFFER WITH SEBI TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE LETTER OF OFFER - NOT APPLICABLE;**
- 6. ALL APPLICABLE PROVISIONS OF SEBI ICDR REGULATIONS, WHICH RELATE TO SPECIFIED SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTERS' CONTRIBUTION, HAVE BEEN AND SHALL BE DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION(S) HAVE BEEN MADE IN THE LETTER OF OFFER - NOT APPLICABLE;**
- 7. ALL APPLICABLE PROVISIONS OF SEBI ICDR REGULATIONS WHICH RELATE TO RECEIPT OF PROMOTERS' CONTRIBUTION PRIOR TO OPENING OF THE ISSUE, SHALL BE COMPLIED WITH. ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE PROMOTERS' CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE ISSUE AND THAT THE AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO THE BOARD. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE PROMOTERS'**

CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE COMPANY ALONG WITH THE PROCEEDS OF THE ISSUE - NOT APPLICABLE;

8. NECESSARY ARRANGEMENTS SHALL BE MADE TO ENSURE THAT THE MONIES RECEIVED PURSUANT TO THE ISSUE ARE CREDITED OR TRANSFERRED TO IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SUB-SECTION (3) OF SECTION 40 OF THE COMPANIES ACT, 2013 AND THAT SUCH MONIES SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES, AND THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE AND THE COMPANY SPECIFICALLY CONTAINS THIS CONDITION - NOTED FOR COMPLIANCE TO THE EXTENT APPLICABLE;
9. THE EXISTING BUSINESS AS WELL AS ANY NEW BUSINESS OF THE COMPANY FOR WHICH THE FUNDS ARE BEING RAISED FALL WITHIN THE 'MAIN OBJECTS' IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE COMPANY AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED IN THE LAST TEN YEARS ARE VALID IN TERMS OF THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION - COMPLIED WITH TO THE EXTENT APPLICABLE;
10. FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE LETTER OF OFFER:
 - (A) AN UNDERTAKING FROM THE COMPANY THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE COMPANY, EXCLUDING SUPERIOR RIGHTS EQUITY SHARES, WHERE AN ISSUER HAS OUTSTANDING SUPERIOR RIGHTS EQUITY SHARES - COMPLIED WITH (THE COMPANY HAS NOT ISSUED ANY SUPERIOR RIGHTS EQUITY SHARES); AND
 - (B) AN UNDERTAKING FROM THE COMPANY THAT IT SHALL COMPLY WITH ALL DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY THE BOARD - COMPLIED WITH;
11. WE SHALL COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENTS IN TERMS OF THE SEBI ICDR REGULATIONS - NOTED FOR COMPLIANCE;
12. IF APPLICABLE, THE ENTITY IS ELIGIBLE TO LIST ON THE INNOVATORS GROWTH PLATFORM IN TERMS OF THE PROVISIONS OF CHAPTER X OF SEBI ICDR REGULATIONS - NOT APPLICABLE;
13. NONE OF THE INTERMEDIARIES NAMED IN THE LETTER OF OFFER HAVE BEEN DEBARRED FROM FUNCTIONING BY ANY REGULATORY AUTHORITY - COMPLIED WITH;
14. THE COMPANY IS ELIGIBLE TO MAKE A FAST TRACK ISSUE IN TERMS OF REGULATION 99 SEBI ICDR REGULATIONS. THE FULFILMENT OF THE ELIGIBILITY CRITERIA AS SPECIFIED IN THAT REGULATION BY THE COMPANY HAS ALSO BEEN DISCLOSED IN THE LETTER OF OFFER - COMPLIED WITH;
15. THE ABRIDGED LETTER OF OFFER CONTAINS ALL THE DISCLOSURES AS SPECIFIED IN THE SEBI ICDR REGULATIONS - COMPLIED WITH;
16. ALL MATERIAL DISCLOSURES IN RESPECT OF THE COMPANY HAVE BEEN MADE IN THE LETTER OF OFFER AND CERTIFY THAT ANY MATERIAL DEVELOPMENT IN THE COMPANY OR RELATING TO THE ISSUE UP TO THE COMMENCEMENT OF LISTING AND TRADING OF THE SPECIFIED SECURITIES OFFERED THROUGH THIS ISSUE SHALL BE INFORMED THROUGH PUBLIC NOTICES / ADVERTISEMENTS IN ALL THOSE NEWSPAPERS

IN WHICH THE PRE-ISSUE ADVERTISEMENT AND ADVERTISEMENT FOR OPENING OR CLOSURE OF THE ISSUE HAVE BEEN GIVEN - COMPLIED WITH AND NOTED FOR COMPLIANCE;

- 17. AGREEMENTS HAVE BEEN ENTERED INTO WITH THE DEPOSITORIES FOR DEMATERIALISATION OF THE SPECIFIED SECURITIES OF THE COMPANY - COMPLIED WITH;**

THE FILING OF THE LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE COMPANY FROM ANY LIABILITIES UNDER THE COMPANIES ACT, 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP, AT ANY POINT OF TIME, WITH THE LEAD MANAGER(S) ANY IRREGULARITIES OR LAPSES IN THE LETTER OF OFFER.

Disclaimer from our Company and the Lead Manager

Our Company and the Lead Manager accept no responsibility for statements made otherwise than in this Letter of Offer or in any advertisement or any other material issued by or at the instance of our Company and anyone placing reliance on any other source of information would be doing so at his / her own risk.

Investors who invest in the Issue will be deemed to have been represented to our Company and the Lead Manager and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Rights Equity Shares, and are relying on independent advice / evaluation as to their ability and quantum of investment in the Issue. Our Company, the Lead Manager and their directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any Applicant on whether such Applicant is eligible to acquire any Rights Equity Shares.

CAUTION

Our Company and the Lead Manager shall make all information available to the Eligible Equity Shareholders and no selective or additional information would be available for a section of the Eligible Equity Shareholders in any manner whatsoever including at presentations, in research or sales reports etc. after filing of this Letter of Offer.

No dealer, salesperson or other person is authorized to give any information or to represent anything not contained in this Letter of Offer. You must not rely on any unauthorized information or representations. This Letter of Offer is an offer to sell only the Equity Shares and rights to purchase the Equity Shares offered hereby, but only under circumstances and in jurisdictions where it is lawful to do so. The information contained in this Letter of Offer is current only as of its date.

Disclaimer with respect to jurisdiction

This Letter of Offer has been prepared under the provisions of Indian laws and the applicable rules and regulations thereunder. Any disputes arising out of the Issue will be subject to the jurisdiction of the appropriate court(s) in Mumbai, India only.

Designated Stock Exchange

The Equity Shares of our Company are listed only on NSE. The Rights Equity Shares to be issued through this Letter of Offer are proposed to be listed on the NSE, which shall be designated stock exchange with which the basis of allotment shall be finalised, and applications will be made to it for obtaining permission for listing and trading of the Rights Equity Shares.

Disclaimer Clause of NSE

The disclaimer clause intimated by the NSE to us, post scrutiny of this Letter of Offer, is set out below:

“As required, a copy of this letter of offer has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). NSE has given vide its letter Ref. No. NSE/LIST/26670 dated April 09, 2021 permission to the Issuer to use the Exchange’s name in this letter of offer as one of the stock exchanges on which this Issuer’s securities are proposed to be listed. The Exchange has scrutinized this letter of offer for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Issuer.

It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that the letter of offer has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this letter of offer; nor does it warrant that this Issuer’s securities will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of this Issuer, its promoters, its management or any scheme or project of this Issuer.

Every person who desires to apply for or otherwise acquire any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription /acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.”

Selling Restrictions

The distribution of this Letter of Offer the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and the issue of Rights Entitlements and Rights Equity Shares on a rights basis to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession this Letter of Offer, the Abridged Letter of Offer, the Application Form and the Rights Entitlement Letter may come are required to inform themselves about and observe such restrictions. Our Company is making this Issue on a rights basis to the Eligible Equity Shareholders in offshore transactions outside the United States in compliance with Regulation S to existing shareholders located in jurisdictions where such offer and sale of the Rights Equity Shares and/ or Rights Entitlements is permitted under laws of such jurisdictions. Our Company will dispatch this Letter of Offer / Abridged Letter of Offer and Application Form only to Eligible Equity Shareholders who have provided an Indian address to our Company. No action has been or will be taken to permit the Issue in any jurisdiction, or the possession, circulation, or distribution of this Letter of Offer or any other material relating to our Company, the Rights Equity Shares or Rights Entitlement in any jurisdiction, where action would be required for that purpose, except that this Letter of Offer has been filed with SEBI and the Stock Exchange. In those circumstances, this Letter of Offer, Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form must be treated as sent for information only and should not be acted upon for subscription to Rights Equity Shares and/ or Rights Entitlements and should not be copied or re-distributed or passed on, directly or indirectly, to any other person or published, in whole or in part, for any purpose.

Accordingly, the Rights Equity Shares and Rights Entitlement may not be offered or sold, directly or indirectly, and none of this Letter of Offer or any offering materials or advertisements in connection with the Rights Equity Shares or Rights Entitlement may be distributed or published in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of this Letter of Offer will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer.

This Letter of Offer and its accompanying documents are being supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, in whole or in part, for any purpose.

Our Company is making the Issue on a rights basis to the Eligible Equity Shareholders of our Company and in accordance with the SEBI ICDR Regulations, our Company will send, only through email, the Abridged Letter of Offer, Application Form and other applicable Issue materials to the email addresses of all the Eligible Equity Shareholders who have provided their Indian addresses to our Company. Those overseas Shareholders who do not update our records with their Indian address or the address of their duly authorized representative

in India, prior to the date on which we propose to send the Letter of Offer / Abridged Letter of Offer, Application Form and the Rights Entitlement Letter, shall not be mailed the Letter of Offer / Abridged Letter of Offer, Application Form and the Rights Entitlement Letter.

This Letter of Offer will be provided, only through an e-mail by the Registrar on behalf of our Company or the Lead Manager to the Eligible Equity Shareholders who have provided their Indian addresses to our Company and who make a request in this regard.

If this Letter of Offer is received by any person in any jurisdiction where to do so would or might contravene local securities laws or regulation, or by their agent or nominee, they must not seek to subscribe to the Rights Equity Shares or the Rights Entitlement referred to in this Letter of Offer. Investors are advised to consult their legal counsel prior to applying for the Rights Entitlement and Rights Equity Shares or accepting any provisional allotment of Rights Equity Shares, or making any offer, sale, resale, pledge or other transfer of the Rights Equity Shares or Rights Entitlement.

Neither the receipt of this Letter of Offer nor any sale/ offer of Rights Equity Shares and/ or the Rights Entitlements hereunder, shall under any circumstances create any implication that there has been no change in our Company's affairs from the date hereof or the date of such information or that the information contained herein is correct as of any time subsequent to this date or the date of such information. The contents of this Letter of Offer should not be construed as legal, tax or investment advice. Prospective investors may be subject to adverse foreign, state or local tax or legal consequences as a result of the offer of Rights Equity Shares or Rights Entitlements. As a result, each investor should consult its own counsel, business advisor and tax advisor as to the legal, business, tax and related matters concerning the offer of the Rights Equity Shares or Rights Entitlements. In addition, neither our Company nor the Lead Manager are making any representation to any offeree or purchaser of the Rights Equity Shares or the Rights Entitlements regarding the legality of an investment in the Rights Equity Shares and/ or the Rights Entitlements by such offeree or purchaser under any applicable laws or regulations.

Each person who exercises Rights Entitlement and subscribes for Rights Equity Shares or excess Rights Equity Shares, or who purchases Rights Entitlement or Rights Equity Shares shall do so in accordance with the restrictions set out below.

NO OFFER IN THE UNITED STATES

THE RIGHTS ENTITLEMENTS AND THE RIGHTS EQUITY SHARES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE US SECURITIES ACT, OR ANY U.S. STATE SECURITIES LAWS AND MAY NOT BE OFFERED, SOLD, RESOLD OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES, EXCEPT IN A TRANSACTION EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE US SECURITIES ACT. THE RIGHTS EQUITY SHARES AND THE RIGHTS ENTITLEMENTS REFERRED TO IN THIS LETTER OF OFFER ARE BEING OFFERED AND SOLD IN OFFSHORE TRANSACTIONS OUTSIDE THE UNITED STATES IN COMPLIANCE WITH REGULATION S TO EXISTING SHAREHOLDERS LOCATED IN JURISDICTIONS WHERE SUCH OFFER AND SALE OF THE RIGHTS EQUITY SHARES AND/ OR RIGHTS ENTITLEMENTS IS PERMITTED UNDER LAWS OF SUCH JURISDICTIONS. THE OFFERING TO WHICH THIS LETTER OF OFFER RELATES IS NOT, AND UNDER NO CIRCUMSTANCES IS TO BE CONSTRUED AS, AN OFFERING OF ANY RIGHTS EQUITY SHARES OR RIGHTS ENTITLEMENTS FOR SALE IN THE UNITED STATES OR AS A SOLICITATION THEREIN OF AN OFFER TO BUY OR TRANSFER ANY OF THE SAID SECURITIES.

Neither our Company, nor any person acting on behalf of our Company, will accept a subscription or renunciation or purchase of the Rights Equity Shares and/ or Rights Entitlements from any person, or the agent of any person, who appears to be, or who our Company, or any person acting on behalf of our Company, has reason to believe is, in the United States when the buy order is made. No Application Form should be postmarked in the United States, electronically transmitted from the United States or otherwise dispatched from the United States or from any other jurisdiction where it would be illegal to make an offer of securities under this Letter of Offer. Our Company is making this Issue on a rights basis to the Eligible Equity Shareholders and will dispatch, only through email, the Abridged

Letter of Offer, the Application Form and other applicable Issue materials only to Eligible Equity Shareholders who have provided an Indian address to our Company.

Any person who acquires Rights Entitlements or Rights Equity Shares will be deemed to have declared, warranted and agreed, by accepting the delivery of this Letter of Offer, that (i) it is not and that at the time of subscribing for the Rights Equity Shares or the Rights Entitlements, it will not be, in the United States, and is authorized to acquire the Rights Entitlements and the Rights Equity Shares in compliance with all applicable laws and regulations.

Our Company, reserves the right to treat as invalid any Application Form which: (i) appears to our Company or its agents to have been executed in, electronically transmitted from or dispatched from the United States or other jurisdictions where the offer and sale of the Rights Equity Shares and/ or the Rights Entitlements is not permitted under laws of such jurisdictions; (ii) does not include the relevant certifications set out in the Application Form, including to the effect that the person submitting and/or renouncing the Application Form is not in the United States and eligible to subscribe for the Rights Equity Shares and/ or the Rights Entitlements under applicable securities laws, and such person is complying with laws of jurisdictions applicable to such person in connection with this Issue and have obtained requisite approvals before applying in this Issue; or (iii) where either a registered Indian address is not provided or our Company believes acceptance of such Application Form may infringe applicable legal or regulatory requirements; and our Company shall not be bound to issue or allot any Rights Equity Shares and/ or the Rights Entitlements in respect of any such Application Form.

NOTICE TO INVESTORS

NO ACTION HAS BEEN TAKEN OR WILL BE TAKEN THAT WOULD PERMIT A PUBLIC OFFERING OF THE RIGHTS ENTITLEMENTS OR RIGHTS EQUITY SHARES TO OCCUR IN ANY JURISDICTION OTHER THAN INDIA, OR THE POSSESSION, CIRCULATION OR DISTRIBUTION OF THIS LETTER OF OFFER OR ANY OTHER MATERIAL RELATING TO OUR COMPANY, THE RIGHTS ENTITLEMENTS OR THE RIGHTS EQUITY SHARES IN ANY JURISDICTION WHERE ACTION FOR SUCH PURPOSE IS REQUIRED. ACCORDINGLY, THE RIGHTS ENTITLEMENTS OR RIGHTS EQUITY SHARES MAY NOT BE OFFERED OR SOLD, DIRECTLY OR INDIRECTLY, AND NEITHER THIS LETTER OF OFFER NOR ANY OFFERING MATERIALS OR ADVERTISEMENTS IN CONNECTION WITH THE RIGHTS ENTITLEMENTS OR RIGHTS EQUITY SHARES MAY BE DISTRIBUTED OR PUBLISHED IN OR FROM ANY COUNTRY OR JURISDICTION EXCEPT IN ACCORDANCE WITH THE LEGAL REQUIREMENTS APPLICABLE IN SUCH COUNTRY OR JURISDICTION. THIS ISSUE WILL BE MADE IN COMPLIANCE WITH THE APPLICABLE SEBI REGULATIONS. EACH PURCHASER OF THE RIGHTS ENTITLEMENTS OR THE RIGHTS EQUITY SHARES IN THIS ISSUE WILL BE DEEMED TO HAVE MADE ACKNOWLEDGMENTS AND AGREEMENTS AS DESCRIBED UNDER “RESTRICTIONS ON PURCHASES AND RESALES” ON PAGE 150.

Filing

This Letter of Offer is being filed with the Stock Exchange as per the provisions of SEBI ICDR Regulations. Further, in terms of Regulation 71(8) of SEBI ICDR Regulations, our Company will simultaneously while filing this Letter of Offer with the Stock Exchange, do an online filing with SEBI through the SEBI intermediary portal at <https://siportal.sebi.gov.in> in terms of the circular (No. SEBI/HO/CFD/DIL1/CIR/P/2018/011) dated January 19, 2018 issued by the SEBI. Further, in light of the SEBI notification dated March 27, 2020, our Company will submit a copy of this Letter of Offer to the email address: cfddil@sebi.gov.in.

Investor Grievances and Redressal System

Our Company has adequate arrangements for the redressal of investor complaints in compliance with the corporate governance requirements under the Listing Agreement.

Our Company has a Stakeholders' Relationship Committee which currently comprises R Venkatraman, Srivats Ram and T T Srinivasaraghavan. The broad terms of reference include redressal of investors' complaints pertaining to share transfers, non-receipt of annual reports, dividend payments, issue of duplicate certificates etc. We have been registered

with the SEBI Complaints Redress System (SCORES) as required by the SEBI Circular no. CIR/OIAE/2/2011 dated June 3, 2011. Consequently, investor grievances are tracked online by our Company.

The investor complaints received by our Company are disposed of within 10 working days from the date of receipt of the complaint.

Investors may contact our Secretary and Compliance Officer or the Registrar in case of any pre-Issue / post-Issue related problems such as non-receipt of Allotment advice / demat credit / refund orders etc. The contact details of the Secretary and Compliance Officer are as follows:

P. N. Srikant

Secretary and Compliance Officer

Sundaram Finance Holdings Limited

21, Patullos Road,

Chennai - 600 002,

Tamil Nadu, India

Telephone: +91 44 2852 1181

Email: investorservices@sundaramholdings.in

Registrar to the Issue

Cameo Corporate Services Limited

Subramanian Building, No.1,

Club House Road,

Chennai – 600 002

Tamil Nadu, India

Telephone: +91 44 4002 0710 / +91 44 2846 0390

Toll free numbers: 1-800-102-3669

E-mail: priya@cameoindia.com

Investor Grievance E-mail: investor@cameoindia.com

Contact Person: K.Sreepriya

Website: www.cameoindia.com

SEBI Registration No.: INR000003753

In accordance with SEBI Rights Issue Circulars, frequently asked questions and guidance on the Application process and resolution of difficulties faced by the Investors will be available on the website of the Registrar.

SECTION VII – OFFERING INFORMATION

TERMS OF THE ISSUE

This section is for the information of the Investors proposing to apply in this Issue. Investors should carefully read the provisions contained in this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form, before submitting the Application Form. Our Company and the Lead Manager are not liable for any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this Letter of Offer. Investors are advised to make their independent investigation and ensure that the Application Form is correctly filled up. Unless otherwise permitted under the SEBI ICDR Regulations read with SEBI Rights Issue Circulars, Investors proposing to apply in this Issue can apply only through ASBA or by the mechanism disclosed in this section.

Further, SEBI has pursuant to the SEBI Rights Issue Circulars has stated that in the event there are physical shareholders who have not been able to open a demat account pursuant to the SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020 or are unable to communicate their demat account details to our Company or the Registrar for credit of Rights Entitlements, such physical shareholders may be allowed to submit their Application. For more details, see “- Application by Eligible Equity Shareholders holding Equity Shares in physical form ” on page 116.

INVESTORS ARE REQUESTED TO NOTE THAT APPLICATION IN THIS ISSUE CAN ONLY BE MADE THROUGH ASBA OR BY R-WAP FACILITY. FURTHER, THIS R-WAP FACILITY IN ADDITION TO ASBA AND THE RELAXATION ON APPLICATIONS TO BE MADE BY PHYSICAL SHAREHOLDERS, SHALL NOT BE A REPLACEMENT OF THE EXISTING PROCESS UNDER THE SEBI ICDR REGULATIONS. FOR GUIDENCE ON THE APPLICATION PROCESS THROUGH R-WAP AND RESOLUTION OF DIFFICULTIES FACED BY INVESTORS, YOU ARE ADVISED TO READ THE FREQUENTLY ASKED QUESTION (FAQ) ON THE WEBSITE OF THE REGISTRAR AT <https://rights.cameoindia.com/sfhl>.

