

Sundaram Finance Limited

70th Annual Report

2022-23



SUNDARAM FINANCE
Enduring values. New age thinking.



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Enduring values. New age thinking.

Board of Directors	S. Viji T.T. Srinivasaraghavan Srivats Ram S. Prasad P.N. Venkatachalam Shobhana Ramachandhran S. Mahalingam R. Raghuttama Rao L. Ganesh Bhavani Balasubramanian Harsha Viji Rajiv C. Lochan A.N. Raju	Chairman Executive Vice Chairman Managing Director Deputy Managing Director
Audit Committee	S. Prasad Shobhana Ramachandhran R. Raghuttama Rao Bhavani Balasubramanian	Chairman
Stakeholders' Relationship Committee	L. Ganesh Rajiv C. Lochan A.N. Raju	Chairman
Nomination, Compensation & Remuneration Committee	P.N. Venkatachalam S. Prasad S. Viji	Chairman
Corporate Social Responsibility Committee	Shobhana Ramachandhran T.T. Srinivasaraghavan Harsha Viji Rajiv C. Lochan A.N. Raju	Chairperson
Risk Management Committee	Rajiv C. Lochan R. Raghuttama Rao A.N. Raju M. Ramaswamy	Chairman
Asset Liability Management Committee	Harsha Viji Rajiv C. Lochan A.N. Raju M. Ramaswamy Lakshminarayanan Duraiswamy	Chairman
Information Technology Strategy Committee	S. Mahalingam P.N. Venkatachalam Harsha Viji Rajiv C. Lochan A.N. Raju Sudheer Warriar	Chairman Member Member Member Member Member
Chief Financial Officer	M. Ramaswamy	
Secretary & Compliance Officer	P.N. Srikant	
Chief Risk Officer	N. Raman	
Registered Office	21, Patullos Road, Chennai - 600 002 Tel: 044 2852 1181, Fax: 044 2858 6641 Email: investorservices@sundaramfinance.in Website: www.sundaramfinance.in	
CIN	L65191TN1954PLC002429	
Joint Auditors	B.K. Khare & Co. 706 / 708, Sharda Chambers, New Marine Lines, Mumbai 400020	N C Rajagopal & Co. No.22, V. Krishnaswamy Avenue Luz Church Road, Mylapore, Chennai 600004
Information Security Assurance Services	M/s. C.V. Ramaswamy & Co Office No. 1, Vidwan Sundaram Street, Nungambakkam, Chennai 600 034	

Management Team

Annapoorna R	Senior General Manager - Central Processing Unit
Balachander Gopinath	Senior General Manager & Head - East
Balasubramanian S	Vice President & Head - Andhra Region
Ganesan A K	Vice President & Head - Karnataka
Harikrishnan R	Senior General Manager & Deputy Head - Tamil Nadu
Jeevan Jose P	Senior General Manager & Zonal Head - Salem & Dharmapuri
Kulkarni M J	National Head - MH & CE
Manoj Arvindakshan Nair	Senior General Manager & Head - Strategy & Planning
Moahan Ananda Venkatesan	Senior Vice President & Head - Tamil Nadu
Mugunda Krishnan R	Senior General Manager – Sundaram Infotech Solutions
Rajesh Venkat	Senior Vice President & Head - Western Region & Analytics
Ramachandran N	Executive Director
Sankar Thiagarajan	Head - Farm Equipment Finance
Sankarakumar K	Senior Vice President - Corporate Finance
Sekar R	Head - Human Resources
Sri Raman N	Deputy Region Head - Telangana
Sridhar P S	Vice President - Treasury
Sridharan R	Senior General Manager & Head - Indirect Taxation
Sudheer Warriar	Chief Technology & Digital Officer
Venkatesan H	Vice President & Head - Central Processing Unit
Dhandayuthapani S	General Manager & Head - Deposits
Kumar S	Deputy General Manager & Head - Administration
Murali C	General Manager - Central Processing Unit
Muthukrishnan N	General Manager & Head - Emerging Financial Institutions
Narayanan K	General Manager & Head - Corporate Finance & SME
Narayanan N	General Manager & Head - Legal
Rahul Jyothi Kumaran	General Manager & Head - Distribution
Raja Sugirtha R	General Manager – Sundaram Infotech Solutions
Rajmohan Vasudeva Pai	Chief Credit Officer
Ramaswami V	Deputy Region Head - Western Region
Salin Nair	General Manager & Head - Northern Region
Sandhya Kumar	Head - Corporate Communications
Satish Venkatraman	General Manager – Sundaram Infotech Solutions
Sunil S Narayanan	General Manager & Head - Madhya Pradesh Region
Tom Thomas	General Manager & Head - Rajasthan Region
Vaasen V	Head - Internal Audit
Venkataraman R	National Head - Vruddhi
Venkatesh K V	General Manager - Taxation
Viswanathan N C	National Head - Diesel Finance
Suresh Devdas	Zonal Head - Trichy & Thanjavur

Subsidiaries

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

Bankers

State Bank of India	Bank of Baroda
HDFC Bank Limited	Axis Bank Limited
ICICI Bank Limited	HSBC Limited

Debenture Trustee

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

CURRENCY EQUIVALENTS

₹ One Million	=	₹ 10 Lakhs	US\$ 1 = Indian ₹ 82.2169 *
₹ One Billion	=	₹ 100 Crores or ₹ 10,000 Lakhs	*RBI Reference Rate as on 31.03.2023

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International Finance & Leasing Association

Board's Report

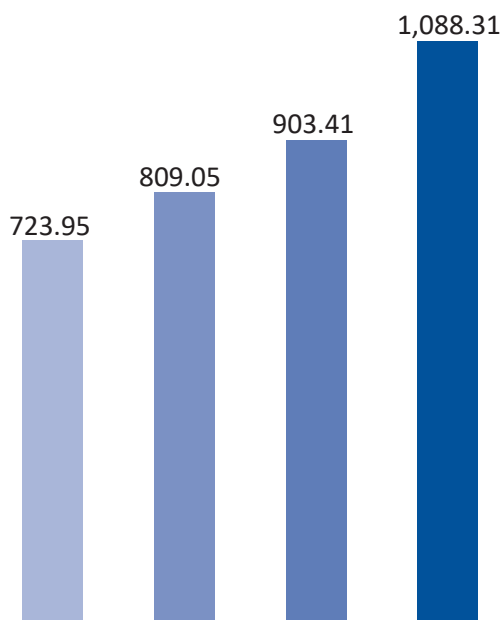
Your Directors have pleasure in presenting the 70th Annual Report together with audited accounts for the year ended 31st March 2023. The summarised financial results of the Company are presented hereunder:

FINANCIAL RESULTS: STANDALONE

(₹ in crores)

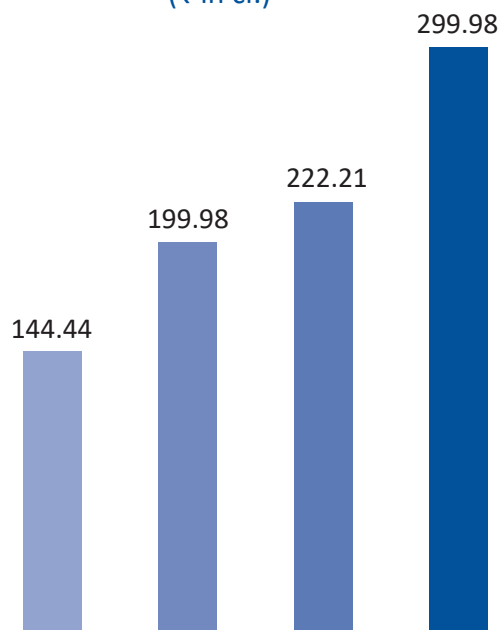
Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Revenue from Operations	4,046.46	3,870.03
Other Income	63.74	20.43
Total Revenue	4,110.20	3,890.46
Less: Total Expenses	2,690.24	2,713.56
Profit before exceptional items and tax	1,419.96	1,176.90
Add: Exceptional item	NIL	NIL
Profit before tax	1,419.96	1,176.90
Profit after Tax	1,088.31	903.41
Other Comprehensive Income	(2.39)	(14.26)
Total Comprehensive Income for the Year	1,085.92	889.15
Dividend		
- Final 2020-21	–	66.66
- Interim 2021-22	–	111.10
- Final 2021-22	111.10	–
- Interim 2022-23	133.32	–

PAT
(₹ in cr.)



FY	2019-20	2020-21	2021-22	2022-23
EPS (₹)	65.16	72.82	81.31	97.95

Dividend
(₹ in cr.)



FY	2019-20	2020-21	2021-22	2022-23
%	130	180	200	270

DIVIDEND

Your Company paid an interim dividend of ₹12/- per share in March 2023. Your Directors are pleased to recommend a final dividend of ₹15/- per share, which, together with the interim dividend, would aggregate to a total dividend of ₹27/- per share (270% on the face value of ₹10/-), representing a dividend pay-out of 27.6%.

The Dividend Distribution Policy, formulated in accordance with the provisions of Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, has been disclosed on the website of the Company under the web link –

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

CORPORATE GOVERNANCE

Your Company has always focused on ensuring the highest standards for prudence, ethics and transparency in corporate governance over decades. The Board of Directors serve as stewards of the performance and health of your Company. The Board's mandate is to oversee your Company's strategic direction, monitor your Company's & Group companies' performance, maintain highest ethical standards of governance, assess the adequacy of risk management measures, evaluate internal financial controls, authorise and monitor strategic investments, facilitate and review Board and senior management succession planning and oversee regulatory compliance and corporate social responsibility

activities. Their collective experience has been brought to bear to guide the Company through various challenges, including the recent pandemic-related complications. The Directors' deep industry knowledge, functional specialization and decades of experience has helped your Company handle complex issues related to macroeconomic uncertainty, regulatory changes, technological & digital developments, market volatility & risk management and information security & cybersecurity threats.

The Corporate Governance Report of the Company provides information about the corporate philosophy, details of the Directors and their other directorships, number of Board Meetings and Committee Meetings held during FY2023, various other details which evidence the fact that the Company is customer-oriented, respectful in letter and spirit of all the regulatory provisions, mindful of high quality standards in all areas and, above all, follows a time-tested approach that balances growth with quality and profitability.

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

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

RELATED PARTY TRANSACTIONS

All transactions with related parties were in the ordinary course of business and on an arm's length basis. The Company did not enter into any material transaction with such related parties, under Section 188 of the Companies Act, 2013, during the year. Form AOC-2, as required under Section 134 (3) (h) of the Act, read with Rule 8 (2) of the Companies (Accounts) Rules 2014, is attached as part of this report, vide Annexure

II (i). The Company's Policy on Related Party Transactions is attached as part of this report, vide Annexure II (ii).

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

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Your Company, along with its subsidiaries and associates, has always proactively invested in a responsible manner to the growing needs of the communities in which it operates and has responded swiftly to health-related complications, weather & catastrophic events and other unexpected challenges that have impacted these communities. During the year, your Company has, in consonance with the CSR Policy of the Company, undertaken a number of initiatives that contribute to society at large, in the areas of healthcare, education, environmental sustainability and ecological balance, and preservation of the country's rich culture and heritage. The highlights of the CSR activities are:

1. Average Net Profit computation in accordance with Sec.135(5) : ₹97,201.58 lakhs.
2. CSR Budget, Amount spent in CSR, amount un-spent if any and amount to be set off in the financial year, if any.

Particulars	Amount (₹ in lakhs)
Total CSR Obligation for FY2023	19,44.03
Less: Set off from FY2022	2,31.37
Net CSR Obligation for FY2023	17,12.66
CSR spent during FY2023	24,17.82
Administrative overheads (including expenses incurred towards Impact Assessment)	95.46
Amount spent in excess of the requirement	8,00.62

The Annual Report on CSR Activities undertaken by the Company for the FY2023, is attached as part of this report, vide Annexure III.

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

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

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

The Company has in place a policy for prevention of sexual harassment, in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. An Internal Complaints Committee (ICC) has been set up to redress complaints. All employees (permanent, contractual, temporary, trainees) are covered under this policy. No complaints were received during the financial year nor were any pending unresolved as on 31st March 2023.

SECRETARIAL AUDIT

In terms of Section 204 of the Companies Act, 2013 and the Rules thereunder, the Company has appointed M/s Damodaran & Associates LLP, Practising Company Secretaries, as the Secretarial Auditor of the Company. The Secretarial Audit Report and Secretarial Compliance Report, as provided by them, are attached as part of this report, vide Annexures V(i) and (ii) respectively.

REMUNERATION TO DIRECTORS / KEY MANAGEMENT PERSONNEL

Disclosure pursuant to Rule 5 (1) of Companies (Appointment

and Remuneration of Managerial Personnel) Rules, 2014 is attached as part of this report, vide Annexure VI.

SUNDARAM FINANCE EMPLOYEE STOCK OPTION SCHEME (SFESOS)

Based on the recommendations of the Nomination, Compensation and Remuneration Committee, the Board has granted, subject to regulatory approvals where necessary, 21,878 Stock Options to select eligible employees, on 26th May 2023. The disclosure required under SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 is furnished, vide Annexure VII.

EXTRACT OF ANNUAL RETURN

As required under Section 92 (3) of the Companies Act, 2013, read with Rule 12 (1) of the Companies (Management and Administration) Rules, 2014, the link for the Extract of the Annual Return in E-form MGT-7 is https://www.sundaramfinance.in/assets/app_docs/downloads/annual-reports/2022-2023/eformmgt72223.pdf

DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS

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

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

Your Company has no activity relating to conservation of energy or technology absorption. During FY2023, expenditure in foreign currencies amounted to ₹0.08 cr. There were no earnings in foreign currency during the year.

APPOINTMENT OF INTERNAL OMBUDSMAN

During the year, Mr. A.S. Narayan, B.Sc., CAIB, a retired General Manager from State Bank of India, was appointed as the Internal Ombudsman of your Company for a period of 3 years with effect from 12th May 2022, in accordance with the Circular dated 15th November 2021 issued by the Reserve Bank of India.

MANAGEMENT DISCUSSION AND ANALYSIS

Global Economy

On the global front, economic activity remained largely resilient during FY2023, amidst geopolitical tensions & hostilities, persistence of inflation at elevated levels, tight financial conditions and turmoil in the banking system in some advanced economies (AEs).

The year started with the impact of the Russia-Ukraine war that resulted in a sharp commodity price surge, leading to inflationary pressures. This was over and above the existing layer of global inflation, due to COVID-related stimulus measures, and a post-pandemic resumption of full-fledged economic activity across countries. The persistence of inflation at elevated levels across economies, caused by the disruption of global supply chains due to the pandemic and compounded by the spike in crude oil prices in the wake of the war, coupled with continuing geopolitical uncertainties and tightening financial conditions, took their toll on global economic activity. Consequently, most central banks across the globe remained in tightening mode and focussed on aggressive rate hikes to cool demand and consequently bring down high inflation.

Given that the pace of rate hikes in the US were the steepest since the 1970's, there emerged a market concern around US recession risks and a resultant impact on global markets. Therefore, for most part of FY2023, the global markets were bracing for the onset of recession. However, towards the

end of FY2023, global macro (especially US and Europe) witnessed surprising strength that led to significant easing of recessionary fears. As this recessionary trend was settling down, the banking turmoil in the US and Europe during March, involving the closure of three banks in the US and sale of a Swiss bank, and the accompanying concerns about financial stability in the regions, rattled the global financial markets. Increased risk aversion triggered flight to safety and the expectations of an early reversal of the monetary tightening cycle led to a sharp decline in sovereign bond yields across maturities, correction in equity prices and jump in market volatility indicators. The US Federal Reserve responded swiftly with measures that directly addressed the concerns around contagion through various assurances, easing market fears.

In the second half of calendar year 2022, global growth was stronger than anticipated, reflecting pent-up demand, accumulated household savings, labour market gains, easing supply bottlenecks and sharp corrections in energy prices. According to the IMF's estimates released in January 2023, global growth is expected to moderate from 3.4 per cent in 2022 to 2.9 per cent in 2023, and 3.1 per cent in 2024, with a sharper deceleration projected for advanced economies, relative to emerging market and developing economies. Alongside, global trade is expected to decelerate in 2023.

Overall, the slowing global growth, geopolitical tensions, upsurge in financial market volatility and tightening global financial conditions continue to be causes for concern for the growth outlook of economies across the world.

