



SUNDARAM FINANCE HOLDINGS

Information Memorandum

Dated : March 15, 2018

SUNDARAM FINANCE HOLDINGS LIMITED

[CIN: U65100TN1993PLC025996]

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Sundaram Finance Holdings Limited was originally incorporated on October 13, 1993 under the Companies Act, 1956 as Sundaram Finance Securities Private Limited with the Registrar of Companies, Tamil Nadu at Chennai. Subsequently the Company has been converted into public limited company w.e.f. November 22, 1993. The name of the Company was changed to Sundaram Insurance Broking Limited w.e.f. May 21, 2003. Effective December 5, 2003, the name of the Company was changed as Sundaram Finance Distribution Limited. Subsequently, the name of the Company was changed to Sundaram Finance Investments Limited w.e.f. December 21, 2016 and thereafter to Sundaram Finance Holdings Limited w.e.f. March 29, 2017. Sundaram Finance Limited is the Promoter of the Company.

INFORMATION MEMORANDUM FOR LISTING OF 15,11,03,860 EQUITY SHARES OF Rs.5/- EACH OF THE COMPANY

THIS INFORMATION MEMORANDUM IS SUBMITTED FOR THE PURPOSE OF LISTING OF THE 4,00,00,000 FULLY PAID UP EQUITY SHARES OF RS. 5/- EACH HELD BY THE DEMERGED COMPANY, VIZ., SUNDARAM FINANCE LIMITED (SFL) AND 11,11,03,860 FULLY PAID UP EQUITY SHARES OF RS. 5/- EACH ALLOTTED TO THE SHAREHOLDERS OF SFL PURSUANT TO THE SCHEME OF ARRANGEMENT AND AMALGAMATION SANCTIONED BY THE NATIONAL COMPANY LAW TRIBUNAL, DIVISION BENCH, CHENNAI VIDE ITS ORDER NO. CP/210-214/CAA/2017 DATED JANUARY 12, 2018, RECEIVED BY THE COMPANY ON JANUARY 18, 2018.

NO EQUITY SHARE OF THE COMPANY IS PROPOSED TO BE SOLD OR OFFERED PURSUANT TO THIS INFORMATION MEMORANDUM.



GENERAL RISK

Investment in equity and equity related securities involve a degree of risk and investors should not invest any funds in the equity instruments of Sundaram Finance Holdings Limited, unless they can afford to take the risks attached to such investments. For taking an investment decision, the investors must rely on their own examination of the Company including the risks involved. Investors are advised to read the Risk Factors carefully before taking an investment decision to invest in the shares of Sundaram Finance Holdings Limited. The equity shares of Sundaram Finance Holdings Limited 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 document. Specific attention of the investors is invited to the statement of Risk Factors as set out under Section II of this Information Memorandum.

ISSUER'S ABSOLUTE RESPONSIBILITY

Sundaram Finance Holdings Limited, having made all reasonable inquiries, accepts responsibility for, and confirms that this Information Memorandum contains all information with regard to Sundaram Finance Holdings Limited and the equity shares of Sundaram Finance Holdings Limited, which is material, that the information contained in this Information Memorandum 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 document as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

LISTING

The equity shares of Sundaram Finance Holdings Limited are proposed to be listed on the National Stock Exchange of India Limited (NSE). The Company has submitted this Information Memorandum to NSE and the same has been made available on the Company's website viz. www.sundaramholdings.in / www.sundaramfinance.in. This Information Memorandum would also be made available on the website of NSE (www.nseindia.com).

Registrar and Share Transfer Agent



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Certified True Copy

For Sundaram Finance Holdings Limited

P.N. Srikant
Secretary & Compliance Officer

Place : Chennai

Date : March 15, 2018

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SECTION I

DEFINITIONS, ABBREVIATIONS AND GENERAL INFORMATION

A. DEFINITIONS

Act	The Companies Act, 2013 and the Rules framed thereunder and will include any statutory modification or re-enactment thereof for the time being in force.
Appointed Date	April 1, 2016
Articles or AOA	Articles of Association of the Company
Audit Committee	Committee constituted by the Board in compliance with Section 177 of the Companies Act, 2013
Board	Board of Directors of the Company
Certificate of Incorporation	Certificates dated October 13, 1993 and March 29, 2017 received from the Registrar of Companies (ROC)
Demerged Company or SFL	Sundaram Finance Limited
Designated Stock Exchange	National Stock Exchange of India Limited
Resulting Company or SFHL or the Company	Sundaram Finance Holdings Limited
Directors	Directors on the Board and Director shall mean any one of them
Effective Date	The date on which the Scheme became operative, i.e, the date of receipt of the Certified Copy of the Order from the Hon'ble National Company Law Tribunal, Division Bench, Chennai, i.e., January 18, 2018
Equity Share(s)	Fully paid-up Equity Share(s) of Rs. 5/- each of the Company
Equity Shareholder(s)	Holder(s) of Equity Shares of the Company
Information Memorandum	This updated Information Memorandum being filed with the National Stock Exchange of India Limited
IT Act	Income Tax Act, 1961 and includes any statutory amendment or re-enactment thereof for the time being in force
Agreement	The Agreements entered into by the Company with the National Stock Exchange of India Limited
Memorandum or MOA	Memorandum of Association of the Company
Promoter	Sundaram Finance Limited
Record Date	February 2, 2018, the date fixed by the Board of Directors of the Demerged Company for the purpose of determining the shareholders of the Demerged Company, eligible for allotment of equity shares of the Resulting Company pursuant to the Scheme
Registrar and Share Transfer Agent	Cameo Corporate Services Limited

Scheme	Composite Scheme of Arrangement and Amalgamation between Sundaram Insurance Broking Services Limited and Infreight Logistics Solutions Limited and Sundaram BPO India Limited and Sundaram Finance Limited and Sundaram Finance Holdings Limited and their respective shareholders and creditors as approved by the National Company Law Tribunal, Division Bench, Chennai vide Order dated January 12, 2018 which was received by us and filed with Registrar of Companies, Tamil Nadu, Chennai on January 18, 2018.
SEBI Act	Securities and Exchange Board of India Act, 1992 including any statutory amendment or re-enactment thereof for the time being in force
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, for the time being in force
Stock Exchange	National Stock Exchange of India Limited
SEBI ICDR	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
SCRA	Securities Contract (Regulation) Act, 1956
SCRR	Securities Contract (Regulation) Rules, 1957

B. ABBREVIATIONS

CEO	Chief Executive Officer
CFO	Chief Financial Officer
CS	Secretary & Compliance Officer
CIN	Corporate Identity Number
CDSL	Central Depository Services (India) Limited
CCI	Competition Commission of India
DIN	Director Identification Number
DOB	Date of Birth
DSE	Designated Stock Exchange
EPS	Earnings per Share
ECGC	Export Credit Guarantee Corporation of India
KMP	Key Managerial Personnel
NSE	National Stock Exchange of India Limited
NSDL	National Securities Depository Limited
NA	Not Applicable
NCLT	Hon'ble National Company Law Tribunal, Division Bench, Chennai
PAN	Permanent Account Number
RBI	Reserve Bank of India
ROC	Registrar of Companies, Tamil Nadu, Chennai
SEBI	Securities and Exchange Board of India
SBSL	Sundaram Business Services Limited
SBPO	Sundaram BPO India Limited
w.e.f.	With effect from

In the Information Memorandum, all reference to the word “lakh” means “one hundred thousand” and the word “crore” means “ten million”.

Certain conventions and Use of Market data

Unless stated otherwise, the financial data in the Information Memorandum is derived from the Company's restated financial statements pursuant to the Scheme. The financial year commences on April 1 and ends on March 31 of each year, so all references to a particular "financial year" are to the twelve-month period ended March 31 of that year. In the Information Memorandum, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off of such amounts.

All references to "India" contained in the Information Memorandum are to the Republic of India. All references to "Rupees" or "Rs." or "₹" are to Indian rupees, the official currency of India.

For additional definitions, please see the section titled "Definitions" and "Abbreviations" of the Information Memorandum.

Unless stated otherwise, industry data used in the Information Memorandum has been obtained from the published data and industry publications. Industry publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed and their reliability cannot be assured.

Although the Company believes that industry data used in the Information Memorandum is reliable, it has not been independently verified.

The information included in the Information Memorandum about various other companies is based on their respective audited annual reports for the latest financial year and information made available by the respective companies.

FORWARD LOOKING STATEMENTS

Statements in the Information Memorandum which are in the nature of forward looking statements and statements that describe the Company's objectives, plans or goals may differ materially from the actual results due to risks or uncertainties associated with macro economic factors, governmental policies, regulatory changes, financial, operational and technological factors.

For further discussion on factors that could cause the Company's actual results to differ, see Section II: Risk Factors & Prominent Notes, 'Industry Outlook' forming part of Section V: About the Issuer and 'Management's Discussion and Analysis of Financial Condition and Results of Operations as reflected in the Financial Statements' forming part of Section VI: Financial Information of this Information Memorandum. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future.

The Company does not have any obligation to, and does not intend to, update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not materialize. In accordance with SEBI requirements, the Company will ensure that investors are informed of material developments until such time as the grant of listing and trading permission by the Stock Exchange.

SECTION II: RISK FACTORS AND PROMINENT NOTES

An investment in equity shares involves a high degree of risk. You should carefully consider all the information in this Information Memorandum, including the risks and uncertainties described below, before making an investment in the Equity Shares of our Company. If any of the following risks or other risks that are not currently known or are deemed immaterial at this time, actually occur, our business, financial condition and results of operation could suffer and the dividend payments may be affected. Unless otherwise stated in the relevant risk factors set forth below, we are not in a position to specify or quantify the financial or other implications of any of the risks mentioned herein.

You must rely on your own examination of our Company and this Issue, including the risks and uncertainties involved.

Unless the context requires otherwise, references to “we”, “our”, “our business” or “Company’s business” in this Section refer to the Company and its Subsidiaries/Associates on a consolidated basis.

Internal Risk Factors

1. Outcome of Business Activities carried out by our Portfolio Companies

A significant part of the value of our Company is dependent on its investments/performance of the portfolio companies. In case the business of our portfolio company(ies) is/are affected because of any reasons, the value of the Company may be affected.

Further, a significant portion of the revenues of our Company are derived from the dividends that our portfolio companies declare from time to time. Consequently, in the event that one or more of our portfolio company(ies) is/are unable to or does not declare dividends for whatsoever reason including any macroeconomic situation or other factors generally affecting the industry in which such portfolio company operates, our Company may have significantly lower revenues. In such a situation, the profits of our Company may be impacted which would affect our Company’s ability to declare and pay dividend. In the event of a bankruptcy, liquidation or reorganization of any of our portfolio companies, our Company’s claims in the assets as a shareholder shall remain subordinated to the claims of the lenders and other creditors of such portfolio company. Our enterprise valuation may undergo a change should our equity stake in our portfolio company be diluted or should they cease to be our portfolio company.

2. Loss making Portfolio Company

Sundaram Hydraulics Limited has incurred a cumulative loss to date. This may have a certain impact, though not significant, in the overall financial position of our group.

3. *Operations of our Portfolio Companies*

A significant portion of our value and revenue is dependent on investments in companies which are mainly engaged in activities relating to the automobile sector. There are other investors / promoter shareholders in some of those companies with whom we have binding shareholders' agreements. To the extent there are differences amongst the parties to the agreements, or operational/financial constraints or regulatory objections, the outcome may not necessarily be in our best interests.

4. *Legal Proceedings of Group Companies*

Our group companies are involved in certain legal proceedings which, if decided against them, may have an adverse impact on the financial position of the Company.

For details of litigations outstanding as on the date of this document, see the head 'Outstanding Litigation' under Section VII: Legal and Other Information of this Information Memorandum.

5. *Challenges Faced on account of continued growth*

We aim to continue to develop and improve our operational, financial and other internal controls in our organisation. This may exert significant demands on our management and other resources with respect to recruitment and training of personnel, quality standards, operational infrastructure, internal controls and client deliverables.

6. *Business Dynamics*

The service industry is characterized by rapid technological change, evolving industry standards, changing client preferences and new service introductions. Our future success will depend on our ability to anticipate these changes and to develop or acquire new service offerings to meet client needs.

7. *Technology Risk*

a. *Operational Risk*

We may be subject to disruptions of our information technology systems, arising from events that are wholly or partially beyond our control (including, for example, damage or incapacitation by human error, natural disasters, electrical or telecommunication outages, sabotage, computer viruses, hacking, cyber-attacks or similar events, or loss of support services from third parties such as internet service providers). In the event we experience system interruptions, errors or downtime, this may adversely affect customer service and our operations.

Further, 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. Any failure in upgrading, developing and expanding our systems quickly enough to accommodate our growing customer base and range of products could adversely affect our competitiveness, financial position and results of operations

b. Security Risk

We endeavour to comply with certain security obligations, including maintenance of network security, back-up of data and systems, ensuring our network is virus-free and ensuring the credentials of those employees who work with our clients. Despite our best efforts to ensure the above, there can be a circumvention of security measures resulting in misappropriation of proprietary information and cause interruptions in our operations.

8. *Legal Risk*

We believe that our services do not infringe upon the intellectual property rights of others and that we have all the rights necessary to use the intellectual property employed in our business. However, there might be a possibility of infringement claims being asserted against us in the future, which could result in litigations involving time and costs.

Further, the Company maintains the highest standards of excellence in quality of service to customers and has adequate systems and procedures to ensure the continuity of the same. However, there could be situations of deviations in the quality standards due to reasons beyond our control, which could result in litigations involving time and costs.

9. *Related party transactions*

We are involved in, and we expect that we will continue to be involved in, a significant number of related party transactions. We believe that all such transactions have been conducted in the ordinary course of business and on an arm's length basis. The details of the related party transactions undertaken during the past are provided in Section VI: Financial Information. All related party transactions are subject to compliances and approvals under the Act and SEBI Listing Regulations.

10. *Shareholder Resolutions*

Sundaram Finance Limited ('SFL'), our largest shareholder, owns 26.47% of our issued Equity Shares as of the date of this Information Memorandum. Hence shareholders' resolutions may be impacted in the way SFL votes for a resolution.

11. *Ability to pay dividends*

Our ability to pay dividends will depend upon statutory restrictions, our future earnings, financial condition, cash flows, working capital requirements and capital expenditures.

12. *Non-systemically Important Core Investment Company*

In our view, our Company is not a "systemically important non-deposit taking core investment company" ("CIC-ND-SI") based on the criteria prescribed under the Core Investment Companies (Reserve Bank) Directions, 2016, since the Company does not propose to raise or hold public funds. Accordingly, the Company would not be required to register itself with Reserve Bank of India ('RBI') as a CIC-ND-SI. We have sought a clarification on the said position from RBI. If RBI concurs with our view, then the Company would be able to raise or hold public funds in the future only after registering itself as CIC-ND-SI.

13. *Registration of Land in the Name of the Company Pursuant to Demerger*

Post demerger, the immovable properties forming part of the SFL Demerged Undertaking have vested with the Company and steps are being taken by the Company for registration of said properties in its name.

14. *Liquidity Risk*

Some of our investments may not have sufficient liquidity as a result of being unlisted or due to lack of market makers, market sentiment and volatility. In these circumstances, our ability to liquidate our investments at short notice due to whatsoever reasons may be under pressure.

External Risk Factors

1. *Macroeconomic factors*

a) Macroeconomic factors such as terrorism and natural disasters could have considerable detrimental impact on our operations. As we are incorporated in and our operations are located in India, a slowdown in economic growth in India could prove to be an impediment for the Company's business. India's economy could be adversely affected by a general rise in interest rates, or various other factors affecting the growth of industrial, manufacturing and services sector or general down trend in the economy such as exchange rate fluctuations, changes in India's tax, trade, financial or monetary policies, etc.

b) Financial instability in other countries, particularly countries with emerging markets, could disrupt Indian markets and our business and cause the trading price of the Equity Shares to decrease. Though economic conditions are different in each country, investors' reactions to developments in one country can have adverse effects on the securities of companies in other countries, including India.

2. *Stock market related risk factors*

Upon listing, the trading volume and market price of the Equity Shares may be volatile as a result of various factors affecting the stock market and in general, our operations and investor perceptions.

Prominent Notes

1. Our Company has allotted on February 12, 2018, 11,11,03,860 Equity Shares of Rs. 5/- each to eligible shareholders of SFL pursuant to the sanctioning of the Scheme by NCLT vide Order dated January 12, 2018, received by the Company on January 18, 2018.
2. After giving effect to the Scheme, our Company's net worth was Rs. 299.39 cr. as per the Audited Standalone Financial Statements as on September 30, 2017.

3. After giving effect to the Scheme the net asset value per equity share was Rs. 19.81 as per the Audited Standalone Financial Statements as on September 30, 2017.
4. Except as stated in the sections pertaining to Group Companies and Related Party Transactions in Section VI: Financial Information, none of the Group Companies has any business or other interest in our Company.
5. For details of related party transactions entered into by our Company with the Group Companies during the last financial year, the nature of transactions and the cumulative value of transactions, please see the section on Related Party Transactions in Section VI: Financial Information.
6. There has been no financing arrangement whereby our Promoter Group, the Directors of the Promoter or the Company and their relatives have financed the purchase of Equity Shares of the Company by any other person at any point of time.
7. The Company was originally incorporated on October 13, 1993 under the Companies Act, 1956 as Sundaram Finance Securities Private Limited with the Registrar of Companies, Tamil Nadu at Chennai. Subsequently the Company has been converted into a public limited company w.e.f. November 22, 1993. The name of the Company was changed to Sundaram Insurance Broking Limited w.e.f. May 21, 2003. Effective December 5, 2003, the name of the Company was changed as Sundaram Finance Distribution Limited. During December 2016, the management of the Company decided to change the main object so as to engage in the business of making all types of investments including investments in financial service enablers, 'Fin-tech' investments and 'small startup type' (incubator) investments. Subsequently, the name of the Company was changed to Sundaram Finance Investments Limited w.e.f. December 21, 2016 and thereafter to Sundaram Finance Holdings Limited w.e.f. March 29, 2017. Further, pursuant to the sanctioning of the Scheme by the NCLT, the objects as stated under Clause 40.1 of the Scheme, viz., business of BPO, consultants and/or advisors, training, learning and development services and information technology services, have been added under the Objects Clause in the MOA of the Company.
8. The average cost of acquisition per Equity Share to the Promoter is Rs.5.04 per Equity Share of Rs.5/- each.

SECTION III INTRODUCTION AND ABOUT THE COMPANY

A. GENERAL INFORMATION

BRIEF PARTICULARS

Sundaram Finance Holdings Limited (CIN: U65100TN1993PLC025996) was originally incorporated on October 13, 1993 under the Companies Act, 1956 as Sundaram Finance Securities Private Limited with the Registrar of Companies, Tamil Nadu at Chennai. Subsequently the Company has been converted into a public limited company w.e.f. November 22, 1993. In the year 2003, the company decided to enter into the business of insurance broking for Life, Medical and other general insurance products under the rules of the Insurance Regulatory Development Authority of India. The main object was changed suitably and the name of the Company was changed to Sundaram Insurance Broking Limited w.e.f. May 21, 2003. Effective December 5, 2003, the name of the Company was changed as Sundaram Finance Distribution Limited, to engage in the business of distribution of financial products, viz., insurance, mutual fund, deposits & investment products, home and other loans. During December 2016, the name of the Company was changed as Sundaram Finance Investments Limited and the main object was amended for the purpose of engaging in all types of investments and therefore the distribution business was discontinued during January 2017. Subsequently, the name of the Company was changed to Sundaram Finance Holdings Limited w.e.f. March 29, 2017.

ISSUER INFORMATION

Registered Office

Sundaram Finance Holdings Limited
CIN: U65100TN1993PLC025996
21, Patullos Road,
Chennai - 600002

Registrar of Companies

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roc.chennai@mca.gov.in

Banker

ICICI Bank Ltd,
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Secretary & Compliance Officer

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Tel: (91 44) 2846 0390 to 0395
Fax: (91 44) 28460129
E-mail: investor@cameoindia.com

BOARD OF DIRECTORS

The details of the Board of Directors as on the date of filing of this Information Memorandum are as under:

Sl. No.	Name of the Director	Designation
1	Sri S. Viji	Non-Executive Chairman
2	Sri R. Venkatraman	Independent Director
3	Sri S. Prasad	Independent Director
4	Ms. Shobhana Ramachandhran	Independent Director
5	Sri T.T. Srinivasaraghavan	Non-Executive Director
6	Sri Harsha Viji	Non-Executive Director

The brief details of the Directors of the Company have been provided under the head 'Management' in Section V: About the Issuer.

B. SCHEME OF ARRANGEMENT AND AMALGAMATION

A Composite Scheme of Arrangement and Amalgamation between Sundaram Insurance Broking Services Limited ("SIBSL"), Infreight Logistics Solutions Limited ("Infreight"), Sundaram Finance Limited ('SFL'), Sundaram BPO India Limited ('Sundaram BPO') and Sundaram Finance Holdings Limited ('SFHL' or 'the Company' or 'Resulting Company') and their respective

shareholders and creditors ('the Scheme') pursuant to the provisions of Sections 230 to 232 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder (to the extent notified and applicable), involving the following, was entered:

1. Amalgamation of SIBSL and Infreight with SFL;
2. Demerger and vesting of the shared services business division of Sundaram BPO (the "Sundaram BPO Demerged Undertaking") into SFL.
3. Demerger and vesting of non-core business activities of SFL ("SFL Demerged Undertaking") into SFHL.

Rationale for the Scheme

The rationale for the Scheme, as mentioned in Clause C of the Scheme, is as follows:

- ✧ The amalgamation of SIBSL and Infreight into SFL would:
 - Bring about operational efficiencies and reduction of administrative and managerial overheads as well as multiplicity of legal compliances.
- ✧ The demerger of the Sundaram BPO demerged Undertaking ("shared services division") of Sundaram BPO into SFL would:
 - Facilitate the consolidation of the shared services activities / business carried on by Sundaram BPO to group companies along with similar services rendered by SFL for the purpose of achieving administrative efficiencies and economies of scale while servicing such group companies.
 - Enable maintenance of an optimal shareholding structure
- ✧ The demerger of non-core business activities of SFL into SFHL (which would include the consolidated shared services business) would:
 - Unlock the value of the non-core business, including investments in non-financial services related businesses, to maximize shareholders' wealth.
 - Create a platform for shareholders to participate in the growth prospects of the non-core investments/business.
 - Enable the attribution of appropriate risk and valuation to the concerned businesses based on its risk-return profile and cash flows;
 - Ensure dedicated leadership and management in respect of the core and non-core businesses;
 - Provide greater visibility on the performance of the businesses;
 - Ring fence the core and non-core activities;
 - Facilitate investments by strategic players; and
 - Facilitate effective provisioning of shared services to group companies as well as affiliates.

Salient Features of the Scheme

Amalgamation of SIBSL and Infreight ('Transferor Companies') with SFL

With effect from the Appointed Date (i.e. April 1, 2016), the entire business and undertaking of the Transferor Companies shall, in accordance with Section 2(1B) of the Income-tax Act, 1961

(I.T. Act), stand transferred to and be vested in or deemed to be transferred to and vested in SFL, as a going concern.

Consequent to the above, the Scheme envisages dissolution without winding up of the Transferor Companies, merger of the authorized capital of Transferor Companies with that of SFL without payment of additional fees or duty to the extent already paid by the Transferor Companies and other incidental and consequential matters thereto.

Since the entire share capital of the Transferor Companies are held by SFL, no shares or consideration shall be issued / payable by SFL pursuant to this Part of the Scheme.

The entire share capital of the Transferor Companies shall stand cancelled.

Demerger of the Sundaram BPO Demerged Undertaking

With effect from the Appointed Date (i.e. April 1, 2016), the Sundaram BPO Demerged Undertaking shall, in accordance with Section 2(19AA) of the I.T. Act, stand transferred to and be vested in or deemed to be transferred to and vested in SFL, as a going concern.

The Sundaram BPO Demerged Undertaking means the shared services division of Sundaram BPO engaged in providing services in the nature of information technology enabled services in areas of accounting, insurance, banking, human resources, health care, legal, telecom etc. and administrative, managerial, maintenance, document processing, data entry, reconciliation, training & orientation and other support services to SFL and its affiliates/group concerns and related activities.

Since the entire share capital of Sundaram BPO is held by SFL and its wholly owned subsidiary, no shares or consideration shall be issued / payable by SFL pursuant to this Part of the Scheme.

Demerger of the SFL Demerged Undertaking

With effect from the Appointed Date (i.e. April 1, 2016), the SFL Demerged Undertaking shall, in accordance with Section 2(19AA) of the I.T. Act, stand transferred to and be vested in or deemed to be transferred to and vested in the Resulting Company, as a going concern.

SFL Demerged Undertaking means the non-core business activities carried on by SFL. The non-core business of SFL comprises of identified business activities of SFL including training services, investments and assets, other than the non-banking financial services business and investments in financial services, but including the Sundaram BPO Demerged Undertaking (vested pursuant to Part C of the Scheme).

The consideration for the transfer of the SFL Demerged Undertaking by SFL to SFHL is 1 (One) equity share of Rs.5/- each, credited as fully paid, in the capital of SFHL for every 1 (One) fully paid up SFL Equity Share held by shareholder whose name appears in the records of SFL or as beneficiary in the records of the depositories of SFL in respect of the shares of SFL on the Record Date.

The aforesaid shares issued by SFHL shall be listed on NSE. The Company shall apply for listing of its Equity Shares on NSE, including those issued in pursuance of the Scheme, by filing the Information Memorandum and other documents required for listing of its Equity Shares, in terms of and in compliance with the SEBI Circular and other applicable laws.

The Scheme also provides for other consequential and incidental matters including re-organization of share capital and amendment to the objects clause in the MOA.

Approvals for the Scheme

The NCLT, vide its order dated January 12, 2018, has sanctioned the Scheme, and pursuant to the sanctioning of the Scheme, the SFL Demerged Undertaking of the Demerged Company shall be transferred to and vested with the Resulting Company with effect from the Appointed Date, in accordance with Sections 230-232 of the Companies Act, 2013 and other applicable laws.

Corporate Approvals

The Scheme along with the valuation report of the independent chartered accountant firm, namely, M/s B S R & Associates LLP was placed before the Board of Directors of the respective companies (who are party to the Scheme), at their respective board meetings held on February 17, 2017. The fairness opinion provided by Spark Capital Advisors (India) Private Limited, a SEBI appointed merchant banker and the report of the Audit Committee of the respective companies (where applicable) recommending the Scheme were also submitted to the Board of Directors of the respective companies. The Scheme was unanimously approved by the Board of Directors of the respective companies on February 17, 2017 by the Directors present and voting.

The Scheme was approved by the equity shareholders, secured creditors and unsecured creditors of SFL and the unsecured creditors of Sundaram BPO at the respective meetings held on October 23, 2017. The meetings of the equity shareholders, secured creditors and unsecured creditors of SIBSL, Infreight and SFHL, as well as the meetings of the equity shareholders and secured creditors of Sundaram BPO were dispensed with by the NCLT vide Order No. CA/149/CAA/CB/2017 dated September 5, 2017.

Other Approvals in relation to the Scheme

NSE has been appointed as the Designated Stock Exchange for the purpose of coordinating with the SEBI, pursuant to the SEBI Circular. SFL has received the 'observation letter' regarding the Scheme from NSE on May 19, 2017. In terms of the 'observation letter', NSE inter alia conveyed their no adverse observations/no objection for filing the Scheme with the NCLT, subject to fulfillment of the conditions as stated therein.

The NSE vide the aforementioned letter, instructed SFL to incorporate the following clauses in the Scheme:

1. The shares allotted pursuant to the Scheme shall remain frozen in the depositories system till listing/trading permission is given by the designated stock exchange.
2. There shall be no change in the shareholding pattern or control in Sundaram Finance Holdings Limited between the record date and the listing which may affect the status of this approval.

While the clause mentioned under point no. 2 had already been incorporated under Clause 42.3 of the Scheme, the clause mentioned under point no. 1 has been incorporated under Clause 42.4 of the Scheme.

SIBSL, Infreight, SFL, Sundaram BPO and SFHL had applied to the Competition Commission of India ('CCI') under the Competition Commission of India (Procedure in regard to the transaction of business relating to combinations) Regulations, 2011 read with provisions of Section of the Competition Act, 2002 on March 10, 2017. The CCI vide its order dated May 26, 2017 approved the Scheme.

C. CAPITAL STRUCTURE

The Company was incorporated with an Authorised Capital of Rs. 3,00,00,000/- consisting of 30,00,000 equity shares of Rs. 10/- each. During January 2017, the Authorised Capital of the Company was increased to Rs. 25,00,00,000/- consisting of 2,50,00,000 equity shares of Rs. 10/- each.

The Authorised, Issued, Subscribed and Paid-up share capital of the Company prior to the sanctioning of the Scheme was as under:

Particulars	Amount (in Rs.)
Authorised Share Capital 2,50,00,000 Equity Shares of Rs.10/- each	25,00,00,000
Total	25,00,00,000
Issued, Subscribed and Paid-up Share Capital 2,00,00,000 Equity Shares of Rs.10/- each fully paid up	20,00,00,000
Total	20,00,00,000

Pursuant to the sanctioning of the Scheme by NCLT, the face value of the equity shares of the Company were sub-divided from Rs.10/- to Rs. 5/- per share and the Authorised Share Capital of the Company was increased from Rs. 25,00,00,000/- consisting of 2,50,00,000 equity shares of Rs. 10/- each to Rs. 80,00,00,000 consisting of 16,00,00,000 equity shares of Rs. 5/- each in accordance with Clause 41 of the Scheme.

Pursuant to Clause 29.1 of the Scheme, on 12.02.2018, the shareholders of SFL were allotted 11,11,03,860 equity shares of Rs. 5/- each fully paid in the capital of the Company, in the ratio of 1(One) equity share of Rs.5/- each credited as fully paid-up for every 1(One) fully paid-up equity share of Rs.10/- each held by them in SFL as on the Record Date. Consequently, The Authorised, Issued, Subscribed and Paid-up share capital of the Company stands altered as follows:

Particulars	Amount (in Rs.)
Authorised Share Capital 16,00,00,000 Equity Shares of Rs.5/- each	80,00,00,000
Total	80,00,00,000
Issued, Subscribed and Paid-up Share Capital 15,11,03,860 Equity Shares of Rs.5/- each fully paid up	75,55,19,300
Total	75,55,19,300

The details of the Scheme have been laid out under the head 'Scheme of Arrangement and Amalgamation' in Section III: Introduction and about the Company.

Share Capital history

The following is the share capital history of the Company:

Date of Allotment	No. of Equity Shares Allotted	Face value (₹)	Pre-mi-um (₹)	Issue Price per Equity Share (₹)	Consid-eration	Reason of Allotment	Cumulative No. of Equity Shares	Cumulative paid up capital (₹)
01.11.1993	300	10	-	10	Cash	Initial Subscribers to the Mem- orandum of Association	300	3000
22.11.1993	4700	10	-	10	Cash	Allotment	5,000	50,000
18.12.1993	1,95,000	10	-	10	Cash	Allotment	2,00,000	20,00,000
14.06.1994	3,00,000	10	-	10	Cash	Allotment	5,00,000	50,00,000
29.03.1997	10,00,000	10	-	10	Cash	Rights issue	15,00,000	1,50,00,000
23.12.2005	-10,00,000	10	-	10	-	Reduction (repayment) in share capital approved by the Hon'ble High Court of Judicature at Madras vide Order dated 23.12.2005 – Capital repaid to Sundaram Finance Limited, the holding company – Rs. 10,00,000/-	5,00,000	50,00,000
13.02.2017	1,95,00,000	10	-	10	Cash	Rights allotment	2,00,00,000	20,00,00,000
18.01.2018	4,00,00,000	5	-	5	-	Sub-division pursuant to Clause 41 of the Scheme	4,00,00,000	20,00,00,000
12.02.2018	11,11,03,860	5	-	5	-	Allotment pursuant to Clause 29.1 of the Scheme	15,11,03,860	75,55,19,300

Other than the afore-mentioned equity shares, the Company does not have any other form of share capital.

D. SHAREHOLDING

SFL is the 'Promoter' of the Company. Prior to allotment of shares in accordance with the Scheme, the Company was a wholly-owned subsidiary of SFL and the entire paid-up equity share capital of Rs. 20,00,00,000/- consisting of 4,00,00,000 equity shares of Rs.5/- each was held by SFL and its nominees (100%). Pursuant to the allotment of 11,11,03,860 equity shares of Rs.5/- each to the shareholders of SFL in accordance with Clause 29.1 of the Scheme, while SFL will continue to hold the said 4,00,00,000 equity shares of Rs. 5/- each, SFL's percentage of holding in the share capital of the Company will get reduced from 100% to 26.47%. Pursuant to the allotment, the Promoters of SFL and persons forming part of the Promoter Group of SFL will collectively form part of the Promoter Group of SFHL.

The Pre and Post Scheme Shareholding Pattern of the Company are as under:

a. Pre Scheme

Name of Shareholder	No. of equity shares of Rs. 10/- each	% of Holding
Sundaram Finance Limited and its nominees	20000000	100.00
Total	20000000	100.00

b. Post Scheme

	Category	Post Scheme of Arrangement (Equity shares of Rs.5/- each)		
		Total No. of Equity Shares	No. of Equity Shares in demat form	Total Shareholding as a % of total no. of equity shares
(A)	Promoter			
	Sundaram Finance Limited*	40000000	40000000	26.47
	Sub-total (A)	40000000	40000000	26.47
(B)	Promoter Group			
(1)	Indian			
(a)	Individuals / Hindu Undivided Family	27738000	27640708	18.36
(b)	Body Corporate	11185738	11185738	7.40
	Sub-total - B(1)	38923738	38826446	25.76
(2)	Foreign			
(a)	Individuals (Non-Residents Individuals / Foreign Individuals)	1020856	1020856	0.68
	Sub-total - B(2)	1020856	1020856	0.68
	Total B= B(1)+B(2)	39944594	39847302	26.44
	Total A+B	79944594	79847302	52.91
(C)	Public Shareholding			
(1)	Institutions			
(a)	Mutual Funds / UTI	11208144	11208144	7.42
(b)	Venture Capital Funds	-	-	-
(c)	Alternate Investment Funds	44137	44137	0.03
(d)	Foreign Venture Capital Investors	-	-	-
(e)	Foreign Portfolio Investors	6529402	6529302	4.32
(f)	Financial Institutions / Banks	21477	20677	0.01
(g)	Insurance Companies	1980700	1980700	1.31
(h)	Provident Funds/ Pension Funds	-	-	-
(i)	Any Other	-	-	-
	Sub- Total - C(1)	19783860	19782960	13.09
(2)	Central Government / State Government(s)/ President of India	-	-	-
	Sub- Total - C(2)	-	-	-
(3)	Non- Institutions			
(a)	Individuals	40107408	34524082	26.56
i	Individual shareholders holding nominal share capital up to Rs.2 lakh	18150563	14676178	12.01
ii	Individual shareholders holding nominal share capital in excess of Rs.2 lakh	21983610	19847904	14.55
(b)	NBFCs registered with RBI	1850	1850	0.00
(c)	Any Other	10286638	10280138	6.81

	Category	Post Scheme of Arrangement (Equity shares of Rs.5/- each)		
		Total No. of Equity Shares	No. of Equity Shares in demat form	Total Shareholding as a % of total no. of equity shares
i	Body Corporate	10198204	10191704	6.75
ii	Clearing Member	10567	10567	0.01
iii	Foreign National	18720	18720	0.01
iv	Trusts	5818	5818	0.00
v	IEPF	26564	26564	0.02
	Sub- Total - C(3)	50369131	44806070	33.33
	Total Public Shareholding C= C(1)+C(2)+C(3)	70179756	64589030	46.44
(D)	Non-promoter Non Public			
	Sundaram Finance Employees Welfare Trust	979510	979510	0.65
	Total C	979510	979510	0.65
	Total Shareholding (A+B+C+D)	151103860	145415842	100.00

* These shares are subject to lock-in for a period of 3 years from the date of listing under Para II.A.4 of the SEBI Circular No. CIR/CFD/CMD/16/2015 dated November 30, 2015.

Statement showing shareholding of persons belonging to “Promoter Group”

Sl. No.	Name of the Person	No of shares held	%
1	Mr. S. Ram	506788	0.34
2	Mr. S. Ram & Mr. S. Viji	1225160	0.81
3	Ms. Nivedita Ram	1649516	1.09
4	Mr. Srivats Ram	1701322	1.13
5	Mrs. Vijaya Rangarajan	903564	0.60
6	Mr. S. Viji	909780	0.60
7	Mr. Srikanth Ramanujam	914052	0.60
8	Mr. Srikanth Ramanujam & Mr. Ananth Ramanujam	830215	0.55
9	Mr. Srikanth Ramanujam & Rupa Srikanth	4472	0.00
10	Mrs. Lily Vijayaraghavan	635436	0.42
11	Mrs. Lily Vijayaraghavan & Mr. Badri Vijayaraghavan	197776	0.13
12	Mrs. Lily Vijayaraghavan & Mr. Sharath Vijayaraghavan	197776	0.13
13	Mrs. Lily Vijayaraghavan & Ms. Sashi Parthasarathy	353312	0.23
14	Mr. Sharath Vijayaraghavan	174844	0.12
15	Ms. Rama Sridharan	55920	0.04
16	Mr. K.Vasudevan	287492	0.19
17	Mr. K.Vasudevan & Mrs. Lakshmi Vasudevan	46392	0.03
18	Mrs. Anuradha Raghavan	397264	0.26
19	Mr. Barath Rengarajan	468259	0.31
20	Mrs. Usha Raghavan	589992	0.39
21	Mr. S. Narayanan	4600	0.00
22	Mr. N. Krishnan	101592	0.07

Sl. No.	Name of the Person	No of shares held	%
23	Mr. N. Krishnan & Mr. Akshay Krishnan	3000	0.00
24	Mr. N. Krishnan & Mr. Ananth Krishnan	3000	0.00
25	Mr. Narayanan Ramji	106760	0.07
26	Mr. N. Ramji & Master Ashwathanarayan Ramji Rep By F/G: N Ramji	56520	0.04
27	Mr. N.S. Ramji & Master Ashwathanarayan Ramji Rep By F/G: Mr. N.S. Ramji	6884	0.00
28	Mr. N.S. Ramji & Miss Aishwarya Ramji Rep By F/G: Mr. N.S. Ramji	6884	0.00
29	Mr. N. Ramji & Master Ashwathanarayan Ramji Rep By F/G: Mr. N. Ramji	1008	0.00
30	Mr. N Ramji & Miss Aishwarya Ramji Rep By F/G: Mr. N Ramji	1008	0.00
31	Mr. N Ramji & Mrs. Sharmila Ramji	788	0.00
32	Mr. N Ramji & Master Ashwathanarayan Ramji Rep By F/G: Mr. N Ramji	23600	0.02
33	Mr. S. Sundaram	4000	0.00
34	Mr. S. Chakravarthy	608884	0.40
35	Mr. T.T. Rangaswamy, Mr. T.T. Venkatraghavan & Mr. T.T. Srinivasaraghavan	48628	0.03
36	Mr. T.T. Rangaswamy, Mr. T.T. Narendran & Mr. T.T. Hayagreevan	49200	0.03
37	Mr. T.T. Narendran, Mrs. Vimala Rangaswamy & Mrs. Padmini Narendran	162988	0.11
38	Mr. T.T. Srinivasaraghavan & Mrs. Bagyam Raghavan	110000	0.07
39	Mr. T.T. Srinivasaraghavan, Mrs. Vimala Rangaswamy & Mrs. Bagyam Raghavan	85084	0.06
40	Mrs. Gita Ram	1139680	0.75
41	Mrs. Indira Krishnaswami	162180	0.11
42	Revathi Holdings Private Limited	1220460	0.81
43	Ms. Daya Ambirajan	119650	0.08
44	Mr. Ranjan Ambirajan	6744	0.00
45	Padmalakshmi Holdings Private Limited	1292832	0.86
46	Mr. Srivats Ram (HUF)	77200	0.05
47	Ms. Aruna Sankaranarayanan.	56840	0.04
48	Miss Tarika Ram (Minor)	13490	0.01
49	Maham Holdings Limited	512720	0.34
50	Mr. Arjun Rangarajan.	1308270	0.87
51	Ms. Anupama Lakshmi Rangarajan	609896	0.40
52	Mr. Dangety Satyanarayanamurty	2912	0.00
53	Ms. Dangety Krishnakumari	20412	0.01
54	Raghuvamsa Holdings Private Limited	1851634	1.23
55	Mr. S. Viji & Mrs. Chitra Viji	8684	0.01
56	Mr. S. Viji (HUF)	113988	0.08
57	Mr. S. Viji (HUF)	365924	0.24
58	Mrs. Chitra Viji	834034	0.55
59	Mr. Harsha Viji	1366068	0.90
60	Mr. Harsha Viji & Mrs. Chitra Viji	3156	0.00
61	Mr. Sriram Viji	1278620	0.85
62	Mr. Sriram Viji & Mrs. Chitra Viji	3156	0.00
63	Uthirattadhi Sriram Holdings Private Limited	1479560	0.98
64	Athreya Harsha Holdings Private Limited	850156	0.56
65	Mr. Srikanth Ramanujam (HUF)	8000	0.01
66	Mrs. Rupa Srikanth	70188	0.05
67	Mr. Aditya S. Ramanujam	221882	0.15
68	Ms. Tulsi S Ramanujam	219382	0.15
69	Mrs. Prema Ramanujam	643412	0.43

Sl. No.	Name of the Person	No of shares held	%
70	Mr. R. Ramanujam	232534	0.15
71	Mr. R. Ramanujam (HUF)	9992	0.01
72	Mr. R. Ramanujam & Mrs. Prema Ramanujam	9736	0.01
73	Mr. R. Ramanujam & Mr. Ananth Ramanujam	25600	0.02
74	Mr. R. Ramanujam & Mr. R. Srikanth	177088	0.12
75	Mr. Ananth Ramanujam	569892	0.38
76	Mr. Sumanth Ramanujam	8862	0.01
77	Allegro Holdings Private Limited	1247100	0.83
78	Silver Oak Holdings Private Limited	1436914	0.95
79	Rohini Holdings Private Limited	1294362	0.86
80	Mr. Sharath Vijayaraghavan	209000	0.14
81	Ms. Lakshmi Vijayaraghavan	41155	0.03
82	Mr. Vishnu Vijayaraghavan	75984	0.05
83	Mrs. Lakshmi Vasudevan	274816	0.18
84	Mr. Srinivas Raghavan	27040	0.02
85	Mr. S. Raghavan	103492	0.07
86	Mr. Shreen Raghavan	94892	0.06
87	Mr. Shreen Raghavan	5115	0.00
88	Ms. Veena Raghavan	75000	0.05
89	Mrs. Choodamani Narayanan	503094	0.33
90	Mrs. Saraswathi Srinivasan	304320	0.20
91	Mr. N. Krishnan	101592	0.07
92	Mr. Ananth Krishnan	200300	0.13
93	Mr. Akshay Krishnan	200300	0.13
94	Mr. Narayanan Ramji (HUF)	408480	0.27
95	Master Ashwathanarayan Ramji Rep By F/G: Mr. N. Ramji & Mr. N. Ramji	600	0.00
96	Mrs. S. Hema	1034968	0.68
97	Mr. S. Kishore & Mr. A.M. Srinivasan	113612	0.08
98	Mr. A.M. Srinivasan & Mr. S. Kishore	452	0.00
99	Mr. A.M. Srinivasan	120	0.00
100	Mr. Jaideep Chakravarthy	380756	0.25
101	Mr. Pradeep Chakravarthy	363544	0.24
102	Mrs. Vimala Rangaswamy, Mr. T.T. Narendran & Mrs. Padmini Narendran	95024	0.06
103	Mrs. Vimala Rangaswamy, Mr. T.T. Srinivasaraghavan & Mr. T.T. Venkatraghavan	82664	0.05
104	Mr. T.T. Rangaswamy (HUF)	49324	0.03
105	Mr. T.T. Rangaswamy (HUF)	19368	0.01
106	Mr. T.T. Narendran (HUF)	95068	0.06
107	Mr. T.T. Narendran & Mrs. Padmini Narendran	90000	0.06
108	Mr. T.T. Narendran & Mrs. Padmini Narendran	90000	0.06
109	Mrs. Padmini Narendran & Mr. T.T. Hayagreevan	106044	0.07
110	Miss Gitanjali Jeevan Jose, Rep By M/G Mrs. Divya Jeevan Jose	10000	0.01
111	Master P. Siddhartha Jeevan, Rep By M/G Mrs. Divya Jeevan Jose	10000	0.01
112	Miss Kavitha Gorur Keshav & Mr. T.T. Hayagreevan	10000	0.01
113	Miss Nakshatra Hayagreevan (Minor)	10000	0.01
114	Mr. T.T. Srinivasa Raghavan (HUF)	123192	0.08
115	Mr. T.T. Srinivasaraghavan & Mr. T.T. Narendran	110000	0.07
116	Mrs. Bagyam Raghavan & Mr. T.T. Venkatraghavan	113308	0.07
117	Mr. Shriram Vijayaraghavan	105000	0.07
	Total Promoter Group Holding	39944594	26.44

Details of top 10 shareholders

Sl. No	Name of Share holder	No of shares	% of shares
1	Sundaram Finance Limited	40000000	26.47
2	Axis Mutual Fund	3674424	2.43
3	ICICI Prudential	3092403	2.05
4	India Motor Parts & Accessories Limited	2853600	1.89
5	Bright Star Investments Pvt. Ltd	2630434	1.74
6	SBI Magnum Balanced Fund	1909633	1.26
7	M/S. Raghuvamsa Holdings Private Limited	1851634	1.23
8	Mr Srivats Ram	1701322	1.13
9	Mrs Nivedita Ram	1649516	1.09
10	M/S. Uthirattadhi Sriram Holdings Private Limited	1479560	0.98

There will be no further issue of capital by the Company whether by way of issue of bonus shares, preferential allotment of shares and by way of a rights issue or in any other manner during the period commencing from the date of sanction of the Scheme by the NCLT till listing of the equity shares as per the Scheme.