OVERVIEW

This Issue and the Rights Equity Shares proposed to be issued on a rights basis, are subject to the terms and conditions contained in this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, and the Memorandum of Association and the Articles of Association of our Company, the provisions of the Companies Act, 2013, FEMA, FEMA Rules, the SEBI ICDR Regulations, the SEBI Listing Regulations, and the guidelines, notifications and regulations issued by SEBI, the Government of India and other statutory and regulatory authorities from time to time, approvals, if any, from the RBI or other regulatory authorities, the terms of the Listing Agreement entered into by our Company with the Stock Exchange and the terms and conditions as stipulated in the Allotment advice.

Important:

1. Dispatch and availability of Issue materials:

In accordance with the SEBI ICDR Regulations, our Company will send, only through email, the Abridged Letter of Offer, Application Form and other applicable Issue materials to the email addresses of all the Eligible Equity Shareholders who have provided their Indian addresses to our Company. This Letter of Offer will be provided to those who make a request in this regard.

In the event that e-mail addresses of the Eligible Equity Shareholders are not available with the Company or the Eligible Shareholders have not provided valid e-mail addresses to the Company, our Company will dispatch the Abridged Letter of Offer, Application Form and other applicable Issue materials by way of physical delivery as per the applicable laws to those Eligible Equity Shareholders who have provided their Indian address.

Investors can access this Letter of Offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable securities laws) on the websites of:

- i. our Company at www.sundaramholdings.in;
- ii. the Registrar, i.e., Cameo Corporate Services Limited at <https://rights.cameoindia.com/sfhl>;
- iii. the Lead Manager, i.e., JM Financial Limited at www.jmfl.com;
- iv. the Stock Exchange, i.e., NSE at www.nseindia.com; and
- v. the Registrar's web-based application platform at <https://rights.cameoindia.com/sfhl>.

Shareholders who have not received the Application Form may apply, along with the requisite application money, by using the Application Forms available on the websites above, or on plain paper, with the same details as per the Application Form available online.

Eligible Equity Shareholders can obtain the details of their respective Rights Entitlements from the website of the Registrar (i.e., Cameo Corporate Services Limited at <https://rights.cameoindia.com/sfhl>) by entering their DP ID and Client ID or Folio Number (in case of Eligible Equity Shareholders holding Equity Shares in physical form) and PAN. The link for the same shall also be available on the website of our Company (i.e., www.sundaramholdings.in).

Further, our Company along with the Lead Manager will undertake all adequate steps to reach out to the Eligible Equity Shareholders who have provided their Indian address through other means, as may be feasible.

The distribution of this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the issue of Rights Equity Shares on a rights basis to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. No action has been, or will be, taken to permit this Issue in any jurisdiction where action would be required for that purpose, except that this Letter of Offer is being filed with SEBI and the Stock Exchange. Accordingly, the Rights Entitlements and Rights Equity Shares may not be offered or sold, directly or indirectly, and this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form or any Issue related materials or advertisements in connection with this Issue may not be distributed, in any jurisdiction outside India, except in accordance with and as permitted under the legal requirements applicable in such jurisdiction. Receipt of this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form (including by way of electronic means) will not constitute an offer, invitation to or solicitation by anyone in any jurisdiction or in any circumstances in which such an offer, invitation or solicitation is unlawful or not authorised or to any person to whom it is unlawful to make such an offer, invitation or solicitation. In those circumstances, this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form must be treated as sent for information only and should not be acted upon for subscription to Rights Equity Shares and/ or Rights Entitlements and should not be copied or re-distributed.

Accordingly, persons receiving a copy of this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form should not, in connection with the issue of the Rights Equity Shares or the Rights Entitlements, distribute or send this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form in or into any jurisdiction where to do so, would, or might, contravene local securities laws or regulations or would subject our Company or its affiliates or the Lead Manager or their respective affiliates to any filing or registration requirement (other than in India). If this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to make an Application or acquire the Rights Entitlements referred to in this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form. Any person who makes an application to acquire Rights Entitlements and the Rights Equity Shares offered in the Issue will be deemed to have declared, represented and warranted that such person is authorized to acquire the Rights Entitlements and the Rights Equity Shares in compliance with all applicable laws and regulations prevailing in such person's jurisdiction and India, without requirement for our Company or our affiliates or the Lead Manager or their respective affiliates to make any filing or registration (other than in India).

2. Facilities for Application in this Issue:

In accordance with Regulation 76 of the SEBI ICDR Regulations, SEBI Rights Issue Circulars and ASBA Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use either the ASBA process or the optional mechanism instituted only for resident Investors in this Issue, i.e., R-WAP. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA or using the R-WAP. For details, see “- Procedure for Application through the ASBA Process” and “- Procedure for Application through R-WAP facility” on page 126 and 127.

- (a) **ASBA facility:** Investors can submit either the Application Form in physical mode to the Designated Branch of the SCSBs or online/ electronic Application through the website of the SCSBs (if made available by such SCSB) authorizing the SCSB to block the Application Money in an ASBA Account maintained with the SCSB. Application through ASBA facility in electronic mode will only be available with such SCSBs who provide such facility. Investors should note that the ASBA process involves procedures that are different from the procedure under the R-WAP process. Investors applying through the ASBA facility should carefully read the provisions applicable to such Applications before making their Application through the ASBA process. For details, see “- Procedure for Application through the ASBA Process” on page 126.

Please note that subject to SCSBs complying with the requirements of SEBI Circular CIR/CFD/DIL/13/2012 dated September 25, 2012, within the periods stipulated therein, Applications may be submitted at the Designated Branches of the SCSBs.

Further, in terms of the SEBI Circular CIR/CFD/DIL/1/2013 dated January 2, 2013, it is clarified that for making Applications by SCSBs on their own account using ASBA facility, each such SCSB should have a separate account in its own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making an Application in this Issue and clear demarcated funds should be available in such account for such an Application.

(b) Registrar’s Web Based Application Portal:

In accordance with the R-WAP Circulars, a separate web based application platform, i.e., the R-WAP facility (accessible at <https://rights.cameoindia.com/sfhl>), has been instituted for making an Application in this Issue by resident Investors. Further, R-WAP is only an additional option and not a replacement of the ASBA process. At the R-WAP, resident Investors can access and submit the online Application Form in electronic mode using the R-WAP and make online payment using their internet banking or UPI facility from their own bank account thereat.

PLEASE NOTE THAT ONLY RESIDENT INVESTORS CAN SUBMIT AN APPLICATION USING R-WAP FACILITY. R-WAP FACILITY WILL BE OPERATIONAL FROM THE ISSUE OPENING DATE. FOR RISKS ASSOCIATED WITH THE R-WAP PROCESS, SEE “RISK FACTORS - THE R-WAP PAYMENT MECHANISM FACILITY PROPOSED TO BE USED FOR THIS ISSUE MAY BE EXPOSED TO RISKS, INCLUDING RISKS ASSOCIATED WITH PAYMENT GATEWAYS” ON PAGE 36.

For guidance on the Application process through R-WAP and resolution of difficulties faced by the Investors, the Investors are advised to carefully read the frequently asked questions, visit the online/ electronic dedicated investor helpdesk (<https://rights.cameoindia.com/sfhl>) or call helpline number (+91 73388 08559 and +91 44 4002 0710). For details, see “- Procedure for Application through R-WAP” on page 127.

3. Credit of Rights Entitlements in demat accounts of Eligible Equity Shareholders

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialized form only. Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to (i) the demat accounts of the Eligible

Equity Shareholders holding the Equity Shares in dematerialised form; and (ii) a demat suspense escrow account (namely, “SFHL Rights Entitlement Suspense Escrow Demat Account”) opened by our Company, for the Eligible Equity Shareholders which would comprise Rights Entitlements relating to (a) Equity Shares held in a demat suspense account pursuant to Regulation 39 of the SEBI Listing Regulations; or (b) Equity Shares held in the account of IEPF authority; or (c) the demat accounts of the Eligible Equity Shareholder which are frozen or suspended for debit/credit or details of which are unavailable with our Company or with the Registrar on the Record Date; or (d) Equity Shares held by Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date where details of demat accounts are not provided by Eligible Equity Shareholders to our Company or Registrar; or (e) instances where credit of the Rights Entitlements returned/reversed/failed; or (f) Equity Shares, the ownership of which is currently under dispute, including in any court proceedings.

In this connection, our Company has made necessary arrangements with NSDL and CDSL for credit of the Rights Entitlements in dematerialised form in the demat accounts of the Eligible Equity Shareholders. A separate ISIN for the Rights Entitlements has also been generated which is INE202Z20011. This ISIN of the Rights Entitlements shall remain frozen (for debit) until the Issue Opening Date and shall become active on the Issue Opening day and remain active for renunciation or transfer during the Renunciation Period and shall be suspended by Depositories for transfer from the Issue Closing Date.

Eligible Equity Shareholders are requested to provide relevant details (such as copies of self-attested PAN and client master sheet of demat account etc., details/ records confirming the legal and beneficial ownership of their respective Equity Shares) to the Company or the Registrar not later than two Working Days prior to the Issue Closing Date, i.e. Monday, May 31, 2021, by R-WAP to enable the credit of their Rights Entitlements by way of transfer from the demat suspense escrow account to their demat account at least one day before the Issue Closing Date, to enable such Eligible Equity Shareholders to make an application in this Issue, and this communication shall serve as an intimation to such Eligible Equity Shareholders in this regard. Such Eligible Equity Shareholders are also requested to ensure that their demat account, details of which have been provided to the Company or the Registrar account is active to facilitate the aforementioned transfer.

4. Application by Eligible Equity Shareholders holding Equity Shares in physical form:

In accordance with the SEBI Rights Issue Circulars, (a) the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and have not been able to open a demat account; or (b) the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have not furnished the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, desirous of subscribing to Rights Equity Shares **may also apply** in this Issue during the Issue Period. Application by such Eligible Equity Shareholders is subject to following conditions:

- i. the Eligible Equity Shareholders apply only through R-WAP;
- ii. the Eligible Equity Shareholders are residents;
- iii. the Eligible Equity Shareholders are not making payment from non-resident account;
- iv. the Eligible Equity Shareholders shall not be able to renounce their Rights Entitlements; and
- v. the Eligible Equity Shareholders shall receive Rights Equity Shares, in respect of their Application, only in demat mode.

Subsequently, such resident Eligible Equity Shareholders are required to send a communication to our Company or the Registrar containing the name(s), Indian address, e-mail address, contact details and the details of their demat account along with copy of self-attested PAN and self-attested client master sheet of their demat account either by post, speed post, courier, electronic mail or hand delivery, to enable process of credit of Rights Equity Shares in such demat account, as and when opened. Until such period the Rights Equity Shares Allotted to such Eligible Equity Shareholders who hold Equity Shares in physical form, will be credited into the demat suspense account to be opened by the Company.

Such resident Eligible Equity Shareholders must check the procedure for Application by and credit of Rights Equity Shares in “- Procedure for Application by Eligible Equity Shareholders holding Equity Shares in physical form” and

“- Credit and Transfer of Rights Equity Shares in case of Shareholders holding Equity Shares in Physical Form and disposal of Rights Equity Shares for non-receipt of demat account details in a timely manner” on pages 132 and 142, respectively.

5. Other important links and helpline:

The Investors can visit following links for the below-mentioned purposes:

- Frequently asked questions and online/ electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors: <https://rights.cameoindia.com/sfhl>;
- Updation of Indian address/ email address/ mobile number in the records maintained by the Registrar or our Company: <https://rights.cameoindia.com/sfhl>;
- Updation of demat account details by Eligible Equity Shareholders holding shares in physical form: <https://rights.cameoindia.com/sfhl>; and
- Submission of self-attested PAN, client master sheet and demat account details by nonresident Eligible Equity Shareholders by email to priya@cameoindia.com

Renouncees

All rights and obligations of the Eligible Equity Shareholders in relation to Applications and refunds pertaining to this Issue shall apply to the Renouncee(s) as well.

Basis for this Issue

The Rights Equity Shares are being offered for subscription for cash to the Eligible Equity Shareholders whose names appear as beneficial owners as per the list to be furnished by the Depositories in respect of our Equity Shares held in dematerialised form and on the register of members of our Company in respect of our Equity Shares held in physical form at the close of business hours on the Record Date.

Rights Entitlements

As your name appears as a beneficial owner in respect of the issued and paid-up Equity Shares held in dematerialised form or appears in the register of members of our Company as an Eligible Equity Shareholder in respect of our Equity Shares held in physical form, as on the Record Date, you may be entitled to subscribe to the number of Rights Equity Shares as set out in the Rights Entitlement Letter.

Eligible Equity Shareholders can also obtain the details of their respective Rights Entitlements from the website of the Registrar (*i.e.*, Cameo Corporate Services Limited at <https://rights.cameoindia.com/sfhl>) by entering their DP ID and Client ID or Folio Number (in case of Eligible Equity Shareholders holding Equity Shares in physical form) and PAN. The link for the same shall also be available on the website of our Company (*i.e.*, www.sundaramholdings.in).

Rights Entitlements shall be credited to the respective demat accounts of Eligible Equity Shareholders before the Issue Opening Date only in dematerialised form. If Eligible Equity Shareholders holding Equity Shares in physical form as on the Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than two Working Days prior to the Issue Closing Date, to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least one day before the Issue Closing Date. Such Eligible Equity Shareholders holding shares in physical form can update the details of their respective demat accounts on the website of the Registrar (*i.e.*, Cameo Corporate Services Limited at <https://rights.cameoindia.com/sfhl>). Such Eligible Equity Shareholders can make an Application only after the Rights Entitlements is credited to their respective demat accounts.

Such Eligible Equity Shareholders can make an Application only after the Rights Entitlements is credited to their respective demat accounts, except in case of resident Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date and applying through R-WAP (an additional optional facility).

For details of Application through R-WAP by the Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, see “- *Procedure for Application by Eligible Equity Shareholders holding Equity Shares in physical form*” and “- *Credit and Transfer of Rights Equity Shares in case of Shareholders holding Equity Shares in Physical Form and disposal of Rights Equity Shares for non-receipt of demat account details in a timely manner*” on pages 132 and 142, respectively.

Our Company is undertaking this Issue on a rights basis to the Eligible Equity Shareholders and will send this Letter of Offer, the Abridged Letter of Offer, the Application Form and other applicable Issue materials primarily to email addresses of Eligible Equity Shareholders who have provided an Indian address to our Company. This Letter of Offer will be provided to those who make a request in this regard.

In the event that e-mail addresses of the Eligible Equity Shareholders are not available with the Company or the Eligible Shareholders have not provided valid e-mail addresses to the Company, our Company will dispatch the Abridged Letter of Offer, Application Form and other applicable Issue materials by way of physical delivery as per the applicable laws to those Eligible Equity Shareholders who have provided their Indian address.

This Letter of Offer, the Abridged Letter of Offer and the Application Form may also be accessed on the websites of the Registrar, our Company and the Lead Manager through a link contained in the aforementioned email sent to email addresses of Eligible Equity Shareholders (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares and/ or the Rights Entitlements under applicable securities laws) and on the Stock Exchange website. The distribution of this Letter of Offer, Abridged Letter of Offer, the Rights Entitlement Letter and the issue of Rights Equity Shares and/ or the Rights Entitlements on a rights basis to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. No action has been, or will be, taken to permit this Issue in any jurisdiction where action would be required for that purpose, except that this Letter of Offer has been filed with SEBI and the Stock Exchange. Accordingly, the Rights Entitlements and Rights Equity Shares may not be offered or sold, directly or indirectly, and this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form or any Issue related materials or advertisements in connection with this Issue may not be distributed, in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form (including by way of electronic means) will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer and, in those circumstances, this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form must be treated as sent for information only and should not be acted upon for making an Application and should not be copied or re-distributed. Accordingly, persons receiving a copy of this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form should not, in connection with the issue of the Rights Equity Shares or the Rights Entitlements, distribute or send this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form in or into any jurisdiction where to do so, would, or might, contravene local securities laws or regulations. If this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to make an Application or acquire the Rights Entitlements referred to in this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form. Any person who acquires Rights Entitlements or makes an Application will be deemed to have declared, warranted and agreed, by accepting the delivery of this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form, that it is entitled to subscribe for the Rights Equity Shares under the laws of any jurisdiction which apply to such person.

PRINCIPAL TERMS OF THIS ISSUE

Face Value

Each Rights Equity Share will have the face value of ₹ 5.

Issue Price

Each Rights Equity Share is being offered at a price of ₹ 50 per Rights Equity Share (including a premium of ₹ 45 per Rights Equity Share) in this Issue.

The Issue Price for Rights Equity Shares has been arrived at by our Company in consultation with the Lead Manager and has been decided prior to the determination of the Record Date.

Rights Entitlements Ratio

The Rights Equity Shares are being offered on a rights basis to the Eligible Equity Shareholders in the ratio of 23 Rights Equity Share for every 49 Equity Shares held by the Eligible Equity Shareholders as on the Record Date.

Renunciation of Rights Entitlements

This Issue includes a right exercisable by Eligible Equity Shareholders to renounce the Rights Entitlements credited to their respective demat account either in full or in part.

The renunciation from non-resident Eligible Equity Shareholder(s) to resident Indian(s) and *vice versa* shall be subject to provisions of FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time. However, the facility of renunciation shall not be available to or operate in favour of an Eligible Equity Shareholders being an erstwhile OCB unless the same is in compliance with the FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time.

The renunciation of Rights Entitlements credited in your demat account can be made either by sale of such Rights Entitlements, using the secondary market platform of the Stock Exchange or through an off-market transfer. For details, see “- *Procedure for Renunciation of Rights Entitlements*” on page 128.

In accordance with R-WAP Circulars, the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have not furnished the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, will not be able to renounce their Rights Entitlements.

Credit of Rights Entitlements in dematerialised account

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialized form only. Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to (i) the demat accounts of the Eligible Equity Shareholders holding the Equity Shares in dematerialised form; and (ii) a demat suspense escrow account (namely, “SFHL Rights Entitlement Suspense Escrow Demat Account”) opened by our Company, for the Eligible Equity Shareholders which would comprise Rights Entitlements relating to (a) Equity Shares held in a demat suspense account pursuant to Regulation 39 of the SEBI Listing Regulations; or (b) Equity Shares held in the account of IEPF authority; or (c) the demat accounts of the Eligible Equity Shareholder which are frozen or suspended for debit / credit or details of which are unavailable with our Company or with the Registrar on the Record Date; or (d) Equity Shares held by Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date where details of demat accounts are not provided by Eligible Equity Shareholders to our Company or Registrar; or (e) instances where credit of the Rights Entitlements returned/reversed/failed; or (f) Equity Shares, the ownership of which is currently under dispute, including in any court proceedings.

In this regard, our Company has made necessary arrangements with NSDL and CDSL for the crediting of the Rights Entitlements to the demat accounts of the Eligible Equity Shareholders in a dematerialized form. A separate ISIN for the Rights Entitlements has also been generated which is INE202Z20011. The said ISIN shall remain frozen (for debit) until the Issue Opening Date. The said ISIN shall be suspended for transfer by the Depositories post the Issue Closing Date.

Eligible Equity Shareholders are requested to provide relevant details (such as copies of self-attested PAN and client master sheet of demat account etc., details/ records confirming the legal and beneficial ownership of their respective Equity Shares) to the Company or the Registrar not later than two Working Days prior to the Issue Closing Date, i.e., by Monday, May 31, 2021 to enable the credit of their Rights Entitlements by way of transfer from the demat suspense escrow account to their demat account at least one day before the Issue Closing Date, to enable such Eligible Equity Shareholders to make an application in this Issue, and this communication shall serve as an intimation to such Eligible Equity Shareholders in this regard. Such Eligible Equity Shareholders are also requested to ensure that their demat account, details of which have been provided to the Company or the Registrar account is active to facilitate the aforementioned transfer.

Additionally, our Company will submit the details of the total Rights Entitlements credited to the demat accounts of the Eligible Equity Shareholders and the demat suspense escrow account to the Stock Exchange after completing the corporate action. The details of the Rights Entitlements with respect to each Eligible Equity Shareholders can be accessed by such respective Eligible Equity Shareholders on the website of the Registrar after keying in their respective details along with other security control measures implemented thereat.

Trading of the Rights Entitlements

In accordance with the SEBI Rights Issue Circulars, the Rights Entitlements credited shall be admitted for trading on the Stock Exchange under ISIN INE202Z20011. Prior to the Issue Opening Date, our Company will obtain the approval from the Stock Exchange for trading of Rights Entitlements. Investors shall be able to trade their Rights Entitlements either through On Market Renunciation or through Off Market Renunciation. The trades through On Market Renunciation and Off Market Renunciation will be settled by transferring the Rights Entitlements through the depository mechanism.