Indian Economy

Against the backdrop of an unstable global economy, India's economic growth in FY2023, which was the first year of uninterrupted functioning of the economy after two years of

widespread disruption caused by the Covid-19 pandemic, was robust. Domestic economic activity exhibited resilience, particularly in H2 of FY2023 and the National Statistical Office's second advance estimates placed real gross domestic product (GDP) growth at 7.0 per cent for FY2023, driven primarily by private consumption and investment.

Despite the downward revision, the FY2023 growth estimate for India is higher than almost all major economies and even slightly above the average growth of the Indian economy in the decade leading up to the pandemic. Among the various measures initiated by the Government of India to counter the disruption caused by the pandemic, the vaccination coverage across the country has not only saved lives, but also played a crucial role in serving as a health stimulant to raise consumer sentiments, boosting private consumption, and helping in the recovery and growth of the economy.

The country's level of inflation was a cause for concern, rising from 5.5% in FY2022 to 6.7% during FY2023, largely due to rising international commodity prices, as well as local weather conditions like excessive heat and unseasonal rains, which kept food prices high. Unlike global inflation which was the result of demand-side drivers, inflation in India in FY2023 was driven by supply side challenges. After briefly dropping to 5.7% during November 2022, it surged again to 6.4% in February 2023, primarily due to the increase in food inflation. As part of the efforts to restrain inflation, the RBI, like other central banks, increased the policy repo rate by 250 basis points from 4% to 6.5% between May 2022 and February 2023, and drained out excess liquidity. Additionally, the Government introduced a slew of measures like cutting excise and customs duties, and restricting exports in select commodities & products, in order to control the inflationary trend.

Fiscal deficit, which reached 9.2% of GDP during the pandemic year FY2021, moderated to 6.7% of GDP in FY2022 and has been budgeted to reach 6.4% of GDP in FY2023, thanks to prudent fiscal management by the Government and supported by appreciable increase in revenue collection over the last two years.

Impacted by the global shocks, the Indian Rupee touched an all-time low of 83.2 per US\$ during October 2022. It recovered during November 2022, riding on a depreciating US dollar and net inflows through foreign portfolio investments. These factors, coupled with a sharp increase in India's net services exports, helped stabilise the Rupee, which was at 82.2 per US\$ at the close of FY2023. As on March 31, 2023, the country's foreign exchange reserves stood at USD 578.4 billion, equivalent to 9.8 months of projected merchandise imports in FY2023 or 94.4 per cent of outstanding external debt at end-December 2022.

Automotive Sector

The automotive sector is a key driver of India's economic growth and contributes about 7% to the country's overall GDP. After witnessing various forms of challenges like economic slowdown, widespread disruption caused by the pandemic, semi-conductor chip shortages, supply chain dislocations and price escalation for successive years, the automotive sector witnessed healthy growth across all segments during FY2023. Overall, the automotive sector grew by 20% supported by strong replacement demand (CVs), healthy urban demand (PVs), higher infrastructure spending and the scrappage policy. In December 2022, India became the 3rd largest automobile market, surpassing Japan and Germany in terms of sales.

The commercial vehicle segment grew by 34% in FY2023 over FY2022 driven by robust freight movement pan-India, increases in infrastructure spending and pre-buying given the expected price hikes due to transitioning to Phase 2 of BS6 on April 1, 2023. M&HCV sales grew by 49% while retail commercial vehicles (including LCVs, ICVs and SCVs) grew by 27%.

Sales of cars & utility vehicles grew by 27%, recording a new high for the number of passenger vehicle sales in the country. The early part of the year witnessed continued post-Covid pent up demand, and the latter part of the year witnessed easing of the semi-conductor shortage issue as well as the launch of a slew of new models by the OEMs. Utility vehicles and high-end variant demand continued to remain high, while the higher inflation and consequent increased interest rates adversely impacted demand for the entry level models.

The tractor segment witnessed a growth of 12% driven by robust agriculture output procurement at healthy support prices, a normal monsoon, various government schemes and subsidies for farm mechanisation, and a substantial easing in the availability of finance.

On the export front, overall exports across segments witnessed a decline of about 15% due to global macroeconomic uncertainty with the export of passenger vehicles being the sole bright spot witnessing a growth of nearly 14%.

Operating & Financial Performance

After two years of disruption caused by the Covid-19 pandemic, FY2023 was the first uninterrupted year of operations for your Company. Your Directors are happy to inform you that the Company's disbursements at an all-time high of ₹20,966 cr. (PY ₹13,275 cr.) have registered a healthy growth of 58% during the year under review, reflecting the robust market

conditions in the automotive sector and focused efforts of the Company. Disbursements across all asset classes have been consistent and registered strong growth. Gross receivables managed by your Company as of March 31, 2023, stood at ₹39,950 cr., as against ₹33,774 cr., recording a growth of 18% over the previous year. During the year, overall margins have been under pressure due to the increase in interest rates, but your Company's "AAA" credit rating and the treasury team's ability to raise resources at competitive rates enabled it to maintain its margins at a reasonably healthy level.

Your Company's superior credit standards, strong customer relationships and systematic collection efforts have enabled it to navigate turbulent times and ensured best-in-class performance on asset quality. Stage III assets, gross and net of ECL provisions, stood at 1.66% (PY 2.19% & December 2022 2.43%) and 0.85% (PY 1.07% and December 2022 1.35%) respectively, as at 31st March, 2023.

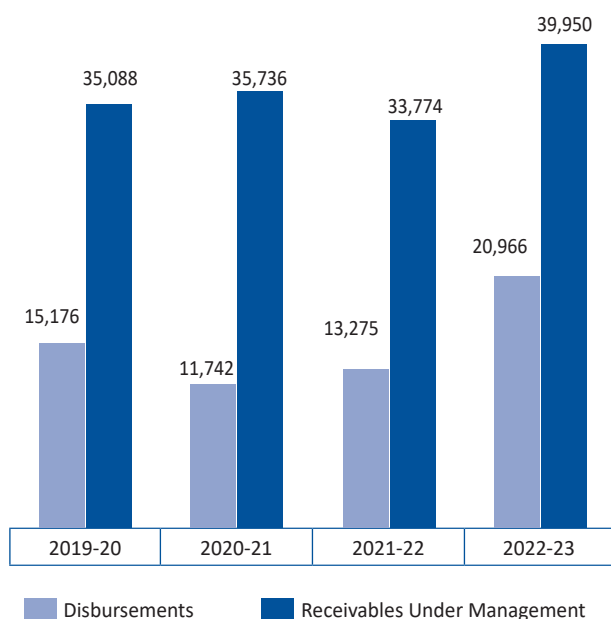
Your Company has been maintaining comfortable liquidity in the form of liquid investments and undrawn bank limits, to meet its maturing liabilities.

Your Company registered a net profit of ₹1,088 cr. compared to ₹903 cr. in the previous year, a growth of 20.5%. Your Company's net worth stood at ₹7,737 cr., as on 31st March 2023.

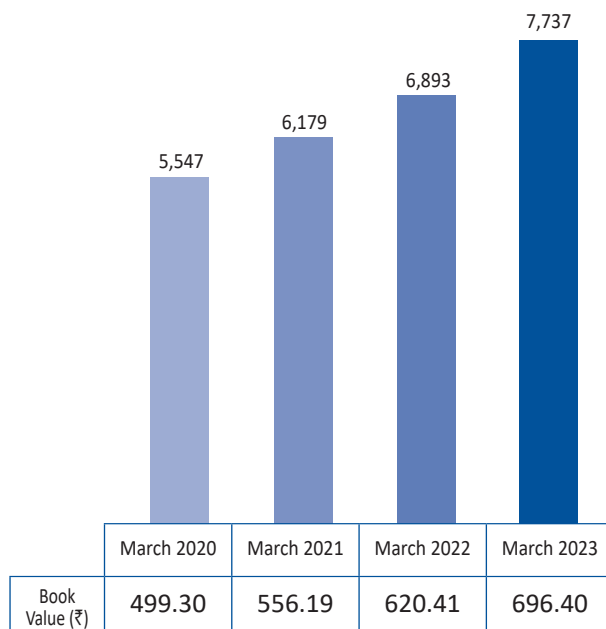
Capital adequacy (CRAR) at 22.77% was comfortably higher than the statutory requirement of 15%.

There are no significant changes in key financial ratios of the Company for FY2023 as compared to FY2022. Your Company's Return on Net Worth as on 31.03.2023 stood at 14.88% as compared to 13.82% as on 31.03.2022. The increase in return on net worth was because of an overall improvement in the business disbursements, asset quality and profitability.

Disbursement and Receivables Under Management (₹ in cr.)



Own Funds (₹ in cr.)



RESOURCE MOBILISATION

a) Deposits

During the year, your Company mobilised fresh deposits aggregating to ₹1,164.02 cr. Renewal of deposits during the year amounted to ₹1,737.97 cr. representing 81% of the matured deposits of ₹2,113.36 cr. Deposits outstanding at the year-end were at ₹4,709.17 cr. as against ₹4,103.19 cr. in the previous year. The net accretion for the financial year was ₹605.98 cr. As at 31st March 2023, 4,384 TDRs amounting to ₹50.31 cr. had matured for payment and were due to be claimed or renewed. After close follow-up, these figures are currently 3,002 and ₹29.45 cr. respectively. Continuous efforts are being made to arrange for repayment or renewal of these deposits. There has been no default in repayment of deposits or payment of interest thereon during the year.

In our continued digital journey, through our online customer portal/mobile app, our Depositors can place additional deposits, renew their TDRs, initiate payment requests, furnish Form 15G/H, initiate change in address and bank details.

b) Term Funding

During the year, your Company raised term funding from Banks, Mutual funds, Insurance companies and others in the form of non-convertible debentures and term loans to the tune of ₹8,000 cr., across varying tenors.

c) Bank Finance

As part of the overall funding plan, your Company's working capital limits with consortium banks were retained at ₹3,000 cr. During the year, your Company also issued several tranches of commercial paper aggregating to ₹4,600 cr.

The maximum amount of outstanding commercial papers at any time was ₹3,450 cr. and the amount outstanding at the end of the year was ₹2,500 cr.

d) Assets Securitised / Assigned

During the year, your Company raised resources to the extent of ₹2,749 cr. through securitisation and assignment of receivables.

CREDIT RATINGS

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

OUTLOOK

The Indian economy is expected to be amongst the fastest growing major economies in FY2024, backed by strong domestic drivers and strengthening macroeconomic fundamentals. India's real GDP growth for FY2024 has been projected at 6.5% by the RBI. Inflation has been showing signs of moderation, though it continues to remain above tolerance levels. For FY2024, inflation has been projected at 5.2%. Interest rates are expected to remain around the current levels for some time. The Monetary Policy Committee of the Reserve Bank of India, at its meeting held in early April 2023, decided to keep the policy repo rate under the liquidity adjustment facility (LAF) unchanged at 6.50%. The Government of India has budgeted ₹10 lakh crore on infrastructure development for the year, which will act as a driver of the growth of the overall economy.

Several global factors, viz., geopolitical hostilities, volatile financial markets, supply chain dislocations, crude oil prices, inflation and climate shocks like heat waves and unseasonal rains, are areas of key concern. Domestic responses on the monetary and fiscal policy front to these global factors will influence India's macroeconomic trajectory. The RBI Governor, in his statement on April 6, 2023, following the Monetary Policy Committee meeting, noted: "The protracted geopolitical tensions and global financial market volatility pose downside risks to the outlook."

The overall outlook for the automotive sector seems to be positive, with growth across all segments expected to continue its trajectory witnessed in FY2023. In line with the macroeconomy, the automotive sector outlook is also faced with downside risks for FY2024. The steps being taken by the Government to address areas like production linked incentives to OEMs, incentives for investment in the manufacture of semi-conductors, blending of ethanol in petrol, installation of EV charging stations, EV battery swapping policy, etc., are expected to support the medium-term growth outlook of the automotive sector.

Commercial Vehicles (CV)

The year under review, FY2023, has been a good year for commercial vehicles, recording a growth of 34% over FY2022. In particular, Medium & Heavy Commercial Vehicles (MHCV) have shaken off the lows of the past three years to record a growth of 49% over FY2022. The growth trends were visible in third quarter of the current fiscal, with wholesale dispatches reporting a growth of 16 per cent on a year-on-year basis, supported by replacement demand, improvement in the macroeconomic environment, and healthy traction in the underlying industries such as steel,

cement, mining, automobiles, and e-commerce. The fortunes of the commercial vehicle segment are tied closely with the macroeconomy and the outlook for commercial vehicles will mirror the risks that the macroeconomic forecasts are qualified with. Dynamics will likely be different across the different sub-segments of commercial vehicles.

The trend in MHCV of larger fleet operators consolidating their share will continue in FY2024, especially as the supply of higher tonnage variants (and therefore higher priced variants) increases. The transition to Phase II of BS 6 emission norms effective April 1, 2023 has significantly increased the technology sophistication of the MHCV segment, which also aids the consolidation of the larger fleet operator share. Small road transporters will continue to migrate to used commercial vehicles or new intermediate commercial vehicles.

Intermediate Commercial Vehicles (ICV) will benefit from a few mega-trends – dedicated freight corridor driven feeder route transportation, higher quality and wider road networks, replacement of diesel variants with CNG/alternate fuel variants, e-Commerce led inter-state good transport and related supply chain development, rebound in bus demand and migration of small road transport operators (SRTO) to ICV.

The retail commercial vehicle segment (Light and Small Commercial Vehicles) witnessed a robust 34% growth on a strong FY2022 base reiterating the continued traction in growth of hub-and-spoke networks in logistics & supply chain solutions and deepening of e-Commerce driven reach into the hinterland requiring last mile connectivity. Several supply-side factors such as launch of newer variants by OEMs, greater electrification & alternate fuel-based vehicle models and a wider, dedicated distribution/dealer network are fuelling this growth. Operators tend to be first-time buyers and first-time users, traditionally well-served by NBFCs.

Passenger Vehicles

The passenger cars & utility vehicles segment has scaled new highs in FY2023 driven by the unleashing of pandemic-induced pent-up demand and the waning of supply side challenges such as the semi-conductor shortage. Post-Covid, personal mobility preferences continue to evolve towards higher-end variants of passenger cars and a significant shift in consumer preference towards utility vehicles. The prevailing inflation challenges over the past year and continued tepid rural recovery have had an adverse effect on demand for entry-level variants of passenger cars since the transition of consumers from two-wheelers to passenger cars has been stifled. Equally, the supply of and the demand for electric passenger cars has increased and this trend will gain traction in FY2024. While the share of electric vehicles in the passenger car volumes will remain small, consumer awareness and supply of variants are improving. Well-established, organised fleet operators are also resuming bulk purchases. The semi-conductor shortages are expected to be sorted out in the latter half of the financial year. In sum, both supply side investments and demand side robustness indicate a good year for passenger cars. However, persistent inflation levels, the consequent higher interest rates and lags in the sorting out of supply side challenges will likely stanch growth to single digit levels in FY2024.

Tractors & Farm Equipment

The rural economy has remained muted for past several quarters despite good monsoons, robust procurement and healthy yields in agriculture. Rabi foodgrains production is estimated to increase by 6.2% in FY2023. Rural demand indicators such as consumer non-durables have registered healthy growth. Looking ahead, the expectation of a record rabi harvest will not only ease food price pressures but also

likely buoy rural sentiments. In addition, the Government of India is intensifying efforts to support the agriculture ecosystem with its three-pronged thrust: i) making India a global agriculture export hub, ii) driving “White Revolution 2.0” through turbocharging the dairy ecosystem and iii) its “farm to food to fuel” programmes to increase farmers’ cash flows through allied agriculture activities. That said, while IMD has forecasted a normal monsoon this year, there seem to be divergent views on the *El Niño* effect for this year, which could play spoil sport to agriculture sentiments. Farm mechanisation is likely to continue, and government subsidies and schemes remain supportive of this trend. Tractor and farm equipment demand is likely to remain mildly positive with the monsoon performance and the *El Niño* impact remaining key monitorables.