The face value of the equity share is Rs.5 and there shall be only one denomination for the equity shares subject to applicable regulations and the Company shall comply with such disclosure and accounting norms specified by SEBI from time to time.

The Company has 25,779 members as on the date of filing of this Information Memorandum.

Shares allotted to Directors of Promoter

Name of the Director	Number of Shares held individually in SFHL pursuant to allotment
Sri S. Viji	9,09,780 ⁽¹⁾ *
Sri S. Ram	5,06,788 *
Sri N. Venkataramani	-
Sri P.N. Venkatachalam	-
Sri S. Mahalingam	- ⁽²⁾
Sri S. Prasad	- ⁽³⁾
Sri S. Ravindran	3,89,920 ⁽⁴⁾
Ms Shobhana Ramachandhran	3,44,720
Sri Rajiv C. Lochan	-
Sri T.T. Srinivasaraghavan	- ⁽⁵⁾ #
Sri Harsha Viji	13,66,068 ⁽⁶⁾
Sri A.N. Raju	- ⁽⁷⁾

Note:

- Number of shares held jointly with others: ⁽¹⁾ 8684 ⁽²⁾ 3,200 ⁽³⁾ 12,600 ⁽⁴⁾ 85,622 ⁽⁵⁾ 3,26,376, ⁽⁶⁾ 3,156 ⁽⁷⁾ 30,028
- Number of shares held as Karta of HUF: ⁽¹⁾ 4,79,912 ⁽⁵⁾ 1,23,192
- Excludes 12,25,160 shares* held as Trustees
- Excludes 1,10,000 shares# held as Trustee

SECTION IV

STATEMENT OF TAX BENEFITS

Outlined below are the possible tax benefits available to the Company and its shareholders under the direct tax laws in force in India (i.e. applicable for the Financial Year 2017-18 relevant to the assessment year 2018-19). Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant tax laws. Hence, the ability of the Company or its shareholders to derive the possible tax benefits is dependent upon fulfilling such conditions, which based on business imperatives it faces in the future, it may or may not choose to fulfil.

UNDER THE INCOME TAX ACT, 1961 (“THE I.T. ACT”)

BENEFITS TO THE COMPANY UNDER THE I.T. ACT:

a) Dividends

- As per the provisions of Section 10(34) read with Section 115-0 of the I.T. Act, dividend (both interim and final), if any, received by the Company on its investments in shares of another domestic company is exempt from tax. However, as per Section 94(7) of the I.T. Act, losses arising from purchase and sale of securities, where such securities are bought or acquired within a period of three months prior to the record date and such securities are sold or transferred within three months from the record date, will be disallowed to the extent of the amount of dividend claimed as exempt, if any.
- Any amount declared, distributed or paid by the Company to shareholders by way of dividends on or after 1 April 2003, whether out of current or accumulated profits, shall be charged to additional income tax at the rate of 15 percent (plus applicable surcharge and cess) under Section 115-0 of the I.T. Act. In view of the amendment brought in by Finance (No.2) I.T. Act, 2014, for the purpose of determining the tax on distributed profits payable in accordance with Section 115-0 of the I.T. Act, the amount of dividends needs to be increased to such amount as would, after reduction of tax on such increased amount at the specified rate, be equal to the net distributed profits.
- Further, if the company being a holding company, has received any dividend from its subsidiary on which dividend distribution tax has been paid by such subsidiary, then company will not be required to pay dividend distribution tax to the extent the same has been paid by such subsidiary company.
- As per the provisions of Section 115BBD of the I.T. Act, dividend received by Indian company from a specified foreign company (in which it has shareholding of 26% or more) would be taxable at the concessional rate of 15% on gross basis (excluding surcharge and education cess) up to March 31, 2014. As per Finance Act, 2014, the benefit of lower rate of 15% is extended without limiting it to a particular assessment year.
- For removing the cascading effect of dividend distribution tax, while computing the amount of dividend distribution tax payable by a Domestic Company, the dividend received from a foreign subsidiary on which income-tax has been paid by the Domestic Company under Section 115BBD of the I.T. Act shall be reduced.

- Any income received from distribution made by any mutual fund specified under Section 10(23D) of the I.T. Act or from the administrator of the specified undertaking or from the units of specified company referred to in Section 10(35) of the I.T. Act, is exempt from tax in the hands of the Company under Section 10(35) of the I.T. Act. However, as per Section 94(7) of the I.T. Act, losses arising from the sale/redemption of units purchased within three months prior to the record date (for entitlement to receive income) and sold within nine months from the record date, will be disallowed to the extent of the amount of income claimed exempt, if any.
- The dividend income which is exempt is also excluded from the computation of book profits for the purpose of levy of minimum alternate tax under Section 115JB of the I.T. Act.

As per provisions of Section 14A of the I.T. Act, expenditure incurred to earn an exempt income is not allowed as deduction while determining taxable income.

b) Capital gains

- As per the provisions of section 2(29A) of the I.T. Act, read with section 2(42A) of the I.T. Act, a listed equity share is treated as a long term capital asset if the same is held for more than 12 months immediately preceding the date of its transfer.
- Long Term Capital Gain (LTCG) arising on transfer of equity shares of a company or units of an equity oriented fund which has been set up under a scheme of a mutual fund specified under Section 10(23D) or a unit of a business trust as defined in Section 2(13A), is exempt from tax as per provisions of Section 10(38) of the I.T. Act, provided the transaction is chargeable to Securities Transaction Tax (STT) and subject to conditions specified in that section.
- It is pertinent to note that, the Finance Bill 2018 ('the Bill') proposes to amend Section 10 (38) of the I.T. Act, through which the provisions of Section 10 (38) shall not apply to any income arising from the transfer of long-term capital asset, being an equity share in a company or a unit of an equity oriented fund or a unit of a business trust, made on or after the 1st day of April, 2018.
- Additionally, the Bill proposes to introduce a new section (Section 112A) to provide for a new long-term capital gains tax regime for the following assets -
 - Equity shares in a Company listed in a recognized stock exchange;
 - Unit of an equity oriented fund;
 - Unit of a business trust.

The LTCG exceeding INR 1 Lakh from the transfer of these assets made on or after 01 April 2018 will be taxed at 10 percent.

The proposed regime applies to the above assets if the assets are held for a minimum period of 12 months from the date of acquisition; and the Securities Transaction Tax (STT) is paid at the time of transfer. However, the tax will be levied only upon transfer of the long-term capital asset on or after 01 April, 2018, as defined in Section 2(47) of the I.T. Act.

Further, as per clause 31(5) of the Bill, the benefit of inflation indexation of the cost of acquisition would not be available for computing LTCG under the new tax regime.

As the fair market value on 31st January, 2018 will be taken as cost of acquisition (except in certain typical situations), the gains accrued up to 31st January, 2018 will continue to be exempt.

The new tax regime will be applicable to transfer made on or after 1st April, 2018, the transfer made between 1st February, 2018 and 31st March, 2018 will be eligible for exemption under section 10(38) of the I.T. Act.

- Book Income on transfer of investment in a company is to be taken into account while determining book profits in accordance with provisions of Section 115JB of the I.T. Act.
- As per provisions of Section 112 of the I.T. Act, LTCG not exempt under Section 10(38) of the I.T. Act are subject to tax at the rate of 20% with indexation benefits. However, if tax on long term capital gain resulting on sale of listed securities (other than a unit) or zero coupon bond, calculated at the rate of 20% with indexation benefit exceeds the tax calculated at the rate of 10% without indexation benefit, then such gains are chargeable to tax at a concessional rate of 10% (plus applicable surcharge and education cess).
- As per provisions of Section 111A of the I.T. Act, STCG arising on sale of equity shares or units of equity oriented mutual fund which has been set up under a scheme of a mutual fund specified under Section 10(23D) or a unit of a business trust, are subject to tax at the rate of 15% provided the transaction is chargeable to STT. No deduction under Chapter VIA is allowed from such income.
- STCG arising on sale of equity shares or units of equity oriented mutual fund as defined which has been set up under a scheme of a mutual fund specified under Section 10(23D), where such transaction is not chargeable to STT is taxable at the normal rate of 30% (plus applicable surcharge and cess).
- As per Section 50 of the I.T. Act, where a capital asset is forming part of a block of assets in respect of which depreciation has been allowed under the I.T. Act, capital gains shall be computed in the following manner:
 - where full value of consideration on account of transfer of any asset forming part of block of asset, as reduced by expenditure incurred wholly or exclusively in connection with transfer, exceeds the written down value of block of assets and actual cost of assets acquired during the year, such excess shall be deemed to be short term capital gains and taxed accordingly.
 - where any block of assets ceases to exist, for the reason that all the assets in that block are transferred, the difference between the consideration arising on result of transfer and the written down value of block of assets and the actual cost of assets acquired during the year, shall be deemed to be short term capital gains/ (losses) and taxed accordingly.
- As per provisions of Section 71 read with Section 74 of the I.T. Act, short - term capital loss arising during a year is allowed to be set-off against short - term as well as long - term capital gains. Balance loss, if any, shall be carried forward and set-off against any capital gains arising during subsequent eight assessment years.
- As per provisions of Section 71 read with Section 74 of the I.T. Act, long - term capital loss arising during a year is allowed to be set-off only against long - term capital gains. Balance loss, if any, shall be carried forward and set-off against long -term capital gains arising during subsequent eight assessment years.
- In accordance with and subject to the conditions and to the extent specified in section 54EC of the I.T. Act, the company would be entitled to exemption from tax on gains arising from transfer of the long term capital asset [not covered by

Sections 10(36) and 10(38)] if such capital gain is invested within a period of six months from the date of transfer in bonds redeemable after three years and issued by:

- National Highway Authority of India (NHAI) constituted under Section 3 of National Highway Authority of India Act, 1988; and
- Rural Electrification Corporation Limited (REC), a company formed and registered under the Companies Act, 1956.

The maximum investment in the specified long term asset cannot exceed INR 5,000,000 during any financial year as well as capital gain arising from transfer of one or more original assets. Where the long term specified assets is transferred or converted into money at any time within a period of three years from the date of its acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long term capital gains in the year in which the long term specified assets is transferred or converted into money.

- It is pertinent to note that the Bill proposes to amend Section 54EC, with effect from 1st April 2019. As per the bill, long term capital asset as stated in Section 54EC shall mean *land or building or both*.
- Further, long-term specified asset for making any investment under Section 54EC shall mean:
 - i) on or after the 1st day of April, 2007 but before the 1st day of April, 2018, any bond, redeemable after three years and issued on or after the 1st day of April, 2007 but before the 1st day of April, 2018;
 - ii) on or after the 1st day of April, 2018, any bond, redeemable after five years and issued on or after the 1st day of April, 2018, by the National Highways Authority of India constituted under section 3 of the National Highways Authority of India Act, 1988 or by the Rural Electrification Corporation Limited, a company formed and registered under the Companies Act, 1956 or any other bond notified in the Official Gazette by the Central Government in this behalf.’

c) Minimum Alternate Tax (MAT) Credit

- As per provisions of Section 115JAA of the I.T. Act, the Company is eligible to claim credit for Minimum Alternate Tax (MAT) paid for any assessment year commencing on or after April 1, 2006 against normal income-tax payable in subsequent assessment years. The amount of credit available shall be the difference between MAT payable under section 115JB of the I.T. Act and taxes payable on total income computed under other provisions of the I.T. Act.
- MAT credit shall be allowed to be carried forward for any assessment year to the extent of difference between the tax paid under Section 115JB and the tax payable as per the normal provisions of the I.T. Act for that assessment year. Such MAT credit is available for set-off up to 15 years succeeding the assessment year in which the MAT credit arises.

d) Other

- As per section 115U of the I.T. Act, any income received by a person out of investments made in a venture capital company (VCC) or venture capital fund (VCF) shall be chargeable to income-tax in the same manner as if it were the income received by such person had he made investments directly in the venture capital undertaking (VCU).

- As per Section 80JJAA, where the gross total income of an assessee to whom section 44AB applies, includes any profits and gains derived from business, there shall, subject to the conditions specified in sub-section (2), be allowed a deduction of an amount equal to thirty per cent of additional employee cost incurred in the course of such business in the previous year, for three assessment years including the assessment year relevant to the previous year in which such employment is provided.
- As per the provisions of section 90, for taxes on income paid in Foreign Countries with which India has entered into Double Taxation Avoidance Agreements (Tax Treaties from projects/activities undertaken thereat), the Company will be entitled to the deduction from the India Income-tax of a sum calculated on such doubly taxed income to the extent of taxes paid in Foreign Countries. Further, the company as a tax resident of India would be entitled to the benefits of such Tax Treaties in respect of income derived by it in foreign countries. In such cases the provisions of the Income tax Act shall apply to the extent they are more beneficial to the company. Section 91 of the I.T. Act provides for unilateral relief in respect of taxes paid in foreign countries.
- As per provisions of Section 80G of the I.T. Act, the Company is entitled to claim deduction of a specified amount in respect of eligible donations, subject to the fulfilment of the conditions specified in that section.

BENEFITS TO THE SHAREHOLDERS OF THE COMPANY UNDER THE I.T. ACT

a) Dividends

- As per the provisions of Section 10(34) of the I.T. Act, dividend (both interim and final), if any, received by the members/ shareholders from the Company is exempt from tax. The Company will be liable to pay dividend distribution tax on the amount distributed as dividend, if any.
- However, the Finance Act 2016 has introduced Section 115BBDA which provides that the aggregate of dividends received by an individual, HUF or a firm resident in India from domestic companies in excess of INR 10 lakh will be taxed at 10 percent on a gross basis and no deduction will be available for any expenditure.
- Further, Section 94(7) of the I.T. Act provides that losses arising from the sale/transfer of shares purchased within a period of three months prior to the record date and sold/transferred within three months after such date, will be disallowed to the extent dividend income on such shares is claimed as tax exempt, if any.

b) Capital gains

(i) Computation of capital gains

- Capital assets are to be categorized into short-term capital assets and long-term capital assets based on the period of holding. Equity Shares listed on a recognized stock exchange in India held by an assessee for more than 12 months, immediately preceding the date of transfer, are considered to be long-term capital assets. Capital gains arising from the transfer of such long term capital assets are termed as Long Term Capital Gains (LTCG).
- Short Term Capital Gains (STCG) means capital gains arising from the transfer of equity shares listed on a recognized stock exchange in India held for 12 months or less, immediately preceding the date of transfer.

- LTCG arising on transfer of a long term capital asset, being an equity share in a company shall be exempt from tax under Section 10(38) of the I.T. Act provided that the transaction of sale of such equity share or unit is entered into on or after 1 October 2004 on a recognized stock exchange and such transaction is chargeable to Securities Transaction Tax (STT) and subject to conditions specified in that section.
- It is pertinent to note that, the Bill proposes to amend Section 10 (38) of the I.T, Act, vide which the provisions of Section 10 (38) shall not apply to any income arising from the transfer of long-term capital asset, being an equity share in a company or a unit of an equity oriented fund or a unit of a business trust, made on or after the 1st day of April, 2018.
- Additionally, the Bill proposes to introduce a new section (Section 112A) to provide for a new long-term capital gains tax regime for the following assets-
 - Equity shares in a Company listed in a recognized stock exchange;
 - Unit of an equity oriented fund;
 - Unit of a business trust.

The LTCG exceeding INR 1 Lakh from the transfer of these assets made on or after 1st April 2018 will be taxed at 10 percent.

The proposed regime applies to the above assets if the assets are held for a minimum period of 12 months from the date of acquisition; and the Securities Transaction Tax (STT) is paid at the time of transfer. However, the tax will be levied only upon transfer of the long-term capital asset on or after 01 April, 2018, as defined in Section 2(47) of the I.T. Act.

Further, as per clause 31(5) of the Bill, the benefit of inflation indexation of the cost of acquisition would not be available for computing LTCG under the new tax regime.

As the fair market value on 31st January, 2018 will be taken as cost of acquisition (except in certain typical situations), the gains accrued up to 31st January, 2018 will continue to be exempt.

The new tax regime will be applicable to transfer made on or after 1st April, 2018, the transfer made between 1st February, 2018 and 31st March, 2018 will be eligible for exemption under section 10(38) of the I.T. Act.

- Taxable LTCG would arise [if not exempt under Section 10(38) or any other section of the I.T. Act] to a resident shareholder where the equity shares are held for a period of more than 12 months prior to the date of transfer of the shares. In accordance with and subject to the provisions of Section 48 of the I.T. Act. in order to arrive at the quantum of capital gains, the following amounts would be deductible from the full value of consideration:
 - a) Cost of acquisition/ improvement of the shares as adjusted by the cost inflation index notified by the Central Government; and
 - b) Expenditure incurred wholly and exclusively in connection with the transfer of shares.
- Under Section 112 of the I.T. Act, taxable LTCG are subject to tax at a rate of 20 percent (plus applicable surcharge and cess) after indexation, as provided in the Second Proviso to Section 48 of the I.T. Act. However, in case of listed securities (other than

unit), the amount of such tax could be limited to 10 percent (plus applicable surcharge and cess), without indexation, at the option of the shareholder.

- In respect of a non-resident shareholder, as per the First Proviso to Section 48 of the I.T. Act, the capital gains arising from the transfer of listed equity shares of an Indian company, shall be computed by converting the cost of acquisition, expenditure incurred wholly and exclusively in connection with such transfer and the full value of consideration into the same foreign currency as was initially utilised in the purchase of the shares and the capital gains so computed shall be reconverted into Indian currency. Further, the benefit of indexation as provided in Second Proviso to Section 48 is not available to non-resident shareholders.
- As per the provisions of Section 111A of the I.T. Act, STCG arising from the transfer of a listed equity share in a Company as specified under Section 10(38) of the I.T. Act, is subject to tax at the rate of 15 percent provided that the transaction of sale of such equity share or unit is chargeable to STT. If the provisions of Section 111A are not applicable, the STCG would be taxed at the normal rates of tax (plus applicable surcharge and cess) applicable to resident investor.
- STCG arising from the transfer of a listed equity share in a Company as specified under Section 10 (38) of the I.T. Act, wherein the transaction is not chargeable to STT, it is subject to tax at the rate as applicable (plus applicable surcharge and cess).
- As per provisions of Section 71 read with Section 74 of the I.T. Act, short term capital loss arising during a year is allowed to be set-off against STCG as well as LTCG. Balance loss, if any, shall be carried forward and set-off against any capital gains arising during subsequent eight assessment years. Further, long term capital loss arising during a year is allowed to be set-off only against LTCG. Balance loss, if any, shall be carried forward and set-off against LTCG arising during subsequent eight assessment years.
- If the shareholder is a company liable to pay tax on book profits under Section 115JB of the I.T. Act, the capital gain on transfer of equity shares, if long term shall be exempt in terms of Section 10(38) of the I.T. Act but the book gain shall form part of book profits while computing the book profit under Section 115JB of the I.T. Act.
- The characterization of the gain/ losses, arising from sale/ transfer of shares as business income or capital gains would depend on the nature of holding and various other factors. The Central Board of Direct Taxes (CBDT) has vide a circular clarified that income arising from transfer of listed shares and securities, which are held for more than 12 months would be taxed under the head “Capital Gains” unless the shareholder itself treats these as its stock-in-trade and income arising from transfer thereof as its business income.
- Under Section 36(1)(xv) of the I.T. Act, STT paid by a shareholder in respect of taxable securities transactions entered into in the course of its business, would be allowed as a deduction if the income arising from such taxable securities transactions is included in the income computed under the head “Profits and Gains of Business or Profession”.

(ii) Exemption of capital gain from income-tax:

- As per Section 54EC of the I.T. Act, LTCG arising on transfer of shares of the company (other than sale referred to in Section 10(38) of the I.T. Act) is exempt from capital gains tax to the extent the same is invested within a period of six months after the date of such transfer, in specified bonds issued by NHAI and REC, subject to conditions specified therein.

Where a part of the capital gain is reinvested, the exemption shall be available on a proportionate basis. The maximum investment in the specified long term asset cannot exceed INR 50 lakhs per assessee during any financial year.

Where the new bonds are transferred or converted into money within three years from the date of their acquisition, the amount so exempt shall be taxable as capital gains in the year of transfer/conversion.

- It is pertinent to note that the Bill proposes to amend Section 54EC, with effect from 1st April 2019. As per the bill, long term capital asset as stated in Section 54EC shall mean land or building or both.

Further, long-term specified asset for making any investment under Section 54EC shall mean:

- (i) on or after the 1st day of April, 2007 but before the 1st day of April, 2018, any bond, redeemable after three years and issued on or after the 1st day of April, 2007 but before the 1st April, 2018;
- (ii) on or after the 1st day of April, 2018, any bond, redeemable after five years and issued on or after the 1st April, 2018, by the National Highways Authority of India constituted under section 3 of the National Highways Authority of India Act, 1988 or by the Rural Electrification Corporation Limited, a company formed and registered under the Companies Act, 1956 or any other bond notified in the Official Gazette by the Central Government in this behalf.’.

- As per the provisions of Section 54F of the I.T. Act, LTCG arising from transfer of shares is exempt from tax if the net consideration from such transfer is utilised within a period of one year before or two years after the date of transfer, for purchase of a new residential house, or for construction of a residential house property, in India, within three years from the date of transfer, subject to conditions and to the extent specified therein.

c) Tax treaty benefits

As per provisions of Section 90(2) of the I.T. Act, non-resident shareholders can opt to be taxed in India as per the provisions of the I.T. Act or the double taxation avoidance agreement entered into by the Government of India with the country of residence of the non-resident shareholder, whichever is more beneficial, while deciding taxability in India (subject to furnishing of Tax Residency Certificate & information in the Form 10F as prescribed vide Notification 57 of 2013 dated 1 August 2013.). However, it may be noted that Tax Authorities may ask for other information and supporting documents if required.

d) Requirement to furnish PAN under the I.T. Act

- Section 139A (5A) requires every person from whose income; tax has been deducted at source under chapter XVII-B of the I.T. Act to furnish his PAN to the person responsible for deduction of tax at source.
- Section 206AA of the I.T. Act requires every person entitled to receive any sum, on which tax is deductible under Chapter XVIIIB (deductee) to furnish his PAN to the deductor, failing which tax shall be deducted at the highest of the following rates:
 - (i) at the rate specified in the relevant provision of the I.T. Act; or
 - (ii) at the rate or rates in force; or
 - (iii) at the rate of twenty per cent.

- As per sec 206AA(7), with effect from June 1, 2016, the provisions of section 206AA shall not apply to a non-resident, not being a company, or to a foreign company, in respect of:
 - (i) Payment of interest on long-term bonds as referred to in section 194LC; and
 - (ii) Payment in the nature of interest, royalty, fees for technical services and payments on transfer of any capital asset, subject to fulfillment of conditions specified vide Notification no.53/2016 dated 24th June 2016.

e) Non-resident Indian taxation

Special provisions in case of Non-Resident Indian ('NRI') in respect of income/ LTCG from specified foreign exchange assets under Chapter XII-A of the I.T. Act are as follows:

- NRI means an individual being a citizen of India or a person of Indian origin who is not a resident. A person is deemed to be of Indian origin if he, or either of his parents or any of his grandparents, were born in undivided India.
- In accordance with section 115E, income from investment or income from LTCG on transfer of assets other than specified asset shall be taxable at the rate of 20 percent (plus applicable cess). Income by way of LTCG in respect of a specified asset (as defined in Section 115C(f) of the I.T. Act), shall be chargeable at 10 percent (plus applicable cess). Specified foreign exchange assets include shares of an Indian company which are acquired purchased/ subscribed by NRI in convertible foreign exchange.
- As per the provisions of Section 115F of the I.T. Act, LTCG [not covered under Section 10(38) of the I.T. Act] arising to an NRI on transfer of a foreign exchange asset is exempt from tax if the net consideration from such transfer is reinvested in specified assets or in savings certificate referred to in Section 10(4B) of the I.T. Act within six months of the date of transfer, subject to the extent and conditions specified in that Section. If only part of the net consideration is so reinvested, the exemption shall be proportionately reduced. The amount so exempted shall be chargeable to tax subsequently; if the specified assets or saving certificates referred in Section 10(4B) of the I.T. Act are transferred or converted into money within three years from the date of their acquisition.
- Under the provisions of Section 115G of the I.T. Act, it shall not be necessary for an NRI to furnish his return of income if his only source of income is investment income or LTCG or both and tax deductible at source under provisions of Chapter XVII-B has been deducted from such income.
- Under the provisions of Section 115H of the I.T. Act, where a person who is an NRI in any previous year, becomes assessable as a resident in India in respect of the total income of any subsequent year, he or she may furnish a declaration in writing to the assessing officer, along with his or her return of income under Section 139 of the I.T. Act for the assessment year in which he or she is first assessable as a resident, to the effect that the provisions of the Chapter XII-A shall continue to apply to him or her in relation to investment income derived from the specified assets for that year and subsequent years until such assets are transferred or converted into money.

- Under the provisions of Section 115-I of the I.T. Act, an NRI may elect not to be governed by the provisions of Chapter XII-A for any assessment year by furnishing his return of income under Section 139 of the I.T. Act declaring therein that the provisions of the Chapter shall not apply to him for that assessment year. In such a situation, the other provisions of the I.T. Act shall be applicable while determining the taxable income and the tax liability arising thereon.

Benefits available to Foreign Institutional Investors (“FIIs”) under the I.T. Act:

a) Dividends exempt under Section 10(34) of the I.T. Act

- As per the provisions of Section 10(34) of the I.T. Act, dividend {both interim and final), if any, received by the shareholder from a domestic Company is exempt from tax. The Company will be liable to pay dividend distribution tax at the rate of 15 percent (plus applicable surcharge and cess) on the amount distributed as dividend. However, as per Section 94(7) of the I.T. Act, losses arising from purchase and sale of securities, where such securities are bought or acquired within a period of three months prior to the record date and such securities are sold or transferred within three months from the record date, will be disallowed to the extent of the amount of dividend claimed as exempt, if any.
- In view of the amendment brought in by Finance (No.2) Act, 2014, for the purpose of determining the tax on distributed profits payable in accordance with Section 115-0 of the I.T. Act, the amount of dividends needs to be increased to such amount as would, after reduction of tax on such increased amount at the specified rate, be equal to the net distributed profits. Resultantly, the effective rate of tax will be 17.647 percent (plus applicable surcharge & cess) of the amount of dividends declared, distributed or paid by the Company.

b) Capital gains

- In Finance Act (No.2), 2014 it was provided that any securities held by a FII which has invested in such securities in accordance with the regulations made under the Securities and Exchange Board of India Act, 1992 would be capital asset. Consequently, the income arising to a FII from transactions in securities would always be in the nature of capital gain.
- In accordance with Section 115AD, FIIs will be taxed at 10 percent (plus applicable surcharge and cess) on long-term capital gains (computed without indexation of cost and foreign exchange fluctuation), if STT is not payable on the transfer of the shares.
- The Bill proposes to introduce a new section (Section 112A) to provide for a new long-term capital gains tax regime for the following assets-
 - i) Equity shares in a Company listed in a recognized stock exchange;
 - ii) Unit of an equity oriented fund;
 - iii) Unit of a business trust.
- The LTCG exceeding INR 1 Lakh from the transfer of these assets made on or after 1st April 2018 will be taxed at 10 percent.
- The proposed regime applies to the above assets if the assets are held for a minimum period of 12 months from the date of acquisition; and the Securities Transaction Tax

(STT) is paid at the time of transfer. However, the tax will be levied only upon transfer of the long-term capital asset on or after 01 April, 2018, as defined in Section 2(47) of the I.T. Act.

- As the fair market value on 31st January, 2018 will be taken as cost of acquisition (except in certain typical situations), the gains accrued up to 31st January, 2018 will continue to be exempt.
- The new tax regime will be applicable to transfer made on or after 1st April, 2018, the transfer made between 1st February, 2018 and 31st March, 2018 will be eligible for exemption under section 10(38) of the I.T. Act.
- It is pertinent to note that the Bill proposes to amend Section 115AD of the I.T. Act, with effect from 1st April, 2019. As per the amendment, in case of income arising from the long-term capital assets referred to in Section 112A of the I.T. Act, income-tax at the rate of ten percent, shall be calculated on such income exceeding one lakh rupees.
- LTCG arising to shareholder on transfer of long term capital asset being listed equity shares of the company will be exempt from tax under Section 10 (38) of the I.T. Act provided that the transaction is entered in on or after 1 October 2004 and STT has been paid on such transfer and subject to conditions specified in that section.
- As per the provisions of Section 111A of the I.T. Act, STCG arising on sale of short term capital asset, being listed equity shares in a company, shall be chargeable to tax at the rate of 15 percent (plus applicable surcharge and cess) provided the transaction is chargeable to STT. If the provisions of Section 111A are not applicable to the short term capital gains, then the tax will be charged at the rate of 30% (plus applicable surcharge and cess), as applicable.
- As per provisions of Section 115AD of the I.T. Act, income (other than income by way of dividends referred to Section 115-0 of the I.T. Act) received in respect of securities (other than units referred to in Section 115AB) is taxable at the rate of 20 percent (plus applicable surcharge and cess).
- The benefits of exemption under Section 54EC of the I.T. Act mentioned above in case of the Company are also available to FIIs.
- It is pertinent to note that the Bill proposes to amend Section 54EC, with effect from 1st April 2019. As per the bill, long term capital asset as stated in Section 54EC shall mean land or building or both.
- Further, long-term specified asset for making any investment under Section 54EC shall mean:
 - i) on or after the 1st day of April, 2007 but before the 1st day of April, 2018, means any bond, redeemable after three years and issued on or after the 1st day of April, 2007 but before the 1st day of April, 2018;
 - ii) on or after the 1st day of April, 2018, means any bond, redeemable after five years and issued on or after the 1st day of April, 2018,

by the National Highways Authority of India constituted under Section 3 of the National Highways Authority of India Act, 1988 or by the Rural Electrification Corporation Limited, a company formed and registered under the Companies Act, 1956 or any other bond notified in the Official Gazette by the Central Government in this behalf.’.

- The CBDT has issued a Notification No. 9 dated 22 January 2014 which provides that Foreign Portfolio Investors (FPI) registered under SEBI (Foreign Portfolio Investors) Regulations, 2014 shall be treated as FII for the purpose of Section 115AD of the I.T. Act.
- Indirect Transfer provision u/s 9(1)(i) of the I.T. Act - The Central Board of Direct Taxes (CBDT) issued a clarification vide Circular No. 41 of 2016 dated December 23, 2016, stating that if an FPI has more than 50 per cent of its assets in India, with a value greater than 10 crore, then any investor with a greater than five per cent interest in or contribution to the assets under management (AUM) of the FPI will be covered by the indirect transfer rules and will be subject to Indian tax whenever this investor sells or redeems its shares in the FPI/fund.

After the issue of the aforementioned circular, representations have been received from various FPIs, FIIs and VCFs and other stakeholders. The stakeholders have presented their concerns stating that the circular does not address the issue of possible multiple taxation of the same income. The representations made by the stakeholders are currently under consideration and examination by CBDT. Pending a decision in the matter the operation of the above mentioned circular is kept in abeyance for the time being.

c) Tax Treaty Benefits

In accordance with the provisions of Section 90 of the I.T. Act, FIIs being non-residents will be entitled to choose the provisions of I.T. Act or the provisions of tax treaty entered into by India with other foreign countries, whichever are more beneficial, while deciding taxability in India (subject to furnishing of Tax Residency Certificate & information in the Form 10F as prescribed vide Notification 57 of 2013 dated August 1, 2013). However, it may be noted that Tax Authorities may ask for other information and supporting documents if required.

d) Computation of book profit under Section 115JB

An explanation has been inserted in Section 115JB stating that, the provisions of Section 115JB shall not be applicable and shall be deemed never to have been applicable to a foreign company if-

- i. It is a resident of a country or a specified territory with which India has a tax treaty referred to in sub section (1) of Section 90 and it does not have a permanent establishment in India; or
- ii. It is a resident of a country with which India does not have a tax treaty and it is not required to seek registration under any law for the time being in force relating to companies.

Benefits available to Mutual Funds under the I.T. Act:

- In terms of Section 10(23D) of the I.T. Act, all Mutual funds set up by public sector banks or public sector financial institutions or Mutual Funds registered under the Securities and Exchange Board of India Act/ Regulations thereunder or Mutual Funds authorised by the Reserve Bank of India, subject to the conditions specified, are eligible for exemption from income taxes on all their income, including income from investment in the shares of the company.
- However, the Mutual Funds would be required to pay tax on distributed income to unit holders as per the provisions of Section 115R of the I.T. Act. However, w.e.f. 1 October 2014, for the purpose of determining additional income tax, the amount of distributed income shall be increased to such amount as would after reduction of additional income tax

on such increased amount at the rate specified be equal to the amount of income distributed by mutual fund.

- It is pertinent to note that the Bill proposes to amend Section 115R of the I.T. Act, through which, any income distributed by an equity oriented fund to its unit holders shall be chargeable to tax and such equity oriented fund shall be liable to pay additional income tax at the rate of ten percent of such distributed income.

Where the Shareholder is a person located in a Notified Jurisdictional Area (NJA) under section 94A of the I.T. Act.

- All parties to such transactions shall be treated as associated enterprises under section 92A of the I.T. Act and the transaction shall be treated as an international transaction resulting in application of transfer pricing regulations including maintenance of documentations, benchmarking, etc.
- No deduction in respect of any payment made to any financial institution in a NJA shall be allowed under the I.T. Act unless the assessee furnishes an authorization in the prescribed form authorizing the CBDT or any other income-tax authority acting on its behalf to seek relevant information from the said financial institution (Section 94A(3)(a) read with Rule 21AC and Form 10FC).
- No deduction in respect of any expenditure or allowance (including depreciation) arising from the transaction with a person located in a NJA shall be allowed under the I. T. Act unless the assessee maintains such documents and furnishes such information as may be prescribed (Section 94A(3)(b) read with Rule 21AC).
- If any assessee receives any sum from any person located in a NJA, then the onus is on the assessee to satisfactorily explain the source of such money in the hands of such person or in the hands of the beneficial owner, and in case of his failure to do so, the amount shall be deemed to be the income of the assessee (Section 94A(4)).
- Any sum payable to a person located in a NJA shall be liable for withholding tax at the highest of the following rates:
 - (i) at the rate or rates in force;
 - (ii) at the rate specified in the relevant provision of the LT. Act; or
 - (iii) at the rate of thirty per cent.
- No jurisdiction has been notified as **Notified Jurisdictional Area (NJA)** on the date of issue of the prospectus.

General Anti-Avoidance Rule ('GAAR):

In terms of Chapter XA of the I.T. Act, General Anti-Avoidance Rule may be invoked notwithstanding anything contained in the I.T. Act. By this Rule, any arrangement entered into by an assessee where the main purpose of the arrangement is to obtain a tax benefit may be declared to be impermissible avoidance arrangement as defined in that Chapter and the consequence would be inter alia denial of tax benefit, applicable w.e.f FY 2017-18.

The Central Board of Direct Taxes (CBDT) vide Notification No. 49/2016, dated June 22, 2016, has amended the GAAR. GAAR provisions are not applicable to any income accruing or arising to, or deemed to accrue or arise to, or received or deemed to be received by, any person from transfer of investment made prior to 1 April 2017. Further, GAAR provisions are applicable to any arrangement (if held as impermissible avoidance agreement), irrespective of the date on which it has been entered into, in respect of the tax benefit obtained from an arrangement on or after April 1, 2017.

UNDER THE WEALTH TAX ACT, 1957

The Finance Act, 2015 has abolished the levy of wealth tax under the Wealth Tax Act, 1957 with effect from 1 April 2016.

UNDER THE GIFT TAX ACT, 1958

Gift made after 1 October 1998 is not liable for any gift tax, and hence, gift of shares of the company would not be liable for any gift tax. However, receipt of the sum of money or any “property” including immovable property (as defined in section 56(2)(x) of the I.T. Act) by any person without consideration or for inadequate consideration in excess of 50,000 shall be chargeable to tax in the hands of the recipient under the head “Income from other sources” to the extent the consideration is less than Fair Market Value or Stamp duty value, as the case may be, unless specifically exempted under the provisions of the I.T. Act.

Notes:

- a) All the above benefits are as per the current direct tax laws relevant for the Assessment Year 2018-19 (considering the amendments made by Finance Act, 2017).
- b) The above statement covers only certain relevant benefits under the I.T. Act and does not cover benefits under any other law.
- c) The possible tax benefits are subject to conditions and eligibility criteria which need to be examined for tax implications.
- d) 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
- e) The above Statement of Tax Benefits 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
- f) The stated benefits will be available only to the sole/ first named holder in case the shares are held by joint holder.

SECTION V ABOUT THE ISSUER

A. BRIEF SUMMARY OF THE BUSINESS/ACTIVITIES OF THE ISSUER AND ITS LINE OF BUSINESS

Sundaram Finance Holdings Limited, incorporated on October 13, 1993, is an unlisted public limited company (CIN: U67120TN1993PLC025996). The Company was engaged in the business of distribution of financial products. During December 2016, the management of the Company decided to change the main objects so as to engage in the business of making all types of investments including investments in financial service enablers, 'Fin-tech' investments and 'small startup type' (incubator) investments. Subsequently, the Company discontinued the business of distribution of financial products.

During February 2017, the Board of Directors approved a Composite Scheme of Arrangement and Amalgamation between Sundaram Finance Limited (SFL) and four of its subsidiaries, viz., Sundaram Insurance Broking Services Limited (SIBSL), Infreight Logistics Solutions Limited (Infreight), Sundaram BPO India Limited (Sundaram BPO) and Sundaram Finance Holdings Limited (SFHL), which envisages the following:

- a. Amalgamation of SIBSL and Infreight with SFL;
- b. Demerger of the shared services business of Sundaram BPO into SFL; and
- c. Demerger of the 'SFL Demerged Undertaking', viz., identified shared services including shared services vested from Sundaram BPO, training services, non-core investments of the Company and identified immovable properties into our Company.

Pursuant to the sanctioning of the Composite Scheme of Arrangement and Amalgamation by the Hon'ble National Company Law Tribunal, Division Bench, Chennai, in January 2018, the following have vested into our Company:

1. **Investments:** Identified investments predominantly in companies engaged in the business relating to automotive and allied components and companies engaged in BPO operations.
2. **Shared Services Business :** Business of providing services in the nature of information technology enabled services in areas of accounting, insurance, banking, human resources, health care, legal, telecom etc. and administrative, managerial, maintenance, document processing, data entry, reconciliation, training, orientation and other support services to Sundaram Finance Limited and its affiliates/group concerns.