The On Market Renunciation shall take place electronically on the secondary market platform of the Stock Exchange on T+2 rolling settlement basis, where T refers to the date of trading. The transactions will be settled on trade-for-trade basis. The Rights Entitlements shall be tradable in dematerialized form only. The market lot for trading of Rights Entitlements is one Rights Entitlements.

The On Market Renunciation shall take place only during the Renunciation Period for On Market Renunciation, i.e., from Thursday, May 6, 2021 to Friday, May 28, 2021 (both days inclusive). No assurance can be given regarding the active or sustained On Market Renunciation or the price at which the Rights Entitlements will trade. Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date. For details, see “- Procedure for Renunciation of Rights Entitlements – On Market Renunciation” and “- Procedure for Renunciation of Rights Entitlements – Off Market Renunciation” on page 129.

Please note that the Rights Entitlements which are neither renounced nor subscribed by the Investors on or before the Issue Closing Date shall lapse and shall be extinguished after the Issue Closing Date.

Terms of Payment

₹ 50 per Rights Equity Share (including premium of ₹ 45 per Rights Equity Share) shall be payable on application.

Where an Applicant has applied for additional Rights Equity Shares and is Allotted a lesser number of Rights Equity Shares than applied for, the excess Application Money paid/blocked shall be refunded/unblocked. The un-blocking of ASBA funds / refund of monies shall be completed be within such period as prescribed under the SEBI ICDR

Regulations. In the event that there is a delay in making refunds beyond such period as prescribed under applicable law, our Company shall pay the requisite interest at such rate as prescribed under applicable law.

Fractional Entitlements

The Rights Equity Shares are being offered on a rights basis to existing Eligible Equity Shareholders in the ratio of 23 Rights Equity Shares for every 49 Equity Shares held as on the Record Date. As per SEBI Rights Issue Circulars, the fractional entitlements are to be ignored. Accordingly, if the shareholding of any of the Eligible Equity Shareholders is less than 49 Equity Shares or is not in the multiple of 49 Equity Shares, the fractional entitlements of such Eligible Equity Shareholders shall be ignored by rounding down of their Rights Entitlements. However, the Eligible Equity Shareholders whose fractional entitlements are being ignored, will be given preferential consideration for the Allotment of one additional Rights Equity Share if they apply for additional Rights Equity Shares over and above their Rights Entitlements, if any, subject to availability of Rights Equity Shares in this Issue post allocation towards Rights Entitlements applied for.

For example, if an Eligible Equity Shareholder holds 51 Equity Shares, such Equity Shareholder will be entitled to 23 Rights Equity Share and will also be given a preferential consideration for the Allotment of one additional Rights Equity Share if such Eligible Equity Shareholder has applied for additional Rights Equity Shares, over and above his/her Rights Entitlements, subject to availability of Rights Equity Shares in this Issue post allocation towards Rights Entitlements applied for.

Further, the Eligible Equity Shareholders holding less than three Equity Shares shall have 'zero' entitlement for the Rights Equity Shares. Such Eligible Equity Shareholders are entitled to apply for additional Rights Equity Shares and will be given preference in the Allotment of one Rights Equity Share, if such Eligible Equity Shareholders apply for additional Rights Equity Shares, subject to availability of Rights Equity Shares in this Issue post allocation towards Rights Entitlements applied for. However, they cannot renounce the same in favour of third parties.

Credit Rating

As this Issue is a rights issue of Rights Equity Shares, there is no requirement of credit rating for this Issue.

Ranking

The Rights Equity Shares to be issued and Allotted pursuant to this Issue shall be subject to the provisions of this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, and the Memorandum of Association and the Articles of Association, the provisions of the Companies Act, 2013, FEMA, FEMA Rules, the SEBI ICDR Regulations, the SEBI Listing Regulations, and the guidelines, notifications and regulations issued by SEBI, the Government of India and other statutory and regulatory authorities from time to time, the terms of the Listing Agreement entered into by our Company with the Stock Exchange and the terms and conditions as stipulated in the Allotment advice. The Rights Equity Shares to be issued and Allotted under this Issue shall, upon being fully paid up, rank *pari passu* with the existing Equity Shares, in all respects including dividends. In respect of the Rights Equity Shares, Investors are entitled to dividend in proportion to the amount paid up and their voting rights exercisable on a poll shall also be proportional to their respective share of the paid-up equity capital of our Company.

Listing and trading of the Rights Equity Shares to be issued pursuant to this Issue

Subject to receipt of the listing and trading approvals, the Rights Equity Shares proposed to be issued on a rights basis shall be listed and admitted for trading on the Stock Exchange. Unless otherwise permitted by the SEBI ICDR Regulations, the Rights Equity Shares Allotted pursuant to this Issue will be listed as soon as practicable and all steps for completion of necessary formalities for listing and commencement of trading in the Rights Equity Shares will be taken within such period prescribed under the SEBI ICDR Regulations. Our Company has received in principle approval from NSE through letter bearing reference number NSE/LIST/26670 dated April 9, 2021.

Our Company will apply to the Stock Exchange for final approval for the listing and trading of the Rights Equity Shares subsequent to their Allotment. No assurance can be given regarding the active or sustained trading in the Rights Equity Shares or the price at which the Rights Equity Shares offered under this Issue will trade after the listing thereof.

The existing Equity Shares are listed and traded on NSE (Scrip Code: SUNDARMHLD) under the ISIN: INE202Z01029. The Rights Equity Shares shall be credited to a temporary ISIN which will be frozen until the receipt of the final listing/ trading approvals from the Stock Exchange. Upon receipt of such listing and trading approvals, the Rights Equity Shares shall be debited from such temporary ISIN and credited to the existing ISIN for the Equity Shares and thereafter be available for trading and the temporary ISIN shall be permanently deactivated in the depository system of CDSL and NSDL. The listing and trading of the Rights Equity Shares issued pursuant to this Issue shall be based on the current regulatory framework then applicable.

Accordingly, any change in the regulatory regime would affect the listing and trading schedule. In case our Company fails to obtain listing or trading permission from the Stock Exchange, we shall refund through verifiable means/unblock the respective ASBA Accounts, the entire monies received/blocked within four days of receipt of intimation from the Stock Exchange, rejecting the application for listing of the Rights Equity Shares, and if any such money is not refunded/ unblocked within four days after our Company becomes liable to repay it, our Company and every Director of our Company who is an officer-in-default shall, on and from the expiry of the fifth day, be jointly and severally liable to repay that money with interest at rates prescribed under applicable law.

Subscription to this Issue by our Promoter and our Promoter Group

For details of the intent and extent of subscription by our Promoter and the Promoter Group, see “*Capital Structure – Details of subscription of Issue by Promoter and Promoter Group*” on page 45.

Rights of Holders of Rights Equity Shares of our Company

Subject to applicable laws, Rights Equity Shareholders shall have the following rights:

- i. The right to receive dividend, if declared;
- ii. The right to vote in person, or by proxy, except in case of Rights Equity Shares credited to the demat
- iii. suspense account for resident Eligible Equity Shareholders holding Equity Shares in physical form;
- iv. The right to receive surplus on liquidation;
- v. The right to free transferability of Rights Equity Shares;
- vi. The right to attend general meetings of our Company and exercise voting powers in accordance with law, unless prohibited / restricted by law and as disclosed under “- *Credit and Transfer of Rights Equity Shares in case of Shareholders holding Equity Shares in Physical Form and disposal of Rights Equity Shares for non-receipt of demat account details in a timely manner*” on page 142; and
- vii. Such other rights as may be available to a shareholder of a listed public company under the Companies Act, 2013, the Memorandum of Association and the Articles of Association.

Subject to applicable law and Articles of Association, holders of Rights Equity Shares shall be entitled to the above rights in proportion to amount paid-up on such Rights Equity Shares in this Issue.

GENERAL TERMS OF THE ISSUE

Market Lot

The Rights Equity Shares of our Company shall be tradable only in dematerialized form. The market lot for Rights Equity Shares in dematerialised mode is one Equity Share.

Joint Holders

Where two or more persons are registered as the holders of any Equity Shares, they shall be deemed to hold the same as the joint holders with the benefit of survivorship subject to the provisions contained in our Articles of Association. In case of Equity Shares held by joint holders, the Application submitted in physical mode to the Designated Branch of the SCSBs would be required to be signed by all the joint holders (in the same order as appearing in the records of the Depository) to be considered as valid for allotment of Rights Equity Shares offered in this Issue.

Nomination

Nomination facility is available in respect of the Rights Equity Shares in accordance with the provisions of the Section 72 of the Companies Act, 2013 read with Rule 19 of the Companies (Share Capital and Debenture) Rules, 2014.

Since the Allotment is in dematerialised form, there is no need to make a separate nomination for the Rights Equity Shares to be Allotted in this Issue. Nominations registered with the respective DPs of the Investors would prevail. Any Investor holding Equity Shares in dematerialised form and desirous of changing the existing nomination is requested to inform its Depository Participant.

Arrangements for Disposal of Odd Lots

The Rights Equity Shares shall be traded in dematerialised form only and, therefore, the marketable lot shall be one Rights Equity Share and hence, no arrangements for disposal of odd lots are required.

Notices

In accordance with the SEBI ICDR Regulations, SEBI Rights Issue Circulars, our Company will send, primarily through email, the Abridged Letter of Offer, Application Form and other applicable Issue materials to the email addresses of all the Eligible Equity Shareholders who have provided their Indian addresses to our Company. This Letter of Offer will be provided, primarily through email, by the Registrar on behalf of our Company and the Lead Manager to the Eligible Equity Shareholders who have provided their Indian addresses to our Company and who make a request in this regard.

In the event that e-mail addresses of the Eligible Equity Shareholders are not available with the Company or the Eligible Shareholders have not provided valid e-mail addresses to the Company, our Company will dispatch the Abridged Letter of Offer, Application Form and other applicable Issue materials by way of physical delivery as per the applicable laws to those Eligible Equity Shareholders who have provided their Indian address.

All notices to the Eligible Equity Shareholders required to be given by our Company shall be published in one English language national daily newspaper with wide circulation, one Hindi language national daily newspaper with wide circulation and one Tamil language daily newspaper with wide circulation (Tamil being the regional language of Chennai, where our Registered Office is situated).

This Letter of Offer, the Abridged Letter of Offer and the Application Form shall also be submitted with the Stock Exchange for making the same available on its website.

Offer to Non-Resident Eligible Equity Shareholders/Investors

As per Rule 7 of the FEMA Rules, the RBI has given general permission to Indian companies to issue rights equity shares to non-resident shareholders including additional rights equity shares. Further, as per the Master Direction on Foreign Investment in India dated January 4, 2018 issued by the RBI, non-residents may, amongst other things, (i) subscribe for additional shares over and above their Rights Entitlements; (ii) renounce the shares offered to them either in full or part thereof in favour of a person named by them; or (iii) apply for the shares renounced in their favour. Applications received from NRIs and non-residents for allotment of Rights Equity Shares shall be, amongst other things, subject to the conditions imposed from time to time by the RBI under FEMA in the matter of Application, refund of Application Money, Allotment of Rights Equity Shares and issue of Rights Entitlement Letters/ letters of Allotment/Allotment advice. If a non-resident or NRI Investor has specific approval from RBI, in connection with his

shareholding in our Company, such person should enclose a copy of such approval with the Application details and send it to the Registrar, *i.e.*, Cameo Corporate Services Limited at <https://rights.cameoindia.com/sfhl>.

The Abridged Letter of Offer, Application Form and other applicable Issue materials shall be sent primarily to the email address of non-resident Eligible Equity Shareholders who have provided an Indian address to our Company. Investors can access this Letter of Offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable securities laws) from the websites of the Registrar, our Company, the Lead Manager and the Stock Exchange. Our Board may at its absolute discretion, agree to such terms and conditions as may be stipulated by the RBI while approving the Allotment. The Rights Equity Shares purchased by non-residents shall be subject to the same conditions including restrictions in regard to the repatriation as are applicable to the original Equity Shares against which Rights Equity Shares are issued on rights basis.

In case of change of status of holders, *i.e.*, from resident to non-resident, a new demat account must be opened. Any Application from a demat account which does not reflect the accurate status of the Applicant is liable to be rejected at the sole discretion of our Company and the Lead Manager.

Please note that only resident Investors can submit an Application using the R-WAP facility.

Please also note that pursuant to Circular No. 14 dated September 16, 2003 issued by the RBI, Overseas Corporate Bodies (“OCBs”) have been derecognized as an eligible class of investors and the RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCBs)) Regulations, 2003. Any Investor being an OCB is required not to be under the adverse notice of the RBI and to obtain prior approval from RBI for applying in this Issue.

The non-resident Eligible Equity Shareholders can update their Indian address in the records maintained by the Registrar and our Company by submitting their respective copies of self-attested proof of address, passport, etc. by email to priya@cameoindia.com.

PROCEDURE FOR APPLICATION

How to Apply

In accordance with Regulation 76 of the SEBI ICDR Regulations, SEBI Rights Issue Circulars and ASBA Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use either the ASBA process or the optional mechanism instituted only for resident Investors in this Issue, *i.e.*, R-WAP. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA or using the R-WAP.

For details of procedure for application by the resident Eligible Equity Shareholders holding Equity Shares in physical form as on the Record Date, see “- Procedure for Application by Eligible Equity Shareholders holding Equity Shares in physical form” on page 132.

The Lead Manager, our Company, its directors, its employees, affiliates, associates and their respective directors and officers and the Registrar shall not take any responsibility for acts, mistakes, errors, omissions and commissions *etc.* in relation to Applications accepted by SCSBs, Applications uploaded by SCSBs, Applications accepted but not uploaded by SCSBs or Applications accepted and uploaded without blocking funds in the ASBA Accounts.

Application Form

The Application Form for the Rights Equity Shares offered as part of this Issue would be sent to email address of the Eligible Equity Shareholders who have provided an Indian address to our Company.

The Application Form along with the Abridged Letter of Offer and the Rights Entitlement Letter shall be sent primarily through email before the Issue Opening Date. In case of non-resident Eligible Equity Shareholders, the Application Form along with the Abridged Letter of Offer and the Rights Entitlement Letter shall be sent through email to email address if they have provided an Indian address to our Company.

In the event that e-mail addresses of the Eligible Equity Shareholders are not available with the Company or the Eligible Shareholders have not provided valid e-mail addresses to the Company, our Company will dispatch the Abridged Letter of Offer, Application Form and other applicable Issue materials by way of physical delivery as per the applicable laws to those Eligible Equity Shareholders who have provided their Indian address.

Please note that neither our Company nor the Registrar nor the Lead Manager shall be responsible for delay in the receipt of this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form attributable to non-availability of the email addresses of Eligible Equity Shareholders or electronic transmission delays or failures, or if the Application Forms or the Rights Entitlement Letters are delayed or misplaced in the transit.

To update the respective email addresses/ mobile numbers in the records maintained by the Registrar or our Company, Eligible Equity Shareholders should visit <https://rights.cameoindia.com/sfhl>. Investors can access this Letter of Offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable securities laws) from the websites of:

- i. our Company at www.sundaramholdings.in;
- ii. the Registrar, i.e., Cameo Corporate Services Limited at <https://rights.cameoindia.com/sfhl>;
- iii. the Lead Manager, i.e., JM Financial Limited at www.jmfl.com;
- iv. the Stock Exchange, i.e., NSE at www.nseindia.com; and
- v. the Registrar's web-based application platform at <https://rights.cameoindia.com/sfhl>.

The Eligible Equity Shareholders can obtain the details of their respective Rights Entitlements from the website of the Registrar (i.e., Cameo Corporate Services Limited at <https://rights.cameoindia.com/sfhl>) by entering their DP ID and Client ID or Folio Number (in case of resident Eligible Equity Shareholders holding Equity Shares in physical form) and PAN. The link for the same shall also be available on the website of our Company (i.e., www.sundaramholdings.in).

The Application Form can be used by the Investors, Eligible Equity Shareholders as well as the Renouncees, to make Applications in this Issue basis the Rights Entitlements credited in their respective demat accounts or demat suspense escrow account, as applicable. Please note that one single Application Form shall be used by the Investors to make Applications for all Rights Entitlements available in a particular demat account or entire respective portion of the Rights Entitlements in the demat suspense escrow account in case of resident Eligible Equity Shareholders holding shares in physical form as on Record Date and applying in this Issue, as applicable.

In case of Investors who have provided details of demat account in accordance with the SEBI ICDR Regulations, such Investors will have to apply for the Rights Equity Shares from the same demat account in which they are holding the Rights Entitlements and in case of multiple demat accounts, the Investors are required to submit a separate Application Form for each demat account.

Investors may accept this Issue and apply for the Rights Equity Shares (i) submitting the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts, or (ii) filling the online Application Form available on R-WAP and make online payment using the internet banking or UPI facility from their own bank account thereat. Please note that Applications made with payment using third party bank accounts are liable to be rejected.

Investors are also advised to ensure that the Application Form is correctly filled up stating therein, (i) the ASBA Account (in case of Application through ASBA process) in which an amount equivalent to the amount payable on

Application as stated in the Application Form will be blocked by the SCSB; or (ii) the requisite internet banking or UPI details (in case of Application through R-WAP, which is available only for resident Investors).

Please note that Applications without depository account details shall be treated as incomplete and shall be rejected, except in case of Eligible Equity Shareholders who hold Equity Shares in physical form and are applying in this Issue through R-WAP in accordance with the SEBI Rights Issue Circulars.

Applicants should note that they should very carefully fill-in their depository account details and PAN number in the Application Form or while submitting application through online/electronic Application through the website of the SCSBs (if made available by such SCSB) and R-WAP. Incorrect depository account details or PAN number could lead to rejection of the Application. For details see “- Grounds for Technical Rejection” on page 137. Our Company, the Lead Manager, the Registrar and the SCSB shall not be liable for any incorrect demat details provided by the Applicants.

Additionally, in terms of Regulation 78 of the SEBI ICDR Regulations, Investors may choose to accept the offer to participate in this Issue by making plain paper Applications. Please note that Eligible Equity Shareholders making an application in this Issue by way of plain paper applications shall not be permitted to renounce any portion of their Rights Entitlements. For details, see “- Application on Plain Paper under ASBA process” on page 130.

Options available to the Eligible Equity Shareholders

The Rights Entitlement Letter will clearly indicate the number of Rights Equity Shares that the Eligible Equity Shareholder is entitled to.

If the Eligible Equity Shareholder participates in this Issue, then such Eligible Equity Shareholder can:

- i. apply for its Rights Equity Shares to the full extent of its Rights Entitlements; or
- ii. apply for its Rights Equity Shares to the extent of part of its Rights Entitlements (without renouncing the other part); or
- iii. apply for Rights Equity Shares to the extent of part of its Rights Entitlements and renounce the other part of its Rights Entitlements; or
- iv. apply for its Rights Equity Shares to the full extent of its Rights Entitlements and apply for additional Rights Equity Shares; or
- v. renounce its Rights Entitlements in full.

In accordance with the SEBI Rights Issue Circulars, (a) the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and have not been able to open a demat account; or (b) the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have not furnished the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, desirous of subscribing to Rights Equity Shares **may also apply** in this Issue during the Issue Period. Such resident Eligible Equity Shareholders must check the procedure for Application by and credit of Rights Equity Shares in “- Procedure for Application by Eligible Equity Shareholders holding Equity Shares in physical form” and “- Credit and Transfer of Rights Equity Shares in case of Shareholders holding Equity Shares in Physical Form and disposal of Rights Equity Shares for non-receipt of demat account details in a timely manner” on pages 132 and 142, respectively.

Procedure for Application through the ASBA process

Investors desiring to make an Application in this Issue through ASBA process, may submit the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

Investors should ensure that they have correctly submitted the Application Form, or have otherwise provided an authorisation to the SCSB, *via* the electronic mode, for blocking funds in the ASBA Account equivalent to the

Application Money mentioned in the Application Form, as the case may be, at the time of submission of the Application.

Self-Certified Syndicate Banks

For the list of banks which have been notified by SEBI to act as SCSBs for the ASBA process, please refer to <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34>. For details on Designated Branches of SCSBs collecting the Application Form, please refer the above-mentioned link.

Please note that subject to SCSBs complying with the requirements of SEBI Circular No. CIR/CFD/DIL/13/2012 dated September 25, 2012 within the periods stipulated therein, ASBA Applications may be submitted at the Designated Branches of the SCSBs, in case of Applications made through ASBA facility.

Procedure for Application through R-WAP facility

Resident Investors, making an Application through R-WAP, shall make online payment using internet banking or UPI facility. Prior to making an Application, such Investors should enable the internet banking or UPI facility of their respective bank accounts and such Investors should ensure that the respective bank accounts have sufficient funds. Our Company, the Registrar and the Lead Manager shall not be responsible if the Application is not successfully submitted or rejected during Basis of Allotment on account of failure to be in compliance with the same. R-WAP facility will be operational from the Issue Opening Date. For risks associated with the R-WAP process, see “Risk Factors - The R-WAP payment mechanism facility proposed to be used for this issue may be exposed to risks, including risks associated with payment gateways” on page 36.