Material Handling & Construction Equipment

The Government’s commitment to the nation’s infrastructure development received a strong endorsement through an unprecedented ₹10 lakh crore budgeted spend for FY2024 announced in the annual budget presentation by the Finance Minister. This represents 3.3% of GDP and is the highest in India’s economic history. The implementation of the Gati Shakti National Master Plan (announced in October 2021) continues satisfactorily. The Bharatmala Pariyojana is providing impetus to the road infrastructure by emphasizing corridor-based road development to enable efficient movement of freight and passengers, thereby stimulating economic and social development. Modernization as well as development of airports, ports, urban transportation and inland waterways are progressing well. These initiatives provide a major boost for the Material Handling and Construction Equipment (MHCE) segment.

In sum, there are several positives that underpin India’s macroeconomic outlook, yet given global uncertainties, it is likely that downside risks will outweigh upside drivers for FY2024. Consequently, FY2024 is going to be a challenging year for your Company and its time-tested mantra of Growth with Quality and Profitability. Continuing to remain focused on delivering near-term performance and simultaneously building robust health of the organisation are central to continuing the Company’s tradition of being a long-term oriented, customer-obsessed, values-driven and employee-friendly organisation.

INTERNAL FINANCIAL CONTROLS

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

- a) the orderly and efficient conduct of business, including adherence to policies;
- b) safeguarding of assets;
- c) prevention and detection of frauds/errors;
- d) accuracy and completeness of accounting records; and
- e) timely preparation of reliable financial information.

Additionally, as part of RBI’s Risk Based Internal Audit (RBIA) requirement, your Company has adopted appropriate policy and operating guidelines. Along with the Risk Management team and Internal Audit department, the functional and operational risk control matrices have been designed to ensure that adequate controls as may be required are in place and operating effectively and efficiently.

RISK MANAGEMENT

Your Company has built a robust risk governance and risk management framework over the years. The Audit Committee, Risk Management Committee, Asset Liability Management Committee and IT Strategy Committee review and monitor the risks on a regular basis.

Apart from the above Board level sub-committees, your Company has constituted two teams to review risk on an ongoing basis: i) Functional Working Group on operational risks comprised of operating executives across the Company and ii) a Core Working Group on risk management comprised of functional heads of various departments of the Company.

During the year in review, your Company has, adopted the ERM Framework, which is based on 3 lines of defence:

- a. Function-heads who are the risk owners and responsible and accountable for assessing, controlling and mitigating risks;
- b. Chief Risk Officer and his team who assists through facilitating risk awareness, risk reviews, providing analysis and reports including creating a proactive forward looking approach;
- c. Internal Auditors and Statutory Auditors who provide assurance to the senior management on risk governance through the effectiveness of internal controls and the monitoring mechanisms.

The risk management process fulfils the requirement under Section 134 of the Companies Act, 2013 and also the guidelines under Regulation 21 of Listing guidelines (Schedule II of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The internal audit team reviews the processes and controls to ensure the design effectiveness and to assure adequacy of controls to mitigate risk. Your Company has well-documented standard operating procedures and risk control matrices for all processes to ensure superior control over transaction processing and regulatory compliance. Periodical review of the same ensures that the risks including technology risks are under control.

Above all, your Company's values and culture that are enshrined in the Sundaram Way of doing business and the obligations and commitment to our customers, employees, deposit holders and the community are the foundation on which its risk framework rests.

A few principal financial risks of your Company have been furnished in the Notes to the Accounts under Note 37, for your information.

INTERNAL AUDIT

Your Company's internal audit department independently evaluates the adequacy of control measures on a periodic basis and recommends improvements, wherever appropriate, to suit the changes in business and control environment. The effectiveness and efficiency of the controls are regularly measured through process reviews and risk assessment. The internal audit department is staffed by qualified and experienced personnel and reports directly to the Audit Committee of the Board. The Audit Committee regularly reviews the audit findings as well as the adequacy and effectiveness of the internal control measures.

Additionally, an Information Security Assurance Service is also provided by independent external professionals. Based

on their recommendations, the Company has implemented a number of control measures both in operational and IT-related areas, apart from information security related measures.

Your Company has rolled out the Risk Based Internal Audit (RBIA) Policy with effect from 1st April 2022 as required by the RBI. The primary focus of RBIA is to provide reasonable assurance to the Board and the Senior Management about the adequacy and effectiveness of the risk management and control framework of the Company. The internal audit function assesses and contributes to the overall improvement of the organization's governance, risk management, and control processes using a systematic and disciplined approach. Audits are conducted encompassing all the functional areas of the branch network and Head Office in order to serve as important tools of internal control.

INFORMATION TECHNOLOGY

Your Company recognizes Information Technology as a critical pillar to run and grow its business. Significant investments continue to be made in IT infrastructure and applications to expand the breadth and depth of technology availability to your Company's staff and customers in order to enhance the unique 'Sundaram Experience' to all stakeholders. Ensuring the reliability, security and integrity of your Company's systems and data is the highest priority.

Your Company has a state-of-the-art Data Centre catering not only to its own needs but also to those of its subsidiaries and associates, with a capacity of over 300 servers, managed by professionals providing 24/7 support, with over 99.99% uptime. The Data Centre is accredited for ISO/IEC 27001:2013 by TUV Rheinland for Information Security Management System. The Disaster Recovery Site for all critical applications

is hosted at a separate facility located in a different seismic zone, with near real-time data replication. Your Company has built a secure and scalable IT infrastructure for remote working (work from home) to ensure smooth business operations and customer services in adversities like pandemic, lockdown, etc. Your Company has 24x7 Security Operations Centre (SOC) for real-time threat monitoring and alerting. Your Company has begun the journey for leveraging Cloud technology and is in the process of drawing up a forward-looking Cloud strategy and roadmap. Your Company has engaged in regular discussions with external consultants and industry experts to validate its approaches to transformation and to reinforce Information & Cyber Security methodologies. Periodic vulnerability assessment and penetration testing are carried out on the infrastructure to ascertain the effectiveness of the practices laid down by your Company.

Your Company's in-house IT team has adopted contemporary Micro-services architecture and the Agile methodology to strengthen its digital capabilities. Solutions for a wide range of complex business needs continue to be delivered by the experienced in-house team. By working closely with the business functions, they have implemented solutions that address key performance requirements like improved turnaround time, straight through processing, timely availability of information while enhancing risk management controls to enable better decisions and deliver superior customer experience.

With the advantage of having created a strong digital foundation, your Company is poised to take its technology base to the next level. Employing digital and intelligent solutions to enable customer service and acquisition, faster introduction of new products, reducing cost-to-serve, deepening usage

of analytics and creating superior customer experience are key priorities.

Your Company is in a relationship-centric business and has a time-tested and differentiated strength – the Sundaram experience – that relies on physical interactions with customers and other stakeholders. The digital strategy has consciously been adapted to create the right blend of high touch and high tech to deepen these customer and stakeholder relationships.

CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated Financial Statements, drawn up in accordance with the applicable Accounting Standards, form part of the Annual Report as required by the provisions of Section 129(3) of the Companies Act, 2013. A separate statement containing the salient features of the financial statements of Subsidiaries and Associates in Form AOC-1 forms part of the Annual Report.

The Consolidated profit after tax is ₹1,499.56 cr. as against ₹1,296.24 cr. of the previous year. The total comprehensive income for the year was ₹1,772.89 cr. as against ₹1,579.74 cr. The consolidated net worth for the year stood at ₹9,909.85 cr., as against ₹8,794.83 cr. in the previous year.

The annual accounts of all the Subsidiary Companies have been posted on your Company's website – www.sundaramfinance.in. Detailed information, including the annual accounts of the Subsidiary Companies will be available for inspection by the members, through a digital platform which would be provided by your Company. The same will also be made available in physical form to the members upon request.

SUNDARAM FINANCE LIMITED

SUBSIDIARIES

• Sundaram Finance Holdings Limited

Sundaram Finance Holdings Limited reported a gross income of ₹130.61 cr. as against ₹80.08 cr. in the previous year. Profit after tax was ₹94.75 cr. as compared to ₹46.91 cr. in the previous year.

The Board of Directors has recommended a final dividend of ₹1.50/-per share (30% on the face value of ₹5/-) for the financial year ended 31st March 2023. This, together with the interim dividend of ₹1.50 per share (30% on the face value of ₹5/-) paid during February 2023, would aggregate to a total dividend of ₹3.00/- per share (60% on the face value of ₹5/-) for the financial year ended 31st March 2023. In addition, the Board of Directors has recommended a Special Dividend of ₹1.00/- per share (20% on the face value of ₹5/-) for the financial year ended 31st March 2023.

• Sundaram Home Finance Limited

Sundaram Home Finance Limited, during the year approved loans aggregating to ₹4,310 cr. (PY ₹2,476 cr.). Disbursements during the year were higher by 69% at ₹3,901 cr. (PY ₹2,311 cr.). The Company earned a gross income of ₹1,140 cr. (PY ₹957 cr.) and reported a profit after tax at ₹215.41 cr. (PY ₹167.70 cr.). The loan portfolio under management as at 31st March 2023 stood at ₹11,181 cr. as against ₹9,495 cr. in the previous year. Gross Stage 3 assets stood at 2.26% (PY 3.00%) and net of ECL provisions stood at 1.13% (PY 1.57%), as at 31st March, 2023. The Net Stage 3 assets, excluding restructured assets, stood at 0.85% as at 31st March 2023.

The Board of Directors have recommended a final dividend of ₹10/- per share (100%) for the year ended 31st March 2023. This together with interim dividend of ₹ Nil per share, would aggregate to a total dividend of ₹10/- per share (100%).

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

The Demerger petition to demerge the fund accounting business of Sundaram Fund Services Limited into Sundaram Asset Management Company Limited (wholly owned subsidiaries) pursuant to Scheme of Arrangement under Sections 230 to 232 of the Companies Act, 2013 has been submitted to National Company Law Tribunal, Chennai and await orders. The merger petition to merge SAMC Services Private Limited with Sundaram Alternate Assets Limited (SAAL) (wholly owned subsidiaries of Sundaram Asset Management Company Limited) is submitted to National Company Law Tribunal, Chennai and await orders. SAMC Support Services Private Limited and SAMC Trustee Private Limited, wholly owned subsidiaries of Sundaram Asset Management Company Limited are under liquidation and await orders.

- **Sundaram Trustee Company Limited**

Sundaram Trustee Company Limited earned a gross income of ₹2.3 cr., as against ₹1.9 cr., in the previous year and reported a profit after tax of ₹1.26 cr. for the year, as against ₹0.97 cr. in the previous year. The Company recommended a dividend of ₹252/- per share (2500%) for the year ended 31st March 2023.

- **LGF Services Limited**

During the year, the Company reported a gross income of ₹8.14 cr. as against ₹20.10 cr. in the previous year. The profit after tax for the year was ₹3.43 cr. as against ₹11.71 cr. in the previous year. The Company recommended a dividend of ₹3/- (30%) per share for the year.

- **Sundaram Fund Services Limited**

Sundaram Fund Services Limited (formerly Sundaram BNP Paribas Fund Services Limited) earned an income of ₹4.6 cr. during the year as against ₹4.84 cr. in the previous year. The Company reported a profit after tax at ₹2.26 cr. as against a profit of ₹2.27 cr. in the previous year.

JOINT VENTURE

Royal Sundaram General Insurance Co. Ltd (Royal Sundaram)

Royal Sundaram reported a Gross Written Premium (GWP) of ₹3,517 cr. as compared to ₹ 2,966 cr. in the previous year, representing a growth of 19%. The Company reported a profit after tax (as per IND AS) of ₹44 cr. for the current year as against ₹172 cr. in the previous year. The current year's profit (as per IND AS) was lower than previous year mainly due to "mark to market loss" of ₹78 cr. (net of tax) on equity investments compared to "mark to market gain" of ₹33 cr. (net of tax) and impairment reversal on certain bonds amounting to ₹37 cr. (net of tax) in the previous year. The Company recommended a dividend of ₹0.70/- (7%) per share for the year ended 31st March 2023 (PY: 6% dividend). The Company's solvency ratio as at March 31, 2023 was at 2.27 times, as against the mandated threshold of 1.50 times.

BOARD & AUDIT COMMITTEE

The details regarding number of Board meetings held during the financial year and composition of Audit Committee are furnished in the Corporate Governance Report. The details of all other Committees are also furnished in the Corporate Governance Report.

DIRECTORS

Mr. Harsha Viji and Mr. Rajiv C. Lochan, Directors, retire by rotation and being eligible, offer themselves for re-election.

Mrs. Bhavani Balasubramanian was appointed as an Independent Director of the Company, to hold office for a term of five (5) consecutive years with effect from 6th February 2023.

KEY MANAGERIAL PERSONNEL

Mr. P.N. Srikant was appointed as Secretary and Compliance Officer of the Company with effect from 1st June 2022, in the place of Mr. P. Viswanathan, who retired from the services of the Company on 31st May 2022.

DECLARATION BY INDEPENDENT DIRECTORS

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

ANNUAL EVALUATION BY THE BOARD

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

DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors confirm that:

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

AUDITORS

M/s B.K. Khare & Co., Chartered Accountants, Mumbai (Regn. No. 105102W) and M/s N.C. Rajagopal & Co., Chartered Accountants, Chennai (Regn. No. 003398S) have been appointed as Joint Statutory Auditors of your Company, to hold office for a term of three (3) consecutive years from the conclusion of the 68th Annual General Meeting to the

conclusion of the 71st Annual General Meeting, in accordance with the Guidelines for Appointment of Statutory Central Auditors (SCAs)/Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), UCBs and NBFCs (including HFCs) issued by the Reserve Bank of India vide their notification dated 27th April 2021, at such remuneration as may be mutually agreed to between the Board of Directors of the Company and the Joint Statutory Auditors.

ACKNOWLEDGEMENT

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

manufacturers and dealers, oil marketing companies and other stakeholders.

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

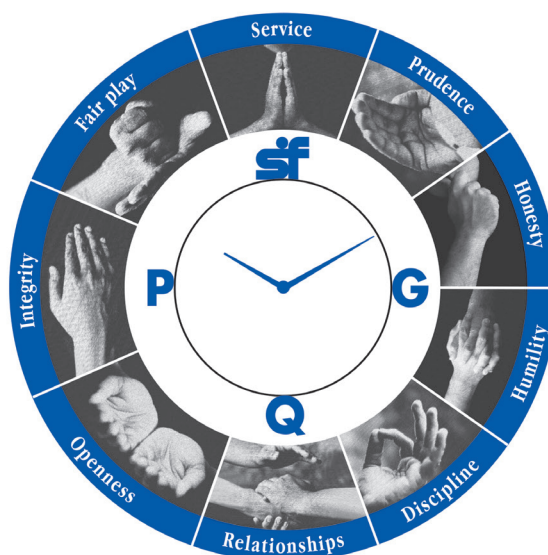
For and on behalf of the Board

Chennai 600 002
26.05.2023

S. VIJI
Chairman

Report on Corporate Governance

Sundaram Finance Limited has been following robust corporate governance practices since its inception. The strong edifice of the Company, started in 1954, is supported by the pillars of customer trust, investor faith and employee loyalty. Your Company's approach to corporate governance is guided by the Sundaram Way – a set of values enshrined in the Company's culture by its founder Chairman, Mr. T. S. Santhanam.



Your Company continues to maintain the highest standards of integrity and transparency in operations, excellence in service to all stakeholders and strong Corporate Governance standards. We believe that a well-informed and participative Board is necessary to ensure the highest standards of corporate governance. The Board oversees the Management's functions and safeguards the long-term interests of our stakeholders.

As of March 31, 2023, the Board comprised thirteen members, of which seven members are Independent Directors. An Independent Director is the chairperson of each of the Board committees, viz., Audit Committee, Nomination, Compensation & Remuneration Committee, Information Technology Strategy Committee, Stakeholders' Relationship Committee and Corporate Social Responsibility Committee.

I. BOARD OF DIRECTORS

All the members of the Board are eminent persons with considerable expertise and experience in general management spanning the automobile, engineering, banking, finance, accounts and audit, information technology, consulting and road transport sectors. The Company is immensely benefited by the range of experience and skills that the Directors bring to the Board. The composition of the Board is in conformity with the listing requirements as on 31st March 2023.