The following are the investments held by our Company as on date:

Sl. No.	Name of Portfolio Company	% Stake	Nature of Business	Nature of Relationship, if any
1.	Sundaram BPO India Limited	100%	BPO business	Subsidiary
2.	Sundaram Business Services Limited	100%	BPO business	Subsidiary
3.	Axles India Limited	38.82%	Manufacture of axle housing for medium and heavy commercial vehicles	Associate
4.	Turbo Energy Private Limited	32.00%	Manufacturing turbochargers & turbocharger parts	Associate
5.	Sundaram Hydraulics Limited	31.25%	Manufacture of hydraulic cylinders and axle shafts for off-highway and construction vehicles	Associate
6.	Sundaram Dynacast Private Limited	26.00%	Manufacture of precision aluminium and zinc pressure die cast components	Associate
7.	Flometallic India Private Limited	40.63%	Manufacture of iron castings for the automotive industry	Associate
8.	The Dunes Oman LLC (FZC)	43.69%	Manufacture of iron castings for automotive industry	Associate
9.	Transenergy Limited	42.31%	Machining of automotive brake components	Associate
10.	TVS Investments Limited	14.98%	Investments and consultancy services	-
11.	Brakes India Private Limited	6.67%	Manufacture of automotive braking system components and assemblies and manufacture of iron castings	-
12.	Lucas-TVS Limited	5.32%	Manufacture of auto electrical equipment	-
13.	Delphi TVS Diesel Systems Limited	3.19%	Manufacture of diesel fuel injection equipments for passenger vehicles, commercial vehicles and tractors	-
14.	Sundaram Clayton Limited	11.24%	Manufacture of precision aluminum cast products for automotive and non- automotive industry	-
15.	Wheels India Limited	11.08%	Manufacture of wheels and air suspension components for automotive industry	-
16.	India Motor Parts & Accessories Limited	18.52%	Distribution of automotive spare parts and equipments	-
17.	Vishnu Forge Industries Limited	12.44%	Manufacture of forged components	-
18.	Senbonzakura Consultancy Private Ltd	0.10%	Arrangement of educational loans for overseas higher education	-
19.	Techtran Polylenses Limited	1.66%	Manufacture of hard resin (plastic) ophthalmic lenses	-

SFL had entered into agreements with other shareholders with respect to some of the portfolio companies, the shareholding in which have now been vested with the Company pursuant to the Scheme. Consequently, the Company will be required to execute supplementary agreements/deeds of adherence, for which suitable steps are being taken by the respective portfolio companies.

The following are the immovable properties held by the Company as on date:

Sl. No.	Details
1.	Land and Building at Kodaikanal forming part of Survey No. 98 and 98/3B [New Survey Nos. 9/3B1B and 98/3B1C]
2.	Land and Building at Chamiers Road, Mylapore, Chennai - 600 028 forming part of Survey Nos. 3934,3935,3941,3942 and 3949
3.	Land and Building at Poonamalle Village, Sriperumbudur Taluk forming part of Survey Nos. 230, 232/1B2, 232/2, 264, 267/1 and 268

The Company's equity shares are proposed to be listed on the National Stock Exchange of India Limited. In FY 2016-17 (based on restated financials), the Company recorded total revenue of Rs. 6156.19 lakhs, of which Rs. 4894.13 lakhs could be attributed to investments and Rs. 872.49 lakhs could be attributed to income from shared services (BPO activities), the rest being from other sources. The Company has earned an overall profit after tax of Rs. 3538.04 lakhs for the said period. The key financial aspects of subsidiaries and associates are provided under the head 'Financial Information of Group Companies' in Section VI: Financial Information.

For details of subsidiaries and group companies, please refer the head 'Group Companies' under Section V: About the Issuer.

B. INDUSTRY OUTLOOK

ITeS Segment

IT-enabled services (ITeS) encompass a wide range of services that rely on information technology as means of service provisioning and internet as transport medium.

The Indian ITeS market is currently segmented along the service lines of customer care, finance, administration and payment services, HR services, procurement and logistics services, and knowledge process outsourcing (KPO) based services.

The Indian ITeS industry, which grew at ~7.5% in 2016-17, is expected to maintain its volume-driven growth in 2017 - 18, supported by knowledge and transaction services.

Source: CRISIL Research Report

Automobile Segment

Automobile industry is in the business of producing and/or trading in automotive vehicles and ancillary products/parts.

The automobile industry is one of the key drivers that boosts the economic growth of the country. Since the de-licensing of the sector in 1991 and the subsequent opening up of 100 percent FDI through automatic route, Indian automobile sector has come a long way. Today, almost every global auto major has set up facilities in the country.

The Indian auto industry is one of the largest in the world and is expected to grow at significant pace. The industry accounts for 7.1 per cent of the country's Gross Domestic Product (GDP).

Sources: <http://info.shine.com/industry/automobiles-auto-ancillaries/3.html>
<https://www.ibef.org/industry/india-automobiles.aspx>

C. APPLICABILITY OF KEY REGULATION

In our view, our Company is not a “systemically important non-deposit taking core investment company” (“CIC-ND-SI”) based on the criteria prescribed under the Core Investment Companies (Reserve Bank) Directions, 2016, since the Company does not propose to raise or hold public funds and would therefore not be required to register itself with Reserve Bank of India (‘RBI’) as a CIC-ND-SI. We have sought a clarification on the said position from RBI.

D. MAIN OBJECTS OF THE COMPANY

- i. To carry on the business of an investment company and to invest the capital and other moneys of the Company in the purchase of or lend on the security of shares, stocks, units, debentures, debenture-stock, bonds, mortgages, obligations and securities of any kind issued or guaranteed by any company, corporation or undertaking of whatever nature, whether incorporated or otherwise, and wheresoever constituted or carrying on business, including investments in financial service enablers, ‘Fin-tech’ investments and ‘small startup type’ (incubator) investments and to buy sell or otherwise deal in shares, stocks, debentures, debenture-stock, bonds, notes, mortgages, obligations and other securities issued or guaranteed by any government, sovereign ruler, commissioners, trust, municipal, local or other authority or body of whatever nature in India or abroad.
- ii. To engage in the business of assisting early-stage companies like non-profit or a for-profit entity through the developmental phases which includes relationships with financial partners, providing access to experienced business consultants and management-level executives, access to physical location space and business hardware or software and access to informational and research resources via relationships with local universities and government entities until such time as the entity has sufficient financial, human and physical resources to function on its own.
- iii. To finance industrial and other enterprises, lend and advance moneys to entrepreneurs, promoters and industrial concerns.
- iv. To engage in the distribution and marketing of financial, savings, loan, investment and insurance products.
- v. To carry on the business of BPO (Business Process Outsourcing) and call centres, contact centres, undertake other activities relating to information technology enabled services in areas of accounting, insurance, banking, human resources, healthcare, legal, telecom, etc. and to provide all kinds of support services including without any limitations, administrative, managerial, maintenance, document processing, data entry, reconciliation, training and orientation and other support services.
- vi. To carry on the business of consultants and / or advisors.
- vii. To provide technical and non-technical training, learning and development services.
- viii. To engage in database management, programming in all languages, in all aspects of Information technology.

E. AMENDMENTS TO OUR MEMORANDUM OF ASSOCIATION INCLUDING CHANGE IN NAME

Date	Particulars
November 22, 1993	The name of our Company was changed from Sundaram Finance Securities Private Limited to Sundaram Finance Securities Limited.
March 31, 2003	The main object clause was amended to carry on the business of insurance brokers of all kinds of insurable perils.
May 21, 2003	The name of our Company was changed from Sundaram Finance Securities Limited to Sundaram Insurance Broking Limited, pursuant to the change in the main object as above.
November 17, 2003	The main object clause was amended to engage in the distribution and marketing of financial, savings, loan, investment and insurance products.
December 5, 2003	The name of our Company was changed from Sundaram Insurance Broking Limited to Sundaram Finance Distribution Limited, pursuant to the change in the main object as above.
November 22, 2016	The main object clause in the Memorandum of Association of the Company was amended to carry on the business of an investment company.
December 21, 2016	The name of our Company was changed from Sundaram Finance Distribution Limited to Sundaram Finance Investments Limited, pursuant to the change in the main object as above.
January 25, 2017	Authorised Share Capital was increased from Rs.3,00,00,000/- (Three Crores Only) consisting of 30,00,000 (Thirty Lakhs Only) Equity Shares of Rs.10/- each to Rs.25,00,00,000/- (Twenty Five Crores Only) consisting of 2,50,00,000 (Two Crores Fifty Lakhs only) Equity Shares of Rs. 10/- (Rupees Ten only)
March 29, 2017	The name of our Company was changed from Sundaram Finance Investments Limited to Sundaram Finance Holdings Limited.
January 18, 2018	Pursuant to the sanctioning of the Scheme: <ul style="list-style-type: none"> • The objects relating to business of BPO, consultants and/or advisors, training, learning and development services and information technology services have been added under the Objects Clause. • The face value of the equity shares have been sub-divided from Rs.10/- per share to Rs.5/- per share. • The authorised share capital has been increased from Rs.25,00,00,000/- consisting of 5,00,00,000 equity shares of Rs.5/- each to Rs. 80,00,00,000/- consisting of 16,00,00,000 equity shares of Rs.5/- each.

F. MANAGEMENT

1. Board of Directors

Sl. No.	Name of the Director, Designation, DIN, DOB, Qualification & Term	Address	Expertise	Other Directorships	Shares allotted pursuant to the Scheme – No. of shares
1.	<p>Sri S Viji, Chairman</p> <p>DIN – 00139043 DOB - 07-06-1946</p> <p>Qualification: B.Com, ACA, MBA (University of Michigan, USA)</p> <p>Term: NA</p>	<p>Old No. 33, New No. 71, Poes Garden, Chennai – 600086</p>	<p>Has over 5 decades of experience in Banking, Finance, Insurance and Automotive Component Manufacturing Industry. He is the Chairman of Sundaram Finance Limited and Sundaram BNP Paribas Home Finance Limited. He is also the Managing Director of Brakes India Private Limited.</p>	<p>1. Sundaram BNP Paribas Home Finance Ltd. 2. Sundaram Finance Limited 3. Brakes India Private Ltd. 4. Sundaram Dynacast Pvt. Ltd. 5. Sundaram Trustee Company Ltd. 6. T.V. Sundram Iyengar & Sons Pvt. Ltd. 7. Wheels India Ltd. 8. Royal Sundaram General Insurance Co. Ltd. 9. Sundaram Industries Private Ltd. 10. Trichur Sundaram Santhanam Family Pvt. Ltd.</p>	<p>Held individually – 9,09,780 Held jointly with others – 8,684 Held as Karta of HUF – 4,79,912 Held as Trustee – 12,25,160</p>
2.	<p>Sri R Venkatraman, Independent Director</p> <p>DIN – 07119686 DOB - 09-09-1961</p> <p>Qualification: B.E. (Mech) (BITS), MBA (IIM Bangalore)</p> <p>Term: 5 years from the date of appointment, i.e, February 16, 2017</p>	<p>New No. 6-B, Old No. 13/2, 1st Floor, 9th Cross Street, Shastrinagar, Adayar, Chennai – 600020</p>	<p>Has more than 2 decades of experience in consulting and advisory services across various industries</p>	<p>1. Sundaram BNP Paribas Fund Services Limited 2. Sundaram Trustee Company Limited</p>	<p>Nil</p>
3.	<p>Sri S Prasad, Independent Director</p> <p>DIN – 00063667 DOB - 30-05-1948</p> <p>Qualification: FCA</p> <p>Term: 5 years from the date of appointment, i.e, February 16, 2017</p>	<p>Flat D-1, New No. 41, Old No. 87, 'Ashok Prithvi', IV Street, Abhirama puram, Chennai – 600018</p>	<p>Has more than a decade of experience in industry as finance professional and more than 3 decades as a practicing CA.</p>	<p>1. Sundaram Finance Limited 2. Wheels India Ltd. 3. India Motor Parts & Accessories Ltd. 4. Royal Sundaram General Insurance Co. Limited 5. Zone8 Tea World Private Limited 6. WIL Car Wheels Limited</p>	<p>Held jointly with others – 12,600</p>

4.	Ms Shobhana Ramachandhran, Independent Director DIN – 00273837 DOB - 30-01-1960 Qualification: MA (English Literature) Term: 5 years from the date of appointment, i.e, February 16, 2017	No. 16, Jawahar Road, Madurai – 625002	3 decades of experience in General Management and automobile industry. She is the Managing Director of TVS Srichakra Limited.	1. Sundaram Finance Limited 2. TVS Srichakra Ltd 3. India Motor Parts & Accessories Ltd 4. Sundaram Industries Private Ltd 5. TVS Srichakra Investments Ltd 6. Pusam Rubber Products Ltd 7. TVS Logistics Services Limited 8. Drive India Enterprise Solutions Limited 9. TVS Elastomeric Engineered Products Private Ltd 10. TVS Automobile Solutions Private Ltd. 11. SI AIR Springs Pvt. Ltd	Held individually – 3,44,720
5.	Sri T T Srinivasaraghavan, Non-Executive Director DIN – 00018247 DOB - 19-01-1955 Qualification: B.Com, MBA (Gannon University, Pennsylvania) Term: NA	New No. 9, Old No. 5, III Street, Kasturi Estates, Chennai - 600086	Has nearly 4 decades of experience in Banking and Financial Services. Has held various operational roles in the Company and brings to bear in-depth knowledge of automotive financing. He is the Managing Director of Sundaram Finance Limited.	1. Sundaram Finance Ltd. 2. Sundaram Asset Management Company Ltd 3. Sundaram BNP Paribas Home Finance Ltd 4. Royal Sundaram General Insurance Co. Ltd. 5. Sundaram Business Services Ltd. 6. Brakes India Pvt. Ltd. 7. Flometallic India Pvt. Ltd. 8. Sundaram BPO India Ltd. 9. Finance Industry Development Council 10. Sundaram BNP Paribas Fund Services Ltd. 11. NSE Strategic Investment Corporation Ltd.	Held jointly with others – 3,26,376 Held as Karta of HUF – 1,23,192 Held as Trustee – 1,10,000
6.	Sri Harsha Viji, Non - Executive Director DIN - 0602484 DOB - 28-08-1975 Qualification: B.Com, ACA, MBA (Ann Arbor, Michigan) Term: NA	27G, Ranjith Road, Kotturpuram, Chennai – 600085	Has more than a decade of experience in areas of specialisation particularly, strategy formulation, joint venture negotiations, new business development etc. He is the Managing Director of Sundaram Asset Management Company Limited and the deputy managing Director of Sundaram Finance Limited.	1. Sundaram Asset Management Company Ltd. 2. Sundaram Finance Limited 3. Flometallic India Pvt. Limited 4. Association of Mutual Funds in India 5. Athreya Harsha Holdings Private Limited 6. Royal Sundaram General Insurance Co. Ltd. 7. Trichur Sundaram Santhanam Family Pvt. Ltd. 8. Sundaram Alternate Assets Limited	Held individually – 13,66,068 Held jointly with others – 3,156

Sri S. Viji, Chairman is the father of Sri Harsha Viji, Director. The other directors are not related to any of the directors, KMP and/or their relatives.

The Issuer confirms that none of its Directors appear in the RBI defaulter list and/or ECGC default list.

2. Compensation of Directors / CEO

All directors of the Company are appointed and compensated in accordance with the provisions of the Act and SEBI Listing Regulations.

The independent directors of the Company are paid a sitting fee of Rs. 25,000/- for every meeting of the Board, Audit Committee and Nomination and Remuneration Committee. All the non-executive directors will be remunerated by way of commission for each financial year as may be decided by the Board of Directors within the ceiling of 1% of the net profits of the Company, after obtaining the approval of the shareholders.

Mr. Paramesh Krishnaier has been appointed as Manager under the Act, to be called as CEO, w.e.f. February 12, 2018, at the basic salary of Rs. 1,80,000/- p.m. plus other allowances and perquisites as per rules of the Company.

3. Changes in Directors

The changes in directors during the last 3 years are as follows:

Sl. No.	Name of the Director	Date of Appointment	Date of Relinquishment
1.	Sri S. Venkatesan	-	January 25, 2017
2.	Sri A.N. Raju	-	February 16, 2017
3.	Sri K. Sankarakumar	-	January 25, 2017
4.	Sri M. Ramaswamy	January 25, 2017	February 16, 2017
5.	Sri P. Viswanathan	January 25, 2017	February 16, 2017
6.	Sri S. Viji	February 16, 2017	-
7.	Sri R. Venkatraman	February 16, 2017	-
8.	Sri S. Prasad	February 16, 2017	-
9.	Ms. Shobhana Ramachandhran	February 16, 2017	-
10.	Sri T.T. Srinivasaraghavan	February 16, 2017	-
11.	Sri Harsha Viji	January 25, 2017	-

4. Corporate Governance

The Company has complied with the requirements of Corporate Governance laid down under the SEBI Listing Regulations to the extent applicable as on date. Steps have been taken to ensure full compliance with the said requirements once they become fully applicable after the listing process gets completed.

The Board of Directors has constituted the Audit Committee and Nomination & Remuneration Committee on February 16, 2017 and March 24, 2017 respectively. Further, the Stakeholders' Relationship Committee has been constituted on February 12, 2018. These Committees have specific scope and responsibilities.

The Composition and Terms of Reference of the Audit Committee and Nomination & Remuneration Committee are as under:

(a) Audit Committee

The Composition of Audit Committee is as follows:

1. Mr. R. Venkatraman, Chairman, (Independent Director)
2. Mr. S. Prasad, Member (Independent Director)
3. Mr. Harsha Viji, Member (Director)

The terms of reference of the Committee, as approved by the Board, are as follows:

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2.
 - (i) Recommendation for appointment, remuneration and terms of appointment of auditors of the Company.
 - (ii) Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
 - (iii) Reviewing the audit plan and the scope of audit work.
 - (iv) Review and monitor the auditor's independence and performance, and effectiveness of audit process.
 - (v) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
 - (vi) Reviewing management letters / letters of internal control weaknesses issued by the statutory auditors.
3.
 - (i) To review the appointment, removal and terms of remuneration of the chief internal auditor.
 - (ii) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
 - (iii) Discussion with internal auditors of any significant findings and follow up there on.
 - (iv) Reviewing internal audit reports relating to internal control weaknesses.
 - (v) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
 - (vi) Annual review of the work of the Internal Audit Department, if any.
4. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate.
5. Reviewing, with the management,
 - (i) Adequacy of the internal control systems;
 - (ii) Performance of statutory and internal auditors;
 - (iii) Annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013;
 - b. Changes, if any, in accounting policies and practices and reasons for the same;
 - c. Major accounting entries involving estimates based on the exercise of judgment by management;
 - d. Significant adjustments made in the financial statements arising out of audit findings;
 - e. Compliance with listing and other legal requirements relating to financial statements;
 - f. Disclosure of any related party transactions;
 - g. Qualifications in the draft audit report.
 - (iv) Quarterly financial statements before submission to the board for approval.

6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
7. To review Statement of significant related party transactions (as defined by the audit committee), submitted by management.
8. Prior approval or any subsequent modification of transactions of the company with related parties.
9. Scrutiny of inter-corporate loans and investments.
10. Valuation of undertakings or assets of the company, wherever it is necessary.
11. Evaluation of internal financial controls and risk management systems.
12. To review the functioning of Whistle Blower mechanism.
13. Systems audit, if any.
14. Asset Liability management and filing of any return/ statement and reports with the Reserve Bank of India and other statutory authorities.
15. Segment accounting and activity based costing, if applicable.
16. To review
 - i) Management discussion and analysis of financial condition and results of operations;
 - ii) Financial statements of unlisted subsidiary companies with particular reference to investments made by the said companies.
17. To review periodically
 - i) Compliance reports of all laws applicable to the company, prepared by the company as well as steps taken by the company to rectify instances of non-compliance, before the same is placed before the Board.
 - ii) Procedures laid down for risk assessment and minimization, before the same is placed before the Board.
 - iii) To review reports submitted by the CEO and CFO regarding:
 - Deficiencies in the design or operation of internal controls, if any and the steps taken or propose to take to rectify these deficiencies.
 - Significant changes in internal control.
 - Significant changes in accounting policies during the year and disclosures relating to the same in the notes to the financial statements.
 - Instances of significant fraud and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system.
18. To look into the reasons for substantial defaults in the payment to the shareholders (in case of non payment of declared dividends) and creditors.
19. To deliberate and decide on any other matter which may be referred to the committee by the board or which in the opinion of the committee will affect statutory and internal audit.

Powers of the Audit Committee –

The audit committee shall have powers, which should include the following:

1. To investigate any activity within its terms of reference.
2. To seek information from any employee.
3. To obtain outside legal or other professional advice.
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.

(b) Nomination and Remuneration Committee

The Nomination and Remuneration Committee of the Board as constituted has the following as its Members:

1. Mr. R. Venkatraman, Chairman, (Independent Director)
2. Mr. S. Prasad, Member (Independent Director)
3. Mr. Harsha Viji, Member (Director)

The terms of reference of the Committee, as approved by the Board, are as follows:

1. The Committee shall identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance.

The expression "senior management" means personnel of the company who are members of its core management team excluding Board of Directors comprising all members of management one level below the executive directors, including the functional heads and Key Managerial Personnel.

2. The Committee shall formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.
3. Formulation of criteria for evaluation of performance of Independent Directors and the Board of Directors.
4. Devising a policy on diversity of Board of Directors.
5. Taking decisions on extension or continuation of the term of appointment of Independent Directors on the basis of the report of performance evaluation of Independent Directors.
6. The Committee shall, while formulating the policy ensure that—
 - a) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
 - b) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the company and its goals.
7. The committee shall approve the remuneration / any change therein of the Managing Director /CEO / Manager of the company when there are no profits / inadequate profits / negative effective capital as per Schedule V to the Companies Act, 2013.
8. The Committee shall have no authority to delegate its powers and duties.

Conditions for fixing the remuneration:

9. The Remuneration Committee while approving the overall remuneration of the Managing Director /CEO / Manager of the Company shall:
 - a) take into account, financial position of the company, trend in the industry, appointee's qualification, experience, past performance, past remuneration etc.
 - b) be in a position to bring about objectivity in determining the remuneration package while striking a balance between the interest of the company and the shareholders.
10. Any other matter delegated by the Board from time to time.

5. Key Management Personnel

Sl. No.	Name of the KMP	Date of Appointment	Qualification	Term of Office	Shares allotted pursuant to the Scheme – No. of shares
1.	Sri. Paramesh Krishnaier	12.02.2018	B.A., M.L., MBA.,	3 years from the date of appointment	Held individually - 400 Held jointly with others - 6,000
2.	Sri P.N. Srikant	01.08.2017	B.Com (H), ACS, MBA	NA	Held individually - 25
3.	Sri T. Kailashapathy	21.11.2017	B.Sc. (Maths), ACA	NA	-

Notes:

- All KMP are permanent employees and transferred from Sundaram Finance Group.
- All the KMP were appointed during the current financial year in the Company and therefore, were not paid any remuneration by the Company during the previous financial year.
- The terms of service including retirement benefits of the KMP are in line with the terms offered to other employees in similar grades in the Sundaram Finance Group.
- There is no family relationship between any of the KMP.

G. PROMOTERS

SFL is the 'Promoter' of the Company.

Prior to allotment of shares in accordance with the Scheme, the Company was a wholly-owned subsidiary of SFL and the entire paid-up equity share capital of Rs. 20,00,00,000/- consisting of 4,00,00,000 equity shares of Rs.5/- each was held by SFL and its nominees (100%). Pursuant to the allotment of 11,11,03,860 equity shares of Rs.5/- each to the shareholders of SFL in accordance with Clause 29.1 of the Scheme, while SFL will continue to hold the said 4,00,00,000 equity shares of Rs. 5/- each, SFL's percentage of holding in the share capital of the Company will get reduced from 100% to 26.47%. Pursuant to the allotment, the Promoters of SFL and persons forming part of the Promoter Group of SFL will collectively form part of the Promoter Group of SFHL.

SFL is a public limited company incorporated under The Indian Companies Act, 1913 and a non-banking finance company registered with the Reserve Bank of India, primarily engaged in providing finance for purchase of commercial vehicles, cars, multi-utility vehicles, construction equipment, farm equipment and working capital. It is also engaged in the distribution of financial products like insurance, home loans, mutual funds, deposits, etc. The equity shares of SFL are listed on the National Stock Exchange of India Limited. SFL has its registered office at 21, Patullos Road, Chennai 600 002. Other details of SFL are as follows:

Date of Incorporation	August 11, 1954
CIN	L65191TN1954PLC002429
ROC	The Registrar of Companies, Tamil Nadu, Chennai Block No.6,B Wing 2nd Floor Shastri Bhawan 26, Haddows Road, Chennai - 600034
PAN	AAACS4944A
Bank Account Details	603805009709 ICICI Bank Ltd, 298, Anna Salai, Chennai- 600006

The Promoter and Promoter Group of SFL are as follows:

Sl. No.	Name of the Person
Promoter	
1	Mr. S. Ram
2	Mr. S. Ram & Mr. S. Viji
3	Ms. Nivedita Ram
4	Mr. Srivats Ram
5	Mrs. Vijaya Rangarajan
6	Mr. S. Viji
7	Mr. Srikanth Ramanujam
8	Mr. Srikanth Ramanujam & Mr. Ananth Ramanujam
9	Mr. Srikanth Ramanujam & Rupa Srikanth
10	Mrs. Lily Vijayaraghavan
11	Mrs. Lily Vijayaraghavan & Mr. Badri Vijayaraghavan
12	Mrs. Lily Vijayaraghavan & Mr. Sharath Vijayaraghavan
13	Mrs. Lily Vijayaraghavan & Ms. Sashi Parthasarathy
14	Mr. Sharath Vijayaraghavan
15	Ms. Rama Sridharan
16	Mr. K. Vasudevan
17	Mr. K. Vasudevan & Mrs. Lakshmi Vasudevan
18	Mrs. Anuradha Raghavan
19	Mr. Barath Rengarajan
20	Mrs. Usha Raghavan
21	Mr. S. Narayanan
22	Mr. N. Krishnan
23	Mr. N. Krishnan & Mr. Akshay Krishnan
24	Mr. N. Krishnan & Mr. Ananth Krishnan
25	Mr. Narayanan Ramji
26	Mr. N. Ramji & Master Ashwathanarayan Ramji Rep By F/G: N Ramji
27	Mr. N.S. Ramji & Master Ashwathanarayan Ramji Rep By F/G: Mr. N.S. Ramji
28	Mr. N.S. Ramji & Miss Aishwarya Ramji Rep By F/G: Mr. N.S. Ramji
29	Mr. N. Ramji & Master Ashwathanarayan Ramji Rep By F/G: Mr. N. Ramji
30	Mr. N Ramji & Miss Aishwarya Ramji Rep By F/G: Mr. N Ramji
31	Mr. N Ramji & Mrs. Sharmila Ramji
32	Mr. N Ramji & Master Ashwathanarayan Ramji Rep By F/G: Mr. N Ramji
33	Mr. S. Sundaram

Sl. No.	Name of the Person
34	Mr. S. Chakravarthy
35	Mr. T.T. Rangaswamy, Mr. T.T. Venkatraghavan & Mr. T.T. Srinivasaraghavan
36	Mr. T.T. Rangaswamy, Mr. T.T. Narendran & Mr. T.T. Hayagreevan
37	Mr. T.T. Narendran, Mrs. Vimala Rangaswamy & Mrs. Padmini Narendran
38	Mr. T.T. Srinivasaraghavan & Mrs. Bagyam Raghavan
39	Mr. T.T. Srinivasaraghavan, Mrs. Vimala Rangaswamy & Mrs. Bagyam Raghavan
Promoter Group	
1	Mrs. Gita Ram
2	Mrs. Indira Krishnaswami
3	Revathi Holdings Private Limited
4	Ms. Daya Ambirajan
5	Mr. Ranjan Ambirajan
6	Padmalakshmi Holdings Private Limited
7	Mr. Srivats Ram (HUF)
8	Ms. Aruna Sankaranarayanan.
9	Miss Tarika Ram (Minor)
10	Maham Holdings Limited
11	Mr. Arjun Rangarajan.
12	Ms. Anupama Lakshmi Rangarajan
13	Mr. Dangety Satyanarayanamurty
14	Ms. Dangety Krishnakumari
15	Raghuvamsa Holdings Private Limited
16	Mr. S. Viji & Mrs. Chitra Viji
17	Mr. S. Viji (HUF)
18	Mr. S. Viji (HUF)
19	Mrs. Chitra Viji
20	Mr. Harsha Viji
21	Mr. Harsha Viji & Mrs. Chitra Viji
22	Mr. Sriram Viji
23	Mr. Sriram Viji & Mrs. Chitra Viji
24	Uthirattadhi Sriram Holdings Private Limited
25	Athreya Harsha Holdings Private Limited
26	Mr. Srikanth Ramanujam (HUF)
27	Mrs. Rupa Srikanth
28	Mr. Aditya S. Ramanujam
29	Ms. Tulsi S Ramanujam
30	Mrs. Prema Ramanujam
31	Mr. R. Ramanujam
32	Mr. R. Ramanujam (HUF)
33	Mr. R. Ramanujam & Mrs. Prema Ramanujam
34	Mr. R. Ramanujam & Mr. Ananth Ramanujam
35	Mr. R. Ramanujam & Mr. R. Srikanth
36	Mr. Ananth Ramanujam

Sl. No.	Name of the Person
37	Mr. Sumanth Ramanujam
38	Allegro Holdings Private Limited
39	Silver Oak Holdings Private Limited
40	Rohini Holdings Private Limited
41	Mr. Sharath Vijayaraghavan
42	Ms. Lakshmi Vijayaraghavan
43	Mr. Vishnu Vijayaraghavan
44	Mrs. Lakshmi Vasudevan
45	Mr. Srinivas Raghavan
46	Mr. S. Raghavan
47	Mr. Shreen Raghavan
48	Mr. Shreen Raghavan
49	Ms. Veena Raghavan
50	Mrs. Choodamani Narayanan
51	Mrs. Saraswathi Srinivasan
52	Mr. N. Krishnan
53	Mr. Ananth Krishnan
54	Mr. Akshay Krishnan
55	Mr. Narayanan Ramji (HUF)
56	Master Ashwathanarayan Ramji Rep By F/G: Mr. N. Ramji & Mr. N. Ramji
57	Mrs. S. Hema
58	Mr. S. Kishore & Mr. A.M. Srinivasan
59	Mr. A.M. Srinivasan & Mr. S. Kishore
60	Mr. A.M. Srinivasan
61	Mr. Jaideep Chakravarthy
62	Mr. Pradeep Chakravarthy
63	Mrs. Vimala Rangaswamy, Mr. T.T. Narendran & Mrs. Padmini Narendran
64	Mrs. Vimala Rangaswamy, Mr. T.T. Srinivasaraghavan & Mr. T.T. Venkatraghavan
65	Mr. T.T. Rangaswamy (HUF)
66	Mr. T.T. Rangaswamy (HUF)
67	Mr. T.T. Narendran (HUF)
68	Mr. T.T. Narendran & Mrs. Padmini Narendran
69	Mr. T.T. Narendran & Mrs. Padmini Narendran
70	Mrs. Padmini Narendran & Mr. T.T. Hayagreevan
71	Miss Gitanjali Jeevan Jose, Rep By M/G Mrs. Divya Jeevan Jose
72	Master P. Siddhartha Jeevan, Rep By M/G Mrs. Divya Jeevan Jose
73	Miss Kavitha Gorur Keshav & Mr. T.T. Hayagreevan
74	Miss Nakshatra Hayagreevan (Minor)
75	Mr. T.T. Srinivasa Raghavan (HUF)
76	Mr. T.T. Srinivasaraghavan & Mr. T.T. Narendran
77	Mrs. Bagyam Raghavan & Mr. T.T. Venkatraghavan
78	Mr. Shriram Vijayaraghavan

H. GROUP COMPANIES

In addition to the 'promoter' of the Company, i.e., Sundaram Finance Limited (SFL) and the subsidiaries/associates of the Company, which shall be categorised as group companies in accordance with the applicable accounting standards, the other subsidiaries of SFL shall be considered material (as per the SFHL Policy on Materiality for determining Group Companies) since they are related parties to the Company as on the date of the last audited financial statements, i.e., 30th September 2017 and therefore, be categorised as 'Group Companies' for the purpose of disclosure(s) in the Information Memorandum.

The Subsidiaries and Associates of the Company are as follows:

Sl. No.	Name of the Company	Status
1.	Sundaram Business Services Limited	Subsidiary
2.	Sundaram BPO India Limited	Subsidiary
3.	Axles India Limited	Associate
4.	Turbo Energy Private Limited	Associate
5.	Transenergy Limited	Associate
6.	Sundaram Hydraulics Limited	Associate
7.	Sundaram Dynacast Private Limited	Associate
8.	Flometallic India Private Limited	Associate
9.	The Dunes Oman LLC (FZC)	Associate

For extent of interest of SFHL in the above companies, please refer the head 'Brief Summary of the Business/Activities of the Issuer and its line of business' under Section V: About the Issuer.

The other subsidiaries of SFL are as follows:

Sl. No.	Name of the Company	Extent of Interest of SFL (%)
1.	Sundaram BNP Paribas Home Finance Limited	50.10
2.	Royal Sundaram General Insurance Co. Limited	75.90
3.	Sundaram Asset Management Company Limited (SAMC)	100
4.	Sundaram Asset Management Singapore PTE Limited	100 (through SAMC)
5.	Sundaram Alternate Assets Limited	100 (through SAMC)
6.	Sundaram Trustee Company Limited	100
7.	Sundaram BNP Paribas Fund Services Limited	50.10
8.	LGF Services Limited	100

For details relating to the 'Group Companies', please refer the head 'Financial Information of the Group Companies' under Section VI: Financial Information.

I. DIVIDEND POLICY

The Dividend Policy, as approved by the Board of Directors, *inter alia* provides the following:

1. The Board of Directors may declare/recommend interim/final dividends and endeavour to maintain such payout ratio as may be considered appropriate after considering various financial and other parameters.
2. Dividends shall generally be declared out of the annual standalone Profit after Tax of the Company relating to the current financial year, subject to any other regulatory provisions that may be introduced from time to time.

SECTION VI – FINANCIAL INFORMATION

A. FINANCIAL INFORMATION OF THE COMPANY

The allotment of 11,11,03,860 equity shares of Rs. 5/- each by the Board of Directors on February 12, 2018, pursuant to the Scheme, shall result in an increase in the Issued and Paid-up Capital of the Company by Rs. 5555.19 lakhs, which has been included in the reserves currently. Suitable adjustments shall be made in accordance with the Scheme, which will have no overall impact on the standalone/consolidated networth of the Company.

The Report of Statutory Auditors of the Company on the restated Standalone and Consolidated Financial Information and the relevant Financial Statements are enclosed.

R.G.N. PRICE & CO. CHARTERED ACCOUNTANTS

Phone : 28413633 & 28583494
Telefax : 28544569
E-Mail : price@vsnl.com
Offices at : Mumbai, Bangalore, New Delhi, Cochin,
Quilon & Calicut

Simpson's Buildings,
861, Anna Salai,
Chennai - 600 002.

12th February 2018

Ref. :

AUDITOR'S REPORT ON RESTATED STANDALONE FINANCIAL INFORMATION

To

The Board of Directors
Sundaram Finance Holdings Limited
(Formerly known as Sundaram Finance Distribution Limited)
(Formerly known as Sundaram Finance Investments Limited)
21, Patullous Road,
Chennai 600 002

Auditors' Report on Restated Standalone Financial Information in connection with the proposed listing of equity shares of Sundaram Finance Holdings Limited with National Stock Exchange of India Limited

Dear Sirs,

1. This report is issued in accordance with the terms of our engagement letter dated January 20, 2018.
2. The accompanying restated standalone financial information, expressed in Indian Rupees, in Lakhs, of **Sundaram Finance Holdings Limited** (hereinafter referred to as the "Company"), comprising Standalone Financial Information in paragraph A below and Other Financial Information in paragraph B below (hereinafter together referred to as "Restated Standalone Financial Information"), has been prepared by the Management of the Company in accordance with the requirements of Section 26 read with applicable provisions within Rules 4 to 6 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 of the Companies Act, 2013, as amended (hereinafter referred to as the "Act") and item (IX) of Part B of Schedule VIII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended to date (the "SEBI Regulations") issued by the Securities and Exchange Board of India (the "SEBI") in connection with the proposed listing of equity shares of the Company with National Stock Exchange of India Limited ("Proposed Listing") and has been approved by the Board of Directors of the Company and initialled by us for identification purposes only. For the purposes of our



examination, we have placed reliance on the audited standalone financial statements of the Company for the years ended March 31, 2013, 2014, 2015, 2016, and 2017 (all of which were expressed in Indian Rupees), on which the erstwhile auditor has expressed unmodified audit opinions for years ended upto March 31, 2017 vide their reports dated May 20, 2013, May 14, 2014, May 6, 2015, April 29, 2016 and April 28, 2017, respectively and we have expressed unmodified opinion for the half year ended September 30, 2017 vide our report dated February 12, 2018.

Management's Responsibility for the Restated Standalone Financial Information

3. The preparation of the Restated Standalone Financial Information, which is to be included in the Information Memorandum, is the responsibility of the Management of the Company and has been approved by the Board of Directors, at its meeting held on February 12, 2018, for the purpose set out in paragraph 13 below. The Management's responsibility includes designing, implementing and maintaining internal control relevant to the preparation and presentation of the Restated Standalone Financial Information. The Management is also responsible for identifying and ensuring that the Company complies with the laws and regulations applicable to its activities.

Auditors' Responsibilities

4. Our work has been carried out in accordance with the Standards on Auditing, Guidance Note on Reports in Company Prospectuses (Revised) and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India and pursuant to the requirements of Section 26 read with applicable provisions within Rules 4 to 6 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 of the Act. Our work has been performed solely to assist the Company in meeting its responsibilities in relation to your compliance with the Act and the SEBI Regulations in connection with the Proposed Listing of equity shares of the Company with National Stock Exchange of India Limited.

A. Standalone Financial Information as per audited standalone financial statements:

5. We have examined the following summarized financial statements of the Company contained in Restated Standalone Financial Information of the Company:
 - a. the "Restated Standalone Statement of Assets and Liabilities" as at March 31, 2013, 2014, 2015, 2016, 2017 and September 30, 2017(enclosed as Annexure I);
 - b. the "Restated Standalone Statement of Profit and Loss" for the years ended March 31, 2013, 2014, 2015, 2016, 2017 and September 30, 2017(enclosed as Annexure II) and
 - c. the "Restated Standalone Statement of Cash Flows" for the years ended March 31, 2013, 2014, 2015, 2016, 2017 and September 30, 2017(enclosed as Annexure III).



6. The Restated Standalone Financial Information, expressed in Indian Rupees, in Lakhs, has been derived from the audited standalone financial statements of the Company read with paragraph 7 and 8 below, as at and for the years ended March 31, 2013, 2014, 2015, 2016, 2017, and September 30, 2017 all of which were expressed in Indian Rupees.
7. We draw your attention to the following:
 - d. the Restated Standalone Financial Information should be read in conjunction with the basis of preparation and significant accounting policies given in Annexure IV (as described in paragraph 9(i));
 - e. the Restated Standalone Financial Information has been prepared for the limited purpose of the proposed listing of Equity Shares of the Company with the National Stock Exchange of India Limited and it does not contain all the disclosures required as per the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
8. We have not audited any financial statements of the Company as of any date or for any period on or prior to March 31, 2017. Accordingly, we do not express any opinion on the financial position, results of operations or cash flows of the Company as of any date or for any period on or prior to March 31, 2017. Audit of accounts of the Company for the years ended March 31, 2013, 2014, 2015, 2016 and 2017 was conducted by erstwhile auditor and accordingly reliance has been placed on the financial information examined by them for the said years. Restated Standalone Financial Information for the year ended March 31, 2017 and period ended September 30, 2017 have been prepared based on the composite scheme of arrangement between M/s Sundaram Finance Holdings Limited (Resulting Company) and M/s. Sundaram Finance Limited (Demerged Company) approved by the National Company Law Tribunal (NCLT) and audit of financial information for the above mentioned periods pertaining to the Demerged Company is based solely on the audit reports issued by the auditor of the Demerged Company.

B. Other Financial Information:

9. At the Company's request, we have also examined the following Other Financial Information relating to the Company as at March 31, 2013, 2014, 2015, 2016 and 2017 and for the years ended March 31, 2013, 2014, 2015, 2016, 2017 and September 30, 2017 proposed to be included in the Information Memorandum, prepared by the Management of the Company and as approved by the Board of Directors of the Company and annexed to this report:
 - i) Basis of Preparation and Significant Accounting Policies as enclosed in Annexure IV
 - ii) Notes to the Restated Standalone Financial Information as enclosed in Annexure V
10. We have no responsibility to update our report for events and circumstances occurring after the date of the report.



Opinion

11. In our opinion:

- (i) the Restated Standalone Financial Information of the Company, as attached to this report and as mentioned in paragraphs A and B above, read with basis of preparation and respective significant accounting policies have been prepared in accordance with Section 26 read with applicable provisions within Rules 4 to 6 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 of the Act and the SEBI Regulations;
- (ii) there are no changes in accounting policies of the Company (as disclosed in the Annexure IV to this report) and accordingly, no adjustments are required in this regard;
- (iii) the material adjustments relating to previous years have been adjusted in the year to which they relate;
- (iv) there are no qualifications in the auditors' reports which require any adjustments;
- (v) there are no extra-ordinary items which needs to be disclosed separately.


12. This report should not in any way be construed as a re-issuance or re-dating of any of the previous audit reports issued by other Auditor on the stand alone financial statements of the Company.

Restriction on Use

13. This report is addressed to and is provided to enable the Board of Directors of the Company to include this report in the Information Memorandum, prepared in connection with the proposed listing of Equity Shares of the Company, to be filed by the Company with National Stock Exchange of India Limited.