Set out below is the procedure followed using the R-WAP facility:

- i. Resident Investors should visit <https://rights.cameoindia.com/sfhl> (accessible at R-WAP) and fill the online Application Form available on R-WAP in electronic mode. Please provide correct DP ID, Client ID, Folio number (only for resident Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date), PAN details and all other details sought for while submitting the online Application Form.
- ii. Non-resident Investors are not eligible to apply in this Issue through R-WAP.
- iii. The Investors should ensure that Application process is verified through the email / mobile number. Post due verification, the Investors can obtain details of their respective Rights Entitlements and apply in this Issue by filling-up the online Application Form which, among others, will require details of total number of Rights Equity Shares to be applied for. Please note that the Application Money will be determined based on number of Rights Equity Shares applied for.
- iv. The Investors who are Renouncees should select the category of ‘Renouncee’ at the application page of R-WAP and provide DP ID, Client ID, PAN and other required demographic details for validation. The Renouncees shall also be required to provide the required Application details, such as total number of Rights Equity Shares to be applied for.
- v. Prior to making an Application, the Investors should enable the internet banking or UPI facility of their respective bank accounts and the Investors should ensure that the respective bank accounts have sufficient funds. If the funds available in the bank account are less than total amount payable on submission of online Application Form, such Application shall be rejected. Please note that R-WAP is a non-cash mode mechanism in accordance with the R-WAP Circulars.
- vi. The Investors shall make online payment using internet banking or UPI facility from their own bank account only. Such Application Money will be adjusted for either Allotment or refund. Applications made using payment from third party bank accounts will be rejected.
- vii. Verification in respect of Application through Investors’ own bank account, shall be done through the latest beneficial position data of our Company containing Investor’s bank account details, beneficiary account details provided to the depository, penny drop, cancelled cheque for joint holder verification and such other industry accepted and tested methods for online payment.
- viii. The Application Money collected through Applications made on the R-WAP will be credited to the Escrow

Account, opened by our Company with the Banker(s) to the Issue.

Acceptance of this Issue

Investors may accept this Issue and apply for the Rights Equity Shares (i) submitting the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts, or (ii) filling the online Application Form available on R-WAP and make online payment using their internet banking or UPI facility from their own bank account thereat.

Please note that on the Issue Closing Date, (i) Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchange, and (ii) the R-WAP facility will be available until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchange.

Applications submitted to anyone other than the Designated Branches of the SCSB or using R-WAP are liable to be rejected.

Investors can also make Application on plain paper under ASBA process mentioning all necessary details as mentioned under the section “- *Application on Plain Paper under ASBA process*” on page 130.

Additional Rights Equity Shares

Investors are eligible to apply for additional Rights Equity Shares over and above their Rights Entitlements, provided that they are eligible to apply for Rights Equity Shares under applicable law and they have applied for all the Rights Equity Shares forming part of their Rights Entitlements without renouncing them in whole or in part. Where the number of additional Rights Equity Shares applied for exceeds the number available for Allotment, the Allotment would be made as per the Basis of Allotment finalised in consultation with the Stock Exchange. Applications for additional Rights Equity Shares shall be considered and Allotment shall be made in accordance with the SEBI ICDR Regulations and in the manner prescribed under the section “- *Basis of Allotment*” on page 140.

Eligible Equity Shareholders who renounce their Rights Entitlements cannot apply for additional Rights Equity Shares.

Non-resident Renouncees who are not Eligible Equity Shareholders cannot apply for additional Rights Equity Shares.

Resident Eligible Equity Shareholders who hold Equity Shares in physical form as on the Record Date cannot renounce until the details of their demat account are provided to our Company or the Registrar and the dematerialized Rights Entitlements are transferred from suspense escrow demat account to the respective demat accounts of such Eligible Equity Shareholders within prescribed timelines. However, such Eligible Equity Shareholders, where the dematerialized Rights Entitlements are transferred from the suspense escrow demat account to the respective demat accounts within prescribed timelines, can apply for additional Rights Equity Shares while submitting the Application through ASBA process or using the R-WAP facility.

Procedure for Renunciation of Rights Entitlements

The Investors may renounce the Rights Entitlements, credited to their respective demat accounts, either in full or in part (a) by using the secondary market platform of the Stock Exchange; or (b) through an off-market transfer, during the Renunciation Period. The Investors should have the demat Rights Entitlements credited/lying in his/her own demat account prior to the renunciation.

Investors may be subject to adverse foreign, state or local tax or legal consequences as a result of trading in the Rights Entitlements. Investors who intend to trade in the Rights Entitlements should consult their tax advisor or stock broker regarding any cost, applicable taxes, charges and expenses (including brokerage) that may be levied for trading in

Rights Entitlements. The Lead Manager and our Company accept no responsibility to bear or pay any cost, applicable taxes, charges and expenses (including brokerage), and such costs will be incurred solely by the Investors.

(a) On Market Renunciation

The Investors may renounce the Rights Entitlements, credited to their respective demat accounts by trading/selling them on the secondary market platform of the Stock Exchange through a registered stock broker in the same manner as the existing Equity Shares of our Company.

In this regard, in terms of provisions of the SEBI ICDR Regulations and the SEBI Rights Issue Circulars, the Rights Entitlements credited to the respective demat accounts of the Eligible Equity Shareholders shall be admitted for trading on the Stock Exchange under ISIN INE202Z20011 subject to requisite approvals. The details for trading in Rights Entitlements will be as specified by the Stock Exchange from time to time.

The Rights Entitlements are tradable in dematerialized form only. The market lot for trading of Rights Entitlements is one Rights Entitlement.

The On Market Renunciation shall take place only during the Renunciation Period for On Market Renunciation, i.e., from Thursday, May 6, 2021 to Friday, May 28, 2021 (both days inclusive).

The Investors holding the Rights Entitlements who desire to sell their Rights Entitlements will have to do so through their registered stock brokers by quoting the ISIN INE202Z20011 and indicating the details of the Rights Entitlements they intend to sell. The Investors can place order for sale of Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The On Market Renunciation shall take place electronically on secondary market platform of NSE under automatic order matching mechanism and on 'T+2 rolling settlement basis', where 'T' refers to the date of trading. The transactions will be settled on trade-for-trade basis. Upon execution of the order, the stock broker will issue a contract note in accordance with the requirements of the Stock Exchange and the SEBI.

(b) Off Market Renunciation

The Investors may renounce the Rights Entitlements, credited to their respective demat accounts by way of an off-market transfer through a depository participant. The Rights Entitlements can be transferred in dematerialised form only.

Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date.

The Investors holding the Rights Entitlements who desire to transfer their Rights Entitlements will have to do so through their depository participant by issuing a delivery instruction slip quoting the ISIN INE202Z20011, the details of the buyer and the details of the Rights Entitlements they intend to transfer. The buyer of the Rights Entitlements (unless already having given a standing receipt instruction) has to issue a receipt instruction slip to their depository participant. The Investors can transfer Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The instructions for transfer of Rights Entitlements can be issued during the working hours of the depository participants.

The detailed rules for transfer of Rights Entitlements through off-market transfer shall be as specified by the NSDL and CDSL from time to time.

Application on Plain Paper under ASBA process

An Eligible Equity Shareholder who is eligible to apply under the ASBA process may make an Application to subscribe to this Issue on plain paper. An Eligible Equity Shareholder shall submit the plain paper Application to the Designated Branch of the SCSB for authorising such SCSB to block Application Money in the said bank account maintained with the same SCSB. Applications on plain paper will not be accepted from any address outside India.

Alternatively, Eligible Equity Shareholders may also use the Application Form available online on the websites of our Company, the Registrar to the Issue, the Stock Exchange, the Lead Manager or the R-WAP to provide requisite details.

Please note that the Eligible Equity Shareholders who are making the Application on plain paper shall not be entitled to renounce their Rights Entitlements and should not utilize the Application Form for any purpose including renunciation even if it is received subsequently.

PLEASE NOTE THAT APPLICATION ON PLAIN PAPER CANNOT BE SUBMITTED THROUGH R-WAP FACILITY.

The application on plain paper, duly signed by the Eligible Equity Shareholder including joint holders, in the same order and as per specimen recorded with his bank, must reach the office of the Designated Branch of the SCSB before the Issue Closing Date and should contain the following particulars:

1. Name of our Company, being Sundaram Finance Holdings Limited;
2. Name and address of the Eligible Equity Shareholder including joint holders (in the same order and as per specimen recorded with our Company or the Depository);
3. Registered Folio Number/DP and Client ID No.;
4. Number of Equity Shares held as on Record Date;
5. Allotment option – only dematerialised form;
6. Number of Rights Equity Shares entitled to;
7. Number of Rights Equity Shares applied for within the Rights Entitlements;
8. Number of additional Rights Equity Shares applied for, if any;
9. Total number of Rights Equity Shares applied for;
10. Total amount paid at the rate of ₹ 50 per Rights Equity Share;
11. Details of the ASBA Account such as the account number, name, address and branch of the relevant SCSB;
12. In case of NR Eligible Equity Shareholders making an application with an Indian address, details of the NRE/FCNR/NRO Account such as the account number, name, address and branch of the SCSB with which the account is maintained;
13. Except for Applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts, PAN of the Eligible Equity Shareholder and for each Eligible Equity Shareholder in case of joint names, irrespective of the total value of the Rights Equity Shares applied for pursuant to this Issue;
14. Authorisation to the Designated Branch of the SCSB to block an amount equivalent to the Application Money in the ASBA Account;
15. Signature of the Eligible Equity Shareholder (in case of joint holders, to appear in the same sequence and order as they appear in the records of the SCSB);
16. An approval obtained from any regulatory authority, if required, shall be obtained by the Eligible Equity Shareholders and a copy of such approval from any regulatory authority, as may be required, shall be sent to the Registrars at priya@cameoindia.com; and
17. Additionally, all such Applicants are deemed to have accepted the following:

*“I/ We understand that neither the Rights Entitlements nor the Rights Equity Shares have been, or will be, registered under the U.S. Securities Act of 1933, as amended (the “**U.S. Securities Act**”), or any United States state securities laws, and may not be offered, sold, resold or otherwise transferred within the United States or to the territories or possessions thereof (the “**United States**”), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act. I/ we understand the Rights*

*Equity Shares and the Rights Entitlements referred to in this application are being offered and sold in offshore transactions outside the United States in compliance with Regulation S under the U.S. Securities Act (“**Regulation S**”) to existing shareholders located in jurisdictions where such offer and sale of the Rights Equity Shares and/ or Rights Entitlements are permitted under laws of such jurisdictions. I/ we understand that the Issue is not, and under no circumstances is to be construed as, an offering of any Rights Equity Shares or Rights Entitlements for sale in the United States, or as a solicitation therein of an offer to buy or transfer any of the said Rights Equity Shares or Rights Entitlements in the United States. I/ we confirm that I am/ we are (a) not in the United States and eligible to subscribe for the Rights Equity Shares under applicable securities laws, (b) complying with laws of jurisdictions applicable to such person in connection with the Issue, and (c) understand that neither the Company, nor the Registrar, the Lead Manager or any other person acting on behalf of the Company will accept subscriptions from any person, or the agent of any person, who appears to be, or who the Company, the Registrar, the Lead Manager or any other person acting on behalf of the Company have reason to believe is in the United States or is outside of India and ineligible to participate in this Issue under the securities laws of their jurisdiction.*

I/ We will not offer, sell or otherwise transfer any of the Rights Equity Shares which may be acquired by us in any jurisdiction or under any circumstances in which such offer or sale is not authorized or to any person to whom it is unlawful to make such offer, sale or invitation. I/ We satisfy, and each account for which I/ we are acting satisfies, (a) all suitability standards for investors in investments of the type subscribed for herein imposed by the jurisdiction of my/our residence, and (b) is eligible to subscribe and is subscribing for the Rights Equity Shares and Rights Entitlements in compliance with applicable securities and other laws of my/our jurisdiction of residence.

I/we hereby make the representations, warranties, acknowledgments and agreements set forth in the section of the Letter of Offer titled “Restrictions on Purchases and Resales” on page 150.

I/ We understand and agree that the Rights Entitlements and Rights Equity Shares may not be reoffered, resold, pledged or otherwise transferred except in an offshore transaction in compliance with Regulation S, or otherwise pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act.

I/ We acknowledge that we, the Lead Manager, its affiliates and others will rely upon the truth and accuracy of the foregoing representations and agreements.”

In cases where Multiple Application Forms are submitted for Applications pertaining to Rights Entitlements credited to the same demat account or in demat suspense escrow account, including cases where an Investor submits Application Forms along with a plain paper Application, such Applications shall be liable to be rejected.

Investors are requested to strictly adhere to these instructions. Failure to do so could result in an Application being rejected, with our Company, the Lead Manager and the Registrar not having any liability to the Investor. The plain paper Application format will be available on the website of the Registrar at <https://rights.cameoindia.com/sfhl>.

Our Company, the Lead Manager and the Registrar shall not be responsible if the Applications are not uploaded by SCSB or funds are not blocked in the Investors’ ASBA Accounts on or before the Issue Closing Date.

Mode of payment

In case of Application through ASBA facility, the Investor agrees to block the entire amount payable on Application with the submission of the Application Form, by authorizing the SCSB to block an amount, equivalent to the amount payable on Application, in the Investor’s ASBA Account.

After verifying that sufficient funds are available in the ASBA Account details of which are provided in the Application Form, the SCSB shall block an amount equivalent to the Application Money mentioned in the Application Form until the Transfer Date. On the Transfer Date, upon receipt of intimation from the Registrar, of the finalization

of the Basis of Allotment as approved by the Stock Exchange, the SCSBs shall transfer such amount as per the Registrar's instruction from the ASBA Account into the Allotment Account which shall be a separate bank account maintained by our Company, other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013.

The balance amount remaining after the finalisation of the Basis of Allotment on the Transfer Date shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the respective SCSB.

The Investors would be required to give instructions to the respective SCSBs to block the entire amount payable on their Application at the time of the submission of the Application Form.

The SCSB may reject the application at the time of acceptance of Application Form if the ASBA Account, details of which have been provided by the Investor in the Application Form does not have sufficient funds equivalent to the amount payable on Application mentioned in the Application Form. Subsequent to the acceptance of the Application by the SCSB, our Company would have a right to reject the Application on technical grounds as set forth hereinafter.

For details of mode of payment in case of Application through R-WAP, see “- Procedure for Application through R-WAP” on page 127.

Application by Eligible Equity Shareholders holding Equity Shares in physical form

Please note that in accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialised form only. Accordingly, Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date and desirous of subscribing to Rights Equity Shares in this Issue are advised to furnish the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, to enable the credit of their Rights Entitlements in their respective demat accounts at least one day before the Issue Closing Date.

Prior to the Issue Opening Date, the Rights Entitlements of those resident Eligible Equity Shareholders, among others, who hold Equity Shares in physical form, and whose demat account details are not available with our Company or the Registrar, shall be credited in a demat suspense escrow account opened by our Company. In accordance with the SEBI Rights Issue Circulars, (a) the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date; or (b) the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have not furnished the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, desirous of subscribing to Rights Equity Shares **may also apply** in this Issue during the Issue Period. Such Eligible Equity Shareholders must check the procedure for Application by and credit of Rights Equity Shares in “- Procedure for Application by Eligible Equity Shareholders holding Equity Shares in physical form” and “- Credit and Transfer of Rights Equity Shares in case of Shareholders holding Equity Shares in Physical Form and disposal of Rights Equity Shares for non-receipt of demat account details in a timely manner” on pages 132 and 142, respectively.

To update respective email addresses/ mobile numbers in the records maintained by the Registrar or our Company, Eligible Equity Shareholders should visit <https://rights.cameoindia.com/sfhl>.

Procedure for Application by Eligible Equity Shareholders holding Equity Shares in physical form

Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have opened their demat accounts after the Record Date, shall adhere to following procedure for participating in this Issue:

- (a) The Eligible Equity Shareholders shall send a letter to the Registrar containing the name(s), address, email address, contact details and the details of their demat account along with copy of self-attested PAN and self-attested client master sheet of their demat account either by email, post, speed post, courier, or hand delivery so as to reach to the Registrar no later than two Working Days prior to the Issue Closing Date. The Eligible Equity Shareholders are encouraged to send the details by email or through R-WAP facility;

- (b) The Registrar shall, after verifying the details of such demat account, transfer the Rights Entitlements of such Eligible Equity Shareholders to their demat accounts at least one day before the Issue Closing Date;
- (c) The Eligible Equity Shareholders can access the Application Form from:
 - i. our Company at www.sundaramholdings.in;
 - ii. the Registrar, i.e., Cameo Corporate Services Limited at <https://rights.cameoindia.com/sfhl>;
 - iii. the Lead Manager, i.e., JM Financial Limited at www.jmfl.com;
 - iv. the Stock Exchange, i.e., NSE at www.nseindia.com; and
 - v. the Registrar's web-based application platform at <https://rights.cameoindia.com/sfhl>.

Eligible Equity Shareholders can obtain the details of their respective Rights Entitlements from the website of the Registrar (i.e., Cameo Corporate Services Limited at <https://rights.cameoindia.com/sfhl>) by entering their DP ID and Client ID or Folio Number (in case of Eligible Equity Shareholders holding Equity Shares in physical form) and PAN. The link for the same shall also be available on the website of our Company (i.e., www.sundaramholdings.in);

- (d) The Eligible Equity Shareholders shall, on or before the Issue Closing Date, (i) submit the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts, or (ii) fill the online Application Form available on R-WAP and make online payment using their internet banking or UPI facility from their own bank account thereat.

Further, (a) Resident Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date; or (b) resident Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date, and who have not furnished the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, **may also apply** in this Issue during the Issue Period by filling the online Application Form available on R-WAP and make online payment using their internet banking or UPI facility from their own bank account thereat, on or before the Issue Closing Date. Such resident Eligible Equity Shareholders may be required to submit address, email address, contact details, copy of PAN, for verification of their Application. Further, such resident Eligible Equity Shareholder can:

- i. apply for its Rights Equity Shares to the full extent of its Rights Entitlements;
- ii. apply for its Rights Equity Shares to the extent of part of its Rights Entitlements (without renouncing the other part); and
- iii. apply for its Rights Equity Shares to the full extent of its Rights Entitlements and apply for additional Rights Equity Shares.

PLEASE NOTE THAT NON-RESIDENT ELIGIBLE EQUITY SHAREHOLDERS, WHO HOLD EQUITY SHARES IN PHYSICAL FORM AS ON RECORD DATE AND WHO HAVE NOT FURNISHED THE DETAILS OF THEIR RESPECTIVE DEMAT ACCOUNTS TO THE REGISTRAR OR OUR COMPANY AT LEAST TWO WORKING DAYS PRIOR TO THE ISSUE CLOSING DATE, SHALL NOT BE ELIGIBLE TO MAKE AN APPLICATION FOR RIGHTS EQUITY SHARES AGAINST THEIR RIGHTS ENTITLEMENTS WITH RESPECT TO THE EQUITY SHARES HELD IN PHYSICAL FORM.

For details of credit of the Rights Equity Shares to such resident Eligible Equity Shareholders, see “- Credit and Transfer of Rights Equity Shares in case of Shareholders holding Equity Shares in Physical Form and disposal of Rights Equity Shares for non-receipt of demat account details in a timely manner” on page 142.

Allotment of the Rights Equity Shares in Dematerialized Form

PLEASE NOTE THAT THE RIGHTS EQUITY SHARES APPLIED FOR IN THIS ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO THE SAME DEPOSITORY ACCOUNT IN WHICH OUR EQUITY SHARES ARE HELD BY SUCH INVESTOR ON THE RECORD DATE OR MENTIONED IN THE APPLICATION FORM IN THE EVENT THAT NO SHARES ARE HELD BY SUCH INVESTOR ON THE RECORD DATE.

FOR DETAILS, SEE “-ALLOTMENT ADVICE OR REFUND/ UNBLOCKING OF ASBA ACCOUNTS” ON PAGE 141.