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

Name of the Director	DIN	Attendance Particulars		Directorships in other public limited companies (as on 31 st March 2023)				Committees in which Chairman/Member of other public limited companies* (as on 31 st March 2023)		Directorship in other listed company	
		Board Meetings	AGM	Chairman		Director		Chairman	Member	Name of the Company	Category of Directorship
				Listed	Unlisted	Listed	Unlisted				
Promoter Directors											
Mr. S. Viji Non-executive Chairman	00139043	7	Yes	–	1	1	–	1	1	Wheels India Limited	Non-Executive Director
Mr. T. T. Srinivasaraghavn Non-executive Director	00018247	7	Yes	–	2	1	2	–	1	Five Star Business Finance Limited	Independent Director
Mr. Srivats Ram Non-executive Director	00063415	7	Yes	–	2	3	1	–	2	Wheels India Limited	Executive Director
										Sundaram Finance Holdings Limited	Non-Executive Director
										India Motors Parts & Accessories Limited	Non-Executive Director
Mr. Harsha Viji Executive Vice Chairman	00602484	7	Yes	1	2	–	2	1	2	Sundaram Finance Holdings Limited	Non-Executive Chairman
Independent Directors											
Mr. S. Prasad	00063667	7	Yes	–	–	3	3	5	2	Wheels India Limited	Independent Director
										Sundaram Finance Holdings Limited	
										India Motors Parts & Accessories Limited	
Mr. P. N. Venkatachalam	00499442	7	Yes	–	–	–	1	1	–	-	-
Ms. Shobhana Ramachandhran	00273837	5	Yes	–	–	3	2	–	1	TVS Srichakra Limited	Executive Director
										Sundaram Brake Linings Limited	Non- Executive Director
										Sundaram Finance Holdings Limited	Independent Director
Mr. S. Mahalingam	00121727	7	Yes	–	1	2	4	3	3	Sundram Fasteners Limited	Independent Director
										JSW Steel Limited	
Mr. R. Raghuttama Rao	00146230	7	Yes	–	–	2	2	–	3	Wheels India Limited	Independent Director
										Latent View Analytics Limited	
Mr. L. Ganesh	00012583	5	Yes	4	–	–	–	1	6	Rane Holdings Limited	Executive Chairman
										Rane Brake Lining Limited	Non- Executive Director
										Rane (Madras) Limited	
										Rane Engine Value Limited	
Mrs. Bhavani Balasubramanian**	09194973	2	NA	–	–	–	2	1	1	–	–

Name of the Director	DIN	Attendance Particulars		Directorships in other public limited companies (as on 31 st March 2023)				Committees in which Chairman/Member of other public limited companies* (as on 31 st March 2023)		Directorship in other listed company	
		Listed	Unlisted	Listed	Unlisted						
Executive Directors											
Mr. Rajiv C. Lochan, Managing Director	05309534	7	Yes	–	–	–	1	–	–	–	–
Mr. A.N. Raju Deputy Managing Director	00036201	7	Yes	–	–	–	2	1	–	–	–

* Audit Committee and Stakeholders Relationship Committee considered

** w.e.f. 06.02.2023

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

Category	Expertise	Skills / Competencies
Non-executive Non-Independent Directors Mr. S. Viji Mr. T.T. Srinivasaraghavan Mr. Srivats Ram	<ul style="list-style-type: none"> In-depth Industry Knowledge Capital Markets Legal and Regulatory Framework Risk Assessment and Management Business Policies Strategic Management 	<ul style="list-style-type: none"> Entrepreneurial Governance Behavioural
Independent Directors Mr. S. Prasad Mr. P.N. Venkatachalam Ms. Shobhana Ramachandhran Mr. S. Mahalingam Mr. R. Raghuttama Rao Mr. L. Ganesh Mrs. Bhavani Balasubramanian (w.e.f. 06.02.2023)	<ul style="list-style-type: none"> In-depth Industry Knowledge Audit and Financial Management Treasury Legal and Regulatory Framework Risk Assessment and Management Business Policies Capital Markets 	<ul style="list-style-type: none"> Technical/Professional Analytical Technological Behavioural
Executive Directors Mr. Harsha Viji Mr. Rajiv C. Lochan Mr. A.N. Raju	<ul style="list-style-type: none"> In-depth Industry Knowledge Audit and Financial Management Wealth Management Treasury Operations and Management Business Policies Legal and Regulatory Framework Capital Markets Risk Assessment and Management Asset Liability Management Strategic Management 	<ul style="list-style-type: none"> Governance Leadership Technical Analytical Organisational Technological Planning Resource Management and Utilisation People Management Communication Behavioural

II. BOARD MEETINGS

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

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

21.04.2022	08.12.2022
25.05.2022	06.02.2023
08.08.2022	27.03.2023
07.11.2022	

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

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

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

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

III. AUDIT COMMITTEE

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

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

Name of the Member		No. of Meetings Attended	Meeting Dates
Mr. S. Prasad	Chairman	10	18.04.2022
			24.05.2022
			25.07.2022
Mr. R. Raghuttama Rao	Member	10	03.08.2022
			21.10.2022
			04.11.2022
Ms. Shobhana Ramachandhran	Member	9	08.12.2022
			19.12.2022
Mrs. Bhavani Balasubramanian*	Member	1	03.02.2023
			20.03.2023

* w.e.f. 06.02.2023

The Company Secretary is the Secretary to the Committee.

IV. STAKEHOLDERS RELATIONSHIP COMMITTEE

The Stakeholders Relationship Committee

- i) approves and monitors transfers, transmission, splits and consolidation of securities of the Company,
- ii) reviews and resolves the grievances of security holders / depositors / debenture holders of the Company including complaints related to transfer/transmission of shares, Non-receipt of annual report, Non-receipt of declared dividends, Non-receipt of interest on deposits/debentures, issue of new/duplicate certificates, general meetings etc., and
- iii) reviews the compliances with various statutory and regulatory requirements.

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

Name of the Member		No. of Meetings Attended	Meeting Date
Mr. S. Prasad*	Chairman	1	20.01.2023
Mr. Rajiv C. Lochan	Member	1	
Mr. A.N. Raju	Member	1	

* upto 26th May 2023

Mr. L. Ganesh was appointed as Chairman of the Committee w.e.f. 26th May 2023.

Besides, transfer/transmission of shares were approved by resolutions passed in circulation on 23 occasions.

Mr. P.N. Srikant, Secretary, is the Compliance Officer. One investor complaint was received and resolved during the year. None was pending unresolved as on 31st March 2023.

V. RISK MANAGEMENT COMMITTEE

The Risk Management Committee (RMC) formed in accordance with the Directions of the Reserve Bank of India, functions under the supervision of the Audit Committee.

The RMC formulates policies and strategies for identification, measurement and reporting on market risks, credit risks and operational risks. The Composition of the Risk Management Committee and attendance of the members at Committee meetings are as follows:

Name of the Member		No. of Meetings Attended	Meeting Dates
Mr. Rajiv C. Lochan	Chairman	4	30.06.2022
Mr. R Raghuttama Rao	Member	4	16.09.2022
Mr. A.N. Raju	Member	4	16.12.2022
Mr. M. Ramaswamy	Member	4	17.03.2023

The Company Secretary is the Secretary to the Committee

VI. ASSET LIABILITY MANAGEMENT COMMITTEE

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

The ALCO is responsible for:

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

Name of the Member		No. of Meetings Attended	Meeting Dates
Mr. Harsha Viji	Chairman	11	11.04.2022 12.05.2022
Mr. Rajiv C. Lochan	Member	11	07.06.2022 05.07.2022
Mr. A.N. Raju	Member	11	12.08.2022 08.09.2022
Mr. M. Ramaswamy	Member	11	06.10.2022 08.11.2022 08.12.2022
Mr. Lakshminarayan Duraiswamy	Member	8	07.02.2023 10.03.2023

VII. SEPARATE MEETING OF INDEPENDENT DIRECTORS

A Separate Meeting of Independent Directors was held on 12th December 2022 without the attendance of Non-Independent Directors and members of management. All the Independent Directors attended the meeting and:

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

VIII. FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

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

https://www.sundaramfinance.in/assets/app_docs/investor-info/corporate_governance/familiarisation_programme/familiarisation_programme_2022_2023.pdf

IX. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

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

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

Name of the Member		No. of Meetings Attended	Meeting Date
Ms. Shobhana Ramachandhran	Chairman	1	16.05.2022
Mr. T. T. Srinivasaraghavan	Member	1	
Mr. Harsha Viji	Member	1	
Mr. Rajiv C. Lochan	Member	1	
Mr. A.N. Raju	Member	1	

* Besides, CSR contributions were approved by resolutions passed in circulation on 4 occasions.

The Company Secretary is the Secretary to the Committee.

X. NOMINATION, COMPENSATION & REMUNERATION COMMITTEE

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

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

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

Name of the Member		No. of Meetings Attended	Meeting Dates
Mr. P.N. Venkatachalam	Chairman	2	16.05.2022
Mr. S. Prasad	Member	2	
Mr. S. Viji	Member	2	06.02.2023

The Company Secretary is the Secretary to the Committee.

XI. INFORMATION TECHNOLOGY STRATEGY COMMITTEE

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

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

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

Name of the Member		No. of Meetings Attended	Meeting Dates
Mr. S. Mahalingam	Chairman	2	13.04.2022 & 13.10.2022
Mr. P.N. Venkatachalam	Member	1	
Mr. Harsha Viji	Member	2	
Mr. Rajiv C. Lochan	Member	2	
Mr. A.N. Raju	Member	2	
Mr. Sudheer Warriar	Member	2	

The Company Secretary is the Secretary to the Committee.

The company has formed an “IT STEERING COMMITTEE” consisting of business owners, the development team, and other stakeholders to provide oversight and monitoring of the progress of the projects, including deliverables to be realised at each phase of the project and milestones to be reached according to the project timetable. Thus, this Committee, operating at an executive level focusses on priority setting, resource allocation and project tracking.

XII. REMUNERATION OF DIRECTORS

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

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

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

Name of the Director	Sitting Fee (₹ in Lakhs)	Commission (₹ in Lakhs)	Number of Shares held individually (as on 31.03.2023)	Relationship with other Directors
Mr. S. Viji	2.25	20.00	12,75,704 ⁽¹⁾	Father of Mr. Harsha Viji
Mr. T. T. Srinivasaraghavan	1.85	20.00	— ⁽²⁾	—
Mr. Srivats Ram	1.75	12.00	17,01,322 ⁽⁵⁾	—
Mr. R. Raghuttama Rao	5.35	15.00	—	—
Mr. P.N. Venkatachalam	2.60	15.00	—	—
Mr. S. Mahalingam	2.35	15.00	3,200	—
Mr. S. Prasad	4.95	22.50	— ⁽³⁾	—
Ms. Shobhana Ramachandhran	3.70	15.00	2,84,000	—
Mr. L. Ganesh	1.35	12.00	— ⁽⁴⁾	—
Mrs. Bhavani Balasubramanian [^]	0.75	2.65	—	—

[^] Appointed as an Independent Director w.e.f 6th February 2023.

- Note:
- Number of shares held jointly with others: ⁽¹⁾ 8,684 ; ⁽²⁾ 2,16,376 ; ⁽³⁾ 25,200 ; ⁽⁴⁾ 2,500
 - Number of shares held as Karta of HUF: ⁽¹⁾ 1,13,988 ; ⁽²⁾ 1,23,192 ; ⁽⁵⁾ 77,200
 - Number of shares held as Trustee: ⁽²⁾ 2,36,000

Amount of deposits placed by the Non-Executive Directors in the Company aggregated to ₹12,32.87 lakhs as on March 31, 2023. The interest on these deposits paid / credited during the year 2022-23 amounted to ₹55.15 lakhs.

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

The details of remuneration paid to the Executive Directors for the Financial Year 2022-23 are as follows:

(₹ in lakhs)

Nature of Payment	Mr. Harsha Viji* Executive Vice Chairman	Mr. Rajiv C. Lochan Managing Director	Mr. A.N. Raju Deputy Managing Director
Salary and allowances	2,06.14	2,00.81	1,76.76
Commission	3,43.75	3,37.50	2,06.25
Contributions to Provident, Superannuation and Gratuity Funds	16.95	16.95	14.13
Perquisites	5.48	5.57	11.50
Stock Options	–	6.89 [#]	8.21 [^]
Total	5,72.32	5,67.72	4,16.85

* Son of Mr. S. Viji, Chairman

[#] Value of 360 stock options (granted in May 2021) exercised during the financial year 2022-23

[^] Value of 480 stock options (granted in May 2021) exercised during the financial year 2022-23

Stock Options granted at ₹10/- per share (at par) on 28th May 2021 and 25th May 2022, under Grant-13 and Grant-14 respectively, would vest as follows:

Name	Date of Vesting*				
	01.06.2023		01.06.2024		01.06.2025
	Grant-13	Grant-14	Grant-13	Grant-14	Grant-14
Mr. Rajiv C. Lochan	360	750	480	750	1000
Mr. A.N. Raju	480	600	640	600	800

* The options would be exercisable at any time within 5 years after vesting.

XIII. GENERAL BODY MEETINGS

Details relating to last three Annual General Meetings:

Year	Date	Time	Location	No. of Special Resolutions Passed
2022	27 th July 2022	10.00 AM	Through Video Conferencing Mode	Two
2021	6 th September 2021	10.00 AM	Through Video Conferencing Mode	Two
2020	22 nd July 2020	10.00 AM	Through Video Conferencing Mode	–

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

Date of Resolution	Details of Resolution(s)	Total No. of votes in favour	Total No. of votes against	% of votes in favour	% of votes against
09.12.2022	Amendment to Articles of Association for increasing the Board Strength from 12 to 15.	6,73,70,013	963	99.9986%	0.0014%
20.03.2023	Appointment of Mrs. Bhavani Balasubramanian as an Independent Director on the Board	6,70,42,954	626	99.9991%	0.0001%

The results of the postal ballots were announced by Mr. Rajiv C. Lochan, Managing Director, at the Registered Office of the Company and posted on the website.

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

XIV. VIGIL MECHANISM / WHISTLE BLOWER POLICY

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

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

https://www.sundaramfinance.in/assets/app_docs/investor-info/corporate_governance/policies/sebi/sfl-whistle-blower-policy.pdf

XV. DISCLOSURES

- There were no materially significant related party transactions having potential conflict with the interests of the company at large.
- Information pertaining to the Credit Ratings assigned by various Credit Rating Agencies for the Company's short term and long term borrowings, including fixed deposits, has been provided in the Board's Report on page no. 13 and as part of the Notes to the Accounts (Note: 43.08) on page no. 200.
- All the mandatory requirements specified in Regulations 17 to 27 and Regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 have been complied with.
- The Company will continue to adopt other Non-mandatory requirements as appropriate.
- The Company has a record of unqualified financial statements since inception.

XVI. POLICIES ON MATERIAL SUBSIDIARIES AND RELATED PARTY TRANSACTIONS

The company's policies on Material Subsidiaries and Related Party Transactions are available on the website under the following web links:

https://www.sundaramfinance.in/assets/app_docs/investor-info/corporate_governance/policies/sebi/sfl-policy-on-material-subidiarries.pdf

https://www.sundaramfinance.in/assets/app_docs/investor-info/corporate_governance/policies/sfl-policy-on-related-party-transactions.pdf?v=1.1

XVII. MEANS OF COMMUNICATION

- The unaudited financial results for first three quarters of the financial year 2022-23 and the audited financial results for the year ended 31st March 2023 have been published in "Business Line" (English) and "Makkal Kural" (Tamil).
- The results and press releases were also displayed on the Company's website at <https://www.sundaramfinance.in/investor-info/financial-information>
- Shareholders have been provided with an opportunity to provide their email addresses for receiving correspondence and annual report in electronic form.
- The Notice of the 70th Annual General Meeting, together with the Annual Report for the financial year 2022-23, has been sent only in electronic form, in accordance with the relaxation granted by the Securities and Exchange Board of India vide Circular dated 5th January 2023 to those shareholders who have registered their email id with the Company/Depositories.