Date: 12th February 2018
Place: Chennai

For R.G.N. PRICE & CO.
Chartered Accountants


K. Venkatesh Krishnan
Partner
M. No. 205591
FR No. 002786S

Statement of Assets and Liabilities as at 31st

	2013	2014	2015	2016	Restated Mar 2017	Restated as at 30-9-2017
(Rupees in lakhs)						
(1) Equity & Liabilities						
Shareholders' Funds						
(a) Share capital	50.00	50.00	50.00	50.00	2000.00	2000.00
(b) Reserves & surplus	1343.05	1384.85	1425.13	1405.00	25184.61	27938.94
(2) Non Current Liabilities						
(a) Long term borrowings						
(i) Unsecured loans	-	-	-	-	-	-
• Amount borrowed from promoters / group companies / subsidiaries / associate companies	-	-	-	-	-	-
• Others	-	-	-	-	-	-
(ii) Secured Loans (include security details, if applicable)	-	-	-	-	-	-
(b) Deferred tax liabilities (net)	-	-	-	-	-	-
(c) Long term provisions	4.74	10.45	11.61	7.24	-	3.77
(3) Current Liabilities						
(a) Short term borrowings						
(i) Unsecured loans	-	-	-	-	-	-
• Amount borrowed from promoters / group companies / subsidiaries / associate companies	-	-	-	-	-	-
• Others	-	-	-	-	-	-
(ii) Secured Loans	-	-	-	-	-	-
(b) Trade payables	104.41	17.93	13.99	10.06	9.36	12.67
(c) Other current liabilities	-	0.17	-	-	102.29	133.99
(d) Short term provisions	71.17	191.99	164.63	134.66	21.78	21.96
Total	1573.37	1655.39	1665.36	1606.96	27318.04	30111.34
Assets						
(4) Non Current Assets						
(a) Fixed Assets	-	-	-	-	121.31	115.86
(b) Non current investments						
(i) Quoted Investments						
Aggregate book value	21.75	21.75	21.75	21.75	2911.38	2911.38
Aggregate market value (only a disclosure is required)	23.30	22.40	23.28	23.71	113101.84	141551.87
(ii) Others	332.82	282.82	282.82	282.82	11152.97	11251.63
(c) Long term loans and advances						
(i) Unsecured loans and advances						

	• Amount borrowed by promoters / group companies / related parties / associate companies	50.00	-	-	-	-	-
	• Others	187.54	239.39	326.45	396.24	271.34	138.85
	(ii) Secured loans and advances	-	-	-	-	-	-
	(d) Other non current assets	3.49	1.40	1.57	2.14	22.10	23.20
(5)	Current Assets						
	(a) Current Investments	244.53	485.89	854.12	663.93	3019.81	2716.03
	(b) Inventories	-	-	-	-	-	-
	(c) Trade receivables	-	-	-	-	-	-
	(i) Debtors:						
	More than 180 days:						
	• Related to issuer or directors or promoters	-	-	-	-	-	-
	• Others	-	-	-	-	-	-
	Less than or equal to 180 days:						
	• Related to issuer or directors or promoters	-	-	-	-	-	-
	• Others	409.08	393.10	140.60	152.87	22.25	11.36
	(ii) Others						
	(iii) Total	409.08	393.10	140.60	152.87	22.25	11.36
	(d) Cash and bank balances	12.76	146.09	31.53	77.22	7.40	1.11
	(e) Short term loans and advances	-	-	-	-	-	-
	(i) Unsecured loans and advances						
	• Amount borrowed by promoters / group companies / related parties / associate companies	95.00	75.00	-	-	-	-
	• Others	211.35	5.43	5.72	8.00	30.99	33.81
	(ii) Secured loans and advances	-	-	-	-	-	-
	(f) Other current assets	5.05	4.52	0.80	2.01	9758.48	12908.10
	Total	1573.37	1655.39	1665.36	1606.96	27318.04	30111.33

Ratios :						
Return on net worth (%) (Annualised)	5.26	15.14	12.93	6.89	13.84	18.70
Net Asset Value per share (Rs.) *	278.61	286.97	295.03	291.00	17.99	19.81

* Pursuant to the Scheme of demerger, the Company shall allot one Equity Share with face value of Rs.5/- each for one share of Sundaram Finance Limited held by its shareholders as at the record date and the resultant increase in the equity share capital of the Company has been suitably adjusted in the above computation.

Statement of Profit & Loss for the year ended 31st March

	2013	2014	2015	2016	Restated Mar 2017	Restated Apr' 17 - Sep' 17
(Rupees in lakhs)						
Income						
Revenue						
(i) on account of investment activities	-	-	-	-	4894.13	3120.08
(ii) on account of BPO activities	-	-	-	-	872.49	590.86
(iii) others	1238.66	1272.85	1042.65	742.15	389.57	9.59
Other income	85.39	30.76	51.91	71.90	105.59	40.33
Increase (decrease) in inventories	-	-	-	-	-	-
	1324.05	1303.61	1094.56	814.05	6261.78	3760.86
Expenditure						
Raw materials consumed	-	-	-	-	-	-
Staff costs	76.66	84.40	75.64	73.75	664.38	421.98
Other manufacturing expenses	-	-	-	-	-	-
Administration expenses	1139.40	895.69	741.35	615.88	1572.00	151.88
Selling and distribution expenses	-	-	-	-	-	-
Interest	0.38	2.04	0.02	0.77	3.31	7.21
	1216.44	982.13	817.01	690.40	2239.69	581.07
Net profit before tax and extraordinary items	107.61	321.48	277.55	123.65	4022.09	3179.79
Taxation	34.28	104.19	86.83	23.43	484.05	380.33
Net profit before extraordinary items	73.33	217.29	190.72	100.22	3538.04	2799.46
Extraordinary items (net of tax)	-	-	-	-	-	-
Net Profit after Extraordinary Items	73.33	217.29	190.72	100.22	3538.04	2799.46

Ratios:						
Earnings per share (annualised) (Rs.) *	14.67	43.46	38.14	20.04	2.98	3.71
Diluted earnings per share (annualised) (Rs.) *	14.67	43.46	38.14	20.05	2.98	3.71

* Pursuant to the Scheme of demerger, the Company shall allot one Equity Share with face value of Rs.5/-each for one share of Sundaram Finance Limited held by its shareholders as at the record date and the resultant increase in the equity share capital of the Company has been suitably adjusted in the above computation.

Cash Flow Statement

(₹ in lakhs)

	Apr 12- Mar-13	Apr 13- Mar-14	Apr 14- Mar-15	Apr 15- Mar-16	Restated Apr 16- Mar-17	Restated Apr 17- Sep-17
CASH FLOW FROM OPERATING ACTIVITIES						
Profit after tax	73.33	217.30	190.72	100.23	3538.03	2799.46
Adjustment for Provision for Taxation (including Deferred Tax)	34.28	104.19	86.83	23.43	484.06	380.33
Finance Cost	0.38	2.04	0.02	0.77	-	7.21
Depreciation	-	-	-	-	28.39	12.44
Loss/(Profit) on sale of fixed assets/investments	(0.21)	(1.23)	(44.60)	(66.41)	(80.76)	(71.38)
Provision for Doubtful Debts & Contingencies	-	-	-	-	-	-
Diminution in value of investments	5.30	0.16	(5.63)	-	1033.73	-
Dividend income	(2.61)	(9.11)	-	-	-	-
Interest income on investments	(82.18)	(19.96)	(6.02)	(2.94)	(5.16)	(4.85)
Operating Profits before Changes in Working Capital	28.29	293.39	221.33	55.08	4998.30	3123.21
Adjustment for Changes in working capital and provisions	4.77	9.53	(1.15)	(4.25)	(504.41)	3.95
Increase/ (Decrease) in Trade Payables	74.00	(86.48)	(3.95)	(3.92)	(15.24)	3.31
(Increase) / Decrease in Trade Receivables	(294.95)	15.97	252.50	(12.27)	130.61	10.88
(Increase)/ Decrease in Loans & advances	595.37	184.98	(60.35)	(91.07)	473.50	8.24
(Increase)/ Decrease in Other Assets	(0.90)	0.53	3.72	(61.20)	(4696.47)	(3149.63)
Increase/(Decrease) in Other Liabilities	-	0.17	(0.17)	-	102.29	31.70
Cash generated from/(used in) operations	378.30	124.70	190.60	(172.72)	(4509.71)	(3091.55)
Finance costs paid	(0.38)	(2.04)	(0.02)	(0.77)	-	(7.21)
Taxes Paid (net of refunds)	(86.00)	(63.00)	(39.00)	(5.00)	(357.06)	(260.00)
CSR expenses	-	-	-	-	-	-
A. NET CASH FROM/(USED IN) OPERATING ACTIVITIES	320.21	353.05	372.91	(123.41)	131.52	(235.55)
CASH FLOW FROM INVESTING ACTIVITIES						
Purchase of Fixed Assets/securities/Investments	(1318.79)	(1728.64)	(2535.77)	(1050.50)	(4426.69)	(2836.87)
Sale of Fixed Assets/securities/Investments	1063.47	1537.12	2173.16	1240.70	2450.55	3106.41
Dividend received/Interest income on investments	85.00	30.29	50.62	69.35	5.16	4.85
B. NET CASH FROM/(USED IN) INVESTING ACTIVITIES	(170.32)	(161.22)	(311.98)	259.55	(1970.98)	274.40
CASH FLOW FROM FINANCING ACTIVITIES						
Increase /(Decrease) in Short-Term Borrowings	-	-	-	-	-	-
Increase /(Decrease) in Long-Term Borrowings	-	-	-	-	-	-
Proceeds from issue of Share Capital	-	-	-	-	1950.00	-
Share Premium Received	-	-	-	-	-	-
Share Premium Utilised	-	-	-	-	-	-
Dividend paid (including dividend distribution tax)	(145.28)	(58.50)	(175.49)	(150.45)	(120.36)	(45.13)
C. NET CASH FROM/(USED IN) FINANCING ACTIVITIES	(145.28)	(58.50)	(175.49)	(150.45)	1829.64	(45.13)
NET CHANGES IN CASH & CASH EQUIVALENTS (A+B+C)	4.61	133.33	(114.57)	(14.31)	(9.82)	(6.29)
Cash and Cash equivalents (Opening Balance)	8.16	12.76	146.09	31.53	17.22	7.40
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR / PERIOD	12.76	146.09	31.53	17.22	7.40	1.11

NOTES TO THE ACCOUNTS:

SIGNIFICANT ACCOUNTING POLICIES :

- 1 The financial statements are prepared and presented under the historical cost convention on the accrual basis of accounting and comply with the relevant provisions of the Companies Act, 2013.

The preparation of the financial statements in conformity with generally accepted accounting principles requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities as at the Balance Sheet date, reported amounts of revenues and expenses during the year / period and disclosure of contingent liabilities as at that date. The estimates and assumptions used in the financial statements are based upon the management's evaluation of the relevant facts and circumstances as of the date of financial statements. The assets and liabilities have been classified as non-current and current based on a twelve month operating cycle.

- 2 Income Recognition:

Income in respect of services rendered, insurance commission and brokerage are accounted on accrual basis. Dividend income is accounted when the right to receive the dividend is established.

- 3 Valuation of Investments:

Non-Current investments, other than investment property, are stated at cost and provision for diminution in value, other than temporary, is considered wherever necessary.

Current investments are valued at lower of cost and market value/net asset value.

- 4 Foreign currency transactions:

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

- 5 Fixed assets and Depreciation / Amortisation:

Fixed Assets and Investment Property are stated at historical cost less accumulated depreciation.

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

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

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

- 6 Employee Benefits:

A) Short Term Employee Benefits:

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

B) Post employment benefits:

Defined Contribution Plan

Provident Fund:

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

Defined Benefit Plan

Gratuity:

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

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

C) Other long term Employee Benefits:

The estimated liabilities in respect of other long term benefits like Employee Assured Bonus Scheme and Entitlement of privilege leave has been based actuarial valuation.

7 Taxation:

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

8 Impairment of Assets:

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

9 Provisions:

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

10 Cash flow statement

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

Other Notes

- 1 The name of the company has been changed to Sundaram Finance Holdings Limited with effect from 29th March 2017, formerly known as Sundaram Finance Investments Limited.

2 Scheme of arrangement:

The Scheme of Arrangement (“the Scheme”) between the company (“Resulting Company”) and Sundaram Finance Limited (SFL) (“Demerged Company”) and their Shareholders and creditors under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013, was approved by the Board of Directors of the Company on 17.02.2017

The National Company Law Tribunal, Division Bench, Chennai vide Order No. CP/210-214/CAA/2017 dated 12th January 2018 approved the Scheme, which was received on 18th January 2018. The Scheme shall be effective from the Appointed Date, i.e. 01st April 2016, but shall be operative from the Effective Date, i.e. 18th January 2018.

The scheme provides for demerger of Shared services division of Sundaram BPO India Limited (SBIL) into SFL and demerger of non-core business activities of SFL into the company.

The non-core business activities of SFL means identified business activities undertaken by SFL other than

- a) Non-banking financial services business of SFL
- b) Allied business viz. distribution of financial products like insurance, home loans, mutual funds, deposits, etc., and
- c) Investments in companies engaged in insurance, home finance, asset management and trusteeship services, fund services, credit information services and other financial services.

The Scheme envisages transfer of ;

1. Shared services business and training services rendered,
2. Investment in specified Land and buildings,
3. Investments by SFL in specified shares of non-core business.

The salient features of the scheme are as under,

1. All the assets and liabilities including contingent liabilities, duties and obligations pertaining to SFL demerged undertaking as on 01.04.2016 and from 01.04.2016 to the date on which the scheme becomes effective, shall stand transferred to and vested in the Company.
2. The company shall issue and allot to each shareholder whose name appears in the records of SFL on the record date, one equity share of ₹ 5/- each credited as fully paid in the equity share capital of the company for every one fully paid up SFL equity share held by them.
3. The shares of the company will be listed and admitted for trading on NSE and all necessary applications will be made in this respect.
4. All legal proceedings by or against the Demerged undertaking of SFL, be transferred to the company.
5. All employees of the SFL Demerged Undertaking who are in such employment as on the Effective Date shall become employees of the company, and the terms and conditions of their employment with the company shall not be less favourable than those applicable to them with reference to their employment in SFL.

6. All the contracts, deeds, bonds, agreements or any other instruments of whatsoever nature of demerged undertaking of SFL, shall continue in full force and effect against or in favour of the company.
7. All profits / income / expenditure / losses accruing or incurred by SFL in respect of SFL demerged undertaking shall be treated as deemed to accrue or incurred by SFL demerged undertaking with effect from appointed date.
8. Pursuant to the Scheme, Net Assets of ₹20241.57 lakhs was taken over from the Demerged undertaking of SFL on 1st April 2016 and the details are as under

Particulars	₹ in lakhs
Assets	
Fixed assets	111.49
Investments	15130.72
Long-Term loans & Advances	11.86
Short Term Loans & Advances	5002.67
Total Assets	20256.74
Liabilities	
Trade payables	14.54
Deferred tax liability (net)	0.63
Total Liabilities	15.17
Net assets	20241.57

The Net Assets of ₹ 20241.57 lakhs has been credited to 'Capital Reserve', 'General Reserve', and 'Surplus in the Profit and Loss Account' in the same proportion, as it appeared in the books of the demerged company, before giving effect to the Scheme.

- 3 The company was engaged in the business of Agency and Retail Distribution, and it ceased to carry on such business with effect from 01st Feb 2017. Consequently the employees engaged in such nature of business were transferred to the Holding and fellow subsidiary company with effect from 01st Feb 2017. The employee benefits payable as on 31st January 2017 will be paid to the respective companies to which the employees are transferred.
- 4 The pending litigations as on 30th September, 2017 have been compiled by the company and reviewed by the Statutory Auditors. The effect of the current position of the litigations have been evaluated and appropriately considered and disclosed in the financial statements.
- 5 Contingent liabilities and commitments
Uncalled liability on partly paid equity shares of ₹ 550 lakhs as of 30.09.2017 (₹ 550 lakhs as of 31.03.2017).
- 6 Earnings in foreign currency
The company has received dividend from an Associate company of ₹ 1850.09 lakhs for the period Apr-Sep 17 [For the year 2016-17 - ₹ 2180.10 lakhs (Net of TDS of ₹ 86.73 lakhs)]
- 7 Disclosure as per AS 15
The Company has recognised the following amounts in the Statement Profit and Loss which are included in Employee benefits.

(₹ in lakhs)

Particulars	Half-year ended 30.09.2017	2016-17	2015-16	2014-15	2013-14	2012-13
Contribution to Provident Fund & other funds	17.64	29.48	2.34	2.47	2.64	2.58

Other Employee Benefits

The Company's liability towards other employee benefits are given below:

(₹ in lakhs)

Particulars	30.09.2017	31.03.2017	31.03.2016	31.03.2015	31.03.2014	31.03.2013
Staff Medical Scheme	-	-	0.93	0.54	0.99	0.81
Employee Assured Bonus Scheme	-	-	11.79	16.36	17.08	8.16

Particulars	30.09.2017		31.03.2017		31.03.2016	31.03.2015	31.03.2014	31.03.2013
	Gratuity	Funded Compensation Absences	Gratuity	Funded Compensation Absences	Gratuity	Gratuity	Gratuity	Gratuity
Reconciliation of opening and closing balances of the present value of the defined benefit obligation								
Opening Balance :Present value of obligation	36.78	8.18	32.68	7.07	5.07	2.83	2.87	1.76
Current service cost	1.94	0.22	3.55	0.41	0.41	0.23	0.23	0.14
Interest cost	1.33	0.21	2.61	0.42	0.83	0.64	0.86	0.51
Benefits paid	-	2.73	-	2.19	-	0.42	0.18	-
Actuarial (gain) / loss on obligations	3.99	4.99	(2.07)	2.46	(0.34)	1.78	(0.95)	0.45
Closing Balance :Present value of obligation	44.05	10.87	36.78	8.18	5.96	5.07	2.83	2.87
Reconciliation of opening and closing balances of the fair value of plan assets								
Opening Balance :Fair value of plan assets	25.54	3.94	29.07	2.28	5.72	3.90	3.09	2.12
Expected return on plan assets	1.12	0.14	2.67	0.12	0.55	0.42	0.29	0.22
Contributions made	-	3.88	2.88	1.01	0.92	1.81	0.71	0.75
Benefits paid	-	2.73	-	2.19	-	0.42	0.18	-
Actuarial gain / (loss) on plan assets	-	0.10	(9.08)	2.71	-	-	-	-
Closing Balance : Fair value of plan assets	26.66	5.33	25.54	3.94	7.19	5.72	3.90	3.09

Particulars	30.09.2017		31.03.2017		31.03.2016	31.03.2015	31.03.2014	31.03.2013
	Gratuity	Funded Compensation Absenses	Gratuity	Funded Compensation Absenses	Gratuity	Gratuity	Gratuity	Gratuity
Reconciliation of present value of defined benefit obligation and fair value of plan assets to the Assets & Liabilities recognised in The Balance Sheet								
assets & liabilities recognised in the Balance sheet								
Closing Balance :Present value of obligation	44.05	10.87	36.78	8.18	5.96	5.07	2.83	2.87
Closing Balance :Fair value of plan assets	26.66	5.33	25.54	3.94	7.19	5.72	3.90	3.09
Unrecognised past service cost					-	-	-	-
Net Asset/(Liability) recognised in Balance Sheet	(17.38)	(5.54)	(11.24)	4.24	1.23	0.65	1.07	0.22
Expenses recognised in The Statement of Profit & Loss								
Current service cost	1.94	0.22	3.55	0.41	0.83	0.64	0.86	0.51
Interest cost	1.33	0.21	2.61	0.42	0.41	0.23	0.23	0.14
Expected return on plan assets	1.12	0.14	2.67	0.12	0.55	0.42	0.29	0.22
Net actuarial (gain) / loss recognized	3.99	4.89	7.00	(0.25)	(0.34)	1.78	(0.95)	0.45
Total Expenses	6.14	5.18	10.50	0.47	0.34	2.23	(0.15)	0.89
Actual return on plan assets								
Expected return on plan assets	1.12	0.14	2.67	0.12	0.55	0.42	0.29	0.22
Actuarial gain / (loss) on plan assets	-	0.10	(9.08)	2.71	-	-	-	0.00
Actual return on plan assets	1.12	0.24	(6.41)	2.83	0.55	0.42	0.29	0.22
Actuarial assumptions*								
Discount rate	7.00%	6.40%	7.25%	6.25%	8%	8%	8%	8%
Expected rate of return on plan assets	8.78%	6.25%	8.78%	6.25%	8%	8%	8%	8%
Rate of increase in compensation levels	5.00%	5.00%	5.00%	5.00%	7%	7%	7%	7%
Attrition rate	60.00%	60.00%	60.00%	60.00%	1-3%	1-3%	1-3%	1-3%

* 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.

- 8 There is no amount due to Small Scale Industries in terms of “The Micro, Small and Medium Enterprises Development Act, 2006”.
- 9 The financial statements of the company for the year ended 31.03.2017 and period ended 30.09.2017, have been restated to reflect the impact of merger of demerged undertaking of SFL, as provided in the Scheme of Arrangement and is prepared for the purpose of filing the Information Memorandum with National Stock Exchange.

SEGMENTS REPORTING :

SEPTEMBER'17

(₹ in lakhs)

Business Segments	Investments	Support services	Total
REVENUE			
Segment Revenue	3120.08	600.45	3720.53
RESULT			
Expenses	-	563.43	563.43
Segment Result	3120.08	37.02	3157.10
Unallocated income(net of expense)	-	-	22.70
Profit before tax	-	-	3179.80
Less: Income tax	-	-	380.34
Profit after tax	-	-	2799.46
OTHER INFORMATION			
Segment Assets	24570.90	346.49	24917.39
Unallocated Assets	-	-	5193.94
Total Assets	-	-	30111.33
Segment Liabilities	-	172.40	172.40
Unallocated Liabilities	-	-	-
Total Liabilities	-	-	172.40
Capital Expenditure	-	-	5.69
Depreciation	-	-	12.44
Non-cash expenses other than depreciation	-	-	-

Related Party disclosures: In accordance with the Accounting Standard 18 on ‘Related Party disclosures’, the details of related parties and the transactions with related parties for the year 2012-13 are given below:

Related parties:

Holding company : Sundaram Finance Limited

Subsidiaries : Infreight Logistics Solutions Limited
Sundaram Parekh Warehousing Services Limited
Caltec Servicez Private Limited

Fellow Subsidiaries : Sundaram BNP Paribas Home Finance Limited
Sundaram Asset Management Company Limited
Sundaram Trustee Company Limited
LGF Services Limited
Sundaram Infotech Solutions Limited
Sundaram Business Services Limited
Professional Management Consultants Limited
Sundaram BNP Paribas Fund Services Limited
Sundaram Insurance Broking Services Limited
Sundaram Asset Management Singapore Pte Limited (From 06th June 2012)
Sundaram BPO India Limited (From 07th Aug 2012)

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	Holding Company	Subsidiaries	Fellow Subsidiaries	Total
Expenses				
Sundaram Finance Ltd.	15.28			15.28
- Sourcing Fees	(14.19)			(14.19)
Sundaram Finance Ltd.				
Service Expenses	428.24			428.24
	-			-
Income				
Sundaram Finance Limited				
Interest on Inter Corporate Deposit	67.08			67.08
	(49.61)			(49.61)
Infreight Logistics Solution Limited				
Interest on Inter-Corporate loan		-		-
		(3.71)		(3.71)
Caltec Servicez Private Limited				
Interest on Inter-Corporate loan		6.00		6.00

Nature of Transactions	Holding Company	Subsidiaries	Fellow Subsidiaries	Total
		(1.52)		(1.52)
Assets				
Investment in Equity Shares				
Infreight Logistics Solutions Limited		44.82		44.82
		(44.82)		(44.82)
Caltec Servicez Private Limited		282.80		282.80
		(215.35)		(215.35)
Inter Corporate Deposit				0
Sundaram Finance Limited				0
- Investment	310.00			310.00
	(1,105.00)			(1,105.00)
- Disinvestment	841.00			841.00
	(599.00)			(599.00)
- Outstanding at end of the year	95.00			95.00
	(626.00)			(626.00)
- Interest Receivable	0.05			0.05
	-			-
Inter Corporate loan				
Infreight Logistics Solution Limited				
- Repayment		-		-
		(190.00)		(190.00)
- Outstanding		-		-
		-		-
- Interest Receivable		-		-
		-		-
Caltec Servicez Pvt Ltd				
- Disbursement		-		-
		(50.00)		(50.00)
- Outstanding		50.00		50.00
		-		-
- Interest Receivable		1.48		1.48
		(1.49)		(1.49)
Liabilities				
Sundaram Finance Ltd.				
- Equity Share Holdings	50.00			50.00
	(50.00)			(50.00)
- Dividend Payable	50.00			50.00

Nature of Transactions	Holding Company	Subsidiaries	Fellow Subsidiaries	Total
	(125.00)			(125.00)
- Interim Dividend Paid	-			-
	-			-
-Service Expenses Payable	28.51			28.51
	-			-
- Sourcing Fees payable	4.12			4.12
	(3.69)			(3.69)

No amount has been written off/written back during the year.

Previous year figures are given in brackets.

Related Party disclosures:

In accordance with the Accounting Standard 18 on 'Related Party disclosures', the details of related parties and the transactions with related parties for the year 2013-14 are given below:

Related Parties:

Holding Company : Sundaram Finance Limited

Subsidiaries : Infreight Logistics Solutions Limited
Sundaram Parekh Warehousing Services Limited
Caltec Servicez Private Limited (Till 15th May 2013)

Fellow Subsidiaries : Sundaram BNP Paribas Home Finance Limited
Sundaram Asset Management Company Limited
Sundaram Trustee Company Limited
LGF Services Limited
Sundaram Infotech Solutions Limited
Sundaram Business Services Limited
Professional Management Consultants Limited (Till 15th May 2013)
Sundaram BNP Paribas Fund Services Limited
Sundaram Insurance Broking Services Limited
Sundaram Asset Management Singapore Pte Limited
Sundaram BPO India Limited

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	Holding Company	Subsidiaries	Fellow Subsidiaries	Total
Expenses				
Sundaram Finance Ltd.	15.49			15.49
Sourcing Fees	(15.28)			(15.28)
Sundaram Finance Ltd.	-			-
Service Expenses	431.45			431.45
	(428.24)			(428.24)
Income	-			-
Sundaram Finance Limited	-			-
Interest on Inter Corporate Deposit	6.78			6.78
	(67.08)			(67.08)
Sundaram Business Services Limited				-
Interest on Inter-Corporate loan			4.58	4.58
			-	-
Sundaram BPO India Limited			-	-
Interest on Inter-Corporate loan			2.07	2.07
			(6.00)	(6.00)
Assets				-
Investment in Equity Shares				-
Infreight Logistics Solutions Limited		44.82		44.82
		(44.82)		(44.82)
Sundaram BPO India Limited			282.80	282.80
			(282.80)	(282.80)
Inter Corporate Deposit				-
Sundaram Finance Limited				-
- Investment	200.00			200.00
	(310.00)			(310.00)
- Disinvestment	295.00			295.00
	(841.00)			(841.00)
- Outstanding at end of the year	-			-
	(95.00)			(95.00)
- Interest Receivable	-			-
	(0.05)			(0.05)
Inter Corporate loan				-

Nature of Transactions	Holding Company	Subsidiaries	Fellow Subsidiaries	Total
Sundaram Business Services Limited				-
				-
- Disbursement			75.00	75.00
			-	-
- Outstanding			75.00	75.00
			-	-
- Interest Receivable			2.07	2.07
			-	-
Sundaram BPO India Limited			-	-
- Disbursement			-	-
			-	-
- Outstanding			-	-
			(50.00)	(50.00)
- Interest Receivable			-	-
			(1.48)	(1.48)
Liabilities				-
Sundaram Finance Ltd.				-
- Equity Share Holdings	50.00			50.00
	(50.00)			(50.00)
- Dividend Payable	150.00			150.00
	(50.00)			(50.00)
- Interim Dividend Paid	-			-
	-			-
-Service Expenses Payable	-			-
	(28.51)			(28.51)
- Sourcing Fees payable	2.42			2.42
	(4.12)			(4.12)

No amount has been written off/written back during the year.

Previous year figures are given in brackets.

Related Party Disclosures:

In accordance with the Accounting Standard 18 on 'Related Party disclosures', the details of related parties and the transactions with related parties for the year 2014-15 are given below:

Related Parties:**Holding Company** : Sundaram Finance Limited**Subsidiaries** : Infreight Logistics Solutions Limited
Sundaram Parekh Warehousing Services Limited
(merged with Infreight Logistics Solutions Ltd.
with effect from 01.04.2014)**Fellow Subsidiaries** : Sundaram BNP Paribas Home Finance Limited
Sundaram Asset Management Company Limited
Sundaram Trustee Company Limited
LGF Services Limited
Sundaram Infotech Solutions Limited
Sundaram Business Services Limited
Sundaram BNP Paribas Fund Services Limited
Sundaram Insurance Broking Services Limited
Sundaram Asset Management Singapore Pte Limited
Sundaram BPO India Limited

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	Holding Company	Subsidiaries	Fellow Subsidiaries	Total
Expenses				
Sundaram Finance Ltd.				
Sourcing Fees	16.73			16.73
	(15.49)			(15.49)
Sundaram Finance Ltd.				-
Service Expenses	483.05			483.05
	(431.45)			(431.45)
Income				-
Sundaram Finance Limited				-
Interest on Inter Corporate Deposit	-			-
	(6.78)			(6.78)
Sundaram Business Services Limited				-
Interest on Inter-Corporate loan			3.78	3.78
			(4.58)	(4.58)
Assets				-

Nature of Transactions	Holding Company	Subsidiaries	Fellow Subsidiaries	Total
Investment in Equity Shares				-
Infreight Logistics Solutions Limited		44.82		44.82
		(44.82)		(44.82)
Sundaram BPO India Limited			282.80	282.80
			(282.80)	(282.80)
Inter Corporate Deposit				-
Sundaram Finance Limited				-
- Investment	-			-
	(200.00)			(200.00)
- Disinvestment	-			-
	(295.00)			(295.00)
Inter Corporate Loan				-
Sundaram Business Services Limited				-
				-
- Disbursement			-	-
			(75.00)	(75.00)
- Repayment			75.00	75.00
			-	-
- Outstanding			-	-
			(75.00)	(75.00)
- Interest Receivable			-	-
			(2.07)	(2.07)
				-
Liabilities				-
Sundaram Finance Ltd.				-
- Equity Share Holdings	50.00			50.00
	(50.00)			(50.00)
- Dividend Payable	125.00			125.00
	(150.00)			(150.00)
- Interim Dividend Paid	-			-
	-			-
-Service Expenses Payable	-			-
	-			-
- Sourcing Fees payable	3.02			3.02
	(2.42)			(2.42)

No amount has been written off/written back during the year.

Previous year figures are given in brackets.

Related Party disclosures: In accordance with the Accounting Standard 18 on ‘Related Party disclosures’, the details of related parties and the transactions with related parties for the year 2015-16 are given below:

Related Parties:

Holding Company : Sundaram Finance Limited

Subsidiaries : Infreight Logistics Solutions Limited

Fellow Subsidiaries : Sundaram BNP Paribas Home Finance Limited
Sundaram Asset Management Company Limited
Sundaram Trustee Company Limited
LGF Services Limited
Sundaram Infotech Solutions Limited
Sundaram Business Services Limited
Sundaram BNP Paribas Fund Services Limited
Sundaram Insurance Broking Services Limited
Sundaram Asset Management Singapore Pte Limited
Sundaram BPO India Limited
Royal Sundaram General Insurance Co. Limited
(Effective from 29-Jul-2015)

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	Holding Company	Subsidiaries	Fellow Subsidiaries	2015-16	2014-15
Expenses					
Sundaram Finance Ltd.					
Sourcing Fees	1.07			1.07	16.73
Sundaram Finance Ltd.					
Service Expenses	488.46			488.46	483.05
Royal Sundaram General Insurance Co. Limited					
Insurance			0.07	0.07	-
Income					
Sundaram Business Services Limited					
Interest on Inter-Corporate loan			-	-	3.78
				-	-
Assets					
Investment in Equity Shares				-	-

Nature of Transactions	Holding Company	Subsidiaries	Fellow Subsidiaries	2015-16	2014-15
Infreight Logistics Solutions Limited		44.82		44.82	44.82
Sundaram BPO India Limited			282.80	282.80	282.80
Inter Corporate loan					
Sundaram Business Services Limited					
- Repayment			-	-	75.00
Prepaid Expenses					
Royal Sundaram General Insurance Co. Limited			0.10	0.10	-
Liabilities					
Sundaram Finance Ltd.					
- Equity Share Holdings	50.00			50.00	50.00
- Dividend Payable	100.00			100.00	125.00
- Sourcing Fees payable	-			-	3.02

No amount has been written off/written back during the year.

Related party disclosures, as per Accounting Standard 18 - 'Related Party Disclosures', for the year ended 31st March 2017 are given below

Related parties

Holding company : Sundaram Finance Limited

Subsidiaries : Sundaram Business Services Limited
Sundaram BPO India Limited

Fellow Subsidiaries : Royal Sundaram General Insurance Co. Limited
Sundaram Asset Management Company Limited
Sundaram BNP Paribas Home Finance Limited
Sundaram Trustee Company Limited
LGF Services Limited
Sundaram BNP Paribas Fund Services 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

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	Holding	Subsidiary	Fellow Subsidiary	Associate	2016-17
Income					
Dividend income					
Sundaram Dynacast Private Limited				117.00	117.00
Turbo Energy Private Limited				256.00	256.00
Dunes Oman LLC (FZC)				2266.83	2266.83
Axles India Limited				148.38	148.38
Transenergy Limited				9.00	9.00
Flometallic India Private Limited				325.00	325.00
Income from services					
Sundaram Finance Limited	527.18				527.18
Sundaram Asset Management Company Limited			28.51		28.51
Sundaram BNP Paribas Fund Services Limited			6.88		6.88
Sundaram BNP Paribas Home Finance Limited			51.52		51.52
Royal Sundaram General Insurance Co. Limited			87.11		87.11
Sundaram Business Services Limited		0.40			0.40
Turbo Energy Private Limited				2.92	2.92
Other Income					
Rent receipts					
Turbo Energy Private Limited				47.87	47.87
Expenses					
Sundaram Finance Ltd.					
Service Expenses	157.02				157.02
Rent	0.04				0.04
Royal Sundaram General Insurance Co. Limited					
Insurance			2.66		2.66

(₹ in lakhs)

Nature of Transactions	Holding	Subsidiary	Fellow Subsidiary	Associate	2016-17
Transactions during the year					
Sundaram Finance Ltd. - Sale of Equity Shares	1.00				1.00
Sundaram Hydraulics Limited - Redemption of preference shares				166.67	166.67
Investment in Equity Shares					
Sundaram BPO India Limited		1412.79			1412.79
Sundaram Business Services Limited		1500.00			1500.00
Flometallic India Private Limited				3250.00	3250.00
Dunes Oman LLC (FZC)				2694.86	2694.86
Sundaram Hydraulics Limited				1125.00	1125.00
Axles India Limited				1015.70	1015.70
Turbo Energy Private Limited				188.41	188.41
Transenergy Limited				187.50	187.50
Sundaram Dynacast Private Limited				117.00	117.00
Investment in preference shares					
Sundaram Hydraulics Limited				333.33	333.33
Receivables:					
Sundaram Finance Limited	9757.61				9757.61
Liabilities					
Sundaram Finance Ltd.					
- Equity Share Holdings	2000.00				2000.00
- Dividend Payable					
- Payables	82.79				82.79

Details of transactions with related parties

Related party disclosures, as per Accounting Standard 18 - 'Related Party Disclosures', for the period ended 30th Sep 2017 are given below:

Related parties:

Holding company	:	Sundaram Finance Limited
Subsidiaries	:	Sundaram Business Services Limited Sundaram BPO India Limited
Fellow Subsidiaries	:	Royal Sundaram General Insurance Co. Limited Sundaram Asset Management Company Limited Sundaram BNP Paribas Home Finance Limited Sundaram Trustee Company Limited LGF Services Limited Sundaram BNP Paribas Fund Services 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

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	Holding	Subsidiary	Fellow Subsidiary	Associate	Half year 30.09.2017	2016-17
Income						
Dividend income						
Sundaram Dynacast Private Limited				70.20	70.20	117.00
Turbo Energy Private Limited				460.80	460.80	256.00
Dunes Oman LLC (FZC)				1850.09	1850.09	2266.83
Axles India Limited				178.05	178.05	148.38
Transenergy Limited				9.00	9.00	9.00
Flometallic India Private Limited						325.00
Income from services						
Sundaram Finance Limited	293.06				293.06	527.18

Nature of Transactions	Holding	Subsidiary	Fellow Subsidiary	Associate	Half year 30.09.2017	2016-17
Sundaram Asset Management Company Limited			14.59		14.59	28.51
Sundaram BNP Paribas Fund Services Limited			75.64		75.64	6.88
Sundaram BNP Paribas Home Finance Limited			25.16		25.16	51.52
Royal Sundaram General Insurance Co. Limited			79.82		79.82	87.11
Sundaram Business Services Limited						0.40
Turbo Energy Private Limited				0.10	0.10	2.92
Other Income						
Rent receipts						
Turbo Energy Private Limited				24.68	24.68	47.87
Expenses						
Sundaram Finance Ltd.						
- Service Expenses						157.02
- Rent						0.04
Royal Sundaram General Insurance Co. Limited						
- Insurance			0.04		0.04	2.66
Transactions during the year						
Sundaram Finance Ltd.						
Sale of Equity Shares						1.00
Dividend paid	37.50				37.50	
Sundaram Hydraulics Limited						
Redemption of preference shares						166.67

(₹ in lakhs)

Balances at the end of the year	Holding	Subsidiary	Fellow Subsidiary	Associate	Half year 30.09.2017	2016-17
Investment in Equity Shares						
Sundaram BPO India Limited		1412.79			1412.79	1412.79
Sundaram Business Services Limited		1500.00			1500.00	1500.00
Flometallic India Private Limited				3250.00	3250.00	3250.00
Dunes Oman LLC (FZC)				2694.86	2694.86	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
Investment in preference shares						
Sundaram Hydraulics Limited				333.33	333.33	333.33
Receivables:						
Sundaram Finance Limited	12911.09				12911.09	9757.61
Liabilities						
Sundaram Finance Ltd.						
- Equity Share Holdings	2000.00				2000.00	2000.00
- Payables	141.42				141.42	82.79

R.G.N. PRICE & CO.
CHARTERED ACCOUNTANTS

Phone : 28413633 & 28583494
Telefax : 28544569
E-Mail : price@vsnl.com
Offices at : Mumbai, Bangalore, New Delhi, Cochin,
Quilon & Calicut

Simpson's Buildings,
861, Anna Salai,
Chennai - 600 002.

12th February 2018

Ref. : **AUDITOR'S REPORT ON RESTATED CONSOLIDATED FINANCIAL INFORMATION**

To,

The Board of Directors
Sundaram Finance Holdings Limited
(Formerly known as Sundaram Finance Distribution Limited)
(Formerly known as Sundaram Finance Investments Limited)
21, Patullous Road,
Chennai 600 002

Auditors' Report on Restated Consolidated Financial Information for the year ended March 31, 2017 in connection with the proposed listing of equity shares of Sundaram Finance Holdings Limited with National Stock Exchange of India Limited

Dear Sirs,

1. This report is issued in accordance with the terms of our engagement letter dated January 20, 2018.
2. The accompanying restated consolidated financial information, expressed in Indian Rupees, in Lakhs of **Sundaram Finance Holdings limited** (hereinafter referred to as the "Company") its subsidiaries and associates (hereinafter together referred to as the "Group"), comprising Consolidated Financial Information in paragraph A below and Other Financial Information in paragraph B below (hereinafter together referred to as "Restated Consolidated Financial Information"), has been prepared by the Management of the Company in accordance with the requirements of Section 26 read with applicable provisions within Rules 4 to 6 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 of the Companies Act, 2013, as amended (hereinafter referred to as the "Act") and item (IX) of Part A of Schedule VIII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended to date (the "SEBI Regulations") issued by the Securities and Exchange Board of India (the "SEBI") in connection with the filing of Information Memorandum of the Company with National Stock Exchange of India Limited ('the Stock Exchanges') for the proposed listing of equity shares of the Company with National Stock Exchange of India Limited ('Proposed Listing') and has been approved by the Board of Directors and initialled by us for identification purposes only.



Management's Responsibility for the Restated Consolidated Financial Information

3. The preparation of the Restated Consolidated Financial Information, which is to be included in the Information Memorandum, is the responsibility of the Management of the Company and has been approved by the Board of Directors, at its meeting held on February 12, 2018, for the purpose set out in paragraph 14 below. The Management's responsibility includes designing, implementing and maintaining internal control relevant to the preparation and presentation of the Restated Consolidated Financial Information. The Management is also responsible for identifying and ensuring that the Company complies with the laws and regulations applicable to its activities.

Auditors' Responsibilities

4. Our work has been carried out in accordance with the Standards on Auditing, Guidance Note on Reports in Company Prospectuses (Revised) and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India and pursuant to the requirements of Section 26 read with applicable provisions within Rules 4 to 6 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 of the Act. Our work has been performed solely to assist the Company in meeting its responsibilities in relation to compliance with the Act and the SEBI Regulations in connection with the Proposed Listing of equity shares of the Company with National Stock Exchange of India Limited.

A. Consolidated Financial Information as per audited consolidated financial statements:

5. We have examined the following summarized financial statements of the Group contained in Restated Consolidated Financial Information of the Group:
 - a. the "Restated Consolidated Statement of Assets and Liabilities" as at March 31,2017 (enclosed as Annexure I);
 - b. the "Restated Consolidated Statement of Profit and Loss" for the year ended March 31,2017 (enclosed as Annexure II) and
 - c. the "Restated Consolidated Statement of Cash Flows" for the year ended March 31,2017 (enclosed as Annexure III).
6. The Restated Consolidated Financial Information, expressed in Indian Rupees, in Lakhs, has been derived from the audited financial statements of the Group read with paragraphs 7 to 10 below, as at March 31, 2017 which were expressed in Indian Rupees in Lakhs.