General instructions for Investors

- (a) Please read this Letter of Offer carefully to understand the Application process and applicable settlement process.
- (b) Please read the instructions on the Application Form sent to you.
- (c) The Application Form can be used by both the Eligible Equity Shareholders and the Renouncees.
- (d) Application should be made only through the ASBA facility or using R-WAP.
- (e) Application should be complete in all respects. The Application Form found incomplete with regard to any of the particulars required to be given therein, and/or which are not completed in conformity with the terms of this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form are liable to be rejected. The Application Form must be filled in English.
- (f) In case of non-receipt of Application Form, Application can be made on plain paper mentioning all necessary details as mentioned under the section “- *Application on Plain Paper under ASBA process*” on page 130.
- (g) In accordance with Regulation 76 of the SEBI ICDR Regulations, SEBI Rights Issue Circulars and ASBA Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use either the ASBA process or the optional mechanism instituted only for resident Investors in this Issue, *i.e.*, R-WAP. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA or using the R-WAP.
- (h) An Investor, wishing to participate in this Issue through the ASBA facility, is required to have an ASBA enabled bank account with an SCSB, prior to making the Application.
- (i) Applications should be submitted to the Designated Branch of the SCSB or made online/electronic through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts. Please note that on the Issue Closing Date, Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchange.
- (j) In case of Application through R-WAP, the Investors should enable the internet banking or UPI facility of their respective bank accounts.
- (k) Applications should be (i) submitted to the Designated Branch of the SCSB or made online/electronic through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts, or (ii) filled on the R-WAP. Please note that on the Issue Closing Date, (i) Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchange, and (ii) the R-WAP facility will be available until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchange.
- (l) In case of Application through ASBA facility, Investors are required to provide necessary details, including details of the ASBA Account, authorization to the SCSB to block an amount equal to the Application Money in the ASBA Account mentioned in the Application Form.
- (m) All Applicants, and in the case of Application in joint names, each of the joint Applicants, should mention their PAN allotted under the Income-tax Act, irrespective of the amount of the Application. Except for Applications on behalf of the Central or the State Government, the residents of Sikkim and the officials appointed by the courts, **Applications without PAN will be considered incomplete and are liable to be rejected. With effect from August 16, 2010, the demat accounts for Investors for which PAN details have not been verified shall be “suspended for credit” and no Allotment and credit of Rights Equity Shares pursuant to this Issue shall be made into the accounts of such Investors.**
- (n) In case of Application through ASBA facility, all payments will be made only by blocking the amount in the ASBA Account. Furthermore, in case of Applications submitted using the R-WAP facility, payments shall be made using internet banking or UPI facility. Cash payment or payment by cheque or demand draft or pay order or NEFT or RTGS or through any other mode is not acceptable for application through ASBA process. In case payment is made in contravention of this, the Application will be deemed invalid and the Application Money will be refunded and no interest will be paid thereon.
- (o) For physical Applications through ASBA at Designated Branches of SCSB, signatures should be either in English or Hindi or in any other language specified in the Eighth Schedule to the Constitution of India.

Signatures other than in any such language or thumb impression must be attested by a Notary Public or a Special Executive Magistrate under his/her official seal. The Investors must sign the Application as per the specimen signature recorded with the SCSB.

- (p) In case of joint holders and physical Applications through ASBA process, all joint holders must sign the relevant part of the Application Form in the same order and as per the specimen signature(s) recorded with the SCSB. In case of joint Applicants, reference, if any, will be made in the first Applicant's name and all communication will be addressed to the first Applicant.
- (q) All communication in connection with Application for the Rights Equity Shares, including any change in address of the Eligible Equity Shareholders should be addressed to the Registrar prior to the date of Allotment in this Issue quoting the name of the first/sole Applicant, folio numbers/DP ID and Client ID and Application Form number, as applicable. In case of any change in address of the Eligible Equity Shareholders, the Eligible Equity Shareholders should also send the intimation for such change to the respective depository participant, or to our Company or the Registrar in case of Eligible Equity Shareholders holding Equity Shares in physical form.
- (r) Please note that subject to SCSBs complying with the requirements of SEBI Circular No. CIR/CFD/DIL/13/2012 dated September 25, 2012 within the periods stipulated therein, Applications made through ASBA facility may be submitted at the Designated Branches of the SCSBs. Application through ASBA facility in electronic mode will only be available with such SCSBs who provide such facility.
- (s) In terms of the SEBI circular CIR/CFD/DIL/1/2013 dated January 2, 2013, it is clarified that for making applications by banks on their own account using ASBA facility, SCSBs should have a separate account in own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making application in public/ rights issues and clear demarcated funds should be available in such account for ASBA applications.
- (t) Investors are required to ensure that the number of Rights Equity Shares applied for by them do not exceed the prescribed limits under the applicable law.
- (u) An Applicant being an OCB is required not to be under the adverse notice of the RBI and must submit approval from RBI for applying in this Issue.
- (v) Applicants must submit a copy of the approval obtained from any regulatory authority, as may be required, and send a copy of such approval to the Registrars at priya@cameoindia.com.

Do's:

- (a) Ensure that the Application Form and necessary details are filled in.
- (b) Except for Application submitted on behalf of the Central or the State Government, residents of Sikkim and the officials appointed by the courts, each Applicant should mention their PAN allotted under the Income-tax Act.
- (c) Ensure that the demographic details such as address, PAN, DP ID, Client ID, bank account details and occupation ("**Demographic Details**") are updated, true and correct, in all respects.
- (d) Investors should provide correct DP ID and client ID/ folio number while submitting the Application. Such DP ID and Client ID/ folio number should match the demat account details in the records available with Company and/or Registrar, failing which such Application is liable to be rejected. Investor will be solely responsible for any error or inaccurate detail provided in the Application. Our Company, the Lead Manager, SCSBs or the Registrar will not be liable for any such rejections.

Don'ts:

- (a) Do not apply if you are ineligible to participate in this Issue under the securities laws applicable to your jurisdiction.
- (b) Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground.
- (c) Avoid applying on the Issue Closing Date due to risk of delay/ restrictions in making any physical Application.
- (d) Do not pay the Application Money in cash, by money order, pay order or postal order.
- (e) Do not submit multiple Applications.

Do's for Investors applying through ASBA:

- (a) Ensure that the details about your Depository Participant and beneficiary account are correct and the beneficiary account is activated as the Rights Equity Shares will be Allotted in the dematerialized form only.
- (b) Ensure that the Applications are submitted with the Designated Branch of the SCSBs and details of the correct bank account have been provided in the Application.
- (c) Ensure that there are sufficient funds (equal to {number of Rights Equity Shares (including additional Rights Equity Shares) applied for} X {Application Money of Rights Equity Shares}) available in ASBA Account mentioned in the Application Form before submitting the Application to the respective Designated Branch of the SCSB.
- (d) Ensure that you have authorised the SCSB for blocking funds equivalent to the total amount payable on application mentioned in the Application Form, in the ASBA Account, of which details are provided in the Application and have signed the same.
- (e) Ensure that you have a bank account with an SCSB providing ASBA facility in your location and the Application is made through that SCSB providing ASBA facility in such location.
- (f) Ensure that you receive an acknowledgement from the Designated Branch of the SCSB for your submission of the Application Form in physical form or plain paper Application.
- (g) Ensure that the name(s) given in the Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the Application Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Application Form and the Rights Entitlement Letter.

Do's for Investors applying through R-WAP facility:

- (a) Ensure that the details of the correct bank account have been provided while making payment along with submission of the Application.
- (b) Ensure that there are sufficient funds (equal to {number of Rights Equity Shares (including additional Rights Equity Shares) applied for} X {Application Money of Rights Equity Shares}) available in the bank account through which payment is made using the R-WAP.
- (c) Ensure that you make the payment towards your application through your bank account only and not use any third party bank account for making the payment
- (d) Ensure that you receive a confirmation email on successful transfer of funds.
- (e) Ensure you have filled in correct details of PAN, folio number, DP ID and Client ID, as applicable, and all such other details as may be required.
- (f) Ensure that you receive an acknowledgement from the R-WAP for your submission of the Application.

Don'ts for Investors applying through ASBA:

- (a) Do not submit the Application Form after you have submitted a plain paper Application to a Designated Branch of the SCSB or *vice versa*.
- (b) Do not send your physical Application to the Lead Manager, the Registrar, the Banker(s) to the Issue (assuming that such Banker(s) to the Issue is not an SCSB), a branch of the SCSB which is not a Designated Branch of the SCSB or our Company; instead submit the same to a Designated Branch of the SCSB only.
- (c) Do not instruct the SCSBs to unblock the funds blocked under the ASBA process.

Don'ts for Investors applying through R-WAP facility:

- (a) Do not apply from bank account of third parties.
- (b) Do not apply if you are a non-resident Investor.
- (c) Do not apply from non-resident account.

Grounds for Technical Rejection

Applications made in this Issue are liable to be rejected on the following grounds:

- (a) DP ID and Client ID mentioned in Application not matching with the DP ID and Client ID records available

- with the Registrar.
- (b) Sending an Application to the Lead Manager, Registrar, Banker(s) to the Issue (assuming that such Banker(s) to the Issue is not a SCSB), to a branch of a SCSB which is not a Designated Branch of the SCSB or our Company.
 - (c) Insufficient funds are available in the ASBA Account with the SCSB for blocking the Application Money.
 - (d) Funds in the ASBA Account whose details are mentioned in the Application Form having been frozen pursuant to regulatory orders.
 - (e) Account holder not signing the Application or declaration mentioned therein.
 - (f) Submission of more than one application Form for Rights Entitlements available in a particular demat account.
 - (g) Multiple Application Forms, including cases where an Investor submits Application Forms along with a plain paper Application.
 - (h) Submitting the GIR number instead of the PAN (except for Applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts).
 - (i) Applications by persons not competent to contract under the Indian Contract Act, 1872, except Applications by minors having valid demat accounts as per the demographic details provided by the Depositories.
 - (j) Applications by an SCSB on its own account, other than through an ASBA Account in its own name with any other SCSB.
 - (k) Application Forms which are not submitted by the Investors within the time periods prescribed in the Application Form and this Letter of Offer.
 - (l) Physical Application Forms not duly signed by the sole or joint Investors.
 - (m) Application Forms accompanied by stock invest, outstation cheques, post-dated cheques, money order, postal order or outstation demand drafts.
 - (n) If an Investor is (a) debarred by SEBI; or (b) if SEBI has revoked the order or has provided any interim relief then failure to attach a copy of such SEBI order allowing the Investor to subscribe to their Rights Entitlements.
 - (o) Applications which: (i) appears to our Company or its agents to have been executed in, electronically transmitted from or dispatched from the United States or other jurisdictions where the offer and sale of the Equity Shares is not permitted under laws of such jurisdictions; (ii) does not include the relevant certifications set out in the Application Form and our Company shall not be bound to issue or allot any Equity Shares in respect of any such Application Form.
 - (p) Applications which have evidence of being executed or made in contravention of applicable securities laws.
 - (q) Applications under the R-WAP process are liable to be rejected on the following grounds (in addition to above applicable grounds):
 - i. Applications by non-resident Investors.
 - ii. Payment from third party bank accounts.

Depository account and bank details for Investors holding Equity Shares in demat accounts and applying in this Issue

IT IS MANDATORY FOR ALL THE INVESTORS APPLYING UNDER THIS ISSUE TO APPLY THROUGH THE ASBA PROCESS OR THROUGH THE R-WAP PROCESS (AVAILABLE ONLY FOR RESIDENT INVESTORS), TO RECEIVE THEIR RIGHTS EQUITY SHARES IN DEMATERIALISED FORM AND TO THE SAME DEPOSITORY ACCOUNT/ CORRESPONDING PAN IN WHICH THE EQUITY SHARES ARE HELD BY THE INVESTOR AS ON THE RECORD DATE OR MENTIONED IN THE APPLICATION FORM IN THE EVENT THAT NO SHARES ARE HELD BY SUCH INVESTOR ON THE RECORD DATE. ALL INVESTORS APPLYING UNDER THIS ISSUE SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, DP ID AND BENEFICIARY ACCOUNT NUMBER/ FOLIO NUMBER IN THE APPLICATION FORM. INVESTORS MUST ENSURE THAT THE NAME GIVEN IN THE APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE PHYSICAL SHARE CERTIFICATE / DEPOSITORY ACCOUNT IS HELD. IN CASE THE APPLICATION FORM IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE APPLICATION FORM OR PLAIN PAPER APPLICATIONS, AS THE CASE MAY BE.

Investors applying under this Issue should note that on the basis of name of the Investors, Depository Participant's name and identification number and beneficiary account number provided by them in the Application Form or the plain paper Applications, as the case may be, the Registrar will obtain Demographic Details from the Depository. Hence, Investors applying under this Issue should carefully fill in their Depository Account details in the Application.

These Demographic Details would be used for all correspondence with such Investors including mailing of the letters intimating unblocking of bank account of the respective Investor and/or refund. The Demographic Details given by the Investors in the Application Form would not be used for any other purposes by the Registrar. Hence, Investors are advised to update their Demographic Details as provided to their Depository Participants. By signing the Application Forms, the Investors would be deemed to have authorised the Depositories to provide, upon request, to the Registrar, the required Demographic Details as available on its records.

The Allotment advice and the email intimating unblocking of ASBA Account or refund (if any) would be emailed to the address of the Investor as per the email address provided to our Company or the Registrar or Demographic Details received from the Depositories. The Registrar will give instructions to the SCSBs for unblocking funds in the ASBA Account to the extent Rights Equity Shares are not Allotted to such Investor. Please note that any such delay shall be at the sole risk of the Investors and none of our Company, the SCSBs, Registrar or Lead Manager shall be liable to compensate the Investor for any losses caused due to any such delay or be liable to pay any interest for such delay.

In case no corresponding record is available with the Depositories that match three parameters, (a) names of the Investors (including the order of names of joint holders), (b) the DP ID, and (c) the beneficiary account number, then such Application Forms are liable to be rejected.

Modes of Payment

All payments against the Application Forms shall be made only through ASBA facility or internet banking or UPI facility if applying through R-WAP. The Registrar will not accept any payments against the Application Forms, if such payments are not made through ASBA facility or internet banking or UPI facility if applying through R-WAP.

Mode of payment for Resident Investors

All payments on the Application Forms shall be made only through ASBA facility or internet banking or UPI facility if applying through R-WAP. Applicants are requested to strictly adhere to these instructions.

Mode of payment for Non-Resident Investors

As regards the Application by non-resident Investors, the following conditions shall apply:

1. Individual non-resident Indian Applicants who are permitted to subscribe to Rights Equity Shares by applicable local securities laws can obtain Application Forms on the websites of the Registrar, our Company and the Lead Manager.

Note: In case of non-resident Eligible Equity Shareholders, the Abridged Letter of Offer, the Application Form and other applicable Issue materials shall be sent to their email addresses if they have provided their Indian address to our Company. This Letter of Offer will be provided, only through email, by the Registrar on behalf of our Company or the Lead Manager to the Eligible Equity Shareholders who have provided their Indian addresses to our Company and who make a request in this regard.

In the event that e-mail addresses of the Eligible Equity Shareholders are not available with the Company or the Eligible Shareholders have not provided valid e-mail addresses to the Company, our Company will dispatch the Abridged Letter of Offer, Application Form and other applicable Issue materials by way of physical delivery as per the applicable laws to those Eligible Equity Shareholders who have provided their Indian address.

2. Application Forms will not be accepted from non-resident Investors in any jurisdiction where the offer or sale of the Rights Entitlements and Rights Equity Shares may be restricted by applicable securities laws.
3. Payment by non-residents must be made only through ASBA facility and using permissible accounts in accordance with FEMA, FEMA Rules and requirements prescribed by the RBI.

Notes:

1. In case where repatriation benefit is available, interest, dividend, sales proceeds derived from the investment in Rights Equity Shares can be remitted outside India, subject to tax, as applicable according to the Income-tax Act.
2. In case Rights Equity Shares are Allotted on a non-repatriation basis, the dividend and sale proceeds of the Rights Equity Shares cannot be remitted outside India.
3. In case of an Application Form received from non-residents, Allotment, refunds and other distribution, if any, will be made in accordance with the guidelines and rules prescribed by the RBI as applicable at the time of making such Allotment, remittance and subject to necessary approvals.
4. Application Forms received from non-residents/ NRIs, or persons of Indian origin residing abroad for Allotment of Rights Equity Shares shall, amongst other things, be subject to conditions, as may be imposed from time to time by RBI under FEMA, in respect of matters including Refund of Application Money and Allotment.
5. In the case of NRIs who remit their Application Money from funds held in FCNR/NRE Accounts, refunds and other disbursements, if any shall be credited to such account.
6. Non-resident Renouncees who are not Eligible Equity Shareholders must submit regulatory approval for applying for additional Rights Equity Shares.

Multiple Applications

In case where multiple Applications are made in respect the same Rights Entitlements using same demat account, such Applications shall be liable to be rejected. However additional applications in relation to additional Rights Equity Shares with/without using additional Rights Entitlements will not be treated as multiple application. A separate Application can be made in respect of Rights Entitlements in each demat account of the Applicants and such Applications shall not be treated as multiple applications. Similarly, a separate Application can be made against Equity Shares held in dematerialized form and Equity Shares held in physical form, and such Applications shall not be treated as multiple applications. A separate Application can be made in respect of each scheme of a mutual fund registered with SEBI and such Applications shall not be treated as multiple applications. For details, see “- *Procedure for Applications by Mutual Funds*” below. Cases where Investor submits Application Forms along with plain paper or multiple plain paper Applications for same Rights Entitlements shall be treated as multiple applications.

In cases where multiple Application Forms are submitted, such Applications shall be treated as multiple applications and are liable to be rejected, other than multiple applications submitted by any of our Promoter or members of Promoter Group to meet the minimum subscription requirements applicable to this Issue as described in “*Capital Structure - Details for subscription of Issue by Promoter and Promoter Group*” on page 45.

Last date for Application

The last date for submission of the duly filled in the Application Form or a plain paper Application is Wednesday, June 2, 2021, *i.e.*, Issue Closing Date. Our Board or any committee thereof may extend the said date for such period as it may determine from time to time, subject to the Issue Period not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date).

If the Application Form is not submitted with an SCSB, uploaded with the Stock Exchange and the Application Money is not blocked with the SCSB or if the Application Form is not accepted at the R-WAP, on or before the Issue Closing Date or such date as may be extended by our Board or any committee thereof, the invitation to offer contained in this

Letter of Offer shall be deemed to have been declined and our Board or any committee thereof shall be at liberty to dispose of the Rights Equity Shares hereby offered, as provided under the section, “- *Basis of Allotment*” on page 140.

Please note that on the Issue Closing Date, (i) Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchange, and (ii) the R-WAP facility will be available until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchange.

Withdrawal of Application

An Investor who has applied in this Issue may withdraw their Application at any time during Issue Period by approaching the SCSB where application is submitted or sending the email withdrawal request to priya@cameoindia.com in case of Application through R-WAP facility. However, no Investor, whether applying through ASBA facility or R-WAP facility, may withdraw their Application post the Issue Closing Date.

Issue Schedule

ISSUE OPENING DATE	Thursday, May 6, 2021
LAST DATE FOR ON MARKET RENUNCIATION*	Friday, May 28, 2021
ISSUE CLOSING DATE[#]	Wednesday, June 2, 2021
FINALISATION OF BASIS OF ALLOTMENT (ON OR ABOUT)	Wednesday, June 9, 2021
DATE OF ALLOTMENT (ON OR ABOUT)	Thursday, June 10, 2021
DATE OF CREDIT (ON OR ABOUT)	Friday, June 11, 2021
DATE OF LISTING (ON OR ABOUT)	Tuesday, June 15, 2021

** Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date.*

[#] Our Board or a duly authorized committee thereof will have the right to extend the Issue period as it may determine from time to time, provided that this Issue will not remain open in excess of 30 (thirty) days from the Issue Opening Date. Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.

Please note that if Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than two Working Days prior to the Issue Closing Date, i.e., Monday, May 31, 2021, to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least one day before the Issue Closing Date.

For details, see “*General Information - Issue Schedule*” on page 42.

Our Board may however decide to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date).

Basis of Allotment

Subject to the provisions contained in this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, the Articles of Association and the approval of the Stock Exchange, our Board will proceed to Allot the Rights Equity Shares in the following order of priority:

- (a) Full Allotment to those Eligible Equity Shareholders who have applied for their Rights Entitlements of Rights Equity Shares either in full or in part and also to the Renouncee(s) who has or have applied for Rights Equity Shares renounced in their favour, in full or in part.
- (b) Eligible Equity Shareholders whose fractional entitlements are being ignored and Eligible Equity Shareholders with zero entitlement, would be given preference in allotment of one additional Rights Equity Share each if they apply for additional Rights Equity Shares. Allotment under this head shall be considered if there are any unsubscribed Rights Equity Shares after allotment under (a) above. If number of Rights Equity Shares required for Allotment under this head are more than the number of Rights Equity Shares available after Allotment under

- (a) above, the Allotment would be made on a fair and equitable basis in consultation with the Stock Exchange and will not be a preferential allotment.
- (c) Allotment to the Eligible Equity Shareholders who having applied for all the Rights Equity Shares offered to them as part of this Issue, have also applied for additional Rights Equity Shares. The Allotment of such additional Rights Equity Shares will be made as far as possible on an equitable basis having due regard to the number of Equity Shares held by them on the Record Date, provided there are any unsubscribed Rights Equity Shares after making full Allotment in (a) and (b) above. The Allotment of such Rights Equity Shares will be at the sole discretion of our Board in consultation with the Stock Exchange, as a part of this Issue and will not be a preferential allotment.
- (d) Allotment to Renouncees who having applied for all the Rights Equity Shares renounced in their favour, have applied for additional Rights Equity Shares provided there is surplus available after making full Allotment under (a), (b) and (c) above. The Allotment of such Rights Equity Shares will be made on a proportionate basis in consultation with the Stock Exchange, as a part of this Issue and will not be a preferential allotment.
- (e) Allotment to any other person, that our Board may deem fit, provided there is surplus available after making Allotment under (a), (b), (c) and (d) above, and the decision of our Board in this regard shall be final and binding.