XVIII. OTHER DISCLOSURES

- Fees paid to Statutory Auditors for all services (FY: 2022-23)

Sl. No.	Name of the Company	Total Fees Paid* (₹ in lakhs)	
		B.K. Khare & Co.	N.C. Rajagopal & Co.
1.	Sundaram Finance Limited	70.49	69.11
2.	Sundaram Fund Services Limited	–	3.40
	Total	70.49	72.51

* including GST

- Loans made to companies in which Directors are interested

Sl. No.	Name of the Company	Amount* (₹ in cr.)
1.	Sundaram Industries Private Limited	0.62
2.	TVS Mobility Private Limited	44.88
	Total	45.50

* outstanding as on 31.03.2023

- Details of Material Subsidiary and their Statutory Auditor

Name of the Company	Date of Incorporation	Place of Incorporation	Statutory Auditor Details	
			Name of Statutory Auditor	Date of appointment
Sundaram Home Finance Limited	02/07/1999	Chennai	M/s. Suri & Co	07/09/2021

- Disclosure in relation to Prevention of Sexual Harassment at Workplace is available as part of the Board's Report.
- The Prevention, Prohibition and Redressal Policy against Sexual Harassment of women at work place is available under the following web link:

https://www.sundaramfinance.in/assets/app_docs/investor-info/corporate_governance/policies/others/shp_20062014.pdf

XIX. GENERAL SHAREHOLDER INFORMATION

Annual General Meeting

Date	Time	Mode
21 st July 2023	10.00 AM	Video Conference / Other Audio Visual Means (OAVM)

- Financial Year – 1st April 2022 to 31st March 2023
- Book Closure dates – 6th July 2023 to 21st July 2023 (both days inclusive)
- Dates of payment of dividend

Interim	On 3 rd March 2023	₹12.00 Per Share (120%)
Final	On or after 24 th July 2023	₹15.00 Per Share (150%)

- The company's shares are listed on:
National Stock Exchange of India Limited
Exchange Plaza, 5th Floor
Plot No. C/1, G Block
Bandra-Kurla Complex
Bandra (E), Mumbai 400 051
- The Company has paid the listing fees for the financial years 2022-23 & 2023-24 to the above stock exchange
- NSE Stock Code: SUNDARMFN
- ISIN : INE660A01013
- Details of outstanding shares in Sundaram Finance Limited Unclaimed Shares Suspense Account.

Particulars	Aggregate Number of shareholders	Outstanding shares lying in Sundaram Finance Limited Unclaimed Shares Suspense Account
Opening Balance as on 1 st April 2022	14	3,756
Less: Shareholders approached for transfer / delivery during 2022-23 and Shares transferred / delivered during 2022-23	1	200
Less: Shares transferred to Investor Education and Protection Fund Authority on 30 th March 2023	1	6
Closing Balance as on 31 st March 2023	12	3,550

- Details of outstanding shares in Investor Education and Protection Fund Authority, Ministry of Corporate Affairs:

Particulars	Aggregate Number of shareholders	Outstanding shares lying in Sundaram Finance Limited IEPF Account
Opening Balance as on 1 st April 2022	277	1,01,177
Less: Shareholders approached for transfer / delivery during 2022-23 and Shares transferred / delivered during 2022-23	4	4,866
Add: Transfer of shares to Investor Education and Protection Fund Authority Ministry of Corporate Affairs during 2022-23		
(i) Shares transferred on 22.09.2022	6	6,008
(ii) Shares transferred on 30.03.2023 (including 1 transferred from USSA)	6	1,221
Balance as on 31 st March 2023	285	1,03,540

Statutory Reminders are sent to members, in respect of shares transferred to the Unclaimed Share Suspense Account and IEPF authority through e-mails and phone contacts. Members who have not yet made claims are, therefore, requested to contact the Company / Registrar and Share Transfer Agents immediately by e-mail, enclosing therewith a self-attested copy of PAN, cancelled signed cheque leaf, self-attested valid address proof.

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

Nature of Dividend	Transferable to IEPF on	Nature of Dividend	Transferable to IEPF on
2 nd Interim Dividend 2015-16	8 th April 2023	Interim Dividend 2019-20	12 th March 2027
Final Dividend 2015-16	22 nd August 2023	Final Dividend 2019-20	24 th August 2027
Interim Dividend 2016-17	20 th April 2024	Interim Dividend 2020-21	22 nd February 2028
Final Dividend 2016-17	21 st August 2024	Final Dividend 2020-21	6 th October 2028
Interim Dividend 2017-18	28 th May 2025	Interim Dividend 2021-22	10 th March 2029
Final Dividend 2017-18	20 th August 2025	Final Dividend 2021-22	26 th August 2029
Interim Dividend 2018-19	4 th March 2026	Interim Dividend 2022-23	09 th March 2030
Final Dividend 2018-19	19 th August 2026		

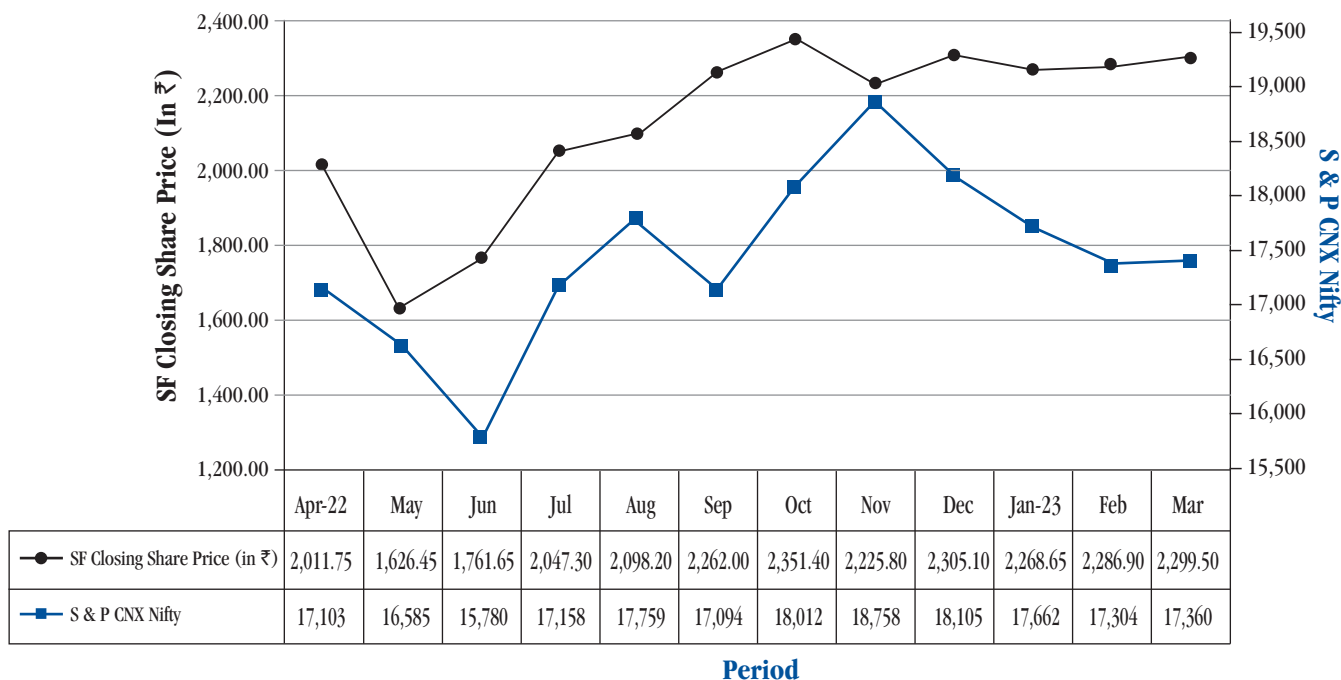
Reminders are sent to members for encashing unclaimed and unpaid dividends, on a regular basis, in addition to the reminders through e-mails and phone contacts. Members who have not yet made claims are, therefore, requested to contact the Company / Registrar and Share Transfer Agents immediately by e-mail, enclosing therewith a self-attested copy of PAN, cancelled signed cheque leaf, self-attested valid address proof.

MARKET PRICE DATA ON THE NATIONAL STOCK EXCHANGE

(in ₹)

Month	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23
NSE	High	2,168.95	2,054.85	1,958.00	2,063.00	2,224.95	2,530.90	2,444.40	2,398.45	2,419.00	2,410.00	2,374.35
	Low	1,911.10	1,555.00	1,630.00	1,735.25	1,976.25	2,060.00	2,125.95	2,172.00	2,231.20	2,212.60	2,206.00

SHARE PRICE PERFORMANCE



Period

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

Dematerialisation requests have been confirmed within the specified time limit.

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

M/s Cameo Corporate Services Ltd	
'Subramanian Building', No 1 Club House Road, Chennai 600 002	
Phone	044 2849 0390 to 0395
Fax	044 2846 0129
Email	investor@cameoindia.com
Contact Persons	Mr. R.D. Ramasamy, Director Mrs. R. Komalavalli, Senior Manager

Debenture Trustee	Ms. Anjalee Athalye Senior Vice President - Operations IDBI Trusteeship Services Limited Asian Building, Ground Floor, No. 17, R. Kamani Marg Ballard Estate, Mumbai – 400 001 Tel: 022 40807018 Fax: 022 66311776 Email: anjalee@idbitrustee.com
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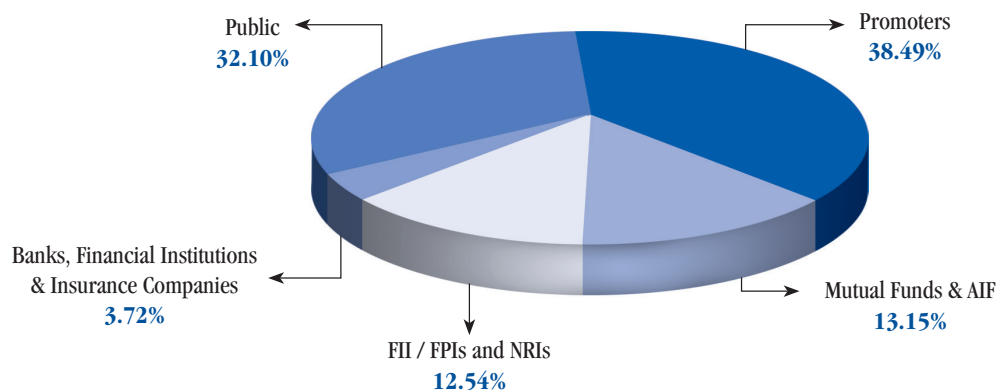
DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH 2023

No. of Equity Shares Held	Total Shareholders	Total Shares	Total % to Capital
Upto 250	18,923	7,94,428	0.72
251 to 500	1,854	7,07,478	0.64
501 to 1000	1,342	10,20,939	0.92
1001 to 5000	1,843	44,51,378	4.01
5001 to 10000	351	26,42,497	2.38
10001 to 50000	405	91,69,520	8.25
50001 to 100000	110	79,55,825	7.16
100001 and above	199	8,43,61,795	75.93
Total	25,027	11,11,03,860	100.00

Total shares held in dematerialised form 97.59%

Public shareholding in dematerialised form 96.09%

SHAREHOLDING PATTERN AS ON 31ST MARCH 2023



For your queries / grievances / complaints, please contact:

Mr. P.N. Srikant

Secretary & Compliance Officer

Sundaram Finance Limited

21, Patullos Road, Chennai - 600 002

Ph : 044-2888 1207

Fax : 044-2855 0290

E mail : investorservices@sundaramfinance.in

Rajiv C. Lochan
Managing Director

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

To,

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

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

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2023 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in Company
1	Mr. Santhanam Viji	00139043	17/01/1986
2	Mr. Thiruvallur Thattai Srinivasaraghavan	00018247	01/02/1998
3	Mr. Sreenivasan Prasad	00063667	28/10/2008
4	Mr. Harsha Viji	00602484	24/09/2010
5	Mr. Pudugramam Narayanaswamy Venkatachalam	00499442	28/01/2011
6	Ms. Shobhana Ramachandhran	00273837	27/01/2014
7	Mr. Mahalingam Seturaman	00121727	26/05/2014
8	Mr. Ayalur Natarajan Raju	00036201	01/06/2014
9	Mr. Rajiv Lochan Chellappa	05309534	25/11/2016
10	Mr. Raghavendra Raghuttama Rao	00146230	01/04/2019
11	Mr. Ganesh Lakshminarayan	00012583	12/08/2020
12	Mr. Srivats Ram	00063415	28/03/2022
13	Mrs. Bhavani Balasubramanian	09194973	06/02/2023

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

For **M DAMODARAN & ASSOCIATES LLP**

M. DAMODARAN

Managing Partner

Membership No.: 5837

COP. No.: 5081

FRN: L2019TN006000

PR 1374/2021

ICSI UDIN: F005837E000351699

Place: Chennai

Date: 22.05.2023

CRITERIA FOR EVALUATION

(as amended on 29th March 2019)

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

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

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

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

Criteria for evaluation of Independent Directors by the entire Board:

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

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

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

REMUNERATION POLICY OF SUNDARAM FINANCE LIMITED

(as amended on 6th February 2023)

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

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

Section 178(2), (3) and (4) of the Companies Act, 2013 read with the applicable rules thereto and Schedule II. Part D of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 provide that the Nomination, Compensation and Remuneration Committee (NCRC) shall identify persons who are qualified to become Directors and shall also recommend to the Board a policy, relating to the remuneration for Directors, Key Managerial Personnel, Senior Management and other employees. Further, the Guidelines on Compensation of Key Managerial Personnel and Senior Management in NBFCs, issued by the Reserve Bank of India, stipulate that the NCRC shall oversee the framing, review and implementation of the compensation policy of the Company to be approved by the Board.

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

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

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

I Definitions

- a) "**Remuneration**" means any monetary benefit or its equivalent extended to any person for services rendered by him/her and includes perquisites as defined under the Income-tax Act, 1961.
- b) "**Key Managerial Personnel**" means,
 - i.) Managing Director, Chief Executive Officer or Manager;
 - ii.) Whole-time Director;
 - iii.) Chief Financial Officer;
 - iv.) Company Secretary.
- c) "**Senior Management**", defined by the Board of Directors and as may be modified from time to time, means
 - i. Chief Financial Officer, Company Secretary, Chief Compliance Officer and Chief Risk Officer;
 - ii. all executives in the grade of Senior Vice President and above; and
 - iii. all executives directly reporting to the Managing Director.
- d) "**Employee**" will mean an employee who has been appointed on the rolls of Sundaram Finance Limited (hereinafter referred to as 'the Company') and has been issued an appointment order by the Company.
- e) "**Employee Stock Option (ESOP)**" means stock options granted under the Sundaram Finance Employee Stock Option Scheme – 2008, which is in line with the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.

II Board Diversity

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

backgrounds as varied as automobile and allied industry, banking and other financial services including insurance, accounting and legal profession, former Regulators and retired Civil Servants.

III Remuneration Pattern

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

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

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

As provided under the existing regulatory framework, all Directors, except Independent Directors and Promoter Directors, are eligible for ESOP.

3. The remuneration payable to Key Managerial Personnel, Senior Management and other employees of the company shall consist of:
 - (a) Salary, allowances, perquisites and variable components reflecting the short and long term performance objectives appropriate to the working of the Company, which are aligned to industry standards.
 - (b) ESOPs to "Eligible Employees", as may be selected from time to time by the Managing Director.

In the event of any violation of the Code of Conduct for Directors and Senior Management or instances of misconduct or breach of any law, the remuneration payable to Key Managerial Personnel and Senior Management shall be subject to such malus/clawback as may be decided by the NCRC and Board of Directors, based on the recommendations of the Managing Director or Executive Vice Chairman.

IV Implementation of the Remuneration Policy

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

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

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

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

Certificate on Corporate Governance

To,

The Members of SUNDARAM FINANCE LIMITED,

Chennai.

I, M Damodaran, Managing Partner of M Damodaran & Associates LLP, Practicing Company Secretaries have examined the compliance of the conditions of Corporate Governance by Sundaram Finance Limited, Chennai for the year ended on 31st March, 2023, as stipulated in Regulations 17 to 27 of Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

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

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

Place: Chennai

Date: 22.05.2023

For **M DAMODARAN & ASSOCIATES LLP**

M.DAMODARAN

Managing Partner

FCS No.: 5837

COP. No.: 5081

FRN: L2019TN006000

PR 1374/2021

ICSI UDIN: F005837E000351732

Form No. AOC-2

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

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

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

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

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

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

Chennai
26th May 2023

S. VIJI
Chairman

Policy On Related Party Transactions

(as per Regulations 23(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)
(as amended on 28th March 2022)

The Company shall enter into transactions with related parties only on an arm's length basis with in the limits approved by the Audit Committee under 'estimated values' and material modification and supported by appropriate documentation. Deviations, if any, will be subject to necessary compliances under the provisions of the Companies Act, 2013 and / or SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

For this purpose, transaction(s) with a related party shall be considered material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds ₹1,000 crores or 10% of the annual consolidated turnover of the company as per the last audited financial statements of the company, whichever is lower.