7. We draw your attention to the following:
- a. the Restated Consolidated Financial Information should be read in conjunction with the basis of preparation and significant accounting policies given in Annexure IV (as described in paragraph 11(i));
 - b. the Restated Consolidated Financial Information has been prepared for the limited purpose of the proposed listing of Equity Shares of the Company with the National Stock Exchange of India Limited and it does not contain all the disclosures required as per the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

Opinion

8. In our opinion and to the best of our information and according to explanations given to us, and based on consideration of reports of other auditors referred to in paragraph 10 below, except for the possible effect on the matters described in paragraph 9:
- a. the Restated Consolidated Financial Information of the Group, as attached to this report and as mentioned in paragraphs A and B, read with basis of preparation and respective significant accounting policies have been prepared in accordance with Section 26 read with applicable provisions within Rules 4 to 6 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 of the Act and the SEBI Regulations;
 - b. there are no changes in accounting policies of the Group (as disclosed in the Annexure IV to this report) and accordingly, no adjustments are required in this regard;
 - c. there are no material adjustments relating to previous year which requires any adjustments;
 - d. there are no qualifications in the auditors' reports which require any adjustments;
 - e. there are no extra-ordinary items which need to be disclosed separately.

9. **Emphasis of Matter**

We draw your attention to the following:

The financial information in the Restated Consolidated Financial Information of the Group includes a share of net profit of Rs. 5,877 Lakhs and carrying value of investments for Rs. 38,473 Lakhs in respect of three associates whose Financial Statements have been prepared and audited by other auditors under Ind AS Framework which is different to that of the Group's Framework. The financial information of the above associates based on Indian GAAP framework has been presented solely based on the information compiled by the management.



10. **Other Matter**

- a. The audit of the financial information of two subsidiaries included in the Restated Consolidated Financial Information of the Group, was conducted by other auditors who has expressed an unmodified opinion in their audit report and whose financial statements reflect the Group's share of total assets of Rs. 2,121 Lakhs and net liabilities of Rs. 505 Lakhs as at March 31, 2017, total revenue of Rs. 3,473 Lakhs, net profit of Rs. 12.35 Lakhs and net cash inflows of Rs. 193 Lakhs for the year then ended.
- b. The audit of the financial information of four associates included in the Restated Consolidated Financial Information of the Group, was conducted by other auditors who have expressed an unmodified opinion in their audit report and whose financial statements reflect the Group's share of profits of Rs. 3,598 Lakhs and carrying value of investments for Rs. 14,125 Lakhs for the year ended March 31, 2017.
- c. Accordingly, our opinion on examination of the Consolidated Financial Information and Other Financial Information of the Group, in so far as it relates to the amounts included in these Restated Consolidated Financial Information relating to above mentioned subsidiaries and associates, are based solely on the audit reports furnished to us by other auditors, after making necessary adjustments. Our report on the statement is not modified in respect of this matter.

B. Other Financial Information:

11. At the Company's request, we have also examined the following Other Financial Information relating to the Group as at March 31, 2017 and for the year ended March 31, 2017, proposed to be included in the Information Memorandum, prepared by the Management of the Company and as approved by the Board of Directors of the Company is annexed to this report:
 - (i) Basis of Preparation and Significant Accounting Policies as enclosed in Annexure IV
 - (ii) Notes to the Restated Consolidated Financial Information as enclosed in Annexure V
12. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
13. This report should not in any way be construed as a re-issuance or re-dating of any of the previous audit reports issued by other auditors on the consolidated financial statements of the Group.




Restriction on Use

14. This report is addressed to and is provided to enable the Board of Directors of the Company to include this report in the Information Memorandum, prepared in connection with the proposed listing of Equity Shares of the Company to be filed by the Company National Stock Exchange of India Limited.

Date: 12th February 2018
Place: Chennai

For R.G.N. PRICE & CO.
Chartered Accountants



K. Venkatarishnan
Partner
M. No. 208591
FR No. 002785S

Consolidated Statement of Assets and Liabilities

(₹ in lakhs)

(1)	Equity & Liabilities	Mar-17
	Shareholders' Funds	
	(a) Share capital	2000.00
	(b) Reserves & surplus	69095.09
(2)	Non Current Liabilities	
	(a) Long term borrowings	
	(i) Unsecured loans	-
	• Amount borrowed from promoters / group companies / subsidiaries / associate companies	-
	• Others	-
	(ii) Secured Loans (include security details, if applicable)	-
	(b) Deferred tax liabilities (net)	-
	(c) Long term provisions	-
(3)	Current Liabilities	
	(a) Short term borrowings	
	(i) Unsecured loans	-
	• Amount borrowed from promoters / group companies / subsidiaries / associate companies	-
	• Others	-
	(ii) Secured Loans	21.01
	(b) Trade payables	202.13
	(c) Other current liabilities	293.83
	(d) Short term provisions	122.41
	Total	71734.47
	Assets	
(4)	Non Current Assets	
	(a) Fixed Assets	460.20
	(b) Non current investments	
	(i) Quoted Investments	
	Aggregate book value	2911.38
	Aggregate market value (only a disclosure is required)	113101.84
	(ii) Others	53294.35
	(c) Long term loans and advances	
	(i) Unsecured loans and advances	

	• Amount borrowed by promoters / group companies / related parties / associate companies	
	• Others	844.00
	(ii) Secured loans and advances	
	(d) Other non current assets	27.63
(5)	Current Assets	
	(a) Current Investments	3303.95
	(b) Inventories	-
	(c) Trade receivables	
	(i) Debtors:	
	More than 180 days:	
	• Related to issuer or directors or promoters	-
	• Others	2.11
	Less than or equal to 180 days:	
	• Related to issuer or directors or promoters	-
	• Others	572.39
	(ii) Others	
	(iii) Total	574.50
	(d) Cash and bank balances	292.14
	(e) Short term loans and advances	
	(i) Unsecured loans and advances	
	• Amount borrowed by promoters / group companies / related parties / associate companies	
	• Others	242.26
	(ii) Secured loans and advances	
	(f) Other current assets	9784.06
	Total	71734.47
Ratios:		
	Return on net worth (%)	15.46
	Net Asset Value per share (Rs.) *	47.05

* Pursuant to the Scheme of demerger, the Company shall allot one Equity Share with face value of Rs.5/-each for one share of Sundaram Finance Limited held by its shareholders as at the record date and the resultant increase in the equity share capital of the Company has been suitably adjusted in the above computation.

Consolidated Statement of Profit & Loss

(₹ in lakhs)

Income	
Revenue	
(i) on account of investment activities	1776.74
(ii) on account of BPO activities	4275.43
(iii) others	389.57
Other income	170.44
Increase (decrease) in inventories	-
	6612.18
Expenditure	
Raw materials consumed	-
Staff costs	2487.86
Other manufacturing expenses	-
Administration expenses	2137.51
Selling and distribution expenses	-
Interest	39.84
	4665.21
Net profit before tax and extraordinary items	1946.97
Taxation	508.23
Net profit before extraordinary items	1438.74
Extraordinary items (net of tax)	-
Share of Profits in Associates	9300.39
Net Profit after Extraordinary Items	10739.14
Ratios:	
Earnings per share (Rs.) *	9.05
Diluted earnings per share (Rs.) *	9.05

* Pursuant to the Scheme of demerger, the Company shall allot one Equity Share with face value of Rs.5/-each for one share of Sundaram Finance Limited held by its shareholders as at the record date and the resultant increase in the equity share capital of the Company has been suitably adjusted in the above computation.

Consolidated Cash Flow

(₹ in lakhs)

	Apr 16-Mar-17
CASH FLOW FROM OPERATING ACTIVITIES	
Profit after tax	10739.14
Adjustment for provision for taxation (including deferred tax)	508.23
Finance Cost	39.84
Depreciation	125.36
Interest Income	(6.67)
Loss/(Profit) on sale of fixed assets/investments	(75.89)
Provision for Doubtful Debts & Contingencies	7.59
Unrealised gain or loss	19.35
Diminution in value of investments	-
Dividend income	-
Dividend received from associates	3122.20
Interest income on investments	
Share of Profits from associates	(9300.39)
Operating Profits before Changes in Working Capital	5178.76
Adjustment for Changes in working capital and provisions	(24.93)
Increase/ (Decrease) in Trade Payables	(5.78)
(Increase)/ Decrease in Trade Receivable	300.41
(Increase)/ Decrease in Loans & advances	303.92
(Increase)/ Decrease in Other Assets	(4554.27)
Increase/ (Decrease) in Other Liabilities	234.96
Cash generated from operations	(3745.70)
Taxes Paid (net of refunds)	(357.06)
A. NET CASH FROM/(USED IN) OPERATING ACTIVITIES	1076.01
CASH FLOW USED IN INVESTING ACTIVITIES	
Purchase of Fixed Assets/securities/Investments	(4727.59)
Sale of Fixed Assets/securities/Investments	2458.32
Dividend received/Interest income on investments	6.67
B. NET CASH FROM /(USED IN) INVESTING ACTIVITIES	(2262.60)
CASH FLOW FROM FINANCING ACTIVITIES	
Increase /(Decrease) in Short-Term Borrowings	(120.31)
Increase /(Decrease) in Long-Term Borrowings	(300.00)
Proceeds from issue of Share Capital	1950.00
Finance Costs Paid	(39.84)

	Apr 16-Mar-17
Share Premium Received	
Share Premium Utilised	
Dividend paid (including dividend distribution tax)	(120.36)
C. NET CASH FROM FINANCING ACTIVITIES	1369.49
D. Effects of foreign exchange fluctuations	(6.72)
NET CHANGES IN CASH & CASH EQUIVALENTS (A+B+C)	176.18
Cash and Cash equivalents (Opening Balance)	115.97
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	292.14

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 1:

SIGNIFICANT ACCOUNTING POLICIES:

- 1 The financial statements are prepared and presented under the historical cost convention on the accrual basis of accounting and comply with the provisions of the Companies Act, 2013.

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

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

- 2 Income Recognition

- a) Income in respect of services rendered, insurance commission and brokerage are accounted on accrual basis.
- b) Dividend income is accounted when the right to receive the dividend is established.

- 3 Fixed Assets and Depreciation / Amortisation

Fixed Assets and Investment Property are stated at historical cost less accumulated depreciation.

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

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

4 Valuation of Investments:

Non-Current investments, other than Investment Property, are stated at cost and provision for diminution in value, other than temporary, has been considered wherever necessary.

Current investments are valued at lower of cost and market value/ net asset value.

5 Foreign Currency Transactions:

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

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

Foreign Exchange Forward Contracts are entered for hedging the foreign exchange fluctuation risk in respect of future debtors. Loss/Gain on realisation is accounted in the year of utilisation of forward contract.

6 Employee Benefits:

A. Short Term Employee Benefits:

Short Term Employee Benefits for services rendered by employees are recognised during the period when the services are rendered.

B. Post employment benefits:

Defined Contribution Plan

i. Provident Fund

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

ii. Superannuation

The Company makes fixed contributions as a percentage on salary to a Superannuation Fund, which is administered by trustees and managed by the Life Insurance Corporation of India Limited.

The above contributions are charged to Profit and Loss Statement.

Defined Benefit Plan

i. Gratuity

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

ii. Leave Encashment

The company makes an annual contribution to a Fund and managed by SBI Life Insurance Company Limited. The Company accounts its liability based on Actuarial Valuation, as at the Balance sheet date, determined every year, using projected unit credit method.

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

C Other Long Term Employee Benefits:

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

7 Taxation:

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

8 Impairment of Assets:

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

9 Provisions:

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

10 Cash flow statement

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

11 Basis of Consolidation:

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

Name of the Subsidiary	Country of Incorporation	Proportion of ownership interest (%)
Sundaram Business Services Limited	India	100.00
Sundaram BPO India Limited	India	100.00

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

Name of the Associates	Country of Incorporation	Proportion of ownership interest (%)
Axles India Limited	India	38.81
Turbo Energy Private Limited	India	32.00
Transenergy Limited	India	42.31

Sundaram Dynacast Private Limited	India	26.00
Sundaram Hydraulics Limited	India	31.25
Flometallic India Private Limited	India	40.63
Dunes Oman LLC (FZC)	Sultanate of Oman	43.69

- c) The Consolidated Financial Statements have been prepared on the following basis.

The Financial Statements of the Company and its Subsidiary Companies have been consolidated on a line- by- line basis, by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra - group balances and intra - group transactions resulting in unrealised profits or losses.

Other Notes

- 1 The name of the company has been changed to Sundaram Finance Holdings Limited with effect from 29th March 2017, formerly known as Sundaram Finance Investments Limited.

- 2 Scheme of arrangement:

The Scheme of Arrangement (“the Scheme”) between the company (“Resulting Company”) and Sundaram Finance Limited (SFL) (“Demerged Company”) and their Shareholders and creditors under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013, was approved by the Board of Directors of the Company on 17.02.2017

The National Company Law Tribunal, Division Bench, Chennai vide Order No. CP/210-214/CAA/2017 dated 12th January 2018 approved the Scheme, which was received on 18th January 2018. The Scheme shall be effective from the Appointed Date, i.e. 01st April 2016, but shall be operative from the Effective Date, i.e. 18th January 2018.

The scheme provides for demerger of Shared services division of Sundaram BPO India Limited (SBIL) into SFL and demerger of non-core business activities of SFL into the company.

The non-core business activities of SFL means identified business activities undertaken by SFL other than

- a) Non-banking financial services business of SFL,
- b) Allied business viz. distribution of financial products like insurance, home loans, mutual funds, deposits, etc., and
- c) Investments in companies engaged in insurance, home finance, asset management and trusteeship services, fund services, credit information services and other financial services.

The Scheme envisages transfer of ;

1. Shared services business and training services rendered,
2. Investment in specified Land and buildings,
3. Investments by SFL in specified shares of non-core business.

The salient features of the scheme are as under,

1. All the assets and liabilities including contingent liabilities, duties and obligations pertaining to SFL demerged undertaking as on 01.04.2016 and from 01.04.2016 to the date on which the scheme becomes effective, shall stand transferred to and vested in the Company.
2. The company shall issue and allot to each shareholder whose name appears in the records of SFL on the record date, one equity share of ₹ 5/- each credited as fully paid in the equity share capital of the company for every one fully paid up SFL equity share held by them.
3. The shares of the company will be listed and admitted for trading on NSE and all necessary applications will be made in this respect.
4. All legal proceedings by or against the Demerged undertaking of SFL, be transferred to the company.
5. All employees of the SFL Demerged Undertaking who are in such employment as on the Effective Date shall become employees of the company, and the terms and conditions of their employment with the company shall not be less favourable than those applicable to them with reference to their employment in SFL.
6. All the contracts, deeds, bonds, agreements or any other instruments of whatsoever nature of demerged undertaking of SFL, shall continue in full force and effect against or in favour of the company.
7. All profits / income / expenditure / losses accruing or incurred by SFL in respect of SFL demerged undertaking shall be treated as deemed to accrue or incurred by SFL demerged undertaking with effect from appointed date.
8. Pursuant to the Scheme, Net Assets of ₹ 20241.57 lakhs was taken over from the Demerged undertaking of SFL on 1st April 2016 and the details are as under

Particulars	₹ in lakhs
Assets	
Fixed assets	111.49
Investments	15130.72
Long-Term loans & Advances	11.86
Short Term Loans & Advances	5002.67
Total Assets	20256.74
Liabilities	
Trade payables	14.54
Deferred tax liability (net)	0.63
Total Liabilities	15.17
Net Assets	20241.57

The Net Assets of ₹ 20241.57 lakhs has been credited to ‘Capital Reserve’, ‘General Reserve’, and ‘Surplus in the Profit and Loss Account’ in the same proportion, as it appeared in the books of the demerged company, before giving effect to the Scheme.

- 3 The pending litigations as on 31st March, 2017 have been compiled by the company and reviewed by the Statutory Auditors. The effect of the current position of the litigations have been evaluated and appropriately considered and disclosed in the financial statements.

4 Contingent liabilities and commitments

(₹ in lakhs)

Particulars	31.03.2017
Tax disputes	6.03
Claims against the company not acknowledged as debts	3.31

5. Segment Reporting

(₹ in lakhs)

Business Segments	Investments	Support services Domestic	Overseas	Eliminations	Total
REVENUE					
Segment Revenue	4894.13	2036.09	2679.58	(3168.05)	6441.74
RESULT					
Expenses	-	2074.19	2497.05	(45.85)	4525.39
Segment Result	4894.13	(38.10)	182.53	(3122.20)	1916.36
Unallocated income(net of expense)					30.62
Profit before tax					1946.97
Less: Income tax					508.23
Add: Share of profit in Associates					9300.39
Profit after tax					10739.14
OTHER INFORMATION					
Segment Assets	64016.29	533.11	1008.65	(4.05)	65553.99
Unallocated Assets					6180.48
Total Assets					71734.47
Segment Liabilities	-	215.33	465.05	(62.01)	618.37
Unallocated Liabilities					21.01
Total Liabilities					639.38
Capital Expenditure					87.71
Depreciation					125.36
Non-cash expenses					-
other than depreciation					

6 Related parties

Related Party Transactions for the year ended 31st March 2017

Related Parties:

Holding company	:	Sundaram Finance Limited
Fellow Subsidiaries	:	Royal Sundaram General Insurance Co. Limited Sundaram Asset Management Company Limited Sundaram BNP Paribas Home Finance Limited Sundaram Trustee Company Limited LGF Services Limited Sundaram BNP Paribas Fund Services 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

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	Holding	Fellow Subsidiary	Associate	2016-17
Income				
Dividend income				
Sundaram Dynacast Private Limited			117.00	117.00
Turbo Energy Private Limited			256.00	256.00
Dunes Oman LLC (FZC)			2266.83	2266.83
Axles India Limited			148.38	148.38
Transenergy Limited			9.00	9.00
Flometallic India Private Limited			325.00	325.00
Income from services				
Sundaram Finance Limited	527.18			527.18
Sundaram Asset Management Company Limited		28.51		28.51
Sundaram BNP Paribas Fund Services Limited		6.88		6.88
Sundaram BNP Paribas Home Finance Limited		51.52		51.52

Nature of Transactions	Holding	Fellow Subsidiary	Associate	2016-17
Royal Sundaram General Insurance Co. Limited		87.11		87.11
Turbo Energy Private Limited			2.92	2.92
Other income				
Rent receipts				
Turbo Energy Private Limited			47.87	47.87

(₹ in lakhs)

Nature of Transactions	Holding	Fellow Subsidiary	Associate	2016-17
Expenses				
Sundaram Finance Ltd.				
Service Expenses	157.02			157.02
Rent	126.33			126.33
Internal Audit	10.00			10.00
Web hosting	1.03			1.03
Interest on Loan	24.00			24.00
Royal Sundaram General Insurance Co. Limited				
Insurance		5.00		5.00
Transactions during the year				
Sundaram Finance Ltd. Sale of Equity Shares	1.00			1.00
Sundaram Hydraulics Limited - Redemption of preference shares			166.67	166.67
Investment in Equity Shares				
Infreight Logistics Solutions Limited				
Flometallic India Private Limited			3250.00	3250.00
Dunes Oman LLC (FZC)			2694.86	2694.86
Sundaram Hydraulics Limited			1125.00	1125.00
Axles India Limited			1015.70	1015.70
Turbo Energy Private Limited			188.41	188.41
Transenergy Limited			187.50	187.50
Sundaram Dynacast Private Limited			117.00	117.00
Investment in preference shares				
Sundaram Hydraulics Limited			333.33	333.33
Receivables:				
Sundaram Finance Limited	9758.96			9758.96
Royal Sundaram General Insurance Co. Limited		0.20		0.20

Nature of Transactions	Holding	Fellow Subsidiary	Associate	2016-17
Liabilities				
Sundaram Finance Ltd.				
- Equity Share Holdings	2000.00			2000.00
- Payables	93.74			93.74
- Intercorporate Loan	200.00			200.00

7 Disclosure of Specified Bank Notes (SBN) - Pursuant to Ministry of Corporate Affairs Notification G.S.R. 308 Dated 30th March, 2017

(₹ in lakhs)

Particulars	SBN	Other Denomi- nation Notes	Total
Closing Cash in hand as on 08/11/2016	0.29	0.04	0.33
(+) Permitted Receipts	-	2.27	2.27
(-) Permitted Payments	-	2.06	2.06
(-) Amount Deposited in Banks	0.29	-	0.29
Closing cash in hand as on 30/12/2016	-	0.24	0.24

8 The Consolidated financial statements of the company for the year ended 31.03.2017, has been restated to reflect the impact of merger of demerged undertaking of SFL, as provided in the Scheme of Arrangement and is prepared for the purpose of filing the Information Memorandum with National Stock Exchange.

Consolidated Statement of Assets and Liabilities

(₹ in lakhs)

(1)	Equity & Liabilities	Sep-17
	Shareholders' Funds	
	(a) Share capital	2000.00
	(b) Reserves & surplus	73678.18
(2)	Non Current Liabilities	
	(a) Long term borrowings	
	(i) Unsecured loans	-
	• Amount borrowed from promoters / group companies / subsidiaries / associate companies	-
	• Others	-
	(ii) Secured Loans	-
	(b) Deferred tax liabilities (net)	-
	(c) Long term provisions	3.77
(3)	Current Liabilities	
	(a) Short term borrowings	
	(i) Unsecured loans	-
	• Amount borrowed from promoters / group companies / subsidiaries / associate companies	-
	• Others	-

	(ii) Secured Loans	-
	(b) Trade payables	177.79
	(c) Other current liabilities	309.94
	(d) Short term provisions	112.01
	(iii) Total	76281.69
	Assets	
(4)	Non Current Assets	
	(a) Fixed Assets	433.95
	(b) Non current investments	
	(i) Quoted Investments	
	Aggregate book value	2911.38
	Aggregate market value (only a disclosure is required)	141241.94
	(ii) Others	55151.19
	(c) Long term loans and advances	
	(i) Unsecured loans and advances	
	• Amount borrowed by promoters / group companies / related parties / associate companies	
	• Others	647.61
	(ii) Secured loans and advances	
	(d) Other non current assets	32.55
(5)	Current Assets	
	(a) Current Investments	2929.94
	(b) Inventories	
	(c) Trade receivables	
	(i) Debtors:	
	More than 180 days:	
	• Related to issuer or directors or promoters	
	• Others	1.11
	Less than or equal to 180 days:	
	• Related to issuer or directors or promoters	
	• Others	717.50
	(ii) Others	
	(iii) Total	718.62
	(d) Cash and bank balances	156.68
	(e) Short term loans and advances	
	(i) Unsecured loans and advances	
	• Amount borrowed by promoters / group companies / related parties / associate companies	
	• Others	336.55
	(ii) Secured loans and advances	
	(f) Other current assets	12963.22
	Total	76281.69

Ratios:	
Return on net worth (%) (Annualised)	12.58
Net Asset Value per share (Rs.) *	50.08

* Pursuant to the Scheme of demerger, the Company shall allot one Equity Share with face value of Rs.5/-each for one share of Sundaram Finance Limited held by its shareholders as at the record date and the resultant increase in the equity share capital of the Company has been suitably adjusted in the above computation.

Consolidated Statement of Profit & Loss - April - September 2017

(₹ in lakhs)

Income	
Revenue	
(i) on account of investment activities	554.24
(ii) on account of BPO activities	2233.51
(iii) others	9.59
Other income	134.26
	2931.60
Expenditure	
Raw materials consumed	
Staff costs	1377.30
Other manufacturing expenses	
Administration expenses	855.29
Selling and distribution expenses	
Interest	18.58
	2251.17
Net profit before tax and extraordinary items	680.44
Taxation	378.51
Net profit before extraordinary items	301.93
Extraordinary items (net of tax)	
Share of Profits in Associates	4459.92
Net Profit after Extraordinary Items	4761.85

Ratios:	
Earnings per share (annualised) (Rs.)*	6.30
Diluted earnings per share (annualised) (Rs.) *	6.30

* Pursuant to the Scheme of demerger, the Company shall allot one Equity Share with face value of Rs.5/-each for one share of Sundaram Finance Limited held by its shareholders as at the record date and the resultant increase in the equity share capital of the Company has been suitably adjusted in the above computation.

Note : The Consolidated Financial Statement for the half year ended September 30, 2017, have not been audited in the absence of audited financials of associate companies.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 1: SIGNIFICANT ACCOUNTING POLICIES:

1 The financial statements are prepared and presented under the historical cost convention on the accrual basis of accounting and comply with the provisions of the Companies Act, 2013.

The financial statements of the associate, Dunes Oman LLC(FZC) have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards - Board (IASB).

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

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

2 Income Recognition

a) Income in respect of services rendered, insurance commission and brokerage are accounted on accrual basis.

b) Dividend income is accounted when the right to receive the dividend is established.

3 Fixed Assets and Depreciation / Amortisation

Fixed Assets and Investment Property are stated at historical cost less accumulated depreciation.

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

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

4 Valuation of Investments:

Non-Current investments, other than Investment Property, are stated at cost and provision for diminution in value, other than temporary, has been considered wherever necessary.

Current investments are valued at lower of cost and market value/ net asset value.

5 Foreign Currency Transactions:

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

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

Foreign Exchange Forward Contracts are entered for hedging the foreign exchange fluctuation risk in respect of future debtors. Loss/Gain on realisation is accounted in the year of utilisation of forward contract.

6 Employee Benefits:

A. Short Term Employee Benefits:

Short Term Employee Benefits for services rendered by employees are recognised during the period when the services are rendered.

B. Post employment benefits:

Defined Contribution Plan

i. Provident Fund

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

ii. Superannuation

The Company makes fixed contributions as a percentage on salary to a Superannuation Fund, which is administered by trustees and managed by the Life Insurance Corporation of India Limited.

The above contributions are charged to Profit and Loss Statement.

Defined Benefit Plan

i. Gratuity

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

ii. Leave Encashment

The company makes an annual contribution to a Fund and managed by SBI Life Insurance Company Limited. The Company accounts its liability based on Actuarial Valuation, as at the Balance sheet date, determined every year, using projected unit credit method.

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

C. Other Long Term Employee Benefits:

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

7 Taxation:

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

8 Impairment of Assets:

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

9 Provisions:

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

10 Cash flow statement

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

11 Basis of Consolidation:

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

Name of the Subsidiary	Country of Incorporation	Proportion of ownership interest (%)
Sundaram Business Services Limited	India	100.00
Sundaram BPO India Limited	India	100.00

- b) The company has the following investments in Associates for which the required treatment as per Accounting Standard - 23 on Accounting for investments in Associates' has been given in the Consolidated Financial Statements, on the basis of unaudited financial statements.

Name of the Associates	Country of Incorporation	Proportion of ownership interest (%)
Axles India Limited	India	38.81
Turbo Energy Private Limited	India	32.00
Transenergy Limited	India	42.31
Sundaram Dynacast Private Limited	India	26.00
Sundaram Hydraulics Limited	India	31.25
Flometallic India Private Limited	India	40.63
Dunes Oman LLC (FZC)	Sultanate of Oman	43.69

- c) The Consolidated Financial Statements have been prepared on the following basis.

The Financial Statements of the Company and its Subsidiary Companies have been consolidated on a line-by-line basis, by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in unrealised profits or losses.

Other Notes

1 The name of the company has been changed to Sundaram Finance Holdings Limited with effect from 29th March 2017, formerly known as Sundaram Finance Investments Limited.

2 Scheme of arrangement:

The Scheme of Arrangement (“the Scheme”) between the company (“Resulting Company”) and Sundaram Finance Limited (SFL) (“Demerged Company”) and their Shareholders and creditors under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013, was approved by the Board of Directors of the Company on 17.02.2017.

The National Company Law Tribunal, Division Bench, Chennai vide Order No. CP/210-214/CAA/2017 dated 12th January 2018 approved the Scheme, which was received on 18th January 2018. The Scheme shall be effective from the Appointed Date, i.e. 01st April 2016, but shall be operative from the Effective Date, i.e. 18th January 2018.

The scheme provides for demerger of Shared services division of Sundaram BPO India Limited (SBIL) into SFL and demerger of non-core business activities of SFL into the company.

The non-core business activities of SFL means identified business activities undertaken by SFL other than

- a) Non-banking financial services business of SFL,
- b) Allied business viz. distribution of financial products like insurance, home loans, mutual funds, deposits, etc., and
- c) Investments in companies engaged in insurance, home finance, asset management and trusteeship services, fund services, credit information services and other financial services.

The Scheme envisages transfer of ;

1. Shared services business and training services rendered,
2. Investment in specified Land and buildings,
3. Investments by SFL in specified shares of non-core business.

The salient features of the scheme are as under,

1. All the assets and liabilities including contingent liabilities, duties and obligations pertaining to SFL demerged undertaking as on 01.04.2016 and from 01.04.2016 to the date on which the scheme becomes effective, shall stand transferred to and vested in the Company.
2. The company shall issue and allot to each shareholder whose name appears in the records of SFL on the record date, one equity share of ₹ 5/- each credited as fully paid in the equity share capital of the company for every one fully paid up SFL equity share held by them.
3. The shares of the company will be listed and admitted for trading on NSE and all necessary applications will be made in this respect.
4. All legal proceedings by or against the Demerged undertaking of SFL, be transferred to the company.

5. All employees of the SFL Demerged Undertaking who are in such employment as on the Effective Date shall become employees of the company, and the terms and conditions of their employment with the company shall not be less favourable than those applicable to them with reference to their employment in SFL.
6. All the contracts, deeds, bonds, agreements or any other instruments of whatsoever nature of demerged undertaking of SFL, shall continue in full force and effect against or in favour of the company.
7. All profits / income / expenditure / losses accruing or incurred by SFL in respect of SFL demerged undertaking shall be treated as deemed to accrue or incurred by SFL demerged undertaking with effect from appointed date.
8. Pursuant to the Scheme, Net Assets of ₹ 20241.57 lakhs was taken over from the Demerged undertaking of SFL on 1st April 2016 and the details are as under

Particulars	₹ in lakhs
Assets	
Fixed assets	111.49
Investments	15130.72
Long-Term loans & Advances	11.86
Short Term Loans & Advances	5002.67
Total Assets	20256.74
Liabilities	
Trade payables	14.54
Deferred tax liability (net)	0.63
Total Liabilities	15.17
Net assets	20241.57

The Net Assets of ₹ 20241.57 lakhs has been credited to 'Capital Reserve', 'General Reserve', and 'Surplus in the Profit and Loss Account' in the same proportion, as it appeared in the books of the demerged company, before giving effect to the Scheme.

- 3 The pending litigations as on 30th Sep, 2017 have been compiled by the company and reviewed by the Statutory Auditors. The effect of the current position of the litigations have been evaluated and appropriately considered and disclosed in the Consolidated financial statements.

- 4 Contingent liabilities and commitments

(₹ in lakhs)

Particulars	30.09.2017	31.03.2017
Tax disputes	6.03	6.03
Claims against the company not acknowledged as debts	3.31	3.31

5 Related parties

Related Party Transactions for the period ended 30th September 2017

Related parties:

- Holding company** : Sundaram Finance Limited
- Fellow subsidiaries** : Royal Sundaram General Insurance Co. Limited
Sundaram Asset Management Company Limited
Sundaram BNP Paribas Home Finance Limited
Sundaram Trustee Company Limited
LGF Services Limited
Sundaram BNP Paribas Fund Services 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

Related Party Transactions

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

(₹ in lakhs)

Nature of Transactions	Holding	Fellow Subsidiary	Associate	Half-year ended 30.09.2017	2016-17
Income					
Dividend income					
Sundaram Dynacast Private Limited			70.20	70.20	117.00
Turbo Energy Private Limited			460.80	460.80	256.00
Dunes Oman LLC (FZC)			1850.09	1850.09	2266.83
Axles India Limited			178.05	178.05	148.38
Transenergy Limited			9.00	9.00	9.00
Flometallic India Private Limited				-	325.00
Income from services					
Sundaram Finance Limited	293.06			293.06	527.18
Sundaram Asset Management Company Limited		14.59		14.59	28.51
Sundaram BNP Paribas Fund Services Limited		75.64		75.64	6.88

Nature of Transactions	Holding	Fellow Subsidiary	Associate	Half-year ended 30.09.2017	2016-17
Sundaram BNP Paribas Home Finance Limited		25.16		25.16	51.52
Royal Sundaram General Insurance Co. Limited		79.82		79.82	87.11
Turbo Energy Private Limited			0.10	0.10	2.92
Other Income					
Rent receipts					
Turbo Energy Private Limited			24.68	24.68	47.87

(₹ in lakhs)

Nature of Transactions	Holding	Fellow Subsidiary	Associate	Half-year ended 30.09.2017	2016-17
Expenses					
Sundaram Finance Ltd.					
Service Expenses				-	157.02
Rent	63.15			63.15	126.33
Internal Audit	6.00			6.00	10.00
Web hosting	0.51			0.51	1.03
Interest on Loan	9.63			9.63	24.00
Other expenses	1.30				
Royal Sundaram General Insurance Co. Limited					
Insurance		1.22		1.22	5.00
Transactions during the period / year					
Sundaram Finance Ltd.					
Sale of Equity Shares				-	1.00
Dividend paid	37.50			37.50	
Sale of Fixed assets	0.19				
Repayment of Inter corporate loan	100.00				
Sundaram Hydraulics Limited - Redemption of preference shares				-	166.67
Investment in Equity Shares					
Flometallic India Private Limited			3250.00	3250.00	3250.00
Dunes Oman LLC (FZC)			2694.86	2694.86	2694.86
Sundaram Hydraulics Limited			1125.00	1125.00	1125.00
Axles India Limited			1015.70	1015.70	1015.70

Nature of Transactions	Holding	Fellow Subsidiary	Associate	Half-year ended 30.09.2017	2016-17
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
Investment in preference shares					
Sundaram Hydraulics Limited			333.33	333.33	333.33
Receivables					
Sundaram Finance Limited	12914.87			12914.87	9758.96
Royal Sundaram General Insurance Co. Limited		0.12		0.12	0.20
Liabilities					
Sundaram Finance Ltd.					
- Equity Share Holdings	2000.00			2000.00	2000.00
- Payables	152.16			152.16	93.74
- Intercorporate Loan	100.00			100.00	200.00

- 6 The Consolidated financial statements of the company for the year ended 31.03.2017 and period ended 30.09.2017, have been restated to reflect the impact of merger of demerged undertaking of SFL, as provided in the Scheme of Arrangement and is prepared for the purpose of filing the Information Memorandum with National Stock Exchange.

B. FINANCIAL INFORMATION OF GROUP COMPANIES
(as per the latest Annual Report)

S. No.	Particulars	
1	Name of the Company	Sundaram Finance Limited
2	Date of incorporation	11-08-1954
3	Nature of activities	Hire Purchase / Hypothecation Loans of Automobiles and allied activities
4	Highest market price of shares during the preceding 6 months	2100.05
5	Lowest market price of shares during the preceding 6 months	1580.50
6	If any public issue or rights issue has been made by the company in the preceding 3 years	Not Applicable

S. No.	Particulars	(Rs. in Lakhs)		
		2017	2016	2015
1	Equity Capital	11110.39	11110.39	11110.39
2	Reserves (excluding revaluation reserve)	363452.55	320152.10	286694.94
3	Sales	245828.50	247502.33	236906.87
4	Profit after tax	49535.30	47727.75	45414.36
5	Basic Earnings per share (Rs.)	44.58	42.96	40.88
6	Diluted Earnings per share (Rs.)	44.58	42.96	40.88
7	Net Asset Value per equity share (Rs.)	337.13	298.16	268.04

S. No.	Particulars	
1	Name of the Company	Sundaram Business Services Limited
2	Date of incorporation	12.08.2005
3	Nature of activities	Services and undertake activities relating to information technology enabled services in the areas of accounting, insurance, banking, human resources, knowledge process outsourcing, document conversion, data processing, health care, media and publishing, legal, telecom and other areas for and on behalf of banks, companies, bodies corporate, trusts, funds, firms, associations, institutions, individuals and any other person in India and abroad.
4	Highest market price of shares during the preceding 6 months	Not Applicable
5	Lowest market price of shares during the preceding 6 months	Not Applicable
6	If any public issue or rights issue has been made by the company in the preceding 3 years	Not Applicable

S. No.	Particulars	(Rs. in Lakhs)		
		2017	2016	2015
1	Equity Capital	1500.00	1500.00	1500.00
2	Reserves (excluding revaluation reserve)	(714.58)	(836.28)	(836.97)
3	Sales	2680.87	2441.16	2402.58
4	Profit after tax	121.69	0.69	(170.32)
5	Basic Earnings per share (Rs.)	0.81	0.005	(1.14)
6	Diluted Earnings per share (Rs.)	0.81	0.005	(1.14)
7	Net Asset Value per equity share (Rs.)	5.24	4.42	4.42

S.No.	Particulars			
1	Name of the Company	Sundaram BPO India Limited		
2	Date of incorporation	07.08.2012		
3	Nature of activities	Carrying in India or elsewhere, the business of BPO (Business Process Outsourcing) and call centres, contact centres, undertake other activities relating to information technology enabled services in areas of accounting, insurance, banking, human resources, health care, legal, telecom etc and to provide all kinds of support services including without any limitations, administrative, managerial, maintenance, document processing, data entry, reconciliation, training & orientation and other support services.		
4	Highest market price of shares during the preceding 6 months	Not Applicable		
5	Lowest market price of shares during the preceding 6 months	Not Applicable		
6	If any public issue or rights issue has been made by the company in the preceding 3 years	Not Applicable		
S.No.	Particulars	(Rs. in Lakhs)		
		2017	2016	2015
1	Equity Capital	895.13	895.13	895.13
2	Reserves (excluding revaluation reserve)	62.02	104.21	98.64
3	Sales	1710.06	1621.29	2019.39
4	Profit after tax	(42.19)	5.57	72.16
5	Basic Earnings per share (Rs.)	(0.47)	0.06	0.81
6	Diluted Earnings per share (Rs.)	(0.47)	0.06	0.81
7	Net Asset Value per equity share (Rs.)	10.69	11.16	11.10
S.No.	Particulars			
1	Name of the Company	Axles India Limited		
2	Date of incorporation	18-02-1981		
3	Nature of activities	Manufacture of axle housing for medium and heavy commercial vehicles		
4	Highest market price of shares during the preceding 6 months	Not Applicable		
5	Lowest market price of shares during the preceding 6 months	Not Applicable		
6	If any public issue or rights issue has been made by the company in the preceding 3 years	Not Applicable		
S.No.	Particulars	(Rs. in Lakhs)		
		2017	2016	2015
1	Equity Capital	2548.88	2548.88	2548.88
2	Reserves (excluding revaluation reserve)	6711.67	5670.76	4420.23
3	Sales	41359.18	49475.28	43079.64
4	Profit after tax	1500.99	1250.53	594.49
5	Basic Earnings per share (Rs.)	5.89	4.91	2.33
6	Diluted Earnings per share (Rs.)	5.89	4.91	2.33
7	Net Asset Value per equity share (Rs.)	36.34	32.25	36.34

S.No.	Particulars			
1	Name of the Company	Turbo Energy Private Limited		
2	Date of incorporation	03-05-1982		
3	Nature of activities	Manufacturing turbochargers & turbocharger parts		
4	Highest market price of shares during the preceding 6 months	Not Applicable		
5	Lowest market price of shares during the preceding 6 months	Not Applicable		
6	If any public issue or rights issue has been made by the company in the preceding 3 years	Not Applicable		
S.No.	Particulars	(Rs. in Lakhs)		
		2017	2016	2015
1	Equity Capital	800.00	800.00	800.00
2	Reserves (excluding revaluation reserve)	107575.34	88771.19	77499.14
3	Sales	116826.83	95126.94	87018.26
4	Profit after tax	16480.27	12475.63	11184.73
5	Basic Earnings per share (Rs.)	206.00	155.95	139.81
6	Diluted Earnings per share (Rs.)	206.00	155.95	139.81
7	Net Asset Value per equity share (Rs.)	1357.56	1163.42	1014.59

S.No.	Particulars			
1	Name of the Company	Sundaram Hydraulics Limited		
2	Date of incorporation	07-12-2007		
3	Nature of activities	Manufacture of hydraulic cylinders and axle shafts for off-highway and construction vehicles		
4	Highest market price of shares during the preceding 6 months	Not Applicable		
5	Lowest market price of shares during the preceding 6 months	Not Applicable		
6	If any public issue or rights issue has been made by the company in the preceding 3 years	Not Applicable		
S.No.	Particulars	(Rs. in Lakhs)		
		2017	2016	2015
1	Equity Capital	3600.13	3600.13	3000.00
2	Reserves (excluding revaluation reserve)	(3245.62)	(2999.33)	(2471.68)
3	Sales	3126.00	1786.98	2387.64
4	Profit after tax	(246.29)	(527.65)	(366.01)
5	Basic Earnings per share (Rs.)	(0.83)	(1.93)	(1.41)
6	Diluted Earnings per share (Rs.)	(0.83)	(1.93)	(1.41)
7	Net Asset Value per equity share (Rs.)	0.98	1.67	1.76

S.No.	Particulars			
1	Name of the Company	Sundaram Dynacast Private Limited		
2	Date of incorporation	15-09-1993		
3	Nature of activities	Manufacture of precision aluminium and zinc pressure die cast components		
4	Highest market price of shares during the preceding 6 months	Not Applicable		
5	Lowest market price of shares during the preceding 6 months	Not Applicable		
6	If any public issue or rights issue has been made by the company in the preceding 3 years	Not Applicable		
S.No.	Particulars	(Rs. in Lakhs)		
		2017	2016	2015
1	Equity Capital	450.00	450.00	450.00
2	Reserves (excluding revaluation reserve)	2351.55	1792.49	1490.30
3	Sales	8029.17	6264.75	6721.91
4	Profit after tax	835.07	844.45	862.42
5	Basic Earnings per share (Rs.)	18.56	18.77	19.17
6	Diluted Earnings per share (Rs.)	18.56	18.77	19.17
7	Net Asset Value per equity share (Rs.)	62.43	55.85	47.92
S.No.	Particulars			
1	Name of the Company	Flometallic India Private Limited		
2	Date of incorporation	05-04-2010		
3	Nature of activities	Manufacture of iron castings for the automotive industry		
4	Highest market price of shares during the preceding 6 months	Not Applicable		
5	Lowest market price of shares during the preceding 6 months	Not Applicable		
6	If any public issue or rights issue has been made by the company in the preceding 3 years	Not Applicable		
S.No.	Particulars	(Rs. in Lakhs)		
		2017	2016	2015
1	Equity Capital	8000	8000	8000
2	Reserves (excluding revaluation reserve)	3726.57	2142.85	999.82
3	Sales	27453.58	20351.67	15833.20
4	Profit after tax	2630.86	1624.46	974.90
5	Basic Earnings per share (Rs.)	32886	20306	12738
6	Diluted Earnings per share (Rs.)	32886	20306	12738
7	Net Asset Value per equity share (Rs.)	14.66	12.68	11.25