After taking into account Allotment to be made under (a) to (d) above, if there is any unsubscribed portion, the same shall be deemed to be 'unsubscribed'.

Upon approval of the Basis of Allotment by the Stock Exchange, the Registrar shall send to the Controlling Branches, a list of the Investors who have been allocated Rights Equity Shares in this Issue, along with:

- i. The amount to be transferred from the ASBA Account to the separate bank account opened by our Company for this Issue, for each successful Application;
- ii. The date by which the funds referred to above, shall be transferred to the aforesaid bank account; and
- iii. The details of rejected ASBA applications, if any, to enable the SCSBs to unblock the respective ASBA Accounts.

For Applications through R-WAP, instruction will be sent to Banker(s) to the Issue with list of Allottees and corresponding amount to be transferred to the Allotment Account. Further, the list of Applicants eligible for refund with corresponding amount will also be shared with Banker(s) to the Issue to refund such Applicants.

Allotment Advice or Refund/ Unblocking of ASBA Accounts

Our Company will email Allotment advice, refund intimations (including in respect of Applications made through R-WAP facility) or demat credit of securities and/or letters of regret, along with crediting the Allotted Rights Equity Shares to the respective beneficiary accounts (only in dematerialised mode) or in a demat suspense account (in respect of Eligible Equity Shareholders holding Equity Shares in physical form on the Allotment Date) or unblocking the funds in the respective ASBA Accounts, if any, within a period of fifteen days from the Issue Closing Date. In case of failure to do so, our Company and Directors, shall pay interest at 15% p.a. and such other rate as specified under applicable law from the expiry of such fifteen days' period.

In case of Applications through R-WAP, refunds, if any, will be made to the same bank account from which Application Money was received. Therefore, the Investors should ensure that such bank accounts remain valid and active.

The Rights Entitlements will be credited in the dematerialized form using electronic credit under the depository system and the Allotment advice shall be sent, through email, to the email address provided to our Company or at the address recorded with the Depository.

In the case of non-resident Investors who remit their Application Money from funds held in the NRE or the FCNR Accounts, refunds and/or payment of interest or dividend and other disbursements, if any, shall be credited to such accounts.

Credit and Transfer of Rights Equity Shares in case of Shareholders holding Equity Shares in Physical Form and disposal of Rights Equity Shares for non-receipt of demat account details in a timely manner.

In case of Allotment to resident Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date, have paid the Application Money and have not provided the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, the following procedure shall be adhered to:

- (a) the Registrar shall send Allotment advice and credit the Rights Equity Shares to a demat suspense account to be opened by our Company;
- (b) such Eligible Equity Shareholders shall be required to send a communication to our Company or the Registrar containing the name(s), Indian address, email address, contact details and the details of their demat account along with copy of self-attested PAN and self-attested client master sheet of their demat account either by post, speed post, courier, electronic mail or hand delivery;
- (c) Our Company (with the assistance of the Registrar) shall, after verification of the details of such demat account by the Registrar, transfer the Rights Equity Shares from the demat suspense account to the demat accounts of such Eligible Equity Shareholders;
- (d) Our Company shall send reminder notices seeking the requisite details of demat account, in due course, to such resident Eligible Equity Shareholders who have not provided the requisite details; and;
- (e) In case the details of demat account provided by the Eligible Equity Shareholders are not of his/ her own demat account, the Rights Equity Shares shall remain in the demat suspense account.

Notes:

- 1. Our Company may open a separate demat suspense account to credit the Rights Equity Shares in respect of such Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date and have not provided details of their demat accounts to our Company or the Registrar, at least two Working Days prior to the Issue Closing Date. Our Company, with the assistance of the Registrar, will initiate transfer of such Rights Equity Shares from the demat suspense account to the demat account of such Eligible Equity Shareholders, upon receipt of details of demat accounts from the Eligible Equity Shareholders.
- 2. The Eligible Equity Shareholders cannot trade in such Rights Equity Shares until the receipt of demat account details and transfer to such Eligible Equity Shareholders' respective account.
- 3. There will be no voting rights against such Rights Equity Shares kept in the demat suspense account. However, the respective Eligible Equity Shareholders will be eligible to receive dividends, if declared, in respect of such Rights Equity Shares in proportion to amount paid-up on the Rights Equity Shares, as permitted under applicable laws.
- 4. Investors may be subject to adverse foreign, state or local tax or legal consequences as a result of buying or selling of Rights Equity Shares or Rights Entitlements. The Eligible Equity Shareholders should obtain their own independent tax and legal advice and may not rely on our Company or any of their affiliates including any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates when evaluating the tax consequences in relation to the Rights Equity Shares (including but not limited to any applicable short-term capital gains tax, or any other applicable taxes or charges in case of any gains made by such Eligible Equity Shareholders from the sale of such Rights Equity Shares).
- 5. **The Lead Manager, our Company, its directors, its employees, affiliates, associates and their respective directors and officers and the Registrar shall not be liable in any manner and not be responsible for acts, mistakes, errors, omissions and commissions, etc., in relation to any delay in furnishing details of demat account by such Eligible Equity Shareholders, any resultant loss to the Eligible Equity Shareholders due to sale of the Rights Equity Shares, if such details are not correct, demat account is frozen or not active or in case of non-availability of details of bank account of such Eligible Equity Shareholders, profit or loss to such Eligible Equity Shareholders due to aforesaid process, tax deductions or other costs charged by our Company, or on account of aforesaid process in any manner.**

Payment of Refund

Mode of making refunds

The payment of refund, if any, including in the event of oversubscription or failure to list or otherwise would be done through any of the following modes. Please note that payment of refund in case of Applications made through R-WAP, shall be through modes under (b) to (g) below.

- (a) Unblocking amounts blocked using ASBA facility.
- (b) National Automated Clearing House (“**NACH**”) – NACH is a consolidated system of electronic clearing service. Payment of refund would be done through NACH for Applicants having an account at one of the centres specified by the RBI, where such facility has been made available. This would be subject to availability of complete bank account details including MICR code wherever applicable from the depository. The payment of refund through NACH is mandatory for Applicants having a bank account at any of the centres where NACH facility has been made available by the RBI (subject to availability of all information for crediting the refund through NACH including the MICR code as appearing on a cheque leaf, from the depositories), except where Applicant is otherwise disclosed as eligible to get refunds through NEFT or Direct Credit or RTGS.
- (c) National Electronic Fund Transfer (“**NEFT**”) – Payment of refund shall be undertaken through NEFT wherever the Investors’ bank has been assigned the Indian Financial System Code (“**IFSC Code**”), which can be linked to a MICR, allotted to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Investors have registered their nine digit MICR number and their bank account number with the Registrar to our Company or with the Depository Participant while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the Investors through this method.
- (d) Direct Credit – Investors having bank accounts with the Bankers to the Issue shall be eligible to receive refunds through direct credit. Charges, if any, levied by the relevant bank(s) for the same would be borne by our Company.
- (e) Real-time Gross Settlement (“**RTGS**”) – If the refund amount exceeds ₹ 2,00,000, the Investors have the option to receive refund through RTGS. Such eligible Investors who indicate their preference to receive refund through RTGS are required to provide the IFSC Code in the Application Form. In the event the same is not provided, refund shall be made through NACH or any other eligible mode. Charges, if any, levied by the refund bank(s) for the same would be borne by our Company. Charges, if any, levied by the Investor’s bank receiving the credit would be borne by the Investor.
- (f) For all other Investors, the refund orders will be dispatched through speed post or registered post subject to applicable laws. Such refunds will be made by cheques, pay orders or demand drafts drawn in favor of the sole/first Investor and payable at par.
- (g) Credit of refunds to Investors in any other electronic manner, permissible by SEBI from time to time.

In case of Application through R-WAP, refunds, if any, will be made to the same bank account from which Application Money was received. Therefore, the Investors should ensure that such bank accounts remain valid and active.

Refund payment to non-residents

The Application Money will be unblocked in the ASBA Account of the non-resident Applicants, details of which were provided in the Application Form.

Allotment Advice or Demat Credit of Securities

The demat credit of securities to the respective beneficiary accounts or the demat suspense account (pending receipt of demat account details for Eligible Equity Shareholders holding Equity Shares in physical form/ with IEPF authority/ in suspense, etc.) will be credited within 15 days from the Issue Closing Date or such other timeline in accordance with applicable laws.

Receipt of the Rights Equity Shares in Dematerialized Form

PLEASE NOTE THAT THE RIGHTS EQUITY SHARES APPLIED FOR UNDER THIS ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO (A) THE SAME DEPOSITORY ACCOUNT/ CORRESPONDING PAN IN WHICH THE EQUITY SHARES ARE HELD BY SUCH INVESTOR ON THE RECORD DATE, OR (B) THE DEPOSITORY ACCOUNT, DETAILS OF WHICH HAVE BEEN PROVIDED TO OUR COMPANY OR THE REGISTRAR AT LEAST TWO WORKING DAYS PRIOR TO THE ISSUE CLOSING DATE BY THE ELIGIBLE EQUITY SHAREHOLDER HOLDING EQUITY SHARES IN PHYSICAL FORM AS ON THE RECORD DATE, OR (C) DEMAT SUSPENSE ACCOUNT PENDING RECEIPT OF DEMAT ACCOUNT DETAILS FOR RESIDENT ELIGIBLE EQUITY SHAREHOLDERS HOLDING EQUITY SHARES IN PHYSICAL FORM/ WHERE THE CREDIT OF THE RIGHTS ENTITLEMENTS RETURNED/REVERSED/FAILED.

Investors shall be Allotted the Rights Equity Shares in dematerialized (electronic) form. Our Company has signed an agreement dated January 17, 2018 with NSDL and an agreement dated January 11, 2018 with CDSL which enables the Investors to hold and trade in the securities issued by our Company in a dematerialized form, instead of holding the Equity Shares in the form of physical certificates.

INVESTORS MAY PLEASE NOTE THAT THE EQUITY SHARES CAN BE TRADED ON THE STOCK EXCHANGE ONLY IN DEMATERIALIZED FORM.

The procedure for availing the facility for Allotment of Rights Equity Shares in this Issue in the dematerialised form is as under:

1. Open a beneficiary account with any depository participant (care should be taken that the beneficiary account should carry the name of the holder in the same manner as is registered in the records of our Company. In the case of joint holding, the beneficiary account should be opened carrying the names of the holders in the same order as registered in the records of our Company). In case of Investors having various folios in our Company with different joint holders, the Investors will have to open separate accounts for such holdings. Those Investors who have already opened such beneficiary account(s) need not adhere to this step.
2. It should be ensured that the depository account is in the name(s) of the Investors and the names are in the same order as in the records of our Company or the Depositories.
3. The responsibility for correctness of information filled in the Application Form *vis-a-vis* such information with the Investor's depository participant, would rest with the Investor. Investors should ensure that the names of the Investors and the order in which they appear in Application Form should be the same as registered with the Investor's depository participant.
4. If incomplete or incorrect beneficiary account details are given in the Application Form, the Investor will not get any Rights Equity Shares and the Application Form will be rejected.
5. The Rights Equity Shares will be allotted to Applicants only in dematerialized form and would be directly credited to the beneficiary account as given in the Application Form after verification or demat suspense account (pending receipt of demat account details for resident Eligible Equity Shareholders holding Equity Shares in physical form/ with IEPF authority/ in suspense, etc.). Allotment advice, refund order (if any) would be sent directly to the Applicant by email and, if the printing is feasible, through physical dispatch, by the Registrar but the Applicant's depository participant will provide to him the confirmation of the credit of such Rights Equity Shares to the Applicant's depository account.
6. Non-transferable Allotment advice/ refund intimation will be directly sent to the Investors by the Registrar, by

- email and, if the printing is feasible, through physical dispatch.
7. Renouncees will also have to provide the necessary details about their beneficiary account for Allotment of Rights Equity Shares in this Issue. In case these details are incomplete or incorrect, the Application is liable to be rejected.

Resident Eligible Equity Shareholders, who hold Equity Shares in physical form and who have not furnished the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, desirous of subscribing to Rights Equity Shares in this Issue must check the procedure for application by and credit of Rights Equity Shares to such Eligible Equity Shareholders in “- Procedure for Application by Eligible Equity Shareholders holding Equity Shares in physical form” and “- Credit and Transfer of Rights Equity Shares in case of Shareholders holding Equity Shares in Physical Form” on pages 132 and 142, respectively.

Procedure for Applications by FPIs

In terms of applicable FEMA Rules and the SEBI FPI Regulations, investments by FPIs in the Equity Shares is subject to certain limits, i.e., the individual holding of an FPI (including its investor group (which means multiple entities registered as foreign portfolio investors and directly and indirectly having common ownership of more than 50% of common control)) shall be below 10% of our post-Offer Equity Share capital. In case the total holding of an FPI or investor group increases beyond 10% of the total paid-up Equity Share capital of our Company, on a fully diluted basis or 10% or more of the paid-up value of any series of debentures or preference shares or share warrants that may be issued by our Company, the total investment made by the FPI or investor group will be re-classified as FDI subject to the conditions as specified by SEBI and the RBI in this regard and our Company and the investor will also be required to comply with applicable reporting requirements. Further, the aggregate limit of all FPIs investments, with effect from April 1, 2020, is up to the sectoral cap applicable to the sector in which our Company operates (i.e., 100%).

FPIs are permitted to participate in this Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time. The FPIs who wish to participate in the Offer are advised to use the Application Form for non-residents. Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an FPI may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by an FPI against securities held by it that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons registered as Category I FPI under the SEBI FPI Regulations; (ii) such offshore derivative instruments are issued only to persons who are eligible for registration as Category I FPIs (where an entity has an investment manager who is from the Financial Action Task Force member country, the investment manager shall not be required to be registered as a Category I FPI); (iii) such offshore derivative instruments are issued after compliance with ‘know your client’ norms; and (iii) compliance with other conditions as may be prescribed by SEBI.

An FPI issuing offshore derivative instruments is also required to ensure that any transfer of offshore derivative instruments issued by or on its behalf, is carried out subject to *inter alia* the following conditions:

- i. such offshore derivative instruments are transferred only to persons in accordance with the SEBI FPI Regulations; and
- ii. prior consent of the FPI is obtained for such transfer, except when the persons to whom the offshore derivative instruments are to be transferred to are pre – approved by the FPI.

Procedure for Applications by AIFs, FVCIs and VCFs

The SEBI VCF Regulations and the SEBI FVCI Regulations prescribe, among other things, the investment restrictions on VCFs and FVCIs registered with SEBI. Further, the SEBI AIF Regulations prescribe, among other things, the investment restrictions on AIFs.

As per the SEBI VCF Regulations and SEBI FVCI Regulations, VCFs and FVCIs are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by VCFs or FVCIs will not be accepted in this Issue. Venture capital funds registered as Category I AIFs, as defined in the SEBI AIF Regulations, are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by venture capital funds registered as category I AIFs, as defined in the SEBI AIF Regulations, will not be accepted in this Issue.

Other categories of AIFs are permitted to apply in this Issue subject to compliance with the SEBI AIF Regulations. Such AIFs having bank accounts with SCSBs that are providing ASBA in cities / centres where such AIFs are located are mandatorily required to make use of the ASBA facility or using R-WAP (available only for residents). Otherwise, applications of such AIFs are liable for rejection.

Procedure for Applications by NRIs

Investments by NRIs are governed by the FEMA Rules. Applications will not be accepted from NRIs that are ineligible to participate in this Issue under applicable securities laws.

As per the FEMA Rules, an NRI or Overseas Citizen of India (“OCI”) may purchase or sell capital instruments of a listed Indian company on repatriation basis, on a recognised stock exchange in India, subject to the conditions, *inter alia*, that the total holding by any individual NRI or OCI will not exceed 5% of the total paid-up equity capital on a fully diluted basis or should not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together will not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrants.

The aggregate ceiling of 10% may be raised to 24%, if a special resolution to that effect is passed by the general body of the Indian company.

Procedure for Applications by Mutual Funds

A separate application can be made in respect of each scheme of an Indian mutual fund registered with SEBI and such applications shall not be treated as multiple applications. The applications made by asset management companies or custodians of a mutual fund should clearly indicate the name of the concerned scheme for which the application is being made.

Procedure for Applications by Systemically Important Non-Banking Financial Companies (“NBFC-SI”)

In case of an application made by NBFC-SI registered with the RBI, (a) the certificate of registration issued by the RBI under Section 45IA of the RBI Act, 1934 and (b) net worth certificate from its statutory auditors or any independent chartered accountant based on the last audited financial statements is required to be attached to the application.

Impersonation

As a matter of abundant caution, attention of the Investors is specifically drawn to the provisions of Section 38 of the Companies Act, 2013 which is reproduced below:

“Any person who makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447.”

The liability prescribed under Section 447 of the Companies Act for fraud involving an amount of at least ₹ 1 million or 1% of the turnover of the company, whichever is lower, includes imprisonment for a term of not less than six

months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount. In case the fraud involves (i) an amount which is less than ₹ 1 million or 1% of the turnover of the company, whichever is lower; and (ii) does not involve public interest, then such fraud is punishable with an imprisonment for a term extending up to five years or a fine of an amount extending up to ₹ 5 million or with both.

Payment by stockinvest

In terms of RBI Circular DBOD No. FSC BC 42/24.47.00/2003- 04 dated November 5, 2003, the stockinvest scheme has been withdrawn. Hence, payment through stockinvest would not be accepted in this Issue.

Disposal of Application and Application Money

No acknowledgment will be issued for the Application Money received by our Company. However, the Designated Branch of the SCSBs receiving the Application Form will acknowledge its receipt by stamping and returning the acknowledgment slip at the bottom of each Application Form and the R-WAP platform would generate an electronic acknowledgment to the Eligible Equity Shareholders upon submission of the Application.

Our Board reserves its full, unqualified and absolute right to accept or reject any Application, in whole or in part, and in either case without assigning any reason thereto.

In case an Application is rejected in full, the whole of the Application Money will be unblocked in the respective ASBA Accounts, in case of Applications through ASBA or refunded to the Investors in the same bank account through which Application Money was received, in case of an application using the R-WAP facility. Wherever an Application is rejected in part, the balance of Application Money, if any, after adjusting any money due on Rights Equity Shares Allotted, will be refunded / unblocked in the respective bank accounts from which Application Money was received / ASBA Accounts of the Investor within a period of 15 days from the Issue Closing Date. In case of failure to do so, our Company shall pay interest at such rate and within such time as specified under applicable law.

For further instructions, please read the Application Form carefully.

Utilisation of Issue Proceeds

Our Board declares that:

1. All monies received out of this Issue shall be transferred to a separate bank account;
2. Details of all monies utilized out of this Issue referred to under (A) above shall be disclosed, and continue to be disclosed till the time any part of the Issue Proceeds remains unutilised, under an appropriate separate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised; and
3. Details of all unutilized monies out of this Issue referred to under (A) above, if any, shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the form in which such unutilized monies have been invested.

Undertakings by our Company

Our Company undertakes the following:

1. The complaints received in respect of this Issue shall be attended to by our Company expeditiously and satisfactorily.
2. All steps for completion of the necessary formalities for listing and commencement of trading at all Stock Exchange where the Equity Shares are to be listed will be taken by our Board within time limits specified by SEBI.
3. The funds required for making refunds / unblocking to unsuccessful Applicants as per the mode(s) disclosed shall be made available to the Registrar by our Company.

4. Where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the Investor within 15 days of the Issue Closing Date, giving details of the banks where refunds shall be credited along with amount and expected date of electronic credit of refund.
5. In case of refund / unblocking of the Application Money for unsuccessful Applicants or part of the Application Money in case of proportionate Allotment, a suitable communication shall be sent to the Applicants.
6. Adequate arrangements shall be made to collect all ASBA Applications.
7. Our Company shall comply with such disclosure and accounting norms specified by SEBI from time to time.
8. Adequate arrangements shall be made to collect all ASBA Applications and record all Applications made under the R-WAP process.

Minimum Subscription

As the object of the Issue does not involve financing of capital expenditure and our Promoter, together with members of the Promoter Group have *vide* letters dated April 21, 2021 confirmed their intention to subscribe to their Rights Entitlement in the Issue and not renounce their Rights Entitlements except to the extent of renunciation within the Promoter Group, the minimum subscription criteria mentioned under the SEBI ICDR Regulations will not be applicable to the Issue.