However, transaction(s) involving payment(s) made to a related party with respect to brand usage or royalty, shall be considered material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceed 5% of the annual consolidated turnover of the company as per the last audited financial statements of the company.

For this purpose "Material Modification" means any modification, either individually or taken together with any previous modification(s) made to the estimated values originally approved by the Audit Committee, which has the effect of a variation in the approved limits by 25% or more or ₹2 crore, whichever is higher.

ANNUAL REPORT ON CSR ACTIVITIES FOR THE FINANCIAL YEAR 2022-23

1. A brief outline of the company's CSR policy

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

https://www.sundaramfinance.in/assets/app_docs/investor-info/corporate_governance/policies/csr.pdf?v=1.0

2. The Composition of the CSR Committee:

Sl. No.	Name of Director	Designation /Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Ms. Shobhana Ramachandhran	Chairperson	1	1
2	Mr. T T Srinivasaraghavan	Member	1	1
3	Mr. Harsha Viji	Member	1	1
4	Mr. Rajiv C Lochan	Member	1	1
5	Mr. A N Raju	Member	1	1

* Besides, CSR contributions were approved by resolutions passed in circulation on 4 occasions.

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the Company:

- **CSR Policy link:**

https://www.sundaramfinance.in/assets/app_docs/investor-info/corporate_governance/policies/csr.pdf?v=1.0

- **Composition of CSR Committee:**

https://www.sundaramfinance.in/assets/app_docs/investor-info/corporate_governance/composition_of_various_committees_26.05.2023.pdf

- **CSR Projects approved by the board:**

Not applicable

4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable

https://www.sundaramfinance.in/assets/app_docs/investor-info/regulatory_disclosure/impact_assessment_report/2022-2023/impact_assessment_report.pdf?v=1.1

Executive Summary of the Impact Assessment reports are attached to this report vide Annexure III (i)

5.	a.	Average net profit of the company as per sub-section (5) of section 135	₹97,201.58 lakhs
	b.	Two percent of average net profit of the company as per section 135(5)	₹1,944.03 lakhs
	c.	Surplus arising out of the CSR projects or programmes or activities of the previous financial years.	-
	d.	Amount required to be set off for the financial year, if any	₹231.37 lakhs
	e.	Total CSR obligation for the financial year (5a+5b-5c).	₹1,712.66 lakhs

6.	a.	Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project) - Annexure III (ii).	₹2,417.82 lakhs
	b.	Amount spent in Administrative Overheads.	₹85.63 lakhs
	c.	Amount spent on Impact Assessment, if applicable.	₹9.83 lakhs
	d.	Total amount spent for the Financial Year (a+b+c).	₹2,513.28 lakhs

(e) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount	Date of Transfer	Name of the Fund	Amount	Date of Transfer
₹2,513.28 lakhs	NIL				

(f) Excess amount for set off, if any :

Sl. No.	Particulars	Amount (₹ in lakhs)
(i)	(a) Two percent of average net profit of the company as per section 135(5)	1,944.03
	(b) Less: Excess amount set-off for the financial year	231.37
	(c) CSR obligation for the financial year	1,712.66
(ii)	Total amount spent for the Financial Year	2,513.28
(iii)	Excess amount spent for the financial year [(ii)-(i)(c)]	800.62
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	800.62

7. Details of Unspent Corporate Social Responsibility amount for the preceding three financial years

Sl. No	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in ₹)
				Name of the Fund	Amount (in ₹)	Date of Transfer	
NIL							

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Yes No

If Yes, enter the number of Capital assets created/ acquired : NIL

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Sl. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/ Authority/ beneficiary of the registered owner		
(1)	(2)	(3)	(4)	(5)	(6)		
					CSR Registration Number, if applicable	Name	Registered Address
NIL							

(All the fields should be captured as appearing in the revenue record, flat no, house no, Municipal Office/Municipal Corporation/ Gram panchayat are to be specified and also the area of the immovable property as well as boundaries)

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5).

Not applicable

Mr. Rajiv C. Lochan
Managing Director

Ms Shobhana Ramachandhran
Chairperson - CSR Committee

Date : 26.05.2023

Place : Chennai

Sundaram Medical Foundation

Executive Summary

Efficient and improved medical equipment is essential in today's age to ensure optimal patient care and better healthcare outcomes. The advancements in medical technology have made it possible to diagnose, treat and manage medical conditions with greater precision and accuracy. Efficient and improved medical equipment can enhance patient safety by reducing the risk of errors and complications during medical procedures.

Health is one of the core thematic areas of Sundaram Finance Ltd as a part of their CSR policy. Sundaram Finance Ltd., through its CSR has supported Sundaram Medical Foundation in the following hospital infrastructure for the FY 2021-22.

S. No	Activities	Progress
1	Two phase ERP system	<ul style="list-style-type: none"> • Functional and reported to be efficient in hospital billing, accounting, and payroll process. • Phase-II system is maintained by the Biomedical Engineering department and is stated to be useful in keeping patient's medical records.
2	Inauguration of new out-patient block at SIDCO Industrial estate	<ul style="list-style-type: none"> • The hospital remained closed on accounts of Covid-19 lockdown. • OP block has emergency services with a doctor and nurse for preliminary service. The service was not utilized for the said assessment period.
3	New operation theatre facility at, SMF Annexe	<ul style="list-style-type: none"> • Functional from March 2019. • Patients undergoes surgeries in core specialties of orthopaedic, gynecology, obstetrics, general medicines
4	MRI Installation	<ul style="list-style-type: none"> • 54% of the patients have availed the MRI diagnostic at SMF Annexe
5	Covid-19 Management	<ul style="list-style-type: none"> • Two Oxygen concentrators were functioning at 600m³/day during the covid. • All four floors of SMF Annexe helped in attending Covid-19 related emergencies. • BiPAP machines for RT-PCR test were used for the detection of Covid-19 • Around 19,475 were found to be vaccinated. • 18% of the patients that we interacted with, took both the doses from the hospital

The impact assessment deployed 'mixed method' approach to find out the effect of the intervention in providing quality patient care and healthcare services. As a part of it, 400 patients were outreached whereas 180 participated in the interaction. The patient outreach was telephonic. The visit to the hospital was in-person to see the infrastructural changes and have an in-depth interaction with 1) hospital staff comprising of doctors, nurses, 2) hospital infrastructure team, and 3) SMF team. Give conducted 15 such key informant interviews in-person.

Sundaram Finance's contribution to the Sundaram Medical Foundation has helped in providing quality patient care and healthcare services. Patients reported to visit SMF hospitals for better treatment facilities. The patients were found to be visiting hospitals for on-going treatment. Minimum duration ranged from 6 months to a year.

Procurement of the capital items have aided the hospital's ability to offer multi-speciality services for diagnostic and the treatment. Patients prefer SMF because of its affordability. SMF charges on an average 30-40% less to the patients for the medical treatment. The cost, however, differs from patient-to-patient based on their socio-economic background. 70% expressed their desire to choose the hospital for specific treatments, such as bone, ligament, and joint treatments, as well as obstetrics and pregnancies.

The assessment highlights that patient will continue to undertake speciality services that hospital has to offer.

Laxmi Charities

Executive Summary – Social Impact of Laxmi Charities - April 2020 to March 2022

Laxmi Charities, is a non-profit registered Society with the objective of promoting education and providing relief to the poor, provides need-based scholarships to poor boys and girls. Their major donors include the Sundaram Finance group companies like Sundaram Home Finance Ltd, Brakes India, and their partners over the past 10 years. Over the last five years, Laxmi Charities has provided scholarships of ₹ 21.00 crores to more than 38,000 students.

Social Audit Network, India conducted a social Impact assessment of the scholarship program supported the Sundaram group during the two-year period April 2020 to March 2022

The Scholarship program supported 13,705 students from disadvantaged backgrounds to pursue their higher education during the two years. Of those supported, 7.47% were school students, 54.2% were pursuing either their undergrad or postgrad studies, 7.22% were doing their Diploma and 31% were enrolled in Professional courses.

	TOTAL STUDENTS SUPPORTED		Amount given to each student	Minimum Marks required
	2021-22	2020-21		
+1 & +2	583	995	4,500	75%
Graduate & PG	4,901	3,681	7,500	70%
Diploma	457	431	10,000	
Professional Courses	1,371	1,286	16,000	
Total	7,312	6,393		

₹9.72 crores was provided as scholarship to 13,704 students during the two years by the Sundaram Group companies. A major chunk of these expenses was towards scholarships for UG/PG students (₹5.33 crores) and those pursuing professional courses (₹3.09 crores).

	No. of Students Supported	Total Cost (in ₹)	Average / Student
+1 & +2	1,578	25,18,000	1,595.69
Graduate & PG	8,582	5,33,23,000	6,213.35
Diploma	888	69,41,000	7,816.44
Professional Courses	2,657	3,09,45,000	11,646.59
Total	13,704	9,72,13,000	7,093.76

Profile of the Scholarship beneficiaries

- 54% were in the age group 18-20, 40% between 21-22 years and 2% were below 17.
- 66.5% were females and 33.5% were males.
- 59% hailed from the OBC and Backward Communities, 14% from Scheduled Caste and 27% from other categories.
- 54% hailed from families that with a monthly income of less than ₹10,000.
- Over 19% of those supported were orphans and 6% had a single parent.
- 33% of the parents were daily wage workers.

A telephonic survey of 616 scholars, 300 from the year 2020-21 and 316 from 2021-22 was conducted. The findings of the survey are given below.

- 51% of the students reported that they managed to pay their entire fees with the scholarship amount given.
- 33% paid part of their fees with the support.
- 11% indicated that the amount was used to buy books/stationery.
- 13% of the students received ₹16,000.
- 50.33% had received the scholarship more than once.
- 12% were siblings.
- 89% waited for a month to get the scholarship after submission of their documents.

Student speak

The Scholarship has helped me a lot over the past year. I am glad I applied again for my second year of college to get my bachelor's degree. The procedure was quite easy to follow and particularly helps students like me who require ongoing guidance.

I am able to focus more on my academics than on managing the financial obligations for my tuition and fees thanks to the assistance of this scholarship. I'm delighted to say that the Scholarship has aided me and that I've successfully navigated college.

I am grateful I have the opportunity to study at Anna university. It would not be feasible without the Laxmi Charities scholarship sponsorship.

Relevance of the Program - 86% of the scholarship recipients hail from lower economic backgrounds and are provided access to prestigious courses as their counterparts who are from better socio-economic backgrounds. 98% of the school students supported aim to pursue professional courses or undergraduate and post-graduation courses.

Effectiveness - The scholarship enables students to pursue a course of their choice as it gives the students the chance to receive the education that they merit. It acts as positive reinforcements for the students, thus giving them an incentive to perform better and improve themselves incrementally.

Efficiency - The Scholarship program has been instrumental in ensuring that 48.3% of the students have refrained from seeking a loan. . 51% of the students said they were able to cover all of their tuition costs with the scholarship money. 11% said the money was used to purchase books and stationery, while 33% said they used the funding to pay a portion of their tuition.

Sustainability - The courses taken up by the students who avail the Laxmi Charities scholarships are highly sought after (particularly professional and PG courses that include Medicine, MTech, BE Engineering, B Tech, MCA etc.), and can provide lucrative jobs on completion. The scholarship thus adapts to the needs of students, eco-system and sustained interest among parents and students.

Social Impact of the Scholarship program

The scholarships have provided equitable access to education to over 13,705 children. 10% of students said that they would have had to drop out of school without financial assistance. Such need-based aid is crucial in creating a level playing field, as students from disadvantaged backgrounds may not have access to the same resources as their affluent peers, which could affect their academic performance and eligibility for merit-based scholarships.

The scholarships have a positive impact on students' self-confidence and morale and this newfound belief in themselves often motivates students to work harder and aim for better results in their studies and competitive exams.

By supporting female students to pursue education, the scholarship is encouraging them to challenge the gender norms.

Scholarships can significantly improve the academic prospects of students, as they no longer worry about financial constraints and can focus on their studies. This can lead to better grades, as well as the opportunity to explore additional learning opportunities and improve their skills. Students who receive scholarships are likely to have improved employment prospects compared to their peers who do not receive financial aid.

The Scholarship program aligns with the following five SDGs

- a) Good Health and Well-Being
- b) Quality Education
- c) Gender Equality
- d) Reduced Inequalities
- e) Partnerships for the Goals

Conclusion

Through this program, Laxmi Charities has been able to provide a platform for students to enjoy the joys and benefits of education and give them a chance to live a life of dignity as future working adults. The program also leaves behind a lasting humanitarian footprint by potentially improving not just individual educational development indices but also that of the family and nation.

Centre for Wildlife Studies

Executive Summary

The WWF and UNEP report states that completely eradicating human-wildlife conflict is not possible but that well-planned, integrated approaches to managing it can reduce conflicts and lead to a form of coexistence between people and animals. Such approaches require work on prevention, mitigation, response, research, and monitoring all backed by strong policy support and the participation of local communities. In India, data from the Union Ministry of Environment, Forest and Climate Change indicates that over 500 elephants were killed between 2014-2015 and 2018-2019, mostly due to human-elephant conflict. During the same period, 2,361 people were killed because of conflict with elephants. National Wildlife Database, Jan. 2023 states there are 567 existing wildlife sanctuaries in India covering an area of 122,564.86 km², which is 3.73% of the geographical area of the country. This implies that there are numerous villages encompassing these wildlife reserves, resulting in a frequent occurrence of Human Wildlife Conflicts. Additionally, zoonotic diseases such as COVID-19 have impacted human populations in recent years, which originate from animals. As a result, it is essential to promote awareness regarding public health and precautionary measures to prevent HWC and detect symptoms of zoonotic diseases early on to prevent their spread.

Sundaram Finance Ltd., as part of their CSR policy to promote environmental sustainability, has taken action to address these urgent issues by supporting the Centre for Wildlife Studies (CWS) in Bangalore with a total fund of ₹ 50,00,000 for FY 2021-2022 to develop the capacities of frontline workers and government officials in and around the southern Nilgiris and Palani hills to strengthen public health through their program 'Wild Surakshe'.

An impact study was conducted to understand the effect of the CWS's intervention. 55 beneficiaries were outreached through physical visits to Mudumalai and Mukuruthi Tiger Reserve & National Park and telephonic surveys with government officials, community members, frontline workers, and the implementation team.

The objectives of CWS's 'Wildlife Surekha' program was to improve:

- Expanding public health and safety awareness on COVID-19 and other wildlife related diseases
- Enabling communities to safeguard their lives and livelihoods from human- wildlife conduct
- Empowering collaborations and partnerships across the Western Ghats.

The program had conducted approximately 190 training sessions and trained more than 4820 stakeholders and community members. Around 25 training sessions were conducted around Mudumalai and Mukuruthi National Parks. The training successfully initiated a change in the communities' behavioural patterns regarding their visits to the nearest public health centres (PHCs) as a first aid measure for any infections, which was a rarity before. It's worth noting that the PHCs are now better equipped with knowledge on identifying the symptoms of zoonotic diseases, as well as providing adequate treatment for cases that have resulted from human-wildlife conflicts. The table below provides the overview of the changes that has occurred as a result of the training conducted for the stakeholders and community members. The program was able to also initiate systemic changes as well as seen in the table below:

Outcomes of the intervention		
Behavioural Attributed	Before Intervention	After Intervention
Health – Precautionary Infection Management	Timely vaccinations were rare. Seldom visited the PHC except for severe health conditions or for delivery cases.	Timely vaccination and hygienic practices (to avoid littering the surrounding of their homes with food waste). Members have started taking medical aids for any kind of infections from the PHCs.