S.No.	Particulars			
1	Name of the Company	Dunes Oman LLC (FZC) Limited		
2	Date of incorporation	19/12/2006		
3	Nature of activities	Manufacture of iron castings for automotive industry		
4	Highest market price of shares during the preceding 6 months	Not Applicable		
5	Lowest market price of shares during the preceding 6 months	Not Applicable		
6	If any public issue or rights issue has been made by the company in the preceding 3 years	Not Applicable		
S.No.	Particulars	(Rs. in Lakhs)		
		2017	2016	2015
1	Equity Capital	8852.00	9003.75	8503.95
2	Reserves (excluding revaluation reserve)	13823.00	12158.82	13594.71
3	Sales	32153.00	34267.98	36757.00
4	Profit after tax	6676.00	6503.76	6959.53
5	Basic Earnings per share (Rs.)	127.16	123.88	132.56
6	Diluted Earnings per share (Rs.)	127.16	123.88	132.56
	Net Asset Value per equity share (Rs.)	431.25	403.02	420.96

S.No.	Particulars			
1	Name of the Company	Transenergy Limited		
2	Date of incorporation	27-07-1981		
3	Nature of activities	Machining of automotive brake components		
4	Highest market price of shares during the preceding 6 months	Not Applicable		
5	Lowest market price of shares during the preceding 6 months	Not Applicable		
6	If any public issue or rights issue has been made by the company in the preceding 3 years	Not Applicable		
S.No.	Particulars	(Rs. in Lakhs)		
		2017	2016	2015
1	Equity Capital	283.60	283.60	283.60
2	Reserves (excluding revaluation reserve)	559.72	516.55	508.70
3	Sales	1711.29	1725.82	1639.67
4	Profit after tax	43.07	33.55	31.44
5	Basic Earnings per share (Rs.)	15.19	11.83	11.09
6	Diluted Earnings per share (Rs.)	15.19	11.83	11.09
7	Net Asset Value per equity share (Rs.)	297.36	282.18	279.37

S.No.	Particulars			
1	Name of the Company	Sundaram BNP Paribas Home Finance Limited		
2	Date of incorporation	02.07.1999		
3	Nature of activities	Housing Finance		
4	Highest market price of shares during the preceding 6 months	Not Applicable		
5	Lowest market price of shares during the preceding 6 months	Not Applicable		
6	If any public issue or rights issue has been made by the company in the preceding 3 years	Not Applicable		
S.No.	Particulars	(Rs. in Lakhs)		
		2017	2016	2015
1	Equity Capital	10125.44	10125.44	10125.44
2	Reserves (excluding revaluation reserve)	92718.56	77353.63	66346.78
3	Sales	92284.87	92726.38	95435.65
4	Profit after tax	15364.93	15272.22	14642.32
5	Basic Earnings per share (Rs.)	15.17	15.08	14.46
6	Diluted Earnings per share (Rs.)	15.17	15.08	14.46
7	Net Asset Value per equity share (Rs.)	101.57	86.40	74.10

S.No.	Particulars			
1	Name of the Company	Royal Sundaram General Insurance Co. Limited		
2	Date of incorporation	22-08-2000		
3	Nature of activities	General Insurance		
4	Highest market price of shares during the preceding 6 months	Not Applicable		
5	Lowest market price of shares during the preceding 6 months	Not Applicable		
6	If any public issue or rights issue has been made by the company in the preceding 3 years	Yes –Right issue- 28.06.2016		
S.No.	Particulars	(Rs. in Lakhs)		
		2017	2016	2015
1	Equity Capital	33100.00	31500.00	31500.00
2	Reserves (excluding revaluation reserve)	31522.91	25818.10	23151.64
3	Sales	6778.32	3722.56	3013.22
4	Profit after tax	4304.80	2666.00	2198.94
5	Basic Earnings per share (Rs.)	1.32	0.85	0.70
6	Diluted Earnings per share (Rs.)	1.32	0.85	0.70
7	Net Asset Value per equity share (Rs.)	19.52	18.20	17.35

S.No.	Particulars	
1	Name of the Company	Sundaram Asset Management Company Limited
2	Date of incorporation	26.02.1996
3	Nature of activities	Investment Management and Advisory Services
4	Highest market price of shares during the preceding 6 months	Not Applicable
5	Lowest market price of shares during the preceding 6 months	Not Applicable
6	If any public issue or rights issue has been made by the company in the preceding 3 years	Not Applicable
S.No.	Particulars	(Rs. in Lakhs)
		2017 2016 2015
1	Equity Capital	2000.00 2000.00 2000.00
2	Reserves (excluding revaluation reserve)	14484.73 11411.67 11405.26
3	Sales	26054.45 22988.28 14983.38
4	Profit after tax	3073.06 441.88 2169.31
5	Basic Earnings per share (Rs.)	15.37 2.21 14.12
6	Diluted Earnings per share (Rs.)	15.37 2.21 14.12
7	Net Asset Value per equity share (Rs.)	82.42 67.06 67.03

S.No.	Particulars	
1	Name of the Company	Sundaram Asset Management Singapore Pte. Ltd.
2	Date of incorporation	19th May 2011
3	Nature of activities	Provision of Fund Management and related services
4	Highest market price of shares during the preceding 6 months	Not Applicable
5	Lowest market price of shares during the preceding 6 months	Not Applicable
6	If any public issue or rights issue has been made by the company in the preceding 3 years	Not Applicable
S.No.	Particulars	(in SGD)
		2017 2016 2015
1	Equity Capital	5855001 5630001 4730001
2	Reserves (excluding revaluation reserve)	(4607604) (5154436) (3989468)
3	Sales	1660897 1088958 381878
4	Profit after tax	72979 (1164938) (1602401)
5	Basic Earnings per share (Rs.)	-3.94 -9.79 -15.75
6	Diluted Earnings per share (Rs.)	-3.94 -9.79 -15.75
7	Net Asset Value per equity share (Rs.)	9.88 4.13 7.11

S.No.	Particulars	
1	Name of the Company	Sundaram Alternate Assets Limited
2	Date of incorporation	24-01-2018
3	Nature of activities	Management of Alternate Investment Fund and Portfolio management services
4	Highest market price of shares during the preceding 6 months	NA
5	Lowest market price of shares during the preceding 6 months	NA
6	If any public issue or rights issue has been made by the company in the preceding 3 years	Not Applicable
7	Equity Share Capital	Rs. 5,00,000/-

S.No.	Particulars			
1	Name of the Company	Sundaram Trustee Company Limited		
2	Date of incorporation	02.12.2003		
3	Nature of activities	Trusteeship Services		
4	Highest market price of shares during the preceding 6 months	Not Applicable		
5	Lowest market price of shares during the preceding 6 months	Not Applicable		
6	If any public issue or rights issue has been made by the company in the preceding 3 years	Not Applicable		
S.No.	Particulars	(Rs. in Lakhs)		
		2017	2016	2015
1	Equity Capital	5.00	5.00	5.00
2	Reserves (excluding revaluation reserve)	114.43	56.59	52.84
3	Sales	122.52	99.51	91.85
4	Profit after tax	57.84	45.97	39.25
5	Basic Earnings per share (Rs.)	115.68	91.93	78.50
6	Diluted Earnings per share (Rs.)	115.68	91.93	78.50
7	Net Asset Value per equity share (Rs.)	238.86	123.19	115.69

S.No.	Particulars			
1	Name of the Company	Sundaram BNP Paribas Fund Services Limited		
2	Date of incorporation	27.06.2008		
3	Nature of activities	1. Registrars and Transfer Agents services 2. Fund Accounting Services		
4	Highest market price of shares during the preceding 6 months	Not Applicable		
5	Lowest market price of shares during the preceding 6 months	Not Applicable		
6	If any public issue or rights issue has been made by the company in the preceding 3 years	Right Issue - Yes -21.02.2017, 27.10.2015, 14.10.2014		
S.No.	Particulars	(Rs. in Lakhs)		
		2017	2016	2015
1	Equity Capital	4000.30	3500.30	9450.00
2	Reserves (excluding revaluation reserve)	(1562.85)	(1100.33)	(7356.63)
3	Sales	3284.88	2791.06	2201.60
4	Profit after tax	(462.52)	(793.40)	(946.10)
5	Basic Earnings per share (Rs.)	(1.30)	(1.36)	(1.08)
6	Diluted Earnings per share (Rs.)	(1.30)	(1.36)	(1.08)
7	Net Asset Value per equity share (Rs.)	6.09	6.86	2.22

S.No.	Particulars			
1	Name of the Company	LGF Services Limited		
2	Date of incorporation	23.01.2004		
3	Nature of activities	Engaged in the distribution and marketing of financial, savings, loan, investment and insurance products.		
4	Highest market price of shares during the preceding 6 months	Not Applicable		
5	Lowest market price of shares during the preceding 6 months	Not Applicable		
6	If any public issue or rights issue has been made by the company in the preceding 3 years	Not Applicable		
S.No.	Particulars	(Rs. in Lakhs)		
		2017	2016	2015
1	Equity Capital	25.00	25.00	25.00
2	Reserves (excluding revaluation reserve)	433.27	350.48	373.31
3	Sales	439.32	644.58	772.19
4	Profit after tax	82.79	82.48	148.73
5	Basic Earnings per share (Rs.)	33.11	32.99	59.50
6	Diluted Earnings per share (Rs.)	33.311	32.99	59.50
7	Net Asset Value per equity share (Rs.)	183.31	150.19	159.33

Management’s Discussion and Analysis of Financial Condition and Results of Operations as reflected in the Financial Statements

You should read the following discussion in conjunction with the discussion under the head ‘Forward Looking Statements’ in Section I: Definitions, Abbreviations and General Information, Section II: Risk Factors and Prominent Notes and Section VI: Financial Information. This discussion and analysis may contain forward-looking statements and involve various risks and uncertainties and our actual results may differ materially from those anticipated in these forward looking statements as a result of any number of factors, including those set forth in the aforesaid sections. Unless otherwise stated, our financial information used in this section has been derived from Audited Financial Statements.

The following discussion should be read in conjunction with our audited financial statements as of and for the period ended September 30, 2017 (restated pursuant to the Scheme), financial year ended March 31, 2017 (restated pursuant to the Scheme), March 31, 2016, March 31, 2015, March 31, 2014 and March 31, 2013 and the schedules and notes thereto, which appear elsewhere in this Information Memorandum and are prepared in accordance with the Generally Accepted Accounting Principles in India (“Indian GAAP”) to comply with the Accounting Standards notified under Section 133 of the Act in terms of General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs and the relevant provisions of the Act, as applicable.

Overview

Sundaram Finance Holdings Limited was originally incorporated on October 13, 1993 under the Companies Act, 1956 as Sundaram Finance Securities Private Limited with the Registrar of Companies, Tamil Nadu at Chennai. Subsequently the Company has been converted into a public limited company w.e.f. November 22, 1993. In the year 2003, the company decided to enter into the business of insurance broking for Life, Medical and other general insurance products under the rules of Insurance Regulatory Development Authority of India. The main object was changed suitably and the name of the Company was changed to Sundaram Insurance Broking Limited w.e.f. May 21, 2003. Effective December 5, 2003, the name of the Company was changed as Sundaram Finance Distribution Limited, to engage in the business of distribution of financial products, viz., insurance, mutual fund, deposits & investment products, home and other loans. During December 2016, the name of the Company was changed as Sundaram Finance Investments Limited and the main object was amended for the purpose of engaging in all types of investments and therefore the distribution business was discontinued during January 2017. Subsequently, the name of the Company was changed to Sundaram Finance Holdings Limited w.e.f. March 29, 2017.

Prior to the Scheme becoming effective, the company was a wholly owned subsidiary of SFL. During February 2017, the Board of Directors approved the Scheme, which envisages the following:

- a. Amalgamation of SIBSL and Infreight with SFL;
- b. Demerger of the shared services business of Sundaram BPO into SFL; and
- c. Demerger of the 'SFL Demerged Undertaking', viz., identified shared services including shared services vested from Sundaram BPO, training services, non-core investments of the Company and identified immovable properties into our Company.

Pursuant to the sanctioning of the Composite Scheme of Arrangement and Amalgamation by NCLT in January 2018, the following have vested into our Company:

1. **Investments:** Identified investments predominantly in companies engaged in the business relating to automotive and allied components and companies engaged in BPO operations. For details relating to investments held by the Company, please refer the head 'Brief Summary of the Business/Activities of the Issuer and its line of Business' in Section V: About the Issuer.
2. **Shared Services Business:** Business of providing services in the nature of information technology enabled services in areas of accounting, insurance, banking, human resources, health care, legal, telecom etc. and administrative, managerial, maintenance, document processing, data entry, reconciliation, training, orientation and other support services to Sundaram Finance Limited and its affiliates/group concerns.

In FY 2016-17 (based on restated financials), the Company recorded total revenue of Rs. 6156.19 lakhs, of which Rs. 4894.13 lakhs could be attributed to investments and Rs. 872.49 lakhs could be attributed to shared services (BPO activities), the rest being other sources. The Company has earned an overall profit after tax of Rs. 3538.04 lakhs for the said period. For the period ended September 30, 2017 (based on restated financials) the Company recorded a total revenue of Rs. 3720.53 lakhs of which Rs. 3120.08 lakhs could be attributed to investments and Rs. 590.86 lakhs could be attributed to shared services (BPO activities), the rest being from other sources. The Company has earned an overall profit after tax of Rs. 2799.47 lakhs for the said period. The key financial aspects of subsidiaries and associates are provided under the head 'Financial Information of Group Companies' in Section VI: Financial Information.

Basis of Preparation and Significant Accounting Policies

The financial statements of our Company have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP). Our Company has prepared these financial statements to comply in all material respects with the accounting standards notified under section 133 of the Companies Act 2013, read with relevant rules. The financial statements have been prepared on an accrual basis and under the historical cost convention. The financial statements for year ended March 31, 2017 and period ended September 30, 2017 have been restated to give effect to the Scheme.

Kindly refer Section VI: Financial Information for significant accounting policies.

Material Developments subsequent to last Financial Year.

In January, 2018, the NCLT approved the Scheme pursuant to which the SFL Demerged undertaking was vested with Company.

Factors Affecting our Results of Operations

Following factors may affect our Company's financial performance in general:

- General economic condition;
- Changes in applicable regulatory provisions;
- Market factors;
- Competition

Kindly refer the Section II: Risk Factors and Prominent Notes and discussion under the head 'Industry Outlook' in Section V: About the Issuer.

Review of Financial Performance of our Company and comparison with earlier years

The summary financial statements of our company are given in Section VI: Financial Information.

Kindy note that the financial performance for the financial years 2016-17 and for the period ended September 30, 2017 are not comparable with the previous financial years for reasons stated hereunder.

- Pursuant to the Scheme, results for financial year 2016-17 include results of the SFL Demerged Undertaking vested with the Company w.e.f April 1, 2016,
- Results for period ended September 30, 2017 do not contain results for a complete financial year.

Additional Information

- a) There have been no unusual or infrequent events or transactions that may be described as “unusual” or “Infrequent” and may have taken place during the last three years.
- b) Except as described herein and in “Risk Factors”, there are no significant economic changes that could affect our income from continuing operations.
- c) Except as described in this Information Memorandum in general and Section II: Risk Factors and Prominent Notes and this section in particular, to the best of our knowledge and belief, there are no known trends or uncertainties that have or had or are expected to have any material adverse impact on our revenues or income from continuing operations.
- d) Other than as described in this section and the Section II: Risk Factors and Prominent Notes and Section V: About the Issuer, to the best of our knowledge, there are no known factors which will materially impact the future relationship between our costs and revenues.
- e) Our Company predominantly operates in investment and shared services business segments. Details of revenue are given in the discussion above.

SECTION VII LEGAL AND OTHER INFORMATION

A. OUTSTANDING LITIGATION

In terms of the Scheme, all pending legal proceedings by or against the Demerged Company in relation to the SFL Demerged Undertaking, if any, will be continued in the Resulting Company.

In accordance with the SFHL Policy on Other Litigations, in respect of ‘other pending litigations’ to be disclosed in the Information Memorandum, only those litigations where the value involved is Rs. 2 crores or more shall be treated as ‘material litigations’.

Explanation: ‘Other pending litigations’ shall be litigations other than those relating to criminal proceedings, actions by statutory/regulatory authorities and taxation matters.

(i) Litigations involving the Company and its Directors

Details of the outstanding litigation and status thereof involving the Company and its Directors with regard to outstanding (i) criminal proceedings, (ii) statutory/regulatory proceedings, (iii) taxation matters and (iv) other pending litigations are furnished hereunder for the purpose of disclosure in this Information Memorandum.

Criminal Proceedings

There are no outstanding criminal proceedings against the Company or any of its Directors.

Actions by Statutory / Regulatory Authorities

There are no actions statutory/regulatory authorities against the Company or any of its Directors.

Taxation

The taxation related litigations involving the Company are as under:

Nature of litigation	Year	Plaintiff / Complainant / Applicant/ Petitioner/ Appellant	Defendant / Respondent	Issue	Amount (Rs. In lakhs)	Remarks
Direct Tax	AY 2013-14	Sundaram Finance Holdings Limited	Deputy Commissioner of Income Tax	14A Disallowed	0.81	Appeal filed
Direct Tax	AY 2013-14	Sundaram Finance Holdings Limited	Deputy Commissioner of Income Tax	43B Leave salary	0.11	Appeal filed

There are no outstanding tax litigations/claims against/by the Directors of the Company.

Other Pending Litigations

There are no ‘other pending litigations’ against the Company or any of its Directors

(ii) Litigations involving the other companies

Details of outstanding litigations (the nature of litigation and the status of litigation) against the promoter, i.e., SFL, group companies and companies promoted by the promoter of the Company are provided vide Annexure A to this Information Memorandum.

B. OUTSTANDING DUES TO THE CREDITORS

In accordance with the SFHL Policy on Materiality for Creditors, the materiality level for creditors to be disclosed in the Information Memorandum has been considered at 1% of the networth of the Company.

Based on the above criteria, there are no material creditors of the Company as on the date of the latest audited financial statements, i.e., September 30, 2017.

C. MATERIAL DEVELOPMENTS SUBSEQUENT TO LAST FINANCIAL YEAR.

In January, 2018, the NCLT approved the Scheme pursuant to which the SFL Demerged undertaking was vested with Company.

D. OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for Issue and Listing

NCLT vide its order dated January 12, 2018 has approved the Scheme. The Order sanctioning the Scheme was received on January 18, 2018 and filed with the ROC on the same day. Pursuant to the Scheme, the SFL Demerged Undertaking of the Demerged Company has been transferred to and vested with the Company w.e.f. the Appointed Date, in accordance with Sections 230-232 of the Companies Act, 2013 and other applicable laws. For more details about the Scheme, please refer the discussion under the head 'Scheme of Arrangement and Amalgamation' in Section III: Introduction and About the Company.

Pursuant to Clause 29.1 of the Scheme, at the Board Meeting of the Company held on February 12, 2018, the shareholders of SFL were allotted 11,11,03,860 equity shares of Rs. 5/- each fully paid in the capital of the Company, in the ratio of 1 (One) equity share of Rs.5/- each credited as fully paid-up for every 1(One) fully paid-up equity share of Rs.10/- each held by them in SFL as on the Record Date, i.e. February 2, 2018.

The Equity Shares of the Company issued and allotted pursuant to the Scheme shall be listed and admitted for trading on NSE. Such listing and admission for trading will be subject to fulfillment by the Company of the listing criteria of NSE for such issues and also subject to such other terms and conditions as may be prescribed by NSE at the time of the application seeking listing.

Eligibility Criteria

Since this allotment and listing is pursuant to the Scheme, the eligibility criteria to enter the capital market, in terms of the SEBI ICDR Regulations, are not applicable. Pursuant to the SEBI Circular, our Company has received exemption from the applicability of Rule 19(2)(b) of the SCRR for the purpose of listing of the shares of the Company from SEBI vide its letter dated March 14, 2018.

Our Company has submitted the Information Memorandum, containing information about itself, making disclosures in line with the disclosure requirement, as applicable, to NSE for making the said Information Memorandum available to public through their website www.nseindia.com. The Company has also made this Information Memorandum available to the public on its website www.sundaramholdings.in. The Information Memorandum is also available on the website of Sundaram Finance Limited www.sundaramfinance.in.

The Company shall publish, prior to trading of its Equity Shares on the Stock Exchanges, an advertisement in one English and one Hindi newspaper with nationwide circulation and

one regional newspaper with wide circulation at the place where the Registered Office of the Company is located containing its details in accordance with the requirements set out in the SEBI Circular. The advertisement shall draw specific reference to the availability of the Information Memorandum on the Company's website.

Prohibition by SEBI

The Company, its Directors, its Promoter, Promoter Group members, Group Companies, other companies promoted by the Promoter or any natural persons being Promoters of the Promoter and other entities with which our Directors are associated have not been prohibited from accessing the capital markets under any order or direction passed by SEBI or any other authorities.

Identification as wilful defaulter

Our Company, its Promoter, Group Companies, Directors or their relatives have not been categorised as wilful defaulters by any regulatory or statutory authority / institution.

Disclaimer of NSE

A copy of this Information Memorandum will be submitted to NSE.

The NSE had given its 'No Objection' vide letter dated May 19, 2017 in accordance with the provisions of the SEBI Listing Regulations and by virtue of that No Objection, NSE's name in this Information Memorandum has been used as the Stock Exchange on which our Company's securities are proposed to be listed.

The NSE has scrutinised this Information Memorandum for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company. It is to be distinctly understood that the aforesaid permission given by the NSE should not in any way be deemed or construed that the Information Memorandum has been cleared or approved by the NSE nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Information Memorandum; nor does it warrant that this Company's securities will be listed or will continue to be listed on the NSE; nor does it take any responsibility for the financial or other soundness of this Company, its Promoter, its management or any scheme or project of this Company.

Every person who acquires any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the NSE 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 for any other reason whatsoever.

General Disclaimer from the Company

The Company accepts no responsibility for statements made otherwise than in the Information Memorandum or in the advertisements published in accordance with legal requirements mentioned in the SEBI Circular 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 or her own risk. All information shall be made available by our Company to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner.

Exclusive jurisdiction for the purpose of this Information Memorandum is with the competent courts/authorities in Chennai, India.

Listing

With a view to listing of the Equity Shares, application has been made to NSE for permission to deal in and for an official quotation of the Equity Shares of the Company. The Company has nominated NSE as the Designated Stock Exchange for the aforesaid listing of the Equity Shares. The Company has taken steps for completion of necessary formalities for listing and commencement of trading at NSE.

Listing Approval from NSE

The Company obtained in principle listing approval from NSE on February 19, 2018.

Filing

This Information Memorandum has been filed with NSE.

Capital Issue

For details of rights issues by the Company since its incorporation, see the head 'Capital Structure' under Section III: Introduction and About the Company. The proceeds of the Rights Issue have been utilised for the purpose of achieving the objects of the Company. The Company has not undertaken any public issues. Prior to the allotment of shares pursuant to the Scheme, the Company was a wholly-owned subsidiary of SFL.

Except SFL, the Company does not have any other listed group companies/subsidiaries/associates. SFL has not made any capital issues during last 10 years.

Outstanding debenture or bonds and redeemable preference shares and other instruments issued by our Company

There are no outstanding debentures or bonds or redeemable preference shares as of the date of this Information Memorandum.

Stock Market Data for Equity Shares of our Company

The shares of our Company are not listed on any stock exchanges at present. Through this Information Memorandum, our Company is seeking approval for listing of its Equity Shares on NSE.

Change in Auditors

Pursuant to Section 139 of the Companies Act, 2013 (providing for mandatory rotation of auditors) read with the Companies (Audit and Auditors) Rules, 2014, M/s R.G.N. Price & Co., Chartered Accountants, Chennai (Firm Registration number 002785S), have been appointed as Statutory Auditors of the Company for a period of 5 years w.e.f. July 18, 2017, in the place of M/s. Brahmayya & Co., Chartered Accountants, Chennai.

Redressal of Investor Grievances

The Company has constituted the Stakeholders' Relationship Committee for the purpose of redressal of investor grievances.

Registrar and Share Transfer Agent

M/s. Cameo Corporate Services Limited

‘Subramanian Building’

No.1 Club House Road, Chennai - 600002

Tel: (91 44) 2846 0390 to 0395

Fax: (91 44) 28460129

E-mail: investor@cameoindia.com

Secretary and Compliance Officer

Mr. P. N. Srikant,

Sundaram Finance Holdings Limited

21 Patullos Road,

Chennai - 600 002, India

Ph: 044-2888 1311; E-mail: srikantpn@sundaramholdings.in

SECTION VIII OTHER INFORMATION

A. Ranking of Equity Shares and Terms of the Articles of Association

The equity shares allotted pursuant to the Scheme shall in all respects, rank pari passu with the existing equity shares of the Company and shall be subject to the applicable provisions of the AOA of the Company. Rights of all the members regarding voting, dividend, lien on shares, the process for modification of such rights and forfeiture of shares shall be in accordance with the applicable provisions of the AOA read with the relevant provisions of the Act and SEBI Listing Regulations. The main provisions of the AOA are as under:

1. Subject as hereinafter provided, all the Regulations contained in Table 'F' in the Schedule I annexed to The Companies Act, 2013 (hereinafter referred to as Table 'F') shall apply to this Company.
2. The Authorised Capital of the Company shall be as stated in the Memorandum of Association of the Company from time to time.'
3. The shares shall be under the control of the Directors who may allot or refuse to allot or refuse or allot or otherwise dispose off the same. Any issue of shares may be offered to the existing shareholders in proportion to their holdings on the date of issue or in any manner or for purposes that the directors may deem fit and necessary for in the interest of the company.
4. The number of Directors shall not be less than three and more than twelve.
5. Any person whether a member of the company or not may be appointed as Director and qualification by way of holding share shall not be required of any Director.
6. i) The business of the Company shall be carried on by the Board of Directors through the Managing Directors, or in such other manner as the Board shall think fit, subject to the direction, control and superintendence of the Board of Directors at all times.
ii) The board may, subject to the provisions of the Act, from time to time, appoint one or more of its directors to the office of Managing Director or Managing Directors or Whole time director or Whole time directors for such periods and on such terms as it thinks fit and subject to the terms of any agreement entered into in any particular case, may revoke such appointment. A Managing Director or Whole time director shall, subject to the provisions of the Act receive such remuneration as may be determined by the Board. The Board may entrust to and confer upon a Managing Director or a whole time director any of the powers exercisable by it upon such terms and conditions and with such restrictions as it may think fit, either collaterally with or the exclusion of its own powers, and may, from time to time, revoke, withdraw, alter a vary all or any such powers.
7. Subject to the provisions of Section 174 of the Act, the quorum necessary for transaction of the business of the Directors shall be two or one-third of the total strength, whichever is higher.

B. Mode of Payment of Dividend

Dividend, if any, declared and paid by the Company, will be through the electronic mode and where the electronic mode is not available, through multi-city cheques.

C. Option to receive shares in electronic form

The shareholders of SFL holding their shares in physical form have been provided with an option to receive the equity shares to be allotted by the Company in electronic form.

SECTION IX

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following material contracts and documents shall be available for inspection at the Registered Office of the Company during office hours on all working days (except Saturdays, Sundays and public holidays) from the date of filing of the Information Memorandum with NSE till the date of listing of the equity shares:


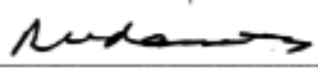
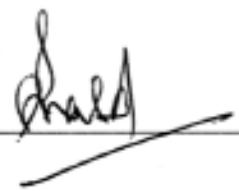
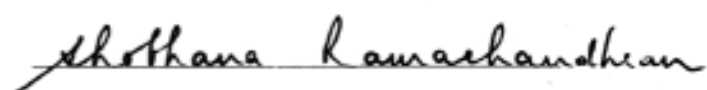
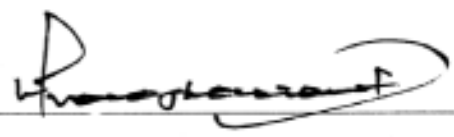
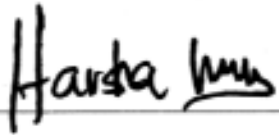
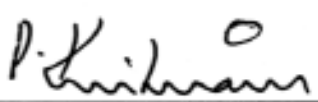
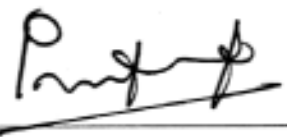
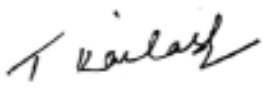
- 1) Memorandum and Articles of Association of the Company as amended till date, including all Certificates of Incorporation;
- 2) Audited Financial Statements of the Company for last 5 years;
- 3) Copy of the Share Entitlement Report dated February 17, 2017 provided by M/s. BSR & Associates LLP, Chartered Accountants, Chennai
- 4) Copy of Fairness report dated February 17, 2017 provided by M/s. Spark Capital Advisors (India) Private Limited, Merchant Banker;
- 5) Copy of Resolution dated February 17, 2017 passed by the Board of Directors of the Company approving the Scheme and Resolution dated May 29, 2017 passed by the Board of Directors of the Company modifying the Scheme ;
- 6) Approval of the CCI vide Order dated April 27, 2017;
- 7) Observation Letter issued by National Stock Exchange of India Limited dated 19th May 2017 according their “No Objection” to the Scheme of Arrangement and Amalgamation;
- 8) Copy of the NCLT Order dated September 5, 2017 dispensing with the meeting of Equity shareholders and Creditors of the Company;
- 9) The Order dated January 12, 2018 of NCLT sanctioning the Scheme along with Certified Copy of the Scheme, received by us on January 18, 2018;
- 10) Acknowledgement copy from Registrar of Companies for filing the Scheme of Arrangement on January 18, 2018;
- 11) Consent from the Auditors for inclusion of their names as the statutory auditors and of their reports on accounts in the form and context in which they appear in this Information Memorandum;
- 12) Tripartite Agreement dated January 8, 2018 amongst the Company, Central Depositories Services (India) Limited and the Registrar and Transfer Agents Cameo Corporate Services Limited;
- 13) Tripartite Agreement dated January 17, 2018 amongst the Company, National Securities Depository Limited and the Registrar and Transfer Agents Cameo Corporate Services Limited;
- 14) Agreement dated January 23, 2018 with Registrar and Transfer Agents Cameo Corporate Services Limited for acting as Registrar and Transfer Agents;
- 15) Updated Information Memorandum;
- 16) In principle approval dated February 19, 2018 received from NSE, for listing of equity shares of the Company;
- 17) Relaxation under Rule 19(2)(b) of the SCRR granted by the SEBI vide its letter ref. no.CFD/DIL2/ADM/AV/AP/8169/2018 dated March 14, 2018.

Declaration

We hereby declare/certify that to the best of our knowledge:

- a) this Information Memorandum is materially compliant with all the relevant provisions of the Act, SEBI Act, SCRA and rules and regulations framed thereunder.
- b) the disclosures made in the Information Memorandum are true and correct.

Approved by the Board of Directors of Sundaram Finance Holdings Limited at the meeting held on February 12, 2018 and signed on behalf of the Board by all the Directors present at the Meeting, CEO, CFO and Secretary & Compliance Officer:

Sri S. Viji, Chairman	:	
Sri R. Venkatraman, Director	:	
Sri S. Prasad, Director	:	
Ms. Shobhana Ramachandran	:	
Sri T.T. Srinivasaraghavan, Director	:	
Sri Harsha Viji, Director	:	
Sri Paramesh Krishnaier , CEO	:	
Sri P.N. Srikant, CS	:	
Sri T. Kailashpathy, CFO	:	

Place: Chennai
Date: February 12, 2018

Certified True Copy
For Sundaram Finance Holdings Limited


P.N. Srikant
Secretary & Compliance Officer

Details of Criminal Cases by SFL						
Nature of litigation (Criminal / Statutory / Taxation (1), / Other litigations (2))	Year	Plaintiff / Complainant / Applicant/ Petitioner/ Appellant	Defendant / Respondent	Issue (in brief)	Amount (Rs. In lakhs) (if quantifiable)	Remarks
Criminal proceedings	2017	Sundaram Finance Ltd.	Lakshmi Apparels and Wovens Limtied	Used Machinery transaction. Borrower has availed loan on the basis of no lien certificate issued by the Auditor, surpressing the fact of earlier charge with IDBI Bank.	95.71	We have filed Criminal Complaint under Sec.420 / 468 / 471 & 34 of I.P.C. FIR Registered. The matter is under Investigation.
Criminal proceedings	2018	Sundaram Finance Ltd.	K.Ganapathy	Awards were passed on 22/06/2011 & 21/09/2011. Vehicles are not traceable. EP filed at Coimbatore Dist.Court against the borrower's property. Vehicles hypothecated under the loan agreements are understood to have been sold to a third party by the borrower.	50.99	we have filed a complaint with CCB, Chennai for breach of trust and the complaint is yet to be taken on file.
Criminal proceedings	2018	Sundaram Finance Ltd.	KPK Engineering Company	Awards have been passed. Petitions to set aside the awards filed by the borrower are pending. Already Applications filed for attachment of Borrower & Guarantor property and both of them have undertaken not to alienate the property which was recorded by the Court. It is understood that the borrower has transferred the hypothecated machinery to a third pary.	31.85	Complaint has been preferred to Mount road Police station and FIR is yet to be registered.
Criminal proceedings	2016	Sundaram Finance Ltd.	1.Gondella Kishore Kumar 2. M/s Sri Lakshmi Tyres, Represented by T Sambasiva rao 3 M/s Sreedhar Tyres represented by Mr. M Nageswara Rao	The accused is an employee of Aparajitha Corporate Services and placed in our Vijayawada branch to process tyre finance. He fabricated the documents by creating fictitious loan accounts and misappropriated the company funds to his own use. To execute his nefarious activities, he had colluded with tyre dealers.	24.14	We have filed criminal Complaint under section 190 and 200 of Cr. P c before the jurisdictional magistrate court and the court has directed the police authorites concerned to register FIR. Investigation is still pending.

Criminal proceedings	2017	Sundaram Finance Ltd.	1. M Ramesh , 2. Ms. chitra	The borrower tampered the engine no of vehicles funded by us and availed multiple finances from other financiers.	35.46	FIR registered
Criminal proceedings	2017	Sundaram Finance Ltd.	Rangara Industries Pvt.Ltd.	Machinery contract. Due to default, arbitration initiated and 2 awards dated 10.04.2014 have also been passed for a sum of Rs.55.70 lakhs and 88.56 lakhs. It is understood that the the directors of the borrower have sold the machinery to a third party. The borrower company has also been ordered to be wound up by the orders of Bombay High Court.	144.26	We have filed a criminal complaint under section 156(3) of Crpc and yet to be taken up for hearing. One of the properties of the guarantor has been attached in the EP filed at Bombay High Court.
Criminal proceedings	2016	Sundaram Finance Ltd.	Modern Motors	The customer is Mahindra dealer who had availed finance for demo vehicles. However, on perusal of the RCs, it is found that all were forged and hence, we filed criminal case. The Managing partner was arrested and out on jail. Other finance companies have also initiated criminal action. Charge sheet has been filed into court. Arbitration initiated and award passed. We have also filed EPs.	267.54	The criminal case is in the stage of letting in prosecution evidence.
Criminal proceedings	2012	Sundaram Finance Ltd.	M/s.Shree Shyam Enterprises	We had initiated arbitration proceedings following defaults. Though repossessed the assets by advocate commissioners appointed by the Madras High Court , we were ordered to return them. We came to know that the borrower had re registered the vehicles in Nagaland with forged papers. Therefore, we preferred a complaint before Dhenkanal Police station, Orissa. FIR has also been registered. Pending.	351.97	In the arbitration proceedings, they have filed counter and the proceedings are pending.

Details of Litigations against SFL

Nature of litigation (Criminal / Statutory / Taxation / Other litigations)	Year	Plaintiff / Complainant / Applicant/ Petitioner/ Appellant	Defendant / Respondent	Issue (in brief)	Amount (Rs. In lakhs) (if quantifiable)	Remarks
Other litigations	2015	Varsani Construction Company	Sundaram Finance Ltd.	The customer claims that the seized vehicles were sold and disposed of by planned conspiracy and therefore claimed damages of Rs. 14,60,98,494/- being difference amount of total cost of machinery, Damage of Rs.5,00,00,000/- towards business loss, Damage of Rs.2,00,00,000/- towards loss of opportunity reputation and goodwill.	2160.98	The customer is 18 contracts with us. Customer defaulted and the assets were seized and sold. Arbitration Awards obtained for Rs.8,58,29,974/- . EP filed. In order to drag on the payment, this suit has been filed which is being defended.
Statutory / Regulatory / Stock exchange	2004, 2012 & 2013	ETK Softech Ltd.	Sundaram Finance Ltd.	Proceedings were initiated against us under the customs Act, Foreign Exchange Regulation Act and Income Tax Act. In respect of the proceedings under the customs Act, The Commissioner of Customs, Tuticorin passed an order against us and the lessee, demanding payment of customs duty of Rs.18,24,17,893/- and penalty of Rs.5 crores. On our appeal, CESTAT, vide its order dated 02/03/2012, observed that the customs duty is leviable on the actual value at which the goods were initially exported and accordingly the customs duty is leviable on the export value of the goods at Rs.72.45 lakhs and remanded the appeal to the commissioner of customs, Tuticorin for re-quantification of duty on the above basis and also reduced the penalty to Rs.10 lacs from Rs.5 crores. Against the order of CESTAT, we filed Civil Miscellaneous Appeal No.2694/2012 in the High Court, Madras which admitted the appeal and granted interim stay against the penalty. As there is no stay against the re-quantification of duty, the Commissioner of Tuticorin conducted the hearing on 20.11.2012 and we filed written submission providing the calculation for re-quantifying the duty and also stating that the total duty payable would be Rs.14,00,370/-. The Commissioner of Customs Tuticorin, vide order dated 19/12/2012, re-quantified the duty amount at Rs.43,78,821. Against the order, we have filed an appeal No.C-40423 / 2013 before CESTAT which is pending. We have also paid the re-quantified duty of Rs.43,78,821 under protest.	1844.36	Proceedings under Income Tax Act : In the regular assessment for the assessment year 1999-2000, the lease transaction entered with ETK Softech P Ltd was treated as financing transaction and the depreciation of Rs.15.26 Cr. (50% of the cost) was disallowed in the assessment year 1999-2000 and the balance depreciation was disallowed in the assessment year 2000-01. The assessing officer also levied penalty of Rs.5.00 Cr. for the assessment year 1999-2000 and we filed an appeal before the CIT(A). The CIT(A) also confirmed the stand of the assessing officer and we preferred an appeal before the Tribunal which allowed the same. Against which, the revenue approached the High Court, Madras which confirmed the levy of penalty. Against the order of the High Court, we have filed special leave petition No.18311 / 2013 before the Supreme Court which granted leave. Pending. Proceedings under FERA : The Special Director of Enforcement, Enforcement Directorate in his order dated 05.03.2004 imposed penalty in a sum of Rs.10,00,000/- against us. We have filed an appeal No.485 / 2004 before Appellate Tribunal for foreign exchange, New Delhi against the order of penalty which is pending.

Criminal proceedings	2014	Sub Inspector of Police, Karunagapally	Mr.Girish Kumar, Branch Manager, Karunagapally Branch, SFL.	In the state of Kerala, the government initiated actions against NBFC in the name of "Operation Kubera". A complaint was registered against us and we have moved the Kerala High Court and got stay of legal proceedings before Judicial Magistrate Court.	-	The complaint was registered under Kerala Money Lenders Act. We have challenged the applicability of the said act to NBFC and High Court of Kerala at Ernakulam had confirmed the applicability of the Act. We have moved the Supreme Court by way of SLP and the same is pending.
Criminal proceedings	1999	Shyam Sundar	Mr.Hemadri Rao, Branch Manager, Punjabi Bagh Branch, SFL.	Customer had two contracts. We repossessed & sold one vehicle where the dues are less and adjusted the surplus amount to the other account. Aggreived by our action, the customer filed complaint against our then Branch Manager Hemadri Rao.	-	The Branch Manager resigned and not in service. However, the case is followed-up and defended by us. Pending.

Details of Litigations by SFL

Nature of litigation (Criminal / Statutory / Taxation / Other litigations)	Year	Plaintiff / Complainant / Applicant/ Petitioner/ Appellant	Defendant / Respondent	Issue (in brief)	Amount (Rs. In lakhs) (if quantifiable)	Remarks
Other litigations	2017	Sundaram Finance Ltd.	Arunachalam Sugar Mills Ltd.	Leasing machinery account. Sugar plant machinery. Machinery could not be repossessed despite court orders. Lessee company is ordered to be wound up under the orders of the Madras High Court. For sale of the machinery, we have entered into an arrangement with IREDA to sell the factory as a whole and remit the rateable sale proceeds to us. Arbitration initiated and award passed. EP filed and property of the guarantors attached.	6286.95	Sale papers filed. One M/s. Vira Properties has filed a claim petition & filed counter on 17.01.2018. Case is posted to 24.01.2018.
Other litigations	2012	Sundaram Finance Ltd.	L.S.P. Agro Ltd.	Sundaram Finance Services Limited bill discounting Account. Arbitration initiated and award passed. The guarantor filed Application to set aside the award and dismissed. Now, he has preferred an Appeal before the Division Bench. The property of one of the guarantors attached in Sec. 9. EP filed for sale of the attached property.	265.59	Appeal before the Division Bench posted to 29.01.2018.
Other litigations	2009	Sundaram Finance Ltd.	G.T.V.Spinner Ltd.	Used hire purchase account. BIFR company. Award passed. Machinery repossessed and sold. We filed EP and attached two properties, one at Udumalpet and another at Palani. BIFR company. Borrower filed revision in High Court challenging the EP. Settlement arrived at Lok Adalat.	535.58	We agreed to receive Rs.25 lakhs payable on before 31.03.18. signed MOC. the first instalment of Rs. 5 lakhs is payable on or before 24.1.18, the second instalment of Rs.5 lakhs is payable on or before 24.2.18 and last instalment of Rs.15 lakhs is payable on or before 24/3/18. The next hearing date is 24/01/2018.