Important

1. Please read this Letter of Offer carefully before taking any action. The instructions contained in the Application Form, Abridged Letter of Offer and the Rights Entitlement Letter are an integral part of the conditions of this Letter of Offer and must be carefully followed; otherwise the Application is liable to be rejected.
2. All enquiries in connection with this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or Application Form must be addressed (quoting the Registered Folio Number or the DP ID and Client ID number, the Application Form number and the name of the first Eligible Equity Shareholder as mentioned on the Application Form and super scribed “Sundaram Finance Holdings Limited – Rights Issue” on the envelope and postmarked in India or in the email) to the Registrar at the following address:

Cameo Corporate Services Limited

Subramanian Building, No.1,
Club House Road,
Chennai 600 002
Tamil Nadu, India
Telephone: +91 44 4002 0710 / +91 44 2846 0390
Toll free numbers: 1-800-102-3669
E-mail: priya@cameoindia.com
Investor Grievance E-mail: investor@cameoindia.com
Contact Person: K.Sreepriya
Website: www.cameoindia.com
SEBI Registration No.: INR000003753

3. In accordance with SEBI Rights Issue Circulars, frequently asked questions and online/ electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors will be available on the website of the Registrar (*i.e*, Cameo Corporate Services Limited at <https://rights.cameoindia.com/sfhl>). Further, helpline numbers provided by the Registrar for guidance on the Application process and resolution of difficulties are +91 73388 08559 and +91 44 4002 0710.

This Issue will remain open for a minimum 15 days. However, our Board will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Closing Date).

RESTRICTIONS ON PURCHASES AND RESALES

General Eligibility and Restrictions

No action has been taken or will be taken to permit a public offering of the Rights Entitlements or the Rights Equity Shares to occur in any jurisdiction, or the possession, circulation, or distribution of this Letter of Offer, its accompanying documents or any other material relating to our Company, the Rights Entitlements or the Rights Equity Shares in any jurisdiction where action for such purpose is required, except that this Letter of Offer is being filed with SEBI and the Stock Exchange.

The Rights Entitlements and Rights Equity Shares have not been and will not be registered under the US Securities Act and may not be offered or sold within the United States.

The Rights Entitlements or the Rights Equity Shares may not be offered or sold, directly or indirectly, and none of this Letter of Offer, its accompanying documents or any offering materials or advertisements in connection with the Rights Entitlements or the Rights Equity Shares may be distributed or published in or from any country or jurisdiction except in accordance with the legal requirements applicable in such jurisdiction.

Investors are advised to consult their legal counsel prior to accepting any provisional allotment of Rights Equity Shares, applying for excess Rights Equity Shares or making any offer, sale, resale, pledge or other transfer of the Rights Entitlements or the Rights Equity Shares.

This Letter of Offer and its accompanying documents will be supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, in whole or in part, for any purpose.

Each person who exercises the Rights Entitlements and subscribes for the Rights Equity Shares, or who purchases the Rights Entitlements or the Rights Equity Shares shall do so in accordance with the restrictions set out below:

United States

The Rights Entitlements and the Rights Equity Shares have not been, and will not be, registered under the US Securities Act or under any securities laws of any state or other jurisdiction of the United States and may not be offered, sold, resold, allotted, taken up, exercised, renounced, pledged, transferred or delivered, directly or indirectly within the United States except pursuant to an applicable exemption from, or a transaction not subject to, the registration requirements of the US Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the United States. The Rights Entitlements and Rights Equity Shares referred to in this Letter of Offer are being offered in offshore transactions outside the United States in compliance with Regulation S under the US Securities Act and the applicable laws of the jurisdiction where those offers and sales are made. Neither receipt of this Letter of Offer, nor any of its accompanying documents constitutes an offer of the Rights Entitlements or the Rights Equity Shares to any Eligible Equity Shareholder other than the Eligible Equity Shareholder who has received this Letter of Offer and its accompanying documents directly from our Company or the Registrar.

Each person outside of the United States by accepting the delivery of this Letter of Offer and its accompanying documents, submitting an Application Form for the exercise of any Rights Entitlements and subscription for any Rights Equity Shares and accepting delivery of any Rights Entitlements or any Rights Equity Shares, will be deemed to have represented, warranted and agreed as follows on behalf of itself and, if it is acquiring the Rights Entitlements or the Rights Equity Shares as a fiduciary or agent for one or more investor accounts, on behalf of each owner of such account (such person being the “purchaser”, which term shall include the owners of the investor accounts on whose behalf the person acts as fiduciary or agent):

1. The purchaser (i) is aware that the Rights Entitlements and the Rights Equity Shares have not been and will not be registered under the US Securities Act and are being distributed and offered outside the United States in reliance on Regulation S, (ii) is, and the persons, if any, for whose account it is acquiring such Rights Entitlements and/or the Rights Equity Shares are, outside the United States and eligible to subscribe for Rights

Entitlements and Rights Equity Shares in compliance with applicable securities laws, and (iii) is acquiring the Rights Entitlements and/or the Rights Equity Shares in an offshore transaction meeting the requirements of Regulation S.

2. No offer or sale of the Rights Entitlements or the Rights Equity Shares to the purchaser is the result of any “directed selling efforts” in the United States (as such term is defined in Regulation S).
3. The purchaser is, and the persons, if any, for whose account it is acquiring the Rights Entitlements and the Rights Equity Shares are, entitled to subscribe for the Rights Equity Shares, and the sale of the Rights Equity Shares to it will not require any filing or registration by, or qualification of, our Company with any court or administrative, governmental or regulatory agency or body, under the laws of any jurisdiction which apply to the purchaser or such persons.
4. The purchaser, and each account for which it is acting, satisfies (i) all suitability standards for investors in investments in the Rights Entitlements and the Rights Equity Shares imposed by the jurisdiction of its residence, and (ii) is eligible to subscribe and is subscribing for the Rights Equity Shares and Rights Entitlements in compliance with applicable securities and other laws of its jurisdiction of residence.
5. The purchaser has the full power and authority to make the acknowledgements, representations, warranties and agreements contained herein and to exercise the Rights Entitlements and subscribe for the Rights Equity Shares, and, if the purchaser is exercising the Rights Entitlements and acquiring the Rights Equity Shares as a fiduciary or agent for one or more investor accounts, the purchaser has the full power and authority to make the acknowledgements, representations, warranties and agreements contained herein and to exercise the Rights Entitlements and subscribe for the Rights Equity Shares on behalf of each owner of such account.
6. The purchaser is aware and understands (and each account for which it is acting has been advised and understands) that an investment in the Rights Entitlements and the Rights Equity Shares involves a considerable degree of risk and that the Rights Entitlements and the Rights Equity Shares are a speculative investment, and further, that no U.S. federal or state or other agency has made any finding or determination as to the fairness of any such investment or any recommendation or endorsement of any such investment.
7. The purchaser understands (and each account for which it is acting has been advised and understands) that no action has been or will be taken to permit an offering of the Rights Entitlements or the Rights Equity Shares in any jurisdiction (other than the filing of this Letter of Offer with SEBI and the Stock Exchange); and it will not offer, resell, pledge or otherwise transfer any of the Rights Entitlements or the Rights Equity Shares which it may acquire, or any beneficial interests therein, in any jurisdiction or in any circumstances in which such offer or sale is not authorised or to any person to whom it is unlawful to make such offer, sale, solicitation or invitation except under circumstances that will result in compliance with any applicable laws and/or regulations. The purchaser agrees to notify any transferee to whom it subsequently reoffers, resells, pledges or otherwise transfers the Rights Entitlements and the Rights Equity Shares of the restrictions set forth in the Letter of Offer under the heading “*Restrictions on Purchases and Resales*”.
8. The purchaser (or any account for which it is acting) is an Eligible Equity Shareholder and has received an invitation from our Company, addressed to it and inviting it to participate in this Issue.
9. Neither the purchaser nor any of its affiliates or any person acting on its or their behalf has taken or will take, directly or indirectly, any action designed to, or which might be expected to, cause or result in the stabilization or manipulation of the price of any security of the Company to facilitate the sale or resale of the Rights Entitlements or the Rights Equity Shares pursuant to the Issue.

10. Prior to making any investment decision to exercise the Rights Entitlements and subscribe for the Rights Equity Shares, the purchaser (i) will have consulted with its own legal, regulatory, tax, business, investment, financial and accounting advisers in each jurisdiction in connection herewith to the extent it has deemed necessary; (ii) will have carefully read and reviewed a copy of this Letter of Offer and its accompanying documents; (iii) will have possessed and carefully read and reviewed all information relating to our Company and our group and the Rights Entitlements and the Rights Equity Shares which it believes is necessary or appropriate for the purpose of making its investment decision, including, without limitation, the Exchange Information (as defined below), and will have had a reasonable opportunity to ask questions of and receive answers from officers and representatives of our Company concerning the financial condition and results of operations of our Company and the purchase of the Rights Entitlements or the Rights Equity Shares, and any such questions have been answered to its satisfaction; (iv) will have possessed and reviewed all information that it believes is necessary or appropriate in connection with an investment in the Rights Entitlements and the Rights Equity Shares; (v) will have conducted its own due diligence on our Company and this Issue, and will have made its own investment decisions based upon its own judgement, due diligence and advice from such advisers as it has deemed necessary and will not have relied upon any recommendation, promise, representation or warranty of or view expressed by or on behalf of our Company, the Lead Manager or its affiliates (including any research reports) (other than, with respect to our Company and any information contained in this Letter of Offer); and (vi) will have made its own determination that any investment decision to exercise the Rights Entitlements and subscribe for the Rights Equity Shares is suitable and appropriate, both in the nature and number of Rights Equity Shares being subscribed.
11. Without limiting the generality of the foregoing, the purchaser acknowledges that (i) the Rights Equity Shares are listed on BSE Limited and the National Stock Exchange of India Limited and our Company is therefore required to publish certain business, financial and other information in accordance with the rules and practices of BSE Limited and the National Stock Exchange of India Limited (which includes, but is not limited to, a description of the nature of our Company's business and our Company's most recent balance sheet and profit and loss account, and similar statements for preceding years together with the information on its website and its press releases, announcements, investor education presentations, annual reports, collectively constitutes "**Exchange Information**"), and that it has had access to such information without undue difficulty and has reviewed such Exchange Information as it has deemed necessary; (ii) our Company does not expect or intend to become subject to the periodic reporting and other information requirements of the Securities and Exchange Commission; and (iii) neither our Company nor any of its affiliates, nor the Lead Manager or any of their affiliates has made any representations or recommendations to it, express or implied, with respect to our Company, the Rights Entitlements or the Rights Equity Shares or the accuracy, completeness or adequacy of the Exchange Information.
12. The purchaser understands that the Exchange Information and this Letter of Offer have been prepared in accordance with content, format and style which is either prescribed by SEBI, the Stock Exchange or under Indian laws, which differs from the content, format and style customary for similar offerings in the United States. In particular, the purchaser understands that (i) our Company's financial information contained in the Exchange Information and this Letter of Offer have been prepared in accordance with Ind AS, Companies Act, and other applicable statutory and/or regulatory requirements and not in a manner suitable for an offering registered with the U.S. SEC, and (ii) this Letter of Offer does not include all of the information that would be required if our Company were registering the Issue of the Rights Entitlements and the Rights Equity Shares with the U.S. SEC, such as a description of our business and industry, detailed operational data, our management's discussion and analysis of our financial condition and results of operations and audited financial statements for prior years.

13. The purchaser acknowledges that (i) any information that it has received or will receive relating to or in connection with this Issue, and the Rights Entitlements or the Rights Equity Shares, including this Letter of Offer and the Exchange Information (collectively, the “**Information**”), has been prepared solely by our Company; and (ii) none of the Lead Manager or any of its affiliates has verified such Information, and no recommendation, promise, representation or warranty (express or implied) is or has been made or given by the Lead Manager or its affiliates as to the accuracy, completeness or sufficiency of the Information, and nothing contained in the Information is, or shall be relied upon as, a promise, representation or warranty by any of them or their affiliates.
14. The purchaser will not hold our Company, the Lead Manager or their affiliates responsible for any misstatements in or omissions to the Information or in any other written or oral information provided by our Company to it. It acknowledges that no written or oral information relating to this Issue, and the Rights Entitlements or the Rights Equity Shares has been or will be provided by the Lead Manager or its affiliates to it.
15. The purchaser is a highly sophisticated investor and has such knowledge and experience in financial, business and international investment matters and is capable of independently evaluating the merits and risks (including for tax, legal, regulatory, accounting and other financial purposes) of an investment in the Rights Entitlements and the Rights Equity Shares. It, or any account for which it is acting, has the financial ability to bear the economic risk of investment in the Rights Entitlements and the Rights Equity Shares, has adequate means of providing for its current and contingent needs, has no need for liquidity with respect to any investment it (or such account for which it is acting) may make in the Rights Entitlements and the Rights Equity Shares, and is able to sustain a complete loss in connection therewith and it will not look to our Company, or to the Lead Manager, for all or part of any such loss or losses it may suffer.
16. The purchaser understands and acknowledges that the Lead Manager are assisting our Company in respect of this Issue and that the Lead Manager are acting solely for our Company and no one else in connection with this Issue and, in particular, are not providing any service to it, making any recommendations to it, advising it regarding the suitability of any transactions it may enter into to subscribe or purchase any Rights Entitlements or Rights Equity Shares nor providing advice to it in relation to our Company, this Issue or the Rights Entitlements or the Rights Equity Shares. Further, to the extent permitted by law, it waives any and all claims, actions, liabilities, damages or demands it may have against the Lead Manager arising from its engagement with our Company and in connection with this Issue.
17. The purchaser understands that its receipt of the Rights Entitlements and any subscription it may make for the Rights Equity Shares will be subject to and based upon all the terms, conditions, representations, warranties, acknowledgements, agreements and undertakings and other information contained in this Letter of Offer and the Application Form. The purchaser understands that neither our Company, nor the Registrar, the Lead Manager or any other person acting on behalf of the Company will accept subscriptions from any person, or the agent of any person, who appears to be, or who we, the Registrar, the Lead Manager or any other person acting on behalf of the Company have reason to believe is in the United States or outside of India and ineligible to participate in this Issue under applicable securities laws.
18. The purchaser understands that the foregoing representations and acknowledgments have been provided in connection with United States, India and other securities laws. It acknowledges that our Company and the Lead Manager, their affiliates and others (including legal counsels to each of our Company, the Lead Manager) will rely upon the truth and accuracy of the foregoing acknowledgements, representations, warranties and agreements and agree that, if at any time before the closing of this Issue or the issuance of the Rights Equity Shares, any of

the acknowledgements, representations, warranties and agreements made in connection with its exercise of Rights Entitlements and subscription for the Rights Equity Shares is no longer accurate, it shall promptly notify our Company in writing.

Australia

This Letter of Offer does not constitute a prospectus or other disclosure document under the Corporations Act 2001 (Cth) (“Australian Corporations Act”) and does not purport to include the information required of a disclosure document under the Australian Corporations Act. This Letter of Offer has not been lodged with the Australian Securities and Investments Commission (“ASIC”) and no steps have been taken to lodge it as such with ASIC. Any offer in Australia of the Rights Entitlements and Rights Equity Shares under this Letter of Offer may only be made to persons who are “sophisticated investors” (within the meaning of section 708(8) of the Australian Corporations Act), to “professional investors” (within the meaning of section 708(11) of the Australian Corporations Act) or otherwise pursuant to one or more exemptions under section 708 of the Australian Corporations Act so that it is lawful to offer the Rights Entitlements and Rights Equity Shares in Australia without disclosure to investors under Part 6D.2 of the Australian Corporations Act.

If you are acting on behalf of, or acting as agent or nominee for, an Australian resident and you are a recipient of this Letter of Offer, and any offers made under this Letter of Offer, you represent to the Issuer, Lead Manager that you will not provide this Letter of Offer or communicate any offers made under this Letter of Offer to, or make any applications or receive any offers for Rights Entitlements or Rights Equity Shares for, any Australian residents unless they are a “sophisticated investor” or a “professional investor” as defined by section 708 of the Australian Corporations Act.

Any offer of the Rights Entitlements or the Rights Equity Shares for on-sale that is received in Australia within 12 months after their issue by the Company, or within 12 months after their sale by a selling security holder (or a Lead Manager) under the Issue, as applicable, is likely to need prospectus disclosure to investors under Part 6D.2 of the Australian Corporations Act, unless such offer for on-sale in Australia is conducted in reliance on a prospectus disclosure exemption under section 708 of the Australian Corporations Act or otherwise. Any persons acquiring the Rights Entitlements and the Rights Equity Shares should observe such Australian on-sale restrictions.

Bahrain

The Central Bank of Bahrain, the Bahrain Bourse and the Ministry of Industry, Commerce and Tourism of the Kingdom of Bahrain take no responsibility for the accuracy of the statements and information contained in this Letter of Offer or the performance of the Rights Entitlements or the Rights Equity Shares, nor shall they have any liability to any person, investor or otherwise for any loss or damage resulting from reliance on any statements or information contained herein. This Letter of Offer is only intended for accredited investors as defined by the Central Bank of Bahrain. We have not made and will not make any invitation to the public in the Kingdom of Bahrain to subscribe to the Rights Entitlements or the Rights Equity Shares and this Letter of Offer will not be issued, passed to, or made available to the public generally. The Central Bank of Bahrain has not reviewed, nor has it approved, this Letter of Offer or the marketing thereof in the Kingdom of Bahrain. The Central Bank of Bahrain is not responsible for the performance of the Rights Entitlements or the Rights Equity Shares.

Cayman Islands

No offer or invitation to subscribe for the Rights Entitlements and the Rights Equity Shares may be made to the public in the Cayman Islands.

China

This Letter of Offer may not be circulated or distributed in the People’s Republic of China (“PRC”) and the Rights Entitlements and the Rights Equity Shares may not be offered or sold, and will not be offered or sold to any person for re-offering or resale directly or indirectly to, or for the benefit of, legal or natural persons of the PRC except

pursuant to applicable laws and regulations of the PRC. Further, no legal or natural persons of the PRC may directly or indirectly purchase any of the Rights Entitlements and the Rights Equity Shares or any beneficial interest therein without obtaining all prior PRC's governmental approvals that are required, whether statutorily or otherwise. Persons who come into possession of this Letter of Offer are required by the Issuer and its representatives to observe these restrictions. For the purpose of this paragraph, PRC does not include Taiwan and the special administrative regions of Hong Kong and Macau.

Dubai International Financial Centre

The Rights Entitlements and the Rights Equity Shares have not been offered and will not be offered to any persons in the Dubai International Financial Centre except on that basis that an offer is:

- (i) an "Exempt Offer" in accordance with the Markets Rules (MKT) module of the Dubai Financial Services Authority (the "DFSA") rulebook; and
- (ii) made only to persons who meet the Professional Client criteria set out in Rule 2.3.3 of the Conduct of Business Module of the DFSA rulebook.

European Economic Area and the United Kingdom

In relation to each Member State of the European Economic Area and the United Kingdom (each a "**Relevant State**"), neither the Rights Entitlements or the Rights Equity Shares have been offered or will be offered pursuant to the Issue to the public in that Relevant State prior to the publication of a prospectus in relation to the Rights Entitlements and the Rights Equity Shares which has been approved by the competent authority in that Relevant State or, where appropriate, approved in another Relevant State and notified to the competent authority in that Relevant State, all in accordance with the Prospectus Regulation, except that offers of the Rights Entitlements and the Rights Equity Shares may be made to the public in that Relevant State at any time under the following exemptions under the Prospectus Regulation:

- a. to any legal entity which is a qualified investor as defined under the Prospectus Regulation;
- b. to fewer than 150 natural or legal persons per Member State (other than qualified investors as defined under the Prospectus Regulation), subject to obtaining the prior consent of the Lead Manager for any such offer; or
- c. in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of the Rights Entitlements or the Rights Equity Shares shall require the Issuer or any Lead Manager to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation. This Letter of Offer is not a prospectus for the purposes of the Prospectus Regulation. The Issuer does not authorize the making of any offer of Rights Entitlements and/or the Rights Equity Shares in circumstances in which an obligation arises for the Issuer to publish a prospectus for such offer.

For the purposes of this provision, the expression an "**offer to the public**" in relation to any Rights Entitlements or the Rights Equity Shares in any Relevant State means the communication to persons in any form and by any means, presenting sufficient information on the terms of the offer and Rights Entitlements or any Rights Equity Shares to be offered so as to enable an investor to decide to purchase or subscribe for those securities, and the expression "**Prospectus Regulation**" means Regulation (EU) 2017/1129.

Hong Kong

The Rights Entitlements and the Rights Equity Shares may not be offered or sold in Hong Kong by means of any

document other than (i) in circumstances which do not constitute an offer to the public within the meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32, Laws of Hong Kong), or (ii) to “professional investors” within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder, or (iii) in other circumstances which do not result in the document being a “prospectus” within the meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32, Laws of Hong Kong) and no advertisement, invitation or document relating to the Rights Entitlements and the Rights Equity Shares may be issued or may be in the possession of any person for the purpose of issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the laws of Hong Kong) other than with respect to the Rights Entitlements and the Rights Equity Shares which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder.

Japan

The Rights Entitlements and the Rights Equity Shares have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Law No. 25 of 1948 as amended) (the “**FIEA**”) and disclosure under the FIEA has not been and will not be made with respect to the Rights Entitlements and the Rights Equity Shares. No Rights Entitlements or Rights Equity Shares have, directly or indirectly, been offered or sold, and may not, directly or indirectly, be offered or sold in Japan or to, or for the benefit of, any resident of Japan as defined in the first sentence of Article 6, Paragraph 1, Item 5 of the Foreign Exchange and Foreign Trade Contract Act of Japan (Law No. 228 of 1949, as amended) (“**Japanese Resident**”) or to others for re-offering or re-sale, directly or indirectly in Japan or to, or for the benefit of, any Japanese Resident except (i) pursuant to an exemption from the registration requirements of the FIEA and (ii) in compliance with any other relevant laws, regulations and governmental guidelines of Japan.

If an offeree does not fall under a “qualified institutional investor” (tekikaku kikan toshika), as defined in Article 10, Paragraph 1 of the Cabinet Office Ordinance Concerning Definition Provided in Article 2 of the Financial Instruments and Exchange Act (Ordinance of the Ministry of Finance No. 14 of 1993, as amended) (the “**Qualified Institutional Investor**”), the Rights Entitlements and Rights Equity Shares will be offered in Japan by a private placement to small number of investors (shoninzu muke kanyu), as provided under Article 23- 13, Paragraph 4 of the FIEA, and accordingly, the filing of a securities registration statement for a public offering pursuant to Article 4, Paragraph 1 of the FIEA has not been made.

If an offeree falls under the Qualified Institutional Investor, the Rights Entitlements and the Rights Equity Shares will be offered in Japan by a private placement to the Qualified Institutional Investors (tekikaku kikan toshikamuke kanyu), as provided under Article 23-13, Paragraph 1 of the FIEA, and accordingly, the filing of a securities registration statement for a public offering pursuant to Article 4, Paragraph 1 of the FIEA has not been made. To receive the Rights Entitlements and subscribe the Rights Equity Shares (the “**QII Rights Entitlements and the QII Equity Shares**”) such offeree will be required to agree that it will be prohibited from selling, assigning, pledging or otherwise transferring the QII Rights Entitlements and the QII Equity Shares other than to another Qualified Institutional Investor.

Kuwait

This Letter of Offer and does not constitute an offer to sell, or the solicitation of an offer to subscribe for or buy, the Rights Entitlements or the Rights Equity Shares in the State of Kuwait. The Rights Entitlements and the Rights Equity Shares have not been licensed for offering, promotion, marketing, advertisement or sale in the State of Kuwait by the Capital Markets Authority or any other relevant Kuwaiti government agency. The offering, promotion, marketing, advertisement or sale of the Rights Entitlements and the Rights Equity Shares in State of Kuwait on the basis of a private placement or public offering is, therefore, prohibited in accordance with Law No. 7 of 2010 and the Executive Bylaws for Law No. 7 of 2010, as amended, which govern the issue, offer, marketing and sale of financial services/products in the State of Kuwait (“Kuwait Securities Laws”). No private or public offering of the Rights Entitlements or the Rights Equity Shares is or will be made in the State of Kuwait, and no agreement relating to the sale of the Rights Entitlements or the Rights Equity Shares will be concluded in the State of Kuwait and no marketing

or solicitation or inducement activities are being used to offer or market the Rights Entitlements or the Rights Equity Shares in the State of Kuwait.

Luxembourg

The Rights Entitlements and the Rights Equity Shares offered in this Letter of Offer may not be offered, sold or delivered to the public within the Grand Duchy of Luxembourg. This Letter of Offer is only intended for institutional investors. It is personal to each offeree and does not constitute an offer to any other person or to the public generally in Luxembourg to subscribe for or otherwise acquire the Rights Entitlements and the Rights Equity Shares. Distribution of this Letter of Offer to any person other than the offeree and those persons, if any, retained to advise such offeree with respect thereto is unauthorized and any disclosure of any of its contents, without prior written consent of the Issuer, is prohibited.

Malaysia

No approval from the Securities Commission of Malaysia has been applied for or will be obtained for the offer or invitation in respect of the Issue under the Capital Markets and Services Act 2007. Neither has a prospectus been or will be registered with the Securities Commission of Malaysia in connection with the Issue in Malaysia. Accordingly, this Letter of Offer or any amendment or supplement hereto or any other offering document in relation to the Issue may not be distributed in Malaysia directly or indirectly for the purpose of any offer of the Rights Entitlements and the Rights Equity Shares. The Rights Entitlements and the Rights Equity Shares may not be offered or sold in Malaysia except pursuant to, and to persons prescribed under, Part I of Schedule 6 of the Malaysian Capital Markets and Services Act and no person may offer for subscription or purchase any of the Rights Entitlements and the Rights Equity Shares directly or indirectly to anyone in Malaysia.

Mauritius

The Rights Entitlements and the Rights Equity Shares may not be offered or sold, directly or indirectly, to the public in Mauritius. Neither this Letter of Offer nor any offering material or information contained herein relating to the offer of the Rights Entitlements and the Rights Equity Shares may be released or issued to the public in Mauritius or used in connection with any such offer. This Letter of Offer does not constitute an offer to sell the Rights Entitlements and the Rights Equity Shares to the public in Mauritius and is not a prospectus as defined under the Companies Act 2001.

New Zealand

This Letter of Offer has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (the “**FMC Act**”). This Issue is not an offer of financial products that requires disclosure under Part 3 of the FMC Act and no product disclosure statement, register entry or other disclosure document under the FMC Act will be prepared in respect of this Issue. The Rights Entitlements and the Rights Equity Shares are not being offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) other than to a person who:

- a. is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
- b. meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- c. is large within the meaning of clause 39 of Schedule 1 of the FMC Act; or
- d. is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act.

If, in the future, any person in New Zealand to whom the Rights Entitlements or the Rights Equity Shares are issued or sold elects to sell any Rights Entitlements or Rights Equity Shares, they must not do so in any manner which will, or is likely to, result in this Issue, or such sale, being viewed as an offer to which Part 3 of the FMC Act is applicable.

Oman

This Letter of Offer and the Rights Entitlements and the Rights Equity Shares to which it relates may not be advertised, marketed, distributed or otherwise made available to any person in the Sultanate of Oman (“**Oman**”) without the prior consent of the Capital Market Authority (“Oman CMA”) and then only in accordance with any terms and conditions of such consent. In connection with the offering of the Rights Entitlements and the Rights Equity Shares, no prospectus has been filed with the Oman CMA. The offering and sale of the Rights Entitlements and the Rights Equity Shares described in this Letter of Offer will not take place inside Oman. This Letter of Offer is strictly private and confidential and is being issued to a limited number of sophisticated investors, and may neither be reproduced, used for any other purpose, nor provided to any other person than the intended recipient hereof does not constitute a public offer of the Rights Entitlements or the Rights Equity Shares in Oman as contemplated by the Commercial Companies Law of Oman (Royal Decree 4/74) or the Capital Market Authority Law (Royal Decree 80/98) (the “CMAL”), nor does it constitute an offer to sell, or the solicitation of any offer to buy Non- Omani securities in the Sultanate of Oman as contemplated by Article 139 of the Executive Regulations of CMA. Additionally, this Letter of Offer and the Rights Entitlements and the Rights Equity Shares is not intended to lead to the conclusion of a contract for the sale or purchase of securities. The recipient of this Letter of Offer and the Rights Entitlements and the Rights Equity Shares represents that it is a sophisticated investor (as described in Article 139 of the Executive Regulations of the Capital Market Law) and that it has experience in business and financial matters that they are capable of evaluating the merits and risks of investments.

Qatar

This Letter of Offer is provided on an exclusive basis to the specifically intended recipient, upon that person’s request and initiative, and for the recipient’s personal use only and is not intended to be available to the public. Nothing in this prospectus constitutes, is intended to constitute, shall be treated as constituting or shall be deemed to constitute, any offer or sale of the Rights Entitlements or the Rights Equity Shares in the State of Qatar or in the Qatar Financial Centre or the inward marketing of an investment fund or an attempt to do business, as a bank, an investment company or otherwise in the State of Qatar or in the Qatar Financial Centre. This Letter of Offer and the underlying instruments have not been reviewed, approved, registered or licensed by the Qatar Central Bank, The Qatar Financial Centre Regulatory Authority, The Qatar Financial Markets Authority or any other regulator in the State of Qatar. Any distribution of this Letter of Offer by the recipient to third parties in Qatar or the Qatar Financial Centre beyond these terms is not authorised and shall be at the liability of the recipient.

Saudi Arabia

This Letter of Offer may not be distributed in the Kingdom of Saudi Arabia except to such persons as are permitted under the Rules on the Offer of Securities and Continuing Obligations as issued by the board of the Saudi Arabian Capital Market Authority (“**CMA**”) pursuant to resolution number 3-123-2017 dated 27 December 2017 as amended by resolution number 1-104-2019 dated 30 September 2019, as amended (the “**CMA Regulations**”). The CMA does not make any representation as to the accuracy or completeness of this Letter of Offer and expressly disclaims any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this Letter of Offer. Prospective purchasers of the Rights Entitlements and the Rights Equity Shares offered hereby should conduct their own due diligence on the accuracy of the information relating to the Rights Entitlements and the Rights Equity Shares. If you do not understand the contents of this Letter of Offer, you should consult an authorized financial adviser.

Singapore

This Letter of Offer has not been registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, neither this Letter of Offer nor any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Rights Entitlements or the Rights Equity Shares may be circulated or distributed, nor may the Rights Entitlements and the Rights Equity Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to any person in Singapore other than (i) existing holders of Rights Equity Shares in the Company pursuant to Section 273(1)(cd)(i) of the Securities and Futures Act, Chapter 289 of Singapore (the “**Securities and Futures Act**”), or (ii) pursuant to, and in accordance with, the conditions

of an exemption under Section 274 or Section 275 of the Securities and Futures Act and (in the case of an accredited investor) Regulation 3 of the Securities and Futures (Classes of Investors) Regulations 2018, or where applicable, Section 276 of the Securities and Futures Act.

Any reference to the Securities and Futures Act is a reference to the Securities and Futures Act, Chapter 289 of Singapore and a reference to any term as defined in the Securities and Futures Act or any provision in the Securities and Futures Act is a reference to that term as modified or amended from time to time including by such of its subsidiary legislation as may be applicable at the relevant time.

Notification under Section 309B of the Securities and Futures Act: The Rights Entitlements and the Rights Equity Shares are prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

South Korea

We are not making any representation with respect to the eligibility of any recipients of this Letter of Offer to acquire the Rights Entitlements and the Rights Equity Shares therein under the laws of Korea, including, but without limitation, the Foreign Exchange Transaction Law and Regulations thereunder. The Rights Entitlements and the Rights Equity Shares have not been and will not be registered under the Financial Investment Services and Capital Markets Act of Korea (the “FSCMA”). Accordingly, the Rights Entitlements and the Rights Equity Shares may not be offered, sold or delivered, or offered or sold to any person for re-offering or resale, directly or indirectly, in Korea or to, or for the account or benefit of, any resident of Korea (as such term is defined under the Foreign Exchange Transaction Law of Korea and its Enforcement Decree), for a period of one year from the date of issuance of the Rights Entitlements and the Rights Equity Shares, except (i) where relevant requirements are satisfied, the Rights Entitlements and the Rights Equity Shares may be offered, sold or delivered to or for the account or benefit of a Korean resident which falls within certain categories of qualified professional investors as specified in the FSCMA, its Enforcement Decree and the Regulation on Securities Issuance and Disclosure promulgated thereunder, or (ii) as otherwise permitted under applicable Korean laws and regulations.

Furthermore, the Rights Entitlements and the Rights Equity Shares may not be re-sold to Korea residents unless the purchaser of the Rights Entitlements and the Rights Equity Shares complies with all applicable regulatory requirements (including, but not limited to, governmental approval requirements under the Foreign Exchange Transaction Law and its subordinate decrees and regulations) in connection with purchase of the Rights Entitlements and the Rights Equity Shares.

United Arab Emirates

This the Letter of Offer has not been, and is not intended to be, approved by the UAE Central Bank, the UAE Ministry of Economy, the Emirates Securities and Commodities Authority or any other authority in the United Arab Emirates (the “UAE”) or any other authority in any of the free zones established and operating in the UAE. The Rights Entitlements and the Rights Equity Shares have not been and will not be offered, sold or publicly promoted or advertised in the UAE in a manner which constitutes a public offering in the UAE in compliance with any laws applicable in the UAE governing the issue, offering and sale of such securities. This Letter of Offer is strictly private and confidential and is being distributed to a limited number of investors and must not be provided to any other person other than the original recipient and may not be used or reproduced for any other purpose.

United Kingdom

In the United Kingdom, this Letter of Offer and any investment or investment activity to which this Letter of Offer relates is directed only at, being distributed and made available only to, and will be engaged in only with, persons who are qualified investors within the meaning of Article 2(e) of the Prospectus Regulation and who (i) fall within the definition of “investment professionals” contained in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the “Order”), (ii) fall within Article 49(2)(a) to (d) (“high net worth companies,

unincorporated associations, etc.”) of the Order or (iii) to whom it can otherwise lawfully be communicated (all such persons together being referred to as “relevant persons”). Persons who are not relevant persons should not take any action on the basis of this Letter of Offer and should not act or rely on it or any of its contents.

SECTION VIII – STATUTORY AND OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following contracts which have been entered or are to be entered into by our Company (not being contracts entered into in the ordinary course of business carried on by our Company) which are or may be deemed material have been entered or are to be entered into by our Company.

Copies of the documents for inspection referred to hereunder, may be inspected at the Registered and Corporate Office between 10 a.m. and 5 p.m. on all working days from the date of this Letter of Offer until the Issue Closing Date.

A. Material Contracts

1. Issue agreement dated April 21, 2021, between our Company and the Lead Manager.
2. Bankers to the Issue agreement dated April 20, 2021, amongst our Company, the Lead Manager, the Registrar to the Issue and the Bankers to the Issue.
3. Monitoring Agency agreement dated April 19, 2021, between our Company and the Monitoring Agency.
4. Registrar agreement dated April 12, 2021 between our Company and the Registrar to the Issue.

B. Material Documents

1. Certificate of incorporation of our Company dated October 13, 1993.
2. Fresh certificate of incorporation issued pursuant to change in name dated November 22, 1993, May 21, 2003, December 5, 2003, December 21, 2016, and March 29, 2017.
3. Certified copies of the Memorandum of Association and Articles of Association of our Company.
4. Consents of our Directors, Secretary and Compliance Officer, Statutory Auditors, the Lead Manager, Bankers to the Issue, Legal Counsel to our Company as to Indian Law, Legal Counsel to the Lead Manager as to Indian Law, Special Purpose International Legal Counsel to the Lead Manager, the Registrar to the Issue and the Monitoring Agency for inclusion of their names in this Letter of Offer to act in their respective capacities.
5. Copies of the annual reports of our Company for Fiscal 2020, Fiscal 2019, Fiscal 2018, Fiscal 2017 and Fiscal 2016.
6. In-principle approval dated April 9, 2021, issued by NSE under Regulation 28(1) of the SEBI Listing Regulations.
7. Report titled “*Special Report on Automobile, Auto Component and BPO Industry*” dated March 2021 prepared by ICRA and consent letter dated March 30, 2021 issued by ICRA in respect of such report.
8. Resolution of our Board dated April 1, 2021 in relation to the Issue and other related matters.
9. Statement of tax benefits dated April 21, 2021, by Statutory Auditors.
10. The Statutory Auditor’s review report dated April 1, 2021, in relation to our Unaudited Condensed Consolidated Interim Financial Statements.
11. The Statutory Auditor’s review report dated February 7, 2020, in relation to our Limited Review Consolidated

Financial Results.

12. The Statutory Auditor's report dated May 25, 2020, in relation to our Audited Consolidated Financial Statements.
13. The Statutory Auditor's report dated May 17, 2019, in relation to our Audited Consolidated Financial Statements.
14. Share Purchase Agreement dated March 24, 2021 between T.V. Sundram Iyengar & Sons Private Limited, our Company, ZF International UK Limited and Brakes India Private Limited.
15. Tripartite agreement dated January 11, 2018 between our Company, Cameo Corporate Services Limited and CDSL.
16. Tripartite agreement dated January 17, 2018 between our Company, Cameo Corporate Services Limited and NSDL.
17. Due diligence certificate dated April 21, 2021, addressed to SEBI from the Lead Manager.

Any of the contracts or documents mentioned in this Letter of Offer may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the Eligible Equity Shareholders, subject to compliance with applicable law.

DECLARATION

I hereby certify that no statement made in this Letter of Offer contravenes any of the provisions of the Companies Act, 2013 and the rules made thereunder. I further certify that all the legal requirements connected with the Issue as also the regulations, guidelines, instructions, etc., issued by SEBI, Government and any other competent authority in this behalf, have been duly complied with.

I further certify that all disclosures made in this Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF THE COMPANY

T T Srinivasaraghavan
Chairman and Non-Executive Director

Date: April 21, 2021

Place: Chennai

DECLARATION

I hereby certify that no statement made in this Letter of Offer contravenes any of the provisions of the Companies Act, 2013 and the rules made thereunder. I further certify that all the legal requirements connected with the Issue as also the regulations, guidelines, instructions, etc., issued by SEBI, Government and any other competent authority in this behalf, have been duly complied with.

I further certify that all disclosures made in this Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF THE COMPANY

R Venkatraman

Independent Director

Date: April 21, 2021

Place: Chennai

DECLARATION

I hereby certify that no statement made in this Letter of Offer contravenes any of the provisions of the Companies Act, 2013 and the rules made thereunder. I further certify that all the legal requirements connected with the Issue as also the regulations, guidelines, instructions, etc., issued by SEBI, Government and any other competent authority in this behalf, have been duly complied with.

I further certify that all disclosures made in this Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF THE COMPANY

S Prasad

Independent Director

Date: April 21, 2021

Place: Chennai

DECLARATION

I hereby certify that no statement made in this Letter of Offer contravenes any of the provisions of the Companies Act, 2013 and the rules made thereunder. I further certify that all the legal requirements connected with the Issue as also the regulations, guidelines, instructions, etc., issued by SEBI, Government and any other competent authority in this behalf, have been duly complied with.

I further certify that all disclosures made in this Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF THE COMPANY

Shobhana Ramachandhran
Independent Director

Date: April 21, 2021

Place: Madurai

DECLARATION

I hereby certify that no statement made in this Letter of Offer contravenes any of the provisions of the Companies Act, 2013 and the rules made thereunder. I further certify that all the legal requirements connected with the Issue as also the regulations, guidelines, instructions, etc., issued by SEBI, Government and any other competent authority in this behalf, have been duly complied with.

I further certify that all disclosures made in this Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF THE COMPANY

Srivats Ram

Non-Executive Director

Date: April 21, 2021

Place: Chennai

DECLARATION

I hereby certify that no statement made in this Letter of Offer contravenes any of the provisions of the Companies Act, 2013 and the rules made thereunder. I further certify that all the legal requirements connected with the Issue as also the regulations, guidelines, instructions, etc., issued by SEBI, Government and any other competent authority in this behalf, have been duly complied with.

I further certify that all disclosures made in this Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF THE COMPANY

Harsha Viji
Non-Executive Director

Date: April 21, 2021

Place: Chennai

DECLARATION

I hereby certify that no statement made in this Letter of Offer contravenes any of the provisions of the Companies Act, 2013 and the rules made thereunder. I further certify that all the legal requirements connected with the Issue as also the regulations, guidelines, instructions, etc., issued by SEBI, Government and any other competent authority in this behalf, have been duly complied with.

I further certify that all disclosures made in this Letter of Offer are true and correct.

SIGNED BY THE MANAGER AND CHIEF EXECUTIVE OFFICER OF THE COMPANY

S. Ravi

Date: April 21, 2021

Place: Chennai

DECLARATION

I hereby certify that no statement made in this Letter of Offer contravenes any of the provisions of the Companies Act, 2013 and the rules made thereunder. I further certify that all the legal requirements connected with the Issue as also the regulations, guidelines, instructions, etc., issued by SEBI, Government and any other competent authority in this behalf, have been duly complied with.

I further certify that all disclosures made in this Letter of Offer are true and correct.

SIGNED BY THE CHIEF FINANCIAL OFFICER OF THE COMPANY

V Vaasen

Date: April 21, 2021

Place: Chennai