Other litigations	2001	Sundaram Finance Ltd.	P.C.A.C. Ltd.	Bill discounting and hire purchase facilities. We have filed a Mortgage Suit at Madras High Court. Rs.64 lakhs collected towards part payment. Mortgage documents belonging to Mr.Shanmugam group are with us. Preliminary Decree was passed.	480.79	We filed petition for passing final Decree and the same will be numbered shortly.
Other litigations	2017 & 2018	Sundaram Finance Ltd.	S2S Consultants	Customer defaulted in payment and all the assets were seized and sold. Arbitration initiated and award was passed. Property was attached.	341.42	EP filed for sale of attached property and yet to be numbered.
Other litigations	2017	Sundaram Finance Ltd.	Hindussthan Marine Engineering Works	Machinery / Vehicles - Assets not repossessed. Arbitration initiated and award was passed. EP Filed at Nellore for attachment of the property. EP Filed at Madras for Civil Arrest.	533.87	Nellore property was attached and posted for filing sale papers. Regarding Madras EP, case is posted to 30.01.2018 for orders.
Other litigations	2016	Sundaram Finance Ltd.	Modern Motors	The customer is Mahindra dealer who had availed finance for demo vehicles. However, on perusal of the RCs, it is found that all were forged and hence, we filed criminal case. The Managing partner was arrested and out on jail. Other finance companies have also initiated criminal action. Arbitration initiated and award passed.	267.54	We have filed Eps in Ludhiana and attached his residential house and showroom properties but the properties are under mortgage with Bank of India which filed its claim. On the basis of the same and the fact that bank's liability is more than the value of the property, our attachment is raised and we have been advised to file other property proofs. We have filed 2 eps in taran taran seeking attachment of the agricultural property but we came to know that said property is also mortgage with the Bank and service on the borrower is yet to be completed. We have taken steps to file petition for substituted service.
Other litigations	2015	Sundaram Finance Ltd.	ILK Impex	1. Out of the 16 accounts, assets in 15 contracts were seized and sold. One forklift was yet to be traced. 2. We have filed winding up petition at High Court of P& H. The court has directed the OL to get the list of fixed Assets of the company prepared and submit the same to the court. 3. EP filed in all the contracts. One of the guarantors, who is a guarantor in 4 contracts is having property.	327.99	We have attached property of one guarantor Mr.Anish Kosla and also received the report of revenue department with regard to the attachment. Party appeared and case is posted for 18.07.2017 for his objections. We have also sought attachment of other guarantor's property and attachment order to be issued. One more property identified but the same is not in customers name.
Other litigations	2017	Sundaram Finance Ltd.	Varsani Construction Company	We have filed 17 applications under sec 9 for attachments of the guarantor's properties and the same was effected. The court notice sent to the parties with the regard to the attachment was served. Awards passed and EP filed.	858.30	5 EP'S are filed at Rajkot commercial court. VCC filed objection stating Civil Suit pendency at Ahmedabad City Civil Court, which was heard and posted for order and third party Rajkot Co-op Bank has raised objection stating Mortgage of the property with them. We have argued that though the property is mortgaged, the court can order the sale of property. Posted to 31/01/2018.

Other litigations	2017	Sundaram Finance Ltd.	UN Automobiles	We have initiated arbitration for recovery of the amount due under trade advance. We have also filed application under section 9 of the arbitration and conciliation act for attachment of the property of the guarantor and the same has been ordered. The attachment orders have been forwarded to City Civil Court Jaipur. meanwhile the party has approached us for settlement of his dues. We have agreed to accept 1.85 crores towards full and final settlement with a minimum of Rs. 15 lakhs before 31/3/2017 and balance before 31/3/2018. An MOC was signed consent award was passed in terms of our understanding. Party has issued a cheque for Rs.10 lakhs and the same was returned. We have issued a Cheque Return Notice on 05.06.2017. We have filed Cheque return case. Further, property sought to be attached was sold by him before attachment.	234.14	EP filed for all reliefs for effecting movables. The bailiff has given a report that there are no such movables to satisfied the claim. We have also filed an application for attachment of immovable property situated in another district. We have also given a police complaint before Banipark Police Station for his illegal transfer of property which was ordered to be attached by the High Court, Madras . Police are enquiring the same.
Other litigations	2016	Sundaram Finance Ltd.	GSL (India) Ltd.	The leased assets are outdated draw frames. The Company was before BIFR from the year of 2000. ARCIL failed in evolving a DRS and BIFR proceedins abated. We had been receiving Rs.10000/- every month from 2004 which was also stopped in 2008. Efforts to get the payments proved futile. Arbitration initiated and award passed.	1927.61	We filed EP in District Court, Narmadha for attachment of the leased machinery and inspected the factory premises but could not identify the machinery. We have sought for appointment of textile expert to identify the machinery. However, court declined to pass orders and hence, we are contemplating fresh EP.
Other litigations	2016-2017 & 2017-2018	Sundaram Finance Ltd.	Rajesh Vithaldas Anam & Another	We have initiated arbitration. The borrower is long standing cusomter with us for more than 25 years. since customer defaulted in payments, we had initiated arbitration	337.90	Borrower has paid fifty lakhs jan' month and committed to pay another 30 lakhs by feb" month end. If the payments are sustained these contracts would get out of npa by march end.
Other litigations	2011 - 2018	Sundaram Finance Ltd.	M/s.Shree Shyam Enterprises	We had initiated arbitration proceedings following defaults. Though repossessed the assets by advocate commissioners appointed by the Madras High Court, we had to return them back. Later the borrower came forward and executed an MoU, permitting us to sell the vehicles and also agreed to pay the shortfall amounts. However, the borrower went back on his commitments. He has also filed a counter-claim. We are contesting the matter and the arbitration proceedings are pending.	351.97	In the arbitration proceedings, they have filed counter and the proceedings are posted to 08/02/2018 for filing of our rejoinder.

Other litigations	2016 - 2018	Sundaram Finance Ltd.	M R Govindan	Arbitration proceedings for these 9 accounts were initiated following defaults committed by the borrower.	364.96	Arbitration action has been taken for attachment of properties. Arbitration case is going on. As committed, he has sold one of his properties and got advance amount from the buyer. Based on the advance amount, he has so far paid Rs 131.95 Lakhs. He has paid Rs 36.74 Lakhs in October 2017. He has assured to settle the entire accounts before March 2018, as he will be receiving balance sale consideration in Feb 2018. He has since got contract for operating the blue metal mining quarry and his cash flow would be enhanced.
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Details of Litigations SFL - Direct Tax

Nature of litigation (Criminal / Statutory / Taxation/ Other litigations)	Year	Plaintiff / Complainant / Applicant/ Petitioner/ Appellant	Defendant / Respondent	Issue (in brief)	Amount (Rs. In lakhs) (if quantifiable)	Remarks
Direct Tax	various years	SFL	Various Authorities/Courts	Difference in income recognised on HP transactions between Books (IRR basis) and Income tax (ESM basis) claimed as deduction but not allowed	3389.63	
Direct Tax	various years	SFL	Various Authorities	Provision for NPAs claimed in the assessment but not allowed	-794.34	
Direct Tax	various years	SFL	Various Authorities	Income deferment on NPAs taxed in the assessments	267.80	
Direct Tax	various years	SFL	Various Authorities	Notional expenditure for earning dividend income disallowed	1073.06	
Direct Tax	various years	SFL	Various Authorities	Recovery of Bad debts in the case of amalgamating companies claimed as exempt but not allowed.	1455.31	
Direct Tax	various years	SFL	Various Authorities	Broken period interest on purchase/sale of securities taxable as business income	4.07	
Direct Tax	various years	SFL	Various Authorities	Depreciation for UPS claimed under the block Computers allowed under the block plant and machinery	13.11	
Direct Tax	various years	SFL	Various Authorities	Contingent deposits collected towards sales tax on lease contracts taxed as income in assessments	112.92	
Direct Tax	various years	SFL	Various Authorities	Receipts from Royal and Sun Alliance Insurance plc tax as revenue receipts (Capital subsidy and compensation)	948.65	
Direct Tax	various years	SFL	Various Authorities	Depreciation on rolls / furnace leased to Bellary Steels & Alloys, Prakash Industries Ltd disallowed	122.85	
Direct Tax	various years	SFL	Various Authorities	Penalty u/s.271(1)(c)-Prakash/Bellary/ETK	613	
Direct Tax	various years	SFL	Various Authorities	Interest u/s.234B - short fall of advance tax due to demand raised in assessment	85.28	
Direct Tax	various years	SFL	Various Authorities	Interest u/s.220	1.41	
Direct Tax	various years	SFL	Various Authorities	Short term loss on units sold to Bank of America(Dividend Stripping)	56.49	
Direct Tax	various years	SFL	Various Authorities	Business origination cost amortised in the books claimed as revenue expenditure	606.3	
Direct Tax	various years	SFL	Various Authorities	Provision for Securitisation written Back	-336.91	
Direct Tax	various years	SFL	Various Authorities	Excess depreciation for commercial vehicles @50% Disallowed	131.06	

Direct Tax	various years	SFL	Various Authorities	Software purchase claimed as revenue expenditure but treated as capital items and allowed depreciation@ 60% in assessments.	26.52	
Direct Tax	various years	SFL	Various Authorities	Software development (Intangibles) claimed as revenue expenditure in return was rejected as it is Capital nature	267.74	
Direct Tax	various years	SFL	Various Authorities	Bad debts written off not allowed as deduction	756.05	
Direct Tax	various years	SFL	Various Authorities	Depreciation on boiler, windmills, cylinders given on lease disallowed, leased vehicles/electrical fittings	20.06	
Direct Tax	various years	SFL	Various Authorities	Profit on sale of Indira Vikas Patras (IVPs)treated as capital gain but assessed as interest income	49.02	
Direct Tax	various years	SFL	Various Authorities	Interest income on IVPs/KVPs taxed on protective basisPenalty u/s.271(1)(c)-Prakash & Bellary	9.31	
Direct Tax	various years	SFL	Various Authorities	Penalty u/s.271(1)(c)-Prakash & Bellary Interest u/s.234C-shortfall/deferment of advance	79.74	
Direct Tax	various years	SFL	Various Authorities	Interest u/s.234C-shortfall/deferment of advance tax due or refund made .to demand raised in assessment.	17.15	
Direct Tax	various years	SFL	Various Authorities	Interest u/s.234D-Excess refund of advance tax due or refund made .to demand raised in assessment.	178.79	
Direct Tax	various years	SFL	Various Authorities	Disallowance under 40(a)(i)-Expenditure disallowed forNon-deduction of tax at source to non-residents	26.92	
Direct Tax	various years	SFL	Various Authorities	Indexation benefit Disallowed for Govt securities	21.92	
Direct Tax	various years	SFL	Various Authorities	Loss on sale of Repossessed Assets	1212.62	
Direct Tax	various years	SFL	Various Authorities	Depreciatlon Disallowed	2.52	
Direct Tax	various years	SFL	Various Authorities	Interest u/s 234B	24.57	
Direct Tax	various years	SFL	Various Authorities	Marriage presentation	2.65	
Direct Tax	various years	SFL	Various Authorities	Pooja expenses	27.36	
Direct Tax	various years	SFL	Various Authorities	Complimentary expenses	2.21	
Direct Tax	various years	SFL	Various Authorities	Rating fee	76.78	
Direct Tax	various years	SFL	Various Authorities	Business orgination cost amortised in the books claimed as revenue expenditure in full.	1517.94	
Direct Tax	various years	Various Authorities	SFL	Penalty u/s.271(1)(c)- Prakash & Bellary	175.44	
Direct Tax	various years	Various Authorities	SFL	Interest u/s.234D	12.97	
Direct Tax	various years	Various Authorities	SFL	Notional expenditure for earning dividend income disallowed	51.20	
Direct Tax	various years	Various Authorities	SFL	Broken period interest on purchase/sale of securities treated as profits and gains of business as against offered to tax under "Capital gains"	93.43	
Direct Tax	various years	Various Authorities	SFL	Business origination cost amortised in the books claimed as revenue expenditure in full.	-583.5	
Direct Tax	various years	Various Authorities	SFL	Depreciation on UPS	24.27	
Direct Tax	various years	Various Authorities	SFL	Short term loss on units sold to Bank of America(Dividend Stripping)	26.65	
Direct Tax	various years	Various Authorities	SFL	Profit on sale of Indira Vikas Patras(IVPs)treated as capital gain but assessed as interest income	275.80	
Direct Tax	various years	Various Authorities	SFL	Depreciation on windmills, cylinders given onlease disallowed	284.21	
Direct Tax	various years	Various Authorities	SFL	Bad debts written off	3139.64	
Direct Tax	various years	Various Authorities	SFL	Sundaram Bond Saver-Dividend strippingcapital loss disallowed	27.33	
Direct Tax	various years	Various Authorities	SFL	Sundaram Bonus Saver-Bonus option capital loss disallowed	26.89	
Direct Tax	various years	Various Authorities	SFL	Indexation benefit disallowed -G -Sec	761.07	

Direct Tax	various years	Various Authorities	SFL	Disallowance under 40A(i)	165.81	
Direct Tax	various years	Various Authorities	SFL	Addl. Factoring charges	9.00	
Direct Tax	various years	Various Authorities	SFL	Interest on Trade Advance	5.24	
Direct Tax	various years	SFL	Various Authorities	Factoring charges received from credit institutions claimed as exempt but not allowed	2.66	
Direct Tax	various years	SFL	Various Authorities	Finance charges on Used Hire purchase transactions taxed in assessments	24.88	
Direct Tax	various years	SFL	Various Authorities	Interest on Govt.securities claimed as exempt but not allowed	25.13	
Direct Tax	various years	SFL	Various Authorities	Additional factoring charges claimed as exempt but not allowed	3.23	
Direct Tax	various years	SFL	Various Authorities	Principal Portion of Lease Rental	7.51	

Details of Litigations - Indirect Tax						
Nature of litigation (Criminal / Statutory / Taxation / Other litigations)	Year	Plaintiff / Complainant / Applicant/ Petitioner/ Appellant	Defendant / Respondent	Issue (in brief)	Amount (Rs. In lakhs) (if quantifiable)	Remarks
Indirect Tax (Sales tax / VAT)	1993-94 to 2004-05	SFL	Deputy Commissioner	Interstate and import lease, exemption claimed based on the decision of the Apex Court in 20th Century Finance.	932.16	pending
Indirect Tax (Sales tax / VAT)	2006-07 to 2012-13	SFL	Deputy Commissioner	VAT on Repossessed Assets sold (Maharashtra & Kerala)	88.22	pending
Indirect Tax (Sales tax / VAT)	2012-13 to 2013-14	SFL	Deputy Commissioner	Dispute on Input tax claimed - Mismatch (Delhi)	93.13	pending
Indirect Tax (Sales tax / VAT)	1995-96 to 1998-99	SFL	Deputy Commissioner	VAT on HP Finance Charges - Maharashtra	86.32	pending
Indirect Tax (Sales tax / VAT)	01.01.07 to 28.02.10	SFL	Tribunal	Vat on used Vehicle - Exemption claimed as per Notification – Andhra Pradesh	8.65	pending
Indirect Tax (Sales tax / VAT)	2011-12 to 2013-14	SFL	Deputy Commissioner	Levy of WCT on interior work & VAT on Solar unit transferred as own Assets - Kerala	3.88	pending
Indirect Tax (Service tax)	Sep '04 to Mar '14	SFL	Commissioner (Appeals)	Fleet Card - The Department has treated our fleet card akin to credit card and has demanded tax on the finance charges and AFC.	1,693.92	Appeal to be filed before the Madras High Court
Indirect Tax (Service tax)	Jul '01 to Nov '09	SFL	Commissioner (Appeals)	HP & Lease - Interest demanded on the 100% of the Finance charges for the period 2001 to 2006 instead of 10% (Notification no.4/01.03.2006, exempts 90% of interest on HP and leasing activities)	710.69	pending before the Tribunal
Indirect Tax (Service tax)	Jul '01 to Mar '15	SFL	Commissioner (Appeals)	Operating Lease - The department has treated operating lease transaction akin to financial leasing and had levied tax on 10% of the rental income, which includes the principal. (only 10% of interest on HP & Lease is subject to tax. Principal is outside the scope of levy - Notification 4/2006 dt 01.03.2006)	2,085.14	Pending before the Tribunal
Indirect Tax (Service tax)	Apr '08 to Mar '11	SFL	Commissioner (Appeals)	Cenvat Credit - Dispute in availing CENVAT credit as per Rule 6 (3A) of the Cenvat credit rules 2004. Interest under hypothecation loans treated as exempt service income by the department whereas interest is not a service. This resulted in order for drastic reversal of cenvat credit.	3,308.10	Pending before the Tribunal

Indirect Tax (Service tax)	2006-07 to 2007-08	SFL	Commissioner (Appeals)	Trading Activity - Dispute in availing CENVAT credit - The department has applied the formulae prescribed under Rule 6 (3) of the Cenvat credit rules 2004, for expunging the cenvat credit, for the period prior to 01.04.2008 whereas this rule actually come into effect from 01.04.2008.	273.27	Pending before the Tribunal
Indirect Tax (Service tax)	2006-07 to 2009-10	SFL	Commissioner (Appeals)	ICRA Bills - Dept has objected on the input tax credit availed on the payment made to ICRA towards securitization fee, as dept views this as payment towards exempt service.	25.68	Pending before the Tribunal
Indirect Tax (Service tax)	Apr'10 to Oct'10 & Oct '11 to Mar13, 2013-14, 2014-15	SFL	Commissioner (Appeals)	Used HP - Used HP transactions treated as HP and tax levied on 10% of the interest.	192.95	Pending before the Tribunal
Indirect Tax (Service tax)	Oct'04-Mar'05 to 2010-11	SFL	Commissioner (Appeals)	Short Term Charges - Interest levied on contracts foreclosed within six months is being treated as taxable service by the dept.	62.97	Pending before the Tribunal
Indirect Tax (Service tax)	2010-11 to 2014-15	SFL	Commissioner (Appeals)	Bad Debts - Service tax levied on the AFC which was part of the Bad debts that were recovered. We have submitted that Additional Finance Charges are excluded from the purview of service tax vide Rule 6(2)(iv) of the Service tax (Determination of value) Rules 2006.	19.09	Appeal to be filed before the Tribunal
Indirect Tax (Service tax)	2011-12 to Sep'14	SFL	Commissioner (Appeals)	Cenvat Credit on Manpower Supply - Cenvat credit availed on payments made towards man power supply used for mutual funds and insurance disallowed as the same is exempt from service tax. We have submitted that as per Rule 6(3B) we are eligible to avail 50% of the cenvat credit be it be exempt or taxable services since the rule begins with a non-obstante clause and there is not demarcation between exempt and taxable supply in terms of this rule.	226.87	Pending before the Tribunal
Indirect Tax (Service tax)	2013-14 to 2014-15	SFL	Commissioner (Appeals)	WCT & Notice Pay - The Commissioner had held that we are eligible to claim cenvat credit on works contract service. Consequently, the penalty levied by the lower authority has been cancelled. But he had confirmed the denial of cenvat credit on notice pay with the consequential confirmation of penalty. Since the penalty is around Rs.84000, we may pay the demand and close the issue though further appeal to the CESTAT may decide the case in our favour as there are numerous case laws holding in favour of the assessee with regard to the levy of penalty.	0.84	Case Closed
Indirect Tax (Service tax)	2013-14 to 2014-15	SFL	Commissioner (Appeals)	Reversal of Excess Credit - Credit availed twice and reversed immediately on being pointed out by the audit party. Interest and penalty for wrong availment demanded in the SCN. We contended that as per Rule 14 of the Cenvat Credit Rules, interest and penalty could be charged for credit that were availed but not utilized. interest dropped and penalty u/s 78 confirmed.	6.48	Appeal to be filed before Commissioner (A)
Indirect Tax (Service tax)	2005-06 to June 2012	SFL	Commissioner (Appeals)	Service Tax levied on Subvention Income which was hitherto kept under callbook.	1109.13	Appeal to be filed before Tribunal

Group Companies
Details of Litigations - Sundaram Business Services Limited

Nature of litigation (Criminal / Statutory / Taxation / Other litigations)	Year	Plaintiff / Complainant / Applicant/ Petitioner/ Appellant	Defendant / Respondent	Issue (in brief)	Amount (Rs. In lakhs) (if quantifiable)	Remarks
Criminal Proceedings	Nil					
Statutory / Regulatory	Nil					
Direct Tax	4 cases	IT Authorities	SBSL	Appeal made against order received	132.43	
	1 case			Appeal made for disallowance resulting in reduction of lossess	35.57	However refund due is Rs.4.70 lakhs
	2 cases			Order issued and refund under follow up	123.30	
Indirect Tax	13 cases	ST Authoriites	SBSL	Appeal made against the order received & Refund also due	50.20	
	3 cases			Application for refund has been filed	52.00	
	3 cases			Appeal made against the order received	8.47	
	FY 2010-15	Office of the Assistant Commissioner of Service Tax	SBSL	Non payment of service tax on services received outside India	201.43	Show cause notice issued by the department based on the submission of Audited balance sheet for FY 10-11 to FY 14 15 and other working relating to services rendered outside India and expenses (Sales & marketing) pertaining to it. Penalty of 15% on the service tax payable levied by the department. Hearing attended on 29.11.16 and additional submissions were made to the commissioner. Order to be received from the department.

Details of Litigations - Sundaram BPO India Limited

Nature of litigation (Criminal / Statutory / Taxation / Other litigations)	Year (PY)	Plaintiff / Complainant / Applicant/ Petitioner/ Appellant	Defendant / Respondent	Issue (in brief)	Amount (Rs. In lakhs) (if quantifiable)	Remarks
Criminal Proceedings	Nil					
Statutory / Regulatory	Nil					
Direct Tax	4 cases	IT Authorities	Sundaram BPO India Ltd	Refund due	141.43	Refund order received for Rs.85.77 lakhs during Dec'17
	1 case	IT Authorities		Appeal made stating excess depreciation claimed for Intangible assets	15.75	
In Direct Tax	Nil	ST /GST Authorities		-	-	
ESI & PT	2 cases	Petitioner / Appellant		ESI -delayed payment & PT non remittance & non filing of return	2.06	Documents submitted to Authorities; in 1 case amount is not quantified.

Details of Litigations - Axles India Limited

Nature of litigation (Criminal / Statutory / Taxation (1),/ Other litigations (2))	Financial Year	Plaintiff / Complainant / Applicant/ Petitioner/ Appellant	Defendant / Respondent	Issue (in brief)	Amount (Rs. In lakhs) (if quantifiable)	Remarks
Criminal Proceedings	Nil					
Statutory / Regulatory	Nil					
Other Litigations	Nil					
Direct Tax	2014-15	DCIT	AIL	Disallowance of additional depreciation, lease rental expense	0.28	Pertaining to F.Y. 2011-12.
	2015-16	DCIT	AIL	Disallowance of additional depreciation, lease rental expense	0.28	Pertaining to FY 2011-12.
	2016-17	CIT(A)	AIL	Disallowance of additional depreciation, lease rental expense, MTM Loss, MAT credit	47.20	Pertaining to FY 2013-14, 2014-15

Indirect Tax (Sales tax / VAT)	2014-15	STAT, AAC, AC(CT), DC (CT)	AIL	Sales tax - VAT/ CST Assessment	88.88	various issues
	2015-16	STAT, AAC, AC(CT), DCIT	AIL	Sales tax - VAT/ CST Assessment	88.88	various issues

Details of Litigations – Turbo Energy Private Limited						
Nature of litigation (Criminal / Statutory / Taxation (1),/ Other litigations (2))	Financial Year	Plaintiff / Complainant / Applicant/ Petitioner/ Appellant	Defendant / Respondent	Issue (in brief)	Amount (Rs. In lakhs) (if quantifiable)	Remarks
Criminal Proceedings	Nil					
Statutory / Regulatory	Nil					
Direct Tax		7 cases			5100.00	various issues
Indirect Tax		9 cases			241.00	various issues
Other litigations	Nil					

Details of Litigations - Transenergy Limited						
Nature of litigation (Criminal / Statutory / Taxation ⁽¹⁾,/ Other litigations ⁽²⁾)	Year	Plaintiff / Complainant / Applicant/ Petitioner/ Appellant	Defendant / Respondent	Issue (in brief)	Amount (Rs. In lakhs) (if quantifiable)	Remarks
Criminal Proceedings	NIL					
Statutory / Regulatory	NIL					
Direct Tax	NIL					
Indirect Tax (Excise)	NIL					
Indirect Tax (Sales tax / VAT)	NIL					
Indirect Tax (Service tax)	NIL					
Indirect Tax (customs)	NIL					
Indirect Tax (others)	NIL					
Other litigations	NIL					

Details of Litigations - Sundaram Hydraulics Limited						
Nature of litigation (Criminal / Statutory / Taxation ⁽¹⁾,/ Other litigations ⁽²⁾)	Year	Plaintiff / Complainant / Applicant/ Petitioner/ Appellant	Defendant / Respondent	Issue (in brief)	Amount (Rs. In lakhs) (if quantifiable)	Remarks
Criminal Proceedings	Nil					
Statutory /Regulatory	Nil					
Direct Tax	Nil					
Indirect Tax (Sales tax / VAT)	2010-11	Sundaram Hydraulics Limited	Sales tax/VAT authority	Disputed amounts in respect of Central Sales Tax/ Value Added Tax which are contested to appeal (Demand + Penalty)	1.23	Pending before Appellate Deputy Commissioner
Indirect Tax (Sales tax / VAT)	2011-12	Sundaram Hydraulics Limited	Sales tax/VAT authority		3.84	Pending before Appellate Deputy Commissioner
Indirect Tax (Sales tax / VAT)	2012-13	Sundaram Hydraulics Limited	Sales tax/VAT authority		4.80	Pending before Appellate Deputy Commissioner
Indirect Tax (Sales tax / VAT)	2013-14	Sundaram Hydraulics Limited	Sales tax/VAT authority		5.27	Pending before Appellate Deputy Commissioner

Details of Litigations - Sundaram Dynacast Private Limited						
Nature of litigation (Criminal / Statutory / Taxation ⁽¹⁾,/ Other litigations ⁽²⁾)	Year	Plaintiff / Complainant / Applicant/ Petitioner/ Appellant	Defendant / Respondent	Issue (in brief)	Amount (Rs. In lakhs) (if quantifiable)	Remarks
Criminal Proceedings	Nil					
Stautory/Regulatory	Nil					
Indirect Tax (Sales tax / VAT)	CST 2009-10	Sundaram Dynacast Pvt Ltd	The State of Tamil Nadu	Disallowance of Amortisation Charges & Disallowance of Sale of Moulds	Not quantifiable	The case is pending before the STAT Chennai
Indirect Tax (Sales tax / VAT)	CST 2008-09	Sundaram Dynacast Pvt Ltd	The State of Tamil Nadu	Disallowance of Amortisation Charges & Disallowance of Sale of Moulds		The case is pending before the STAT Chennai
Indirect Tax (Sales tax / VAT)	CST 2007-08	Sundaram Dynacast Pvt Ltd	The State of Tamil Nadu	Disallowance of Amortisation Charges & Disallowance of Sale of Moulds		The case is pending before the STAT Chennai

Indirect Tax (Sales tax / VAT)	TNVAT 2009-10	Sundaram Dynacast Pvt Ltd	The State of Tamil Nadu	ITC Reversal on Amortisation Charges & Disallowance of Stock Variation	Not quantifiable	The case is pending before the STAT Chennai
Indirect Tax (Sales tax / VAT)	TNVAT 2008-09	Sundaram Dynacast Pvt Ltd	The State of Tamil Nadu	ITC Reversal on Amortisation Charges		The case is pending before the STAT Chennai
Indirect Tax (Sales tax / VAT)	TNVAT 2007-08	Sundaram Dynacast Pvt Ltd	The State of Tamil Nadu	ITC Reversal on Amortisation Charges		The case is pending before the STAT Chennai

Details of Litigations – Flometallic India Private Limited						
Nature of litigation (Criminal / Statutory / Taxation ⁽¹⁾,/ Other litigations ⁽²⁾)	Year	Plaintiff / Complainant / Applicant/ Petitioner/ Appellant	Defendant / Respondent	Issue (in brief)	Amount (Rs. In lakhs) (if quantifiable)	Remarks
Criminal Proceedings				Nil		
Statutory / Regulatory				Nil		
Direct Tax				Nil		
Indirect Tax		1 case		CESTAT	46.64	Pending
		1 case		Excise duty credit	31.87	Pending
Other litigations				Nil		

Details of Litigations – Dunes Oman LLC (FZC)						
Nature of litigation (Criminal / Statutory / Taxation ⁽¹⁾,/ Other litigations ⁽²⁾)	Year	Plaintiff / Complainant / Applicant/ Petitioner/ Appellant	Defendant / Respondent	Issue (in brief)	Amount (Rs. In lakhs) (if quantifiable)	Remarks
Criminal Proceedings				Nil		
Statutory / Regulatory				Nil		
Direct Tax				Nil		
Indirect Tax				Nil		
Other litigations				Nil		

Details of Litigations - Sundaram BNP Paribas Home Finance Limited						
Nature of litigation (Criminal / Statutory / Taxation / Other litigations)	Year	Plaintiff / Complainant / Applicant/ Petitioner/ Appellant	Defendant / Respondent	Issue (in brief)	Amount (Rs. In lakhs) (if quantifiable)	Remarks
Criminal proceedings	2011	Kensoft Infotech Ltd	Sundaram BNP Paribas Home Finance Ltd	Kensoft has filed a criminal complaint before the Cyber Police Station, Mumbai under the Indian Penal Code, Information Technology Act and the Copyright Act. The Case is pending before the Additional Chief Metropolitan Magistrate 37th Court, Esplanade Mumbai.	NIL	Not applicable
Statutory / Regulatory	Nil					
Direct Tax				Disputed income tax liability contested before appellate authorities	126.00	
Other litigations	2009	Kensoft Infotech Ltd	Sundaram BNP Paribas Home Finance Ltd	A Civil suit was filed by Kensoft under the Code of Civil Procedure and the Copyrights Act and sought an injunction before the Madras Highcourt restraining the Company from using or dealing with Smartlend, integrated application software developed by Sundaram Infotech Solutions, a division of Sundaram Finance Limited. The Company has filed its counter and the case is pending before Madras High Court.	NIL	Not applicable
Other litigations	2015	Sundaram BNP Paribas Home Finance Ltd	Bagurudeen A	Recovery Proceedings for non-payment of loan dues to the Company	465.42	Not applicable
Other litigations	2016	Sundaram BNP Paribas Home Finance Ltd	Shanaz Fatima	Recovery Proceedings for non-payment of loan dues to the Company	367.78	Not applicable

Details of Litigations – Royal Sundaram General Insurance Co. Limited

All actions by statutory / regulatory authorities / stock exchanges

FY	Penalty / Warning	Amount of Penalty If applicable (in Rs.)	Detailed Reason for Penalty/Warning
FY 2016-2017		Rs. 40 lacs	In respect of various observations made arising out of the onsite inspection carried out by IRDAI in February 2013
FY 2015 – 16	NIL		
FY 2014 – 15	NIL		
FY 2013 – 14		Rs. 5 lacs	For not meeting the obligatory target in respect of Motor Third Party obligations : IRDA had in September 2013 penalized Royal Sundaram (along with 11 other Insurers) for non-completion of minimum TP business as mandated in the framework of the Indian Motor Third party Declined Risk Pool. We were levied a penalty of Rs. 500000/- in this regard

All criminal proceedings

Our Claim No.	Claimant Name/ Insured Name	Forum	Claim Assessed By Us	Claim Of Complainant	Reserve
GC00002534	Lalit Kumar Sitani	Siliguri Judicial Magistrate	40000/-	2,45,000	40000/-

The claim under Home Protector Policy was repudiated as the same was not covered under the policy. Aggrieved by the said repudiation, the insured had filed a consumer complaint before the District Forum, besides a criminal complaint before the CJM, Siliguri. We have moved the Kolkata High Court for quashing and obtained an interim stay from High Court.

Other pending litigations- where the amount involved is Rs. 2 cr. or more**Tainwala Personal Care Products**

Our Claim No.	Claimant Name/ Insured Name	Forum	Claim Assessed By Us	Claim Of Complainant	Reserve
GC00001868	Tainwala Personal Care Products	National Consumer Disputes Redressal Commission	NIL	Rs. 2,70,00,000/- + interest @ 18% from date of loss till payment	Rs. 2,70,00,000/-

Claim for fire accidental damage to premises of the complainant. This is a case wherein the insured, through broker, had by misrepresentation and suppression of material facts, obtained an ante-dated risk acceptance letter (Standard Fire & special Perils) for the insured premises on 18.2.2008, vide a letter dated 14.2.2008 from our employee in good faith by suppressing the loss that had occurred on 17.2.2008. The insured had been negotiating the premium amount for quite some time through the broker. We had returned the cheque for the deficit premium vide letter dated 18.2.2008. Subsequently the broker had tried to pay the deficit premium on the same day. Insured had filed the consumer case on the basis that we had issued the risk acceptance letter dated 14.2.2008 and hence the risk would be covered from that date onwards. However, we have taken the stand that, the policy was taken based on fraudulent misrepresentation of fact and by suppression of material information and after the fire incident occurred. Hence, at the time of loss, there was no valid policy in force.

Tax Proceedings/ Claims

Assessment Authority	Assessment Years	Sl. No	Issues	Status	Tax Demand (Rs Cr)
Income Tax Appellate Tribunal	2002-03 to 2010-11	1	RI premium ceded to Non-resident companies	AO Disallowed RI Premium ceded to Non Residents CIT(A) held reasonable profit in the hands of Non Resident is 15% and hence Disallowance is 15% of the premium paid to Non Residents. We have filed Appeal from AY 2002-03 to AY 2010-11. Department is also on Appeal against the relief provided by CIT(A). Hearing has been adjourned to 24 th January, 2018.	Tax Pble(Net of prov) 7.31
		2	Profit on sale of investment		
		3	Disallowance of UPR claimed as per proviso to rule 6 E		
CIT(Appeal)	Reopening of AY 2008-09	4	Disallowance of Exp on Convert Cr available on payment to Dealers	AY 2008-09 has been reopened on the grounds of non-deduction of TDS on Professional Payments made to Paramount TPA, Disallowance of Payments made to Motor Vehicle Dealers and Excess Depn claimed on Software being Intangibles (only 25% allowed, however we have claimed 60%). Reasst Order dated 22nd March, 2016 received on 5th April 2016. In addition, Notice U/s 274 for imposing penalty been issued. Hearing posted on 25th May, 2016. We have filed our Appeal before CIT(A) on 25th April, 16. Request for Stay of Demand and Stay of Penalty proceedings have been filed on 25th April, 2016. Hearing posted on 27th Sep, 2016 for disposal of petition of stay of demand. Further to the hearing, we have filed a letter dated 28th Sep, 16 requesting for keeping the demand in abeyance till disposal of Appeal.	Tax Payable(Net of prov) 2.57
		5	Disallowance of Excess Depn on Software		
		6	Non Deduction of TDS on payments to Paramount		
CIT(Appeal)	Reopening of AY 2009-10		SI No. 4 & 5 as above	Assessment has been reopened vide Notice U/s 148 dated 28 th March, 2016, disallowing Payments made to Motor Vehicle Dealers. Notice U/s 148(2) dated 15 th Sep, 2016 and Questionnaire served on us on 20 th Sep, 2016. We have submitted the details called for on 29 th Sep, 2016. Assessment Order dated 27th Oct, 2016 recd on 18th Nov, 2016. We have filed an Appeal before CIT(A) on 28th Nov, 2016, and letter dated 23rd Nov, 2016 requesting to keep the demand in abeyance till disposal of Appeal. Assessment has been reopened on 26 th Mar, 15 on the following additional grounds -Deferment of Premium recognition owing to change in method of recognition of premium on Long Term Health and Personal Accident Policies proposed to be added to Taxable Income -Amortization of Premium on Investments is proposed to be disallowed treating the same as capital expenditure which should be added to Cost of Investments -Disallowance of Exp relating to Convert Credit available on payments to Motor Vehicle -Excess Depn on Software Reasst Order dated 22 nd March, 2016 received on 31 st March, 2016. Notice U/s 274 has been issued for imposing Penalty has been issued. We have filed our Appeal before CIT(A) on 25 th April, 16. Request for Stay of Demand and Penalty proceedings have been filed on 25 th April, 2016. We have filed a letter requesting to adjust refund of Rs. 7.65 Cr for AY 2004-05 against demand for AY 2010-11. We have also filed a letter dated 27 th Sep, 2016 requesting to keep the demand in abeyance till disposal of Appeal.	Tax Pble (Net of prov) 17.52
CIT(Appeal)	Reopening of AY 2010-11		SI No. 4 & 5 as above Additional point 7 Disallowance of incremental claims outstanding 8 Amortization of Premium on Investments 9 Deferment of Premium		

Assessment Authority	Assessment Years	Sl. No	Issues	Status	Tax Demand (Rs Cr)
CIT (Appeal)	2011-12		Sl No. 1, 3, 4, 5, 7, 8 & 9 as above	Assessing Officer raised a Demand of Rs. 40.31 Cr and we have gone on Appeal with CIT(A) on 29 th April, 2014. Hearing with CIT(A) has been completed and awaiting Order. Assessment has been reopened vide Notice U/s 148 dated 28 th March, 2016 disallowing - Premium paid in advance. - Amortisation of Premium on Investments - Excess depn on software and - Payments to Motor Vehicle Dealers. Assessment Order dated 27 th Oct, 2016 read on 1 st Nov, 2016. We have filed an Appeal before CIT(A) on 25 th Nov, 2016 and letter dated 23 rd Nov, 2016 requesting to keep the demand in abeyance till disposal of appeal. Hearing with CIT(A) is posted on 14 th Nov, 2017	Tax Pble (net of prov) NIL
CIT (Appeal)	Reopening of AY 2011-12		Sl No. 4, 5, 7, 8 & 9 as above	Trif Pricing Order U/s 92CA(3) passed without any additions on 9 th Dec, 15. Assessing Officer completed Assessment U/s 143(3) raising a demand of Rs. 90.79 Cr. Order dated 22 nd March, 2016 received on 31 st March, 2016. Notice U/s 274 for imposing Penalty has been issued. We have filed our Appeal before CIT(A) on 25 th April, 16. Request for stay of demand and Penalty proceedings have been filed on 25 th April, 2016. We have filed additional grounds of appeal on 26 th Aug, 2016 stating that Filing Fees paid to ROC Rs. 50 Lacs has been erroneously disallowed by the AO while the same has already been voluntarily disallowed by us while arriving at Business Profits. Hearing with CIT(A) is posted on 14 th Nov, 2017.	Tax Pble (net of prov) NIL
CIT (Appeal)	2012-13	10	Disallowance U/s 14A Expenditure attributable to earning Exempted Income	Transfer Pricing Order U/s 92CA(3) passed without any additions on 20 th Sep, 2016. Assessing Officer completed assessment U/s 143(3) raising a demand of Rs. 154.32 Cr. Read Order U/s 143(3) dt 26 th Dec, 2016 on 5 th Jan, 2017. We have filed Appeal before CIT(A) and request for stay of demand, on 1 st Feb, 2017.	Tax Pble (Net of Prov) 7.13
		11	ROC Filing Fees	We have received Intimation U/s 245 for AY 2008-09 to AY 2014-15 (except AY 2009-10) demanding Tax Rs. 559 Cr. We have filed our reply to AO & CIT(A) vide letter dt 27 th Feb, 2017 for keeping the demand in abeyance till disposal of Appeal by CIT(A). AO has disposed off our stay request for AY 2013-14 and passed an Order U/s 220(6) demanding 15% of Demand - Rs. 7.98 Cr after considering deduction allowed by CIT(A) for similar issues in earlier years. Based on this disposal, we have filed another letter to CIT(A), AO, and Adml Commr requesting to keep the demand in abeyance. Hearing with CIT(A) is posted on 14 th Nov, 2017.	Tax Pble (Net of Prov)-1.271
CIT (Appeal)	2013-14		Sl No. 1, 3, 4, 5, 7, 8 & 10 as above	Assessment completed U/s 143(3) without referring to Transfer Pricing Officer., raising a demand of Rs. 199.45 Cr. Received Order U/s 143(3) dt 26 th Dec, 2016 on 5 th Jan, 2017. We have filed our Appeal before CIT(A) on 1 st Feb, 2017. We have received Intimation U/s 245 for AY 2008-09 to AY 2014-15 (except AY 2009-10) demanding Tax of Rs. 559 Cr. We have filed our reply to AO & CIT(A) vide letter dt 27 th Feb, 2017 for keeping the demand in abeyance till disposal of Appeal by CIT(A). AO has disposed off our stay request for AY 2014-15 and passed an Order U/s 220(6) demanding 15% of Demand and - Rs. 10.13 Cr after considering deduction allowed by CIT(A) for similar issues in earlier years. Based on this disposal, we have filed another letter to CIT(A), AO, Adml Commr requesting to keep the demand in abeyance. Hearing with CIT(A) is posted on 14 th Nov, 2017.	Tax Pble (net of prov) 8.50
CIT (Appeal)	2014-15		Sl No. 1, 3, 4, 5, 7, 8 & 10 as above		

Service Tax

Financial Year	Status	Tax Demand
2001-02 to 2009-10	<ul style="list-style-type: none"> Audit by the Department and CERA completed and Nil issues Received SCNs during FY 2007 and FY 2008 and disposed off in favor of the company 	
2005-06 to 2010-11	<ul style="list-style-type: none"> Audit by the Department and CERA completed and no major issues SCN issued for denial of Cenvat credit taken on ASS (Authorized Service Station) Filed appeal before CESTAT 	Rs 35.40 Cr + penalty of Rs 35.40 Cr
2011-12	<ul style="list-style-type: none"> Audit by Department and CERA completed and no major issues SCN issued for denial of Cenvat credit availed on ASS for FY 2010-11 and on rent a cab-period 2006-07 to 2010-11. Filed appeal before CESTAT Paid Rs.50 lakh towards pre deposit for stay of demand for FY 2010-11 Filed our reply on 22.11.2011 	Rs 10.78 Cr + penalty of Rs 4 Cr
2012-13	<ul style="list-style-type: none"> SCN issued for denial of Cenvat credit availed on ASS for FY 2011-12 and on denial of Cenvat taken on group medical insurance for FY 2009-10. Filed appeal before Commissioner appeals Deposited Rs.8.67 lakh as pre deposit to stay demand Audit by department and CERA yet to start OIO dt 01.06.2015 issued by Commissioner Appeals . We have filed an Appeal with CESTAT on 31st Aug, 2015 	Rs 17.35 Lakh + penalty of Rs 3 Lakh
2013-14	<ul style="list-style-type: none"> SCN issued in Feb14 on denial of erroneous refund credit made to us by the department . During FY 12-13, we have paid Service Tax under Rev charges on Reinsurance Premium ceded to NR Reinsurers and availed credit of the same. Department's Internal Audit raised a query on the ground that since Premium is paid in INR it will not fall under Import of Services and therefore only Marsh India is liable for paying Service Tax. Hence we reversed the credit and applied for refund and received the refund during Sep 13. During Feb 14, Commissioner of Service Tax, LTU issued SCN No. LTUC/49/2014 dated 7th Feb, 14 stating that they have erroneously granted the refund and why credit can't be denied and recovered. Department has raised this issue with CBEC for clarification. They have issued this SCN to keep this liability and will not proceed until they get a clarification from CBEC. Received Order in favour Order in Appeal No. 104/2016 dt 19th Oct, 2016. 	Rs.4.96 Cr Revised Demand - NIL
2014-15	<p>FY 2012-13: OIO dt 1.10.14 issued by Additional Commissioner of Service tax on non inclusion of value pertaining to profit on sale of securities in arriving at the value of exempted service under Rule 6 of Cenvat Credit Rules.</p> <ul style="list-style-type: none"> We have filed an appeal on 11th December, 2014 and paid a mandatory pre-deposit of Rs. 61,882/-. SCN No. LTUC/113/2015-ADC issued by Additional Commissioner of Service Tax on 6th April, 2015. We have received a favourable Order No. 93/2016 dt. 23rd Sep, 2016 from Commissioner (Appeals) allowing our Appeal. 	Rs. 96.13 lacs + Interest + Penalty 17.04 Lacs Revised Demand - NIL

2011-12, 2012-13 & 2013-14 and FY 2014-15	SCN No. LTUC/122/2015, dated 15/4/2015-ADC, issued by Additional Commissioner of Service Tax on ineligible input credit on services availed such as Office Services, Facility Services, Repairs, etc. Department's contention is that the output service General Insurance Business can be provided even without help of these input services. Department has allowed Rs. 19 Lacs of Input Credit on certain services. We have filed an appeal before Additional Commissioner of Central Excise on 17th June, 2016. Order received against us confirming demand with equal penalty. Appeal filed before CESTAT on 20th June, 2017. Predeposit of Rs. 44,535/- has been paid.	Rs. 4 Lacs+ Penalty as per Sec 78
	FY 2014-15: OIO No. LTUC/T13/2016-AC dt 14th Dec, 2016. We have filed Appeal on 17th Feb, 2017 after making a predeposit of Rs. 10,936/-. Commissioner (Appeals) has confirmed the Demand of Rs. 1.46 Lacs vide OIO dated 31st Aug, 2017. We are in the process of filing Appeal before CESTAT.	Rs. 1.46 Lacs + Penalty Rs. 0.14 Lacs
2015-16	SCN No. LTUC/141/2015-C, dated 20/4/2015, issued by Commissioner of Service Tax disallowing Input Credit utilisation of Reverse charges Service Tax paid on amounts paid to Marsh India. Departments contention is that amounts have been paid in INR and hence, availment of credit is not in order. Order received in favour.	NIL
	We have filed an appeal before Commissioner of Central Excise on 16th June, 15.	
	FY 2013-14: OIO dated 14th Jan, 2016 issued by Additional Commissioner of Service Tax on non-inclusion of value pertaining to Profit on Sale of Securities in arriving at the value of exempted service under Rule 6 of Cenvat Credit Rules. We have filed an Appeal on 25th March, 2016 and paid a mandatory pre-deposit of Rs. 61,969/- . Order received in favour.	NIL
DGCEI Audit	<ul style="list-style-type: none"> Directorate General of Central Excise and Intelligence Chennai Zonal Unit on 7th July, 2015 made a surprise visit to T. Nagar Branch. 	Service Tax Demand- Rs. 59.89 Cr Penalty Rs. 40.11 Cr
	<ul style="list-style-type: none"> DGCEI have also visited our Corporate Office on 21st July, 2015. During Audit, they have found that with respect to Data Processing and Policy Servicing Expenses paid to T V Sundram Iyengar and Sons Limited, Chennai Division , Nature of Service mentioned in Invoices received from TVS & Sons Ltd is different from what they have recorded in their Books. DGCEI have raised an objection and asked us to reverse Service Tax Credit to the tune of Rs. 1.72 Crores. We have reversed the Credit under protest on the condition that credit should be allowed on submission of necessary documents to their satisfaction. In addition to the above reversal of Rs. 1.72 Crores,. 	
	<ul style="list-style-type: none"> We have also reversed Cenvat Credit amounting to Rs. 69 Lacs on account of payments to Honda Manufacturer from FY 2010-11 to FY 2014-15. As per Cenvat Credit Rules, Invoices on which Cenvat Credit is availed should be as per Rule 4A. We have received Service Tax Invoices from Honda thru mail . In the absence of Original Invoice for availment of Credit, DGCEI has asked us to reverse the Credit availed on Honda Manufacturer payments. We have reversed credit of Rs. 69 Lacs which we are eligible to take re-credit once we receive the original invoices 	
	<ul style="list-style-type: none"> Show Cause Notice No. 102/2015 dated 16th Oct, 2015 has been issued for a sum of Rs. 60 Cr. And Penalty as applicable. Reply to be submitted within 30 days of receipt of Notice. We have filed our reply on 25th April 2016. Cross Examination held on 17th Oct, 2016. OIO No. 765/2016 dt 23/12/2016 confirming the demand. Appeal filed before CESTAT on 7th April, 2017. Pre deposit of Rs. 2.25 Cr has been paid. 	

Details of Litigations - Sundaram Asset Management Company Limited						
Nature of litigation (Criminal / Statutory / Taxation / Other litigations)	Financial Year	Plaintiff / Complainant / Applicant/ Petitioner/ Appellant	Defendant / Respondent	Issue (in brief)	Amount (Rs. In lakhs) (ifquantifiable)	Remarks
Criminal Proceedings						
Statutory / Regulatory						
Direct Tax	2014-15 - 3 cases	Sundaram Asset Management Company Limited		Various issues	2824.00	
	2015-16 - 3 cases				2824.00	
	2016-17 - 5 cases				2853.00	
Indirect Tax - Service Tax	2014-15 - 7 cases			Various issues	667.00	
	2015-16 - 5 cases				24.00	
	2016-17 - 6 cases				1834.00	

Details of Litigations – Sundaram Asset Management Singapore PTE Limited						
Nature of litigation (Criminal / Statutory / Taxation ⁽¹⁾ / Other litigations ⁽²⁾)	Financial Year	Plaintiff / Complainant / Applicant/ Petitioner/ Appellant	Defendant / Respondent	Issue (in brief)	Amount (Rs. In lakhs) (ifquantifiable)	Remarks
Criminal proceedings			Nil			
Statutory / Regulatory			Nil			
Direct Tax			Nil			
Indirect Tax			Nil			
Other litigations			Nil			

Details of Litigations – Sundaram Trustee Company Limited						
Nature of litigation (Criminal / Statutory / Taxation ⁽¹⁾ / Other litigations ⁽²⁾)	Financial Year	Plaintiff / Complainant / Applicant/ Petitioner/ Appellant	Defendant / Respondent	Issue (in brief)	Amount (Rs. In lakhs) (ifquantifiable)	Remarks
Criminal proceedings			Nil			
Statutory / Regulatory			Nil			
Direct Tax			Nil			
Indirect Tax			Nil			
Other litigations			Nil			

Details of Litigations – Sundaram Alternate Assets Limited						
Nature of litigation (Criminal / Statutory / Taxation ⁽¹⁾ / Other litigations ⁽²⁾)	Financial Year	Plaintiff / Complainant / Applicant/ Petitioner/ Appellant	Defendant / Respondent	Issue (in brief)	Amount (Rs. In lakhs) (ifquantifiable)	Remarks
Criminal proceedings			Nil			
Statutory / Regulatory			Nil			
Direct Tax			Nil			
Indirect Tax			Nil			
Other litigations			Nil			

Details of Litigations - Sundaram BNP Paribas Fund Services Limited						
Nature of litigation (Criminal / Statutory / Taxation / Other litigations)	Year Assessment year	Plaintiff / Complainant / Applicant/ Petitioner/ Appellant	Defendant / Respondent	Issue (in brief)	Amount (Rs. In lakhs) (if quantifiable)	Remarks
Criminal proceedings	Nil					
Statutory / Regulatory	Nil					
Direct Tax	2013-14	SBFS	AO	Disallowance of expenses	4.67	
	2014-15	SBFS	AO	Disallowance of expenses	38.50	
Indirect Tax	Nil					

Details of Litigations – LGF Services Limited						
Nature of litigation (Criminal / Statutory / Taxation ⁽¹⁾/ Other litigations ⁽²⁾)	Financial Year	Plaintiff / Complainant / Applicant/ Petitioner/ Appellant	Defendant / Respondent	Issue (in brief)	Amount (Rs. In lakhs) (if quantifiable)	Remarks
Criminal proceedings	Nil					
Statutory / Regulatory	Nil					
Direct Tax	Nil					
Indirect Tax	Nil					
Other litigations	Nil					

Details of Litigations – Brakes India Private Limited						
Nature of litigation (Criminal / Statutory / Taxation / Other litigations)	Year	Plaintiff / Complainant / Applicant/ Petitioner/ Appellant	Defendant / Respondent	Issue (in brief)	Amount (Rs. In lakhs) (if quantifiable)	Remarks
Criminal Proceedings	Nil					
Direct Tax	2014-15	Appellant	Deputy Commissioner of Income Tax - LTU 2, Chennai	Various issues - 1. Disallowance of balance of additional depreciation 2. Sec 14A disallowance 3. Higher rate of depreciation claimed on UPS 4. Sec 40 a (i) disallowance for non deduction of tax on overseas remittances 5. Reduction in claim u/s 10AA by way of allocation of R&D expenditure 6. Disallowance of exchange loss on PCFC borrowings	815.43	Pending before CIT (Appeals) - V, Chennai
Indirect Tax (Excise)	2014-15	Appellant	Commissioner of Central Excise and Service Tax	Short payment of duty on job work goods	111.95	Pending before CESTAT

Indirect Tax (Service tax)	2014-15	Appellant	Superintendent/ Assistant Commissioner of Central Excise and Service Tax	Denial of Cenvat credit on supply of manpower services and gardening services	2.35	Pending before CESTAT
Indirect Tax (Sales tax / VAT)	2014-15	Appellant	Deputy Commissioner of Commercial Taxes	Non submission of declaration forms	15.01	Pending before Deputy Commissioner of Commercial Taxes
Indirect Tax (Service tax)	2015-16	Appellant	Superintendent/ Assistant Commissioner of Central Excise and Service Tax	Denial of Cenvat credit on supply of manpower services and gardening services	2.68	Pending before CESTAT
Indirect Tax (Sales tax / VAT)	2015-16	Appellant	Deputy Commissioner of Commercial Taxes	Non submission of declaration forms	1.41	Pending before Deputy Commissioner of Commercial Taxes
Indirect Tax (Service tax)	2016-17	Appellant	Assistant Commissioner of Central Excise and Service Tax	Assistant Commissioner of Central Excise and Service Tax	3.03	Pending before Commissioner Appeals
Indirect Tax (Sales tax / VAT)	2016-17	Appellant	Deputy Commissioner of Commercial Taxes	Non acceptance of declaration forms submitted	87.81	Pending before Deputy Commissioner of Commercial Taxes
Statutory / Regulatory	2017-18	Appellant	Tangedco	Recovery of deemed demand benefit from April 2012 to June 2013	261.96	Pending before Madras High Court

Details of Litigations – Wheels India Limited

Nature of litigation (Criminal / Statutory / Regulator / Stock Exchange / Taxation / Other litigations)	Year	Plaintiff / Complainant / Applicant/ Petitioner/ Appellant	Defendant / Respondent	Issue (in brief)	Amount (Rs. In lakhs) (if quantifiable)	Remarks
Statutory / Regulatory / Stock Exchange	Nil					
Indirect Tax (Service tax)	Various years	Appellant - Appellate AC	Respondent - WIL	Service tax credit denied for insurance,M&R,C&F, Consulting service, travel etc	89.96	2 CASES
Indirect Tax (Sales tax / VAT)	Various years	Appellant - Appellate DC	Respondent - WIL	Major Issues related to Input Tax Credit	171.16	9 CASES
Direct Tax	Various years	Commissioner of Income Tax (Appeals)	Defendant - WIL	Various issues	1,324.39	14 CASES
Direct Tax	Various years	High Court	Defendant - WIL	Various issues	411.73	
Direct Tax	Various years	Incometax Appellate Tribunal, chennai	Defendant - WIL	Various issues	735.10	
Direct Tax	Various years	Incometax Appellate Tribunal, chennai	Respondent - WIL	Various issues	224.15	

Direct Tax	Various years	High Court	Respondent - WIL	Various issues	699.10	14 CASES
Other litigations	Nil					

Criminal Proceedings - Wheels India Limited

Sl. No	Plant	Court	Year of filing	Details of Charges	Dismissed on	GIST	Present Status	Next date
1	Rampur	High Court, Allahabad, Rampur	1997	Theft	14.03.1997	1. He was working as an operator and charge sheeted on 28/09/1996 for trying to steal company's property - suspended from 07/10/1996 - domestic enquiry conducted on 27.10.1996 - discharged from services on 14.03.1997 and settled all dues. 2. He raised dispute after conciliation referred to Labour Court, Bareilly on 03.09.1997 - case in our favour and he appeal in the High court, Allahabad.	Case has still not been listed for hearing in Hon'ble High Court, Allahabad.	Not listed so far
2	Rampur	High Court, Allahabad, Rampur	2005	False Complaint against Personnel Manager that he pressurizing him to resign - District Magistrate, Rampur & Supdt of Police.		He raised dispute before conciliation officer Faizabad - referred to Labour court - We filed writ petition before the High court of Allahabad against the reference passed by Conciliation Officer, Faizabad bcoz has no territorial jurisdiction on this dispute. On 09.10.2012 High court of Allahabad directed to the labour court, Faizabad not to proceed further in the matter.	As per the direction of the Court he forwarded fresh conciliation proceedings.	Labour court vacant - after joining of Judge we can get the date

Criminal Proceedings - Wheels India Limited

Sl. No	Plant	Court	Year of filing	Details of Charges	Dismissed on	GIST	Present Status	Next date
3	Pune	1st Labour Court Pune	2012	Double employment (LIC Agent)	25.01.2012	Issued charge sheet on 03.05.2011 on double employment - Proved in domestic enquiry - workmen were dismissed from services of the company w.e.f. 25.01.2012 - He moved to labour court for demand for reinstate with continuity of service with full back wages - The Labour Court, Pune given order on interim relief directed to reinstate the workmen temporarily in service till decision of the main application or company shall pay 50% of the salary to the employee.	Management filed appeal in High Court on 08.03.2013. High court set aside the order passed by the Labour court and directed the case to 4th Labour court, Pune - Interim application was rejected as per court order dated 31.01.2014. Employee filed writ petition in High Court, Mumbai - writ petition was dismissed by High Court, Mumbai. The Main Complaint is now Pending in Labour court, Pune. Submitted the all original documents of the domestic enquiry in Labour Court & the matter is kept for cross examinatioin of the workmen.	18.01.2018
4	Pune	3rd Labour Court Pune						
5	Pune	4th Labour Court Pune	2012	Threaten the line supervisor inside company premises.	12.03.2014	Charge sheet issued & Domestic enquiry conducted - they prolong the enquiry process - Enquiry officer given enough time (20 to 22 months) - enquiry officer decided to close the enquiry- The workman now filed the complaint against WIL as Respondent 1 & Enquiry Officer as Respondent 2 in 4th labour Court, Pune along with interim relief application. The workman was dismissed from the services w.e.f. 12.03.2014.	The workman has filed a dispute in Labour Court for his dismissal. The matter is an evidence stage	08.01.2018

Criminal Proceedings - Wheels India Limited

Sl. No	Plant	Court	Year of filing	Details of Charges	Dismissed on	GIST	Present Status	Next date
6	Pune	Labour Office, Pune	2014	Threaten the contract employee & Company trainees - advised not to come to work.	06.03.2014	Issued charge sheet and conducted enquiry - proved the charges - Management decided to dismiss and he was dismissed from services on 06.03.2014. The workman approached with Industrial Court, Pune.	The matter is in evidence stage & we have submitted the all original documents of the domestic enquiry in the Industrial Court & the matter is kept for cross examination of the workmen.	30.01.2018
7	Bawal	96/2010 Labour Court Gurgaon	2010	Contract employee terminated from employment - 01.05.2006 to 10.04.2008	10.04.2008	He was employed as helper on the roll of contractor, when the contract got ceased his employment automatically ceased.	Trying to settle by mutual consent.	25.01.2018
8	Bawal	93/2010 Labour Court Gurgaon	2010	Contract employee terminated from employment - 03.05.2004 to 10.04.2008	10.04.2008	- do -	Trying to settle by mutual consent.	25.01.2018

Sundaram – Clayton Limited - Details of pending litigation

Nature of litigation (Criminal / Statutory / Taxation / Other litigations)	Year	Plaintiff / Complainant / Applicant/ Petitioner/ Appellant	Defendant / Respondent	Issue (in brief)	Amount (Rs. In lakhs) (if quantifiable)	Remarks
Criminal Proceedings				Nil		
Criminal Proceedings				Nil		

Sundaram – Clayton Limited - Details of pending litigation

Nature of litigation – Direct Taxes

Nature of litigation (Criminal / Statutory / Taxation / Other litigations)	Issue (in brief)	Amount (Rs. In lakhs)		Remarks
		Result in favour	Result against	
2002-03 to 2014-15	Disallowance u/s 14 A - Expenditure allocated for earning exempt Income	583.33	76.28	Disallowance of 2% of exempt income – Department followed Rule 8D.

1997-98 to 2004-05	Restriction of deduction u/s 80HHC (Inclusion of Sales tax, Excise duty, Scrap sales etc in Total turnover and exclusion of Miscellaneous income, interest income, service charges etc from Business income for the purpose of calculation of 80HHC relief)	20.51	22.12	Except sales tax and excise duty all other issues are against the Company
1993-97	Receipt of compensation from Mannesmann Rexroth Pneumatic GMBH, Germany taxed as Income	-	24.13	-
2008-09 to 2013-14	R & D Weighted Deduction	1245.82	-	Result expected in favour of the company
2002-03 to 2014-15	Denial of deduction u/s 35(1)(iv)	56.37	-	Result expected in favour of the company
2008-09 & 2009-10	Notional gain arising on re-statement of ECB loans should be considered as income	81.66	-	-
2009-10	Loss on cancellation foreign contracts treated as speculation loss instead of Business Loss	-	270.18	Appeal is filed by the Company with High Court
2001-02 & 2002-03	Software expenses treated as Capital expenditure	-	18.51	-
2006-07 to 2014-15	Disallowance u/s 40(a)(ia) for non-deduction of tax at source	352.27	3.55	Result expected in favour of the Company
2010-11 to 2013-14	Hedging Cost on ECB loans capitalised in books but claimed as revenue for income tax	-	139.65	-
2011-12 to 2014-15	Balance additional depreciation carried forward from earlier year	482.66	-	
2008-09	Demand raised as amount already refunded (Pertaining to Subsidiary)	6.65	-	
2008-09	Capital Gains taxable at lower tax rates- taxed at higher rate	41.91	-	
2002-03 to 2011-12	TDS- dispute (Non granting of credit for TDS certificates)	40.13	10.94	
2002-03 to 2014-15	Consequential Interest liability/ wrong levy of tax	625.12	0.23	
2002-03 to 2014-15	Interest liability of erstwhile subsidiary company	0.53	-	
	Total issues – Direct Taxes	3536.96	565.59	

Notes:

- In most of the cases stated above, the Company is the Applicant / Appellant and the Income Tax Department is the Defendant / Respondent.
- However in cases where the cases have been decided in favour of the Company, Income Tax Department has preferred an appeal. In such cases the Company is the Defendant / Respondent.

Sundaram – Clayton Limited - Details of pending litigation
Nature of litigation – Direct Taxes

Period	Issue (in brief)	Pending before	Amount	Remarks
(Rs. In Lakhs)				
CENTRAL EXCISE				
April 2008 – May 2015	Cenvat credit to be reversed on scrap generated at Job worker end , (goods sent through Rule 4(5) (a) challan)	CESTAT	181.86	Appeal filed before CESTAT against Commissioner (Appeals) order.
June 2015 – March 2017		Assistant Commissioner of Central Excise	23.21	Statement on demand received on 18.05.2017. Reply filed
	Total Issues – Central Excise		181.87	
SERVICE TAX				
Apr 2006 - Mar 2007	Whether input service tax credit on courier charges and outward freight charges are eligible?	CESTAT	17.9	Favourable order received from Commissioner (Appeals) on 27.01.2012. Department filed appeal against the order with the CESTAT. Order awaited.
Feb 2006 - Aug-07	Whether Input service tax credit on warehousing charges at USA is eligible?	CESTAT	34.37	Stay order obtained.
Feb 2007 – November 2007	Whether input service tax credit on AMC, Auctioning, Pest Control, Taxi, Ticket Booking, Transport, Insurance, convention service etc are eligible?	Commissioner (Appeals)	9.51	CESTAT remanded the matter. Application for adjudication submitted before the commissioner and pending for disposal.
Dec 2007 – March 2010		CESTAT	59.86	Favourable order received from Commissioner (Appeals). Department appeal pending before CESTAT. Hearing awaited
Oct 2013 - Mar-2014	Whether input service tax credit on Consulting Engineer Landscaping Service, Ware house Service are eligible ?	CESTAT	80.36	Appeal filed before CESTAT. Hearing awaited.
Nov 2012 - Sep-13	Whether input service tax credit on Courier & Rent a cab service is eligible	Addl. Commissioner of Central Excise	1.43	Show cause notice received on 26.11.2013. Reply filed on 10.12.2013. Hearing awaited.
Aug 2002 – June 2012	Whether service tax is payable on import of services involving foreign currency payments on Manpower Recruitment Agency	CESTAT	20.64	Appeal filed before CESTAT. Hearing awaited.
Aug 2015 - Dec 2016	Whether Cenvat Credit on Freight outward eligible?	Assistant Commissioner	43.28	Show cause notice received on 07.06.2017. reply filed. Heating
Jul 2012- Dec 2016	Whether Service tax liability on notice pay recovery from employee?	Assistant Commissioner	4.85	awaited.

Period	Issue (in brief)	Pending before	Amount	Remarks
May 2011 – February 2016	Whether input service tax credit on facility management services is eligible?	CESTAT	69.98	Unfavourable order received. Appeal being filed before CESTAT
Oct 2014- Sep 2015	Whether Service tax credit is eligible on Rent a Cab Service?	CESTAT	6.25	Unfavourable order received. Appeal being filed before CESTAT
Oct 2005 -Feb 2011	Whether input service tax credit on AMC, Rent-a-cab, Ticket Booking, Transport and Insurance etc are eligible?	CESTAT	57.64	Appeal decided in favour of the Company. Department has gone on appeal to CESTAT
	Total Issues – Service Tax		406.07	
PROPERTY TAX				
2010-11	Ambattur Municipality - 100% increase in property tax for the year 2010-11 over 2009-10	Hon'ble High Court of Madras	23.34	A writ petition was filed before the Hon'ble High Court of Madras. Interim order passed directing to pay 50% of the enhanced demand.
2010-11	Kattangulathur Panchayat - Levy of infrastructure and amenity charges		27.5	Demand raised b local authority. Writ petition filed. Interim stay order granted on payment of 50% of demand
	Total Issues – Property Tax		50.84	
VALE ADDED TAX				
Nov 2013 - Mar 2014	Reversal of Input tax credit up to 3% pertaining to CST sales. Sec.19(2) (v) Tamil Nadu Value Added Tax Act, 2006)	Appellate Deputy	15.71	
Apr 2014 - Mar 2015	Availment of Input tax credit on specified Inputs		23.18	
Jul-09	Proposal to levy tax at 14.5% instead of 5% for Sale of dies	Commissioner, Chennai	6.62	
	Total Issues – VAT		45.51	
	GRAND TOTAL		684.29	

Notes:

- Results are expected to be in favour of the Company in most of the cases.
- For the cases stated above, the Company is the Applicant / Appellant and the Concerned Department / Court is the Defendant / Respondent.
- However in cases where the cases have been decided in favour of the Company, Department has preferred an appeal. In such cases the Company is the Defendant / Respondent.

**Details of Litigations
Lucas TVS Limited**

Nature of litigation (Criminal / Statutory / Taxation ⁽¹⁾ / Other litigations ⁽²⁾)	Year	Plaintiff / Complainant / Applicant/ Petitioner/ Appellant	Defendant / Respondent	Issue (in brief)	Amount (Rs. In lakhs) (if quantifiable)	Remarks
Criminal proceedings	Nil					
Statutory / Regulatory	Nil					
Direct Tax	1998-99 to 2002-03	Lucas TVS Limited	Income tax department	In respect of Pandy unit, Department had excluded benefit under Sec. 80 IB while computing 80 HHC benefit Matter in Hc.	104.46	The matter is lying in HC
	1999-00 to 2002-03	Lucas TVS Limited	Income tax department	Disallowance under 14A (disallowance of expenses attributable to earning exempt incomes). Matter in HC.	32.12	The matter is lying in HC
	2006-07	Lucas TVS Limited	Income tax department	Disallowance under Sec. 14A .	10.01	Appeal before ITAT
	2008-09	Lucas TVS Limited	Income tax department	Disallowance under Sec. 14A Matter before CIT (A).CIT(A) has confirmed the order in favour of Dept.	7	Appeal filed before ITAT
	2009-10	Lucas TVS Limited	Income tax department	Disallowance under Sec. 14A Matter before CIT (A).CIT(A) has confirmed the order in favour of Dept.	19.96	Appeal filed before ITAT
	2010-11	Lucas TVS Limited	Income tax department	Disallowance under Sec. 14A Matter before CIT (A).CIT(A) has confirmed the order in favour of Dept.	19.39	Appeal filed before ITAT
	2011-12	Lucas TVS Limited	Income tax department	Disallowance under Sec. 14A Matter. New Rule 8D introduced for method of u/s 14A calculation.	17.33	Recd order from ITAT Tribunal in our favour – recd in Nov’17
	2006-07	Lucas TVS Limited	Income tax department	Appeal filed before CIT(A) TDS not deducted on commission on exports	0.88	Order Recd CIT(A) in our favour
	1988-89.	Income tax department	Lucas TVS Limited	Relief under Sec.80 HHC – Inclusion of ED & sales tax in turnover. Up to High Court in favour of LTVS.	7.23	Matter now in SC.
	2003-04	Income tax department	Lucas TVS Limited	Disallowance of Sec. 80 IB benefit for Pandy unit while computing 80 HHC benefit.	5.32	Matter now in SC.
Indirect Tax (Service tax)	Varied periods	Lucas TVS Limited	Commissioner of Central Excise & Customs and Customs and Excise			

Nature of litigation (Criminal / Statutory / Taxation ⁽¹⁾/ Other litigations ⁽²⁾)	Year	Plaintiff / Complainant / Applicant/ Petitioner/ Appellant	Defendant / Respondent	Issue (in brief)	Amount (Rs. In lakhs) (if quantifiable)	Remarks
Service Tax Appellate Tribunal	Servicetax credit availed on GTA, Manpower, Computer Services etc	1165.03	Hearing awaited			
Indirect Tax (Service tax)	Varied periods	Commissioner of Central Excise & Customs and Customs and Excise	Lucas TVS Limited	Servicetax credit availed on GTA, Manpower, Computer Services etc	41.00	Matter in Supreme Court
Indirect Tax (Sales tax / VAT)	Varied periods	Lucas TVS Limited	Deputy & Joint Commissioner	Reversal of ITC on CST Sales Disallowance of ITC	1124.39	Hearing awaited
Indirect Tax (Sales tax / VAT)	1995-2002	State of Tamilnadu	Lucas TVS Limited	Concessional Form issued for Inputs procured for Export Sales	26.29	Matter in Supreme Court
Indirect Tax (Excise)	1994	Commissioner of CE	Lucas TVS Limited	Interest on classification dispute	40.21	Matter in Supreme Court
Indirect Tax (customs)	1995 & 1996	Commissioner of CE	Lucas TVS Limited	Encashment of Bank guarantee	18.25	Matter in Supreme Court
Other litigations	Nil					

Details of Litigations - TVS Investments Limited

Nature of litigation (Criminal / Statutory / Taxation / Other litigations)	Year	Plaintiff / Complainant / Applicant/ Petitioner/ Appellant	Defendant / Respondent	Issue (in brief)	Amount (Rs. In lakhs) (if quantifiable)	Remarks
Criminal Proceedings	Nil					
Statutory/Regulatory	Nil					
Direct Tax	2015-16	TVSI	DCIT, Corporate cicle 6(2)	Disallowance of notional expenditure incurred towards earning exempt income u/s 14A read with rule 8D	40.18	No Tax Liability in view of the carried forward business loss available for set off
Other Litigations	Nil					

Details of litigations – Delphi-TVS Diesel Systems Limited

<p>SERVICE TAX SCN 53/09 issued by Jt. Commissioner of Central Excise, Service Tax Cell (2009)</p>	<p>15.67 (USD 24.11k)</p>	<p>Demanding service tax on royalty paid to Delphi Technologies, USA; another SCN in the matter is denying input credit on service tax paid.</p>	<p>Appeal filed. However we have remitted the amount and availed Cenvat credit. Appeal filed with a prayer for waiver of interest refund of the amount. The order passed by Comm. Appeal rejecting our claim, We have filed appeal before CESTAT.</p> <p>Received the order dated on 24.07.2012. No liability to tax arises. We have received order in our favour from CESTAT on 09.10.2017</p>	<p>No</p>
<p>CENTRAL EXCISE SCN issued rejecting Cenvat credit on Electrode, by Asst Commissioner (2008)</p>	<p>3.82 (USD 5.88k)</p>	<p>Seeking to reject cenvat credit on Electrode.</p>	<p>Decided by Commissioner (Appeals) as to eligibility of electrodes as inputs in our favour. – Department has gone for appeal with CESTAT against the said order. CESTAT decided in favour of department. (Nov-11).</p> <p>We have filed Rectification of mistake petition against the above order as there were apparent mistakes. Personal hearing adjourned to mid-Feb 13. ROM application is allowed and the appeal filed by Revenue is rejected.</p>	<p>No</p>
<p>CENTRAL EXCISE SCN 62/10 issued for twice availing the input credit on material sent on job work. (2010)</p>	<p>26.43 (USD 40.66k)</p>	<p>SCN by Addl. Commissioner</p>	<p>We have replied to the show cause notice stating credit has not been taken twice. Additional Commissioner confirmed the findings and passed order in favour of department on 14-09-2011. We have appealed against the said order to Commissioner of Appeals on 24-10-2011.</p> <p>We have received order from Commissioner of Appeals on 08.04.2014 in our favour.</p>	<p>No</p>
<p>CENTRAL EXCISE SCN Received for wrongly taken Excise credit for Floor materials, wall panels, doors, building materials, modular work, office cabin, trolley and structural frame work (2010).</p>	<p>7.49 (USD 11.52k)</p>	<p>SCN received for credit wrongly taken.</p>	<p>Received the order OIO No. 46/2011 dated 22.12.2011. Appeal filed with commissioner (Appeals) A.NO 31/2012(M-IV) dated 02/03/2012.</p> <p>O-I-A No.16/2014 dt 10.02.2014 received, the impugned order is upheld and the appeal is rejected.</p> <p>Company filed an appeal in CESTAT Tribunal against the Order from Commissioner Appeals. We have received order in our favour from CESTAT Ref. No.42172/2016</p>	<p>No</p>

CENTRAL EXCISE SCN received for non reversal of Cenvat credit on provision for slow moving stock entry in the books of accounts. 2012)	0.62 (USD 9.53k)	SCN received for non reversal of Cenvat credit on provision for slow moving stock entry in the books of accounts. Cenvat Credit taken has been since reversed without interest.(2012)	We have received the SCN dated on 03.09.2012. Reply given on 25.10.2012.Order received OIO No.37/2013 dated 07-08-2013 and demand for interest. Appeal filed with commissioner (Appeals) A.NO.79/2013 (M-IV) dt: 25/10/2013. We have received order in our favour.	No
SCN issued on service tax credit on the services viz "Manpower agency" and "Rent - a-cab" for the period of Dec 2009 to Feb 2010. Input credit cannot be taken for service provided for the manufacturing goods	1.68 (USD 2.58k)	SCN received for service taken for "Manpower agency"	Reply given on 07/01/2011.PH dated on 17/08/2011.PH was attended before ACCE, Poonamellee division 18/08/2011 and the order is awaited. We have received the order on 17.04.2017, Rent a Cab in favour of us and Manpower agency service is rejected. We have paid Rs.1.27 through cenvat credit balance.	—

Summary of claims against the company raised by various authorities

1 US\$ = 65.00

Sl. No	Particulars	Decisions likely to be unfavourable		Reasonable chances of winning		Minimal Risk	
		US \$ (in thousands)	Rupees (in lakhs)	US \$ (in thousands)	Rupees (in lakhs)	US \$ (in thousands)	Rupees (in lakhs)
A	Sales Tax	33.57	21.82			1975.15	1283.85
B	Excise Duty	-	-	-	-	7.20	5.73
C	Service Tax			42.82	27.83	37.34	24.27
D	Customs Duty			39.69	25.80		
E	Income Tax			-	-	81.60	53.04
Total							
US\$		33.57		82.51		2101.29	
INR			21.82		53.63		1366.89

New Claims Made Against The Company

- Nil -

Outstanding Litigations / Legal Cases (Sales Tax/Excise/Service Tax/Customs/Income Tax)

Details Of Show Cause, Demand And Penalty Notices Pending Which Are Materially Important

S.No.	Department from which show cause / Demand notice received (Year of demand in brackets)	Amount demanded (Rs. In Lakhs)	Issues/nature of disputes involved	Current status	Whether provided
A.1	SALES TAX Commercial Tax Officer (1997-98)	21.82 (USD 33.57k)	Non-receipt of C forms for various years of FIE division.	1997-98 Assessment (Lucas TVS) is pending before Tribunal.	No
A.2	SALES TAX ASSISTANT COMMISSIONER (2010-11)	33 (USD 50.77k)	Sales rejection/ Volume discount not allowed.	Assistant Commissioner has passed the order rejecting the Sales rejection/Volume discount and non submission of C Forms, with tax demand of Rs.126.87 Lakhs. C forms received subsequently and on hand of Rs. 804.85 Lakhs has to be submitted to Sales tax department and this will reduce the tax liability by Rs. 84.51 Lakhs. Writ petition filed with Honb'le Madras High Court, to allow the volume discount/sales rejection, and due to writ pending, unable to get the revision order from the department. We got stay order from Honb'le High Court till disposal of appeal.	No
A.3	SALES TAX ASSISTANT COMMISSIONER (2008-09)	21.22 (USD 32.65k)	Sales rejection/ Volume discount not allowed.	Assistant Commissioner has passed the order rejecting the Sales rejection/Volume discount, with tax demand of Rs.21.22 Lakhs. Writ petition filed with Honb'le Madras High Court, to allow the volume discount/sales rejection.	No
A.4	SALES TAX Notice received from the department for Input reversal credit(Nov 2013)	14.55 (USD 22.38k)	Writ filed in the Honb'le High court of Madras against order from the Assistant commissioner for reversal of ITC objection.	Honb'le High court of Madras has directed the AC to pass a speaking order in this regard. Awaiting for further formalities from AC.	YES
A.5	SALES TAX Notice received from the department for Input reversal credit(Dec 2013)	18.03 (USD 27.74k)	Writ filed in the Honb'le High court of Madras against order from the Assistant commissioner for reversal of ITC objection.	Honb'le High court of Madras has directed the AC to pass a speaking order in this regard. Awaiting for further formalities from AC.	YES

S.No.	Department from which show cause / Demand notice received (Year of demand in brackets)	Amount demanded (Rs. In Lakhs)	Issues/nature of disputes involved	Current status	Whether provided
A.6	SALES TAX Assessment order received from Assistant Commissioner for the year 2014-15 for non-submission of Industrial Input certificate sales made to OEM's	1229.63 (USD 1891.74k)	Writ filed in the Honb'le High court of Madras against order from the Assistant commissioner.	Honb'le High court of Madras has admitted the writ and awaiting the hearing to be posted. We have already received industrial input certificate from customers.	YES
B.1	CENTRAL EXCISE SCN 18/09 issued rejecting Cenvat credit on Electrode, by Asst Commissioner (2009)	4.67 (USD 7.18k)	Seeking to reject Cenvat credit on Electrode	Reply letter vide dated 26.09.2009.duly sent to the Asst. Commissioner of Central Excise for the SCN received dated 15.05.2009.	No
B.2	CENTRAL EXCISE SCN received for Interest on cenvat credit reversal ineligible goods and Capital goods	1.06 (USD 0.02k)	SCN received for interest on cenvat credit reversal of ineligible goods and capital goods	We have file reply on 24.10.2014 We have received final order on 20.02.2017 appeal is remanded. We need to provide the details to Asst. Commissioner to prove adequate cenvat credit is available for adjustment of reversal.	No
C.1	SCN 53/09 issued questioning Credit availed on Canteen service (2009)	10.42 (USD 16.03k)	SCNs issued by Commissioner of Central Excise	Relying on CESTAT Larger Bench Decision, which held Canteen Service is eligible for credit, we have replied to SCN. Yet to be adjudicated.	
C.2	SCN 52/10 issued for service tax claimed for Tours & Travels, Garden Maintenance and Vehicle Maintenance (2010)	27.83 (USD 42.82k)	SCN by Add. Commissioner	We have replied vide letter 17.05.2012 to the show cause notice received dated 05.04.2010. Personal Hearing appeared on 09.03.2017. Commissioner pass the order on 28.03.2017 disallowed the input credit availed and impose a penalty of 100% along with interest applicable as per Central Excise Act. We are preparing to file appeal with Commissioner of Appeals against the order.	
C.4	SERVICE TAX SCN 37/2016 issued by Asst. Commissioner of Central Excise.	2.03 (USD 3.12k)	Disallowing service tax input credit taken on Freight (outward) for the period July 2015 to April 2016. SCN issued on 01.08.2016	Reply given on 24.08.2016 and Asst. Commissioner passed order on 30.01.2017 confirming the demand. We have filed appeal with Commissioner of Appeals on 05.04.2017.	

S.No.	Department from which show cause / Demand notice received (Year of demand in brackets)	Amount demanded (Rs. In Lakhs)	Issues/nature of disputes involved	Current status	Whether provided
C.5	SCN issued on Ineligible service tax credit taken for "Rent- a- cab", driver wages, and "candidate verification charges" from June 2010 to Dec 2010	4.83 (USD 7.43k)	SCN received for credit taken for "Rent-a-cab" driver wages June 2010 to Dec 2010	Reply given on vide letter dated 22/07/2011. Awaiting order against our reply.	
C.6	SCN issued on ineligible service tax credit taken for "Rent- a- cab" driver wages from January 2011 to March 2011	0.72 (USD 1.11k)	SCN received for credit taken for "Rent-a-cab" driver wages Jan to Mar 2011	Replies given on vide letter dated 15/02/2012. Awaiting order against our reply. Commissioner orally informed to us going to drop the proposal.	
C.7	SCN No.08/2015 received for ineligible service tax input credit taken on Security, Insurance and Nursing assistant for the period April 2010 to Nov 2010	6.27 (USD 9.65k)	Service tax input credit on Security, Insurance and Nursing assistant for the period April 2010 to Nov 2010	Reply given on 16.03.2015. Order passed disallowing service tax input credit on 18/03/2016. We have filed appeal with Commissioner of Appeals on 22.04.2016. Commissioner of appeals passed an order on 17.03.2017 rejecting our appeal and retain the disallowance and penalty. We are planning to file appeal against this order with CESTAT.	
D.1	CUSTOMS DUTY SCN issued by DRI -2006	25.8 (USD 39.69k)	Claiming that the Import licence scripts procured from the market for clearances made under DEPB licences as invalid	Commissioner of CE (CCE). Confirmed SCN. We filed Appeal before CESTAT against order of CCE Claiming Demand is time barred. CESTAT Stayed the order of CCE reg. payment of Duty whereas ordered Pre-deposit of Penalty amount of Rs.6.00 lacs. We moved Hon. Madras High Court and obtained Stay against Order of CESTAT ordering pre deposit of penalty. Final order of CESTAT received dated 14.06.2012 of CESTAT asking the company to pay the duty amount of Rs.25.80. Appeal filed against this CESTAT order in High court of Madras and received the stay order against the CESTAT order. (SR79777/2012).	No

S. NO.	Nature of ISSUES	Asst. Year	Amount claimed	Remarks	Whether Provided in Books
E.1	Intimation received from Deputy Commissioner of Income Tax Central processing Cell – TDS towards short payment of TDS for Assessment years from 2006-07 to 2014-15 for value of Rs.491.61 Lakhs. Subsequently we have filed revised return after making necessary changes now the difference due amount comes to Rs.53.04 Lakhs.	2006-07 to 2014-15	Rs.53.04 Lakhs (USD 81.60k)	We are in the process of collecting data and file revised return.	Not applicable
E.2	Order received from TPO – Professional and service charges paid to AE's value of Rs.486.71 Lakhs is disallowed and give direction to add back in the assessment. Income Tax Assessing officer is also add back the disallowed expenses and issue a draft order.	2013-14	Rs.53.04 Lakhs (USD 81.60k)	Appeal is filed with Dispute Resolution Panel challenging the order received from Income tax Officer. DRP have disallowed appeal. We have filed writ petition with Honb'le Madras High Court against the order of DRP. Stay granted by Honb'le High Court till the disposal of Appeal.	Not applicable.