Health – First Aid Management	Traditional practices	Timely hospitalization or medical intervention
Awareness on zoonotic diseases	None except for COVID19	<ul style="list-style-type: none"> • NIPAH • Rat Fever • Rift Valley Fever • Monkey Fever • Tick-borne zoonotic diseases • COVID 19

Systemic Cooperation and Change			
Categories	Before (out of 5 Rating)	After (out of 5 Rating)	Describe the changes experienced
Knowledge of the PHC staff (Doctors and Nurses)	2 (Average)	4 (Very Good)	The Nurses did not have previous knowledge of zoonotic diseases and its symptoms
Accessibility of the forest dept. officials for community members	3 (Good)	4 (Very Good)	Access to forest officials, which was once a challenge prior to the intervention, is now easily available to all community members.
Knowledge of the ANMs and ASHA workers	3 (Good)	4 (Very Good)	Similar to PHC staff, ASHA workers and ANM workers are more informed about zoonotic diseases. They have also started providing awareness to the community on the precautionary measures and first aids to be taken to improve their health conditions

Instilling behavioural change, however, requires a significant amount of time as it entails a departure from long-standing practices. The participants' attendance of only one or two sessions may not suffice to effect the change envisioned by the intervention. While ASHA and Anganwadi workers are critical stakeholders in the effort to sustain awareness among community members after training, equipping them with sufficient knowledge will require additional training.

This is the first phase of the 'Wild Surakshe' initiative by CWS and intends to utilize the insights gained from this phase to develop and conceptualize the second phase. The second phase, which has not yet been created, will involve collaborative efforts between various government departments to enhance public health in the areas surrounding wildlife reserves. The program has demonstrated potential through its training sessions aimed at building the capacities of stakeholders and community members. However, to achieve long-term outcomes, it is essential to provide them with a mechanism to refresh their knowledge as needed post the training is completed.

Crafts Council of India

Executive Summary – Social impact assessment - Crafts Council of India

The artisan sector is India's second largest source of employment and livelihood after agriculture as there are over 200 million livelihoods that are directly or indirectly linked to the artisan economy. It is a primarily rural and informal sector which is creative, labour-intensive and skill intensive. Crafts Council of India (CCI), established in 1964, is a pioneering effort towards protecting and enhancing India's heritage in the nation's transition to modernity. CCI strives towards an India in which its artisan communities are valued, respected, and supported with an enabling environment that renews and enhances their heritage for contemporary relevance and self-worth. CCI receives funding support from the government and Corporates for implementing its activities. A total of ₹ 60 lakhs was donated by Sundaram Finance for the period 2020-2022.

Social Audit Network, India conducted a social Impact assessment of the activities supported by Sundaram Finance during the two-year period April 2020 to March 2022.

CCI Artisan Support Fund

During COVID times and due to lockdown, the artisans had no venue for sales. Their livelihood and that of the artisans working for them was badly affected. CCI created an Artisan Support Fund with the money received from Sundaram Finance. In the period 2020-21, ₹22,00,000/- was allocated to the fund and in the year 2021-22, ₹27,00,000/- was allocated to this fund. CCI procured artefacts from 65 artisans in the year 2020-21 and 71 artisans in the year 2021-22. There were 29 artisans who received support during both the years. (Refer Annexure 1 for the list of Artisans). CCI not only helped the artisans by purchasing their products, but also facilitated them in publicizing their products on CCI's social media pages. Many individuals directly contacted the artisans and directly bought artefacts from them.

Artisan Speak..

I am ever grateful to CCI for having procured during the COVID times as I had no other buyer during those times.

The timely help by purchasing from me during the lockdown was instrumental in meeting my family expenses. CCI was the first organisation to buy from us during the lockdown after which some other also started to buy.

Training Artisans in Digital Media

CCI trained the artisans to use their smart phones effectively to connect with their customers and to market their products. They also trained them to conduct online transactions for their sales. This proved to be a boon to the artisans as their sales could continue through the lockdown. In some cases, raw material banks were introduced where CCI put in some money into their bank accounts as rotating capital.

Artisan Speak..

Now I can sell my products through Whatsapp. I was not aware of it till the training offered by CCI. I now sell at least 5 mats through my Whatsapp contacts.

I know how to use Gpay and am able to transact my business with ease. Money gets easily transferred to my account and I do not have to go behind my customers for payments.

Educate to Sustain Project

Educate to Sustain is aimed at sensitising the school going children of traditional artisans of the need to learn the family craft skills. These children are not compelled to work as artisans but are taught the family skills and could make a livelihood from the skill learnt when there were no other employment opportunities available for them. Around 143 students availed the scholarship of ₹1,500/-

Location	No. of students	
	2020-21	2021-22
Pathamadai	25	20
Veeravanallur	24	16
Begampur	5	5
Chitrarekha Sahu / Puri Cluster	10	7
Raghurajpur	11	4
Nutungram	8	8
Total	83	60

My friends and I come here every Saturday without fail. I am very happy to learn the skill the mat weaving my family has been into for three generations. We feel very proud to be learning this weaving and are happy that we are given a separate loom and place to try our skills. My mother could not teach me at home and I am glad this place is open to us during the weekends to practice our mat weaving skills - Unnu Salma, Pathamadai

Kamala Awards for Artisans

The Kamala Awards was instituted in 2000 by CCI in memory of Smt. Kamaladevi Chattopadhyay to recognize and honour outstanding merit in the field of traditional Indian handicrafts. The Kamala Awards are given under 5 specific categories that helps in recognition of a few unique skills of the artisans. These artisans are celebrated with citations and monetary awards. During the pandemic, CCI had decided to move the Kamala Awards 2020 Ceremony to a virtual format due to the Covid 19 situation. The 20th Kamala Awards was held on virtually using the Zoom platform 3rd October 2020. The artisans have shared their gratitude for this recognition, which they claim has been a huge motivation to continue with their art/ craft forms even during difficult times such as the pandemic.

Website development.

The pandemic restricted the public marketing spaces and opportunities for artisans. Their unsold products piled up. CCI was able to, with the help of interns from academic institutions, work on e-catalogues with photographs for individual artisans. These were also put upon CCI website. The website development was completed by September 2021.

Social Impact

The Crafts Council of India strives towards an India in which its artisan communities are valued, respected, and supported with an enabling environment that renews and enhances their heritage for contemporary relevance and self-worth. CCI has contributed to the welfare of the artisans and the handicrafts sector in the following ways -

- a) Sustainability of Artisans
- b) Revival of Traditional Cultures & Arts
- c) Promotion of Handicraft Sector
- d) Fusion of Traditional techniques with contemporary designs
- e) Enhancing rural livelihoods and boosting rural economy

The Interventions by CCI in the period 2020-2022 for artisans in the country has, directly impacted their economic and social growth positively and significantly. CCI has and continues to be a bridge between artisans and rest of India and this role is crucial for reviving and sustaining the traditional art forms of our country.

Details of CSR amount spent against other than ongoing projects for the financial year 2022-23

Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Purpose	Local Area (Yes/No)	Location of the Project.		Amount spent for the Project (₹ in Lakhs)	Mode of Implementation		Mode of Implementation – Through Implementing Agency	
					State.	District.		Direct (Yes/No)	Name	CSR Registration Number	
1.	Promoting preventive and general health care	Health Care	Acquisition of land for construction of nurses' hostel	Yes	Tamil Nadu	Chennai	1350.00	No	Sundaram Medical Foundation	CSR000018426	
		Health Care	To upgrade old equipment to newer models and to provide more accurate diagnosis and treatment to the vulnerable sections of the society	Yes	Tamil Nadu	Chennai	100.00	No	Sankara Netralaya (Medical Research Foundation)	CSR00002623	
		Health Care	Affordable and quality healthcare service to all sections of society.	Yes	Tamil Nadu	Vellore	30.00	No	Thirumalai Charity Trust	CSR00000287	
		Health Care	To cater services to many persons from poor socioeconomic backgrounds through their trained nurse assistants. Maintenance costs of the premises and purchase of medical equipment & materials to provide medical care regularly	Yes	Tamil Nadu	Chennai	30.00	No	Schizophrenia Research Foundation (SCARF)	CSR00000884	
		Health Care	All the cancer children from poor socio economic background would be benefited	Yes	Tamil Nadu	Chennai	25.00	No	Sri Ramachandra Educational and Health Trust	CSR00001622	
		Health Care	Mental health services to vulnerable communities	No	Karnataka	Bengaluru	25.00	No	Love Live & Laugh Foundation (LLL)	CSR00012198	
		Health Care	To provide wholesome cancer treatment and promote prevention & early detection activities amongst all sections of people without social or economic divide.	Yes	Tamil Nadu	Chennai	25.00	No	Cancer Institute (WIA)	CSR00007235	
		Health Care	Providing Dialysis related services to the underprivileged patients	Yes	Tamil Nadu	Chennai	15.00	No	Tamilnad Kindney Research Foundation (Tanker Foundation)	CSR00001422	
		Health Care	Procurement of Tissue Processor and 3 D chip camera	Yes	Tamil Nadu	Chennai	15.00	No	Hindu Mission Hospital, Tambaram	CSR00005035	
		Health Care	All the cancer children from poor socio economic background would be benefited	No	Assam	Cachar	10.00	No	The Cachar Cancer Hospital Society	CSR00003079	
		Health Care	Treatment of cancer patients	No	Maharashtra	Mumbai	10.00	No	Sanjeevani Life Beyond Cancer	CSR00004972	
Health Care	To provide better medical service to the patients by procuring few important medical equipments.	Yes	Tamil Nadu	Chennai	10.00	No	Hindu Mission Health Services (Nanganallur)	CSR00012258			
Health Care	Palliative Care	Yes	Tamil Nadu	Chennai	10.00	No	RMD Pain and Palliative Care Trust	CSR00000406			

Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Purpose	Local Area (Yes/No)	Location of the Project.		Amount spent for the Project (₹ in Lakhs)	Mode of Implementation (Yes/No)	Mode of Implementation – Through Implementing Agency	
					State.	District.			Name	CSR Registration Number
		Health Care	Cancer awareness and screening	Yes	Tamil Nadu	Chennai	10.00	No	Udhavum Ullangal Public Charitable Trust	CSR00000897
		Health Care	Support for the Deepavali festival	Yes	Tamil Nadu	Chennai	2.50	No	The United Orphanage for the Disabled (United Educational and Development Society)	CSR00000029
		Health Care	Purchasing consumables for providing free dialysis treatment and meals	No	Delhi	New Delhi	2.00	No	Delhi Sikh Gurudwara Management Committee	CSR00004559
		Health Care	Establishment of a new medical centre	No	Kerala	Palakkad	2.00	No	Swami Vivekananda Medical Mission	CSR00002488
		Health Care	Eye camps at Naidupeta and Tindivanam			Camps for truck drivers	1.30	Yes	Aravind Eye Hospital (Govt Trust)	Direct
SUB TOTAL							1672.80			
2.	Promoting Education by providing financial assistance to deserving and meritorious students and also educational institutions which work for this cause	Education	Education for deserving students	Yes	Tamil Nadu	Chennai	200.00	No	Laxmi Charities	CSR00005940
		Education	Research and Academic Education	Yes	Tamil Nadu	Tanjavur	70.00	No	Shammugha Arts, Science, Technology & Research Academy (SASTRA), Thanjavur	CSR00001064
		Education	Quality primary education and village people were benefited from construction of toilet cum bathrooms	Yes	Tamil Nadu	Chennai	25.00	No	Single Teacher School (Swami Vivekananda Rural Development Society)	CSR00001905
		Education	Regular preservation and maintenance of their Library books	Yes	Tamil Nadu	Chennai	20.00	No	The Kuppaswami Sastri Research Institute	CSR00008155
		Education	The school proposes to modernise the existing smart boards in the classrooms with LCD panels and related technological equipment	Yes	Tamil Nadu	Chennai	20.00	No	Vidya Mandir MLC School Society	CSR00045132
		Education	Art For Play, through which they will be building innovative art inspired playgrounds	Yes	Tamil Nadu	Chennai	20.00	No	IADEA - Rainbow Educational Trust	CSR00008660
		Education	Implementing a two-year state-wide program in Tripura	No	Delhi	Delhi	15.00	No	Ahvaan Trust	CSR00000767

Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Purpose	Local Area (Yes/No)	Location of the Project.		Amount spent for the Project (₹ in Lakhs)	Mode of Implementation (Yes/No)	Mode of Implementing Agency		
					State.	District.			Name	CSR Registration Number	
		Education	Empowering children / Youth	No	Karnataka	Bengaluru	10.00	No	Children Movement for Civic Awareness (CMCA)	CSR00000784	
		Education / Health Care	Mobile Medical Camp and Evening Study Centres	Yes	Tamil Nadu	Chennai	10.00	No	Seva Bharathi	CSR000004180	
		Education	Maintenance of School / Replacement of School bus	Yes	Tamil Nadu	Chennai	10.00	No	Bhagawan Sri Sathya Sai Education Trust	CSR00013155	
		Education	To strengthen through Fellowship programme which would enable and equip the Chennai region to build proof points of an excellent education through a strong talent pipeline and collective leadership.	No	Maharashtra	Mumbai	10.00	No	Teach to Lead	CSR00002271	
		Education	Development of training and empowerment centres	Yes	Tamil Nadu	Chennai	3.00	No	Chakkaram Foundation	CSR00002742	
		Education	Value based online education to state-run schools in rural and deep rural areas of Tamil Nadu	Yes	Tamil Nadu	Chennai	3.00	No	Open Mentor Trust (Kavali Sakthi)	CSR000021428	
		Education	Sustenance of the school for meeting operating expenses	No	Karnataka	Udupi	3.00	No	Modern School Educational and Development	CSR00012131	
		Education	Fostering social emotional learning and well-being through visual and performing arts for children	Yes	Tamil Nadu	Chennai	3.00	No	Nalandaway	CSR00001780	
		Education	Construction of Pataashala building and meeting expenses for daily activities	Yes	Tamil Nadu	Madurai	2.00	No	Sri Narayana Jara Seva Trust	CSR00023947	
		Special Education & Empowerment for Disabled	Badminton competition for deaf children	Yes	Tamil Nadu	Chennai	2.00	No	Deaf Enabled Foundation	CSR00003268	
		Education	Purchase of new dresses for the students	Yes	Tamil Nadu	Chennai	1.00	No	Smt Jayanthi Janakiraman Ninnai Dravida veda agama padasalai	CSR00001514	
		Education	For the benefit and welfare of the students	Yes	Tamil Nadu	Chennai	0.25	Yes	Chennai Higher Secondary School	Direct	
SUB TOTAL.							427.25				

Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Purpose	Local Area (Yes/No)	Location of the Project.		Amount spent for the Project (₹ in Lakhs)	Mode of Implementation (Yes/No)	Mode of Implementation – Through Implementing Agency	
					State.	District.			Name	CSR Registration Number
3.	Environmental Sustainability, Ecological balance, Conservation of Natural resources	Ecology / Environment	Programs on wildlife, environment	Yes	Karnataka	Bengaluru	50.00	No	Centre for Wildlife Studies	CSR00002135
		Ecology / Environment	Restoration of grasslands, wetlands and temple Nandavanams	Yes	Tamil Nadu	Tirunelveli	40.00	No	Ashoka Trust form Research Ecology and Environment	CSR00004694
		Ecology / Environment	Coastal Ecology	Yes	Karnataka	Bengaluru	25.00	No	Dakshin Foundation	CSR00007118
		Ecology / Environment / Park Maintenance	Maintenance of park	Yes	Tamil Nadu	Chennai	24.27	Yes	Nageswara Rao Park Maintenance	Direct
		Ecology / Environment	Support Environmental Education Project in Tamil Nadu	Yes	Delhi	Delhi	10.00	No	World Wide Fund	CSR00000257
SUB TOTAL							149.27			
4.	Protection of National Heritage, Art and Culture	Culture & Heritage	To create awareness of south indian heritage.	Yes	Tamil Nadu	Chennai	30.00	No	Madras Craft Foundation	CSR00012630
		Culture & Heritage	Sustainable livelihoods through handcraft	Yes	Tamil Nadu	Chennai	30.00	No	The Crafts Council of India (Regd.)	CSR00007118
		Culture & Heritage	Education/Financial aid to spread Vedic knowledge	Yes	Tamil Nadu	Chennai	10.00	No	Sundaram Charities	CSR00006397
		Art & Culture	Livelihood of stage performance artists - Kattai Koothu	Yes	Tamil Nadu	Tiruvanamalai	5.00	Yes	Renukambal Kattai Koothu	Direct
		Culture & Heritage	4th edition of their festival Mumbai Margazhi Mahotsavam	Yes	Tamil Nadu	Chennai	5.00	No	Tender Roots Academy of Performing Arts - Banyan Tree Events	CSR00000141
		Art & Culture	Livelihood of stage performance artists - Kattai Koothu	Yes	Tamil Nadu	Tiruvanamalai	2.50	Yes	Sri Krishna Kattai Koothu Manava Manaviyar Kuzhu	Direct
		Art & Culture	Livelihood of stage performance artists - Kattai Koothu	Yes	Tamil Nadu	Tiruvanamalai	2.50	Yes	Arulmigu Sri Mandavelli amman Nadaga Mandram	Direct
		Culture & Heritage	Vedic activities, maintenance of goshalas, temple management and poor feeding	Yes	Tamil Nadu	Chennai	2.00	No	Bhagyan Yoga Moorthy Sri Sri Maha Periyava Mela Adimai Trust	CSR00002723

Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Purpose	Local Area (Yes/No)	Location of the Project.		Amount spent for the Project (₹ in Lakhs)	Mode of Implementation (Yes/No)	Mode of Implementation – Through Implementing Agency	
					State.	District.			Name	CSR Registration Number
		Art & Culture	Temple theatre art - dance dramas	Yes	Tamil Nadu	Thanjavur	1.00	No	Bhagavata Mela Foundation	CSR00029877
		Art & Culture	Theatre performance	Yes	Tamil Nadu	Chennai	1.00	No	Arangham Trust	CSR00012202
							89.00			
5.	Social / Public Welfare	Social / Public Welfare	Women Empowerment	Yes	Tamil Nadu	Madurai	50.00	No	Gandhigram Trust, Gandhigram	CSR00004575
		Social / Public Welfare	Helping families of our martyrs and deceased personnel	No	Delhi	New Delhi	10.00	No	Central Reserve Police Force	CSR00013274
		Social / Public Welfare	For building toilets and labour room at primary health care centre	Yes	Tamil Nadu	Chennai	10.00	No	Madras Spice Round Table	CSR00023074
		Social / Public Welfare	Shelter for destitute	Yes	Tamil Nadu	Chennai	2.00	No	Little Drops	CSR00003749
		Social / Public Welfare	Welfare and development of under-privileged, disabled, abused and neglected children in Tamilnadu	Yes	Tamil Nadu	Chennai	2.00	No	Indian Council for Child Welfare	CSR00004885
		Social / Public Welfare	Empowerment Centre for Women and Primary Education Centre	No	Jodhpur	Rajasthan	2.00	No	Sambhali Trust	CSR00020360
		Social / Public Welfare	Welfare of destitute.	No	Himachal Pradesh	Kangra	1.50	Yes	Indian Ex-Service League	Direct
			SUB TOTAL				77.50			
6.	Animal Welfare	Animal Welfare	To rescue, treat and rehabilitate these injured and/or lost animals.	Yes	Tamil Nadu	Chennai	2.00	No	LARA Animal Rights Trust	CSR00045298
			SUB TOTAL				2.00			
			GRAND TOTAL				2417.82			

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

SECTION A: GENERAL DISCLOSURES

I Details of the Listed Entity

1	Corporate Identity Number (CIN)	:	L65191TN1954PLC002429
2	Name of the Listed Entity	:	Sundaram Finance Limited
3	Year of Incorporation	:	1954
4	Registered Office address	:	21, Patullos Road, Chennai 600 002
5	Corporate Address	:	21, Patullos Road, Chennai 600 002
6	E-mail id	:	investorservices@sundaramfinance.in
7	Telephone	:	044-28881207
8	Website	:	www.sundaramfinance.in
9	Financial Year reported	:	April 1, 2022, to March 31, 2023
10	Name of the Stock Exchange(s) where shares are listed	:	National Stock Exchange of India Limited
11	Paid up capital	:	₹111.10 Cr.
12	Name and contact details of the person who may be contacted in case of any queries on the BRSR report.	:	P. N. Srikant, Secretary & Compliance Officer Tel-044-28881207 Email Id: pnsrik@sundaramfinance.in
13	Reporting boundary	:	Disclosures made in this report are on a standalone basis.

II Products / Services

14. Details of business activities (accounting for 90% of the turnover):

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1	Financial and Insurance Service Main Product / service: Interest Income on Hypothecation Loan / Hire Purchase	Financial and Credit Leasing Activity	94.85%

15. Products/services sold by the entity.

S. No.	Product/Service	NIC Code	% of total Turnover contributed
1	Providing finance for commercial vehicles, cars, multi-utility vehicles, construction equipment, tractors, working capital finance, Leasing, SME financing and NBFC funding.	As per National Industrial Classification – 2008: Section K - Financial and Insurance Activities Division 64 – Financial service activities, except insurance and pension funding.	94.85%

III Operations

16. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	*	670	670
International	Not applicable		

* The Company is a Non-Banking Financial Company and hence does not undertake any manufacturing activity.

17. Markets served by the entity:

a. No of locations:

Locations	Total
National (No of states)	19
International (No of countries)	Nil

b. What is the contribution of exports as a percentage of the total turnover of the entity?

Not applicable

c. A brief on types of customers

The products offered by the Company are availed by a broad range of customers including individuals, educational institutions, SMEs, and corporates, who fall under the following categories:

- Transport Operators
- Fleet Operators
- Farmers
- Construction Equipment Operators
- Automobile Dealers
- MSME Sector
- Entrepreneurs
- Self-employed Professionals
- Salaried Individuals
- Educational Institutions
- Corporate Borrowers
- Depositors

IV Employees

18. Details as at the end of Financial Year:

a. Employees and Workers (including differently abled):

S. No.	Particulars	Total	Male		Female	
		(A)	No. (B)	% (B / A)	No. C	% (C / A)
Employees						
1.	Permanent (D)	4,737	4,510	95.21%	227	4.79%
2.	Other than Permanent (E)	-	-	-	-	-
3.	Total (D + E)	4,737	4,510	95.21%	227	4.79%

Workers						
4.	Permanent (F)	-	-	-	-	-
5.	Other than Permanent (G)	-	-	-	-	-
6.	Total (F + G)	-	-	-	-	-

b. Differently abled Employees and Workers:

S.no	Particulars	Total	Male		Female	
		(A)	No. (B)	% (B / A)	No. C	% (C / A)
Differently abled Employees						
1.	Permanent (D)	5	3	60.00%	2	40.00%
2.	Other than Permanent (E)	-	-	-	-	-
3.	Total (D + E)	5	3	60.00%	2	40.00%
Differently abled Workers						
4.	Permanent (F)	-	-	-	-	-
5.	Other than Permanent (G)	-	-	-	-	-
6.	Total (F + G)	-	-	-	-	-

19. Participation / Inclusion / Representation of women:

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	13	2	15.38%
Key Management Personnel	2	0	-

20. Turnover rate for permanent Employees and Workers:

	2022-23			2021-22			2020-21		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	8.47	0.76	9.23	6.98	1.02	8.00	4.05	0.33	4.38
Permanent Workers	NIL								

V. Holding, Subsidiary and Associate Companies (including joint ventures)

21. Names of holding / subsidiary / associate companies / joint ventures:

Sl. No.	Name of the holding / subsidiary / associate companies / joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	Sundaram Home Finance Limited	Subsidiary	100.00	No
2	Sundaram Asset Management Limited	Subsidiary	100.00	No
3	Sundaram Trustee Company Limited	Subsidiary	100.00	No

4	Sundaram Fund Services Limited	Subsidiary	100.00	No
5	LGF Services Limited	Subsidiary	100.00	No
6	Sundaram Finance Holdings Limited	Associate	23.49	No
7	Royal Sundaram General Insurance Co. Ltd	Joint Venture	50.00	No

VI. CSR Details

22. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013 : Yes
(ii) Turnover (₹ in Cr.) : 4046.46
(iii) Net worth (₹ in Cr.) : 7737.40

VII. Transparency and Disclosures Compliances

23. **Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:**

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)	2022-23			2021-22		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	No	-	-	-	-	-	-
Investors (other than shareholders)	Yes	-	-	-	-	-	-
Shareholders	Yes	1	0		1	0	NIL
Employees and workers	Yes	-	-		-	-	
Customers	Yes	2731	62	The figures mentioned under complaints pending at the end of the year relate to complaints that were received during March 2023 and were redressed during April 2023, well within the stipulated period of 30 days	2825	42	The figures mentioned under complaints pending at the end of the year relate to complaints that were received during March 2022 and were redressed during April 2022, well within the stipulated period of 30 days.

Value Chain Partners	No	-	-	-	-	-	-
Others (please specify)	NA	-	-	-	-	-	-
Please refer the following web links: https://www.sundaramfinance.in/assets/app_docs/investor-info/corporate_governance/policies/sebi/policies_on_brsr.pdf https://www.sundaramfinance.in/assets/app_docs/investor-info/corporate_governance/policies/sebi/sfl_customer_grievances_redressal_policy.pdf							

24. Overview of the entity's material responsible business conduct issues :

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format :

Sl. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Corporate Governance	0	The Company continues to maintain the highest standards of integrity and transparency in operations, excellence in service to all stakeholders and strong Corporate Governance standards.	-	Positive Implication
2	Customer Service with focus on Financial Inclusion	0	Since inception, the Company has set an exemplary standard in delivering the Sundaram Experience to all its customers. The Company's focus has always been on ensuring that the customer is able to meet his/her needs in a sustainable manner, with access to quality services at affordable rates, delivered courteously.	-	Positive Implication
3	Employee Well Being	0	The Company has taken a number of steps to ensure that its strong and loyal employee workforce is consistently provided with opportunities for empowerment, growth and an environment of well-being.	-	Positive Implication
4	Corporate Social Responsibility	0	CSR is one of the key areas through which the Company endeavours to give back to society. The core focus areas under CSR include health care, education, ecology, and art & culture.	-	Positive Implication

5	Digital Initiatives	O	In keeping with the age of AI, the Company has embarked on a number of initiatives to support its customers and other stakeholders digitally.	-	Positive Implication
6	Regulatory Compliance	R	Regulatory Compliance occupies a crucial position in determining the Company's responsibility towards its stakeholders. Any lapse in regulatory compliance can affect the reputation of the Company negatively. The Company has always focused on ensuring that it is fully compliant with all laws and regulatory provisions relating to its operations, which has enabled it to earn the respect of all stakeholders.	Adequate steps have been taken to identify, assess, manage and report all instances of compliance risk across the various levels in the Company. Senior Management plays a crucial role in effective compliance risk management.	Positive Implication
7	Data Security / Privacy	R	All the services being rendered by the Company are fully dependant on technology, which exposes the Company to a high degree of cyber / information security risk.	The company has set up a robust cyber security management framework which is monitored by the IT Strategy Committee and Risk Management Committee. All IT security related matters are subjected to periodic Information Systems Security Audit and Internal Audit. All employees of the Company are regularly sensitised and educated on matters relating to cyber security, data privacy etc.	Negative Implication
8	Climate Change	R / O	<p>Risks:</p> <p>Climate change impacts the business of the Company in different ways, viz., increased credit risk, disruption to operations, safety and well-being of customers and employees etc.</p> <p>Transitional risk comes from the potentially higher business costs from new policies, laws and other regulations designed to address climate change.</p> <p>Opportunities:</p> <p>The National priorities towards sustainability and carbon neutrality have unleashed a range of new clean fuel powered automotive technologies. These represent new opportunities for the Company in providing financing solutions to our sustainability sensitive customers.</p>	In order to address the risks associated with climate change the Company has adopted measures like high degree of investment in solar, funding in the alternative fuel space and financing electric vehicles.	<p>R - Negative Implication</p> <p>O - Positive Implication</p>

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

Disclosure Questions		Ethics & Transparency	Product Responsibility	Human Resources	Responsiveness to Stakeholders	Respect for Human Rights	Environment Protection	Public Policy Advocacy	Inclusive Growth	Customer Engagement
		P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and management processes										
1.	a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Y	N	Y	Y	Y	N	Y	N	Y
	b. Has the policy been approved by the Board? (Yes/No)	Y	N	Y	Y	Y	N	Y	N	Y
	c. Web Link of the Policies, if available	https://www.sundaramfinance.in/assets/app_docs/investor-info/corporate_governance/policies/sebi/policies_on_brst.pdf								
2.	Whether the entity has translated the policy into procedures. (Yes / No)	Yes (to the extent applicable)								
3.	Do the enlisted policies extend to your value chain partners? (Yes/No)	Y	N	Y	Y	Y	N	Y	N	Y
4.	Name of the national and international Codes / certifications / labels / standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	Not applicable								
5.	Specific commitments, goals and targets set by the entity with defined timelines, if any.	<p>1. Financial access and inclusion: The Company is committed to its founding purpose of providing financial products, services and solutions to the underserved Indian small entrepreneur – small road transport operator, small construction equipment operator, small farmer, MSME owner – at a reasonable price embracing its founding values of prudence, honesty and fairness.</p> <p>2. Social responsibility: Focus all available resources on contributing to marginalised and under-privileged citizens in the communities the Company operates through its Corporate Social Responsibility initiatives with emphasis on healthcare, education, ecology and preservation of India's culture and heritage.</p> <p>3. Sustainability: The Company is committed to financing clean fuel vehicles and will endeavour to remain ahead of the curve on this front, especially in the commercial vehicle space. In addition, the Company will continue to pursue clean energy options for internal energy requirements.</p>								

6.	<p>Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.</p>	<p>Recognising its role towards all stakeholders at large, the Company has proactively taken the following steps:</p> <ul style="list-style-type: none"> a) Periodic engagement with different categories of customers, business partners and other value chain partners to ensure timely and fair financial access, as well as meaningful inclusion. The Company conducts regular training and awareness programs for employees to educate them on the importance of healthy customer relationship. Further, the Company conducts periodic awareness programs for customers as part of RBI's customer awareness initiatives. 80 – 90 % of financing is targeted towards the underserved Indian small entrepreneur. <p>Additionally, the Company engages periodically with depositors and shareholders in connection with unclaimed deposits, unclaimed dividends / shares, dematerialisation, nomination, electronic transfer option for receipt of dividends etc.</p> b) Contribution towards the sustenance of healthcare, education, environmental sustainability, ecological balance, heritage, art & culture, disaster relief, women empowerment, and rural development, so as to reach out to the vulnerable sections of the society across the country. Periodic health awareness programmes are conducted for employees and customers, with special focus on the marginalised and vulnerable segments like drivers, women etc. During FY2023, the Company has voluntarily spent in excess of its CSR outlay, which included 69% towards healthcare, 18% towards education, 6% towards environment and ecology, and the balance 7% towards other focus areas. c) Increased focus on funding in alternative fuel space, windmills etc., high degree of investment in solar energy, prudence in the day-to-day consumption of energy, water etc., responsible waste management and increased thrust on preservation of ecological balance under CSR. Over 1000 cr. of disbursements in FY2023 were towards financing clean fuel vehicles (EV, CNG, etc.).
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Governance, leadership, and oversight

7.	<p>Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets, and achievements (listed entity has flexibility regarding the placement of this disclosure):</p> <p>Sundaram Finance has, over the past nearly seven decades, provided access to finance to small road transport operators, small construction equipment operators, small farmers and aspirational MSME entrepreneurs. The founding purpose of the Company has been to provide these underserved stakeholders finance at reasonable rates coupled with renowned “Sundaram experience,” an unswerving commitment to customer service.</p> <p>The Company has a long history of adhering to the highest standards of governance and transparency, often leading the industry in adopting regulatory and policy dispensations well ahead of timelines set by respective authorities. The founder Chairman's initiative to move an act of Parliament and amend the SBI Act to enable bank financing to NBFCs exemplifies these standards the Company has striven to hold. The Company also has an equally long track record in contributing to the communities that we live and operate in, with the focus being largely in the areas of healthcare, education, ecology and conservation of India's rich culture & heritage. Consequently, the more contemporary ESG considerations have been an integral part of the complexion of the Company for a while now.</p> <p>The Company has always taken a long-term view and believes that Sustainability objectives are an integral part of its core purpose. The Company has increased its focus on financing clean fuel vehicles and in its endeavour to reduce its carbon footprint, has ensured that all branches, regional offices and its corporate head office have embraced solar power. Its social contributions extend pan-India and encompass support to over 100 beneficiaries. The Company believes that high standards of governance are a necessary imperative for serving all its stakeholders responsibly and to promote sustainability. The Company's considered view is that ESG responsibilities and deliverables should be measured by how wide and deep ESG parameters are integrated into the Company's processes, operational decisions & priorities, and not so much by “outcome” metrics.</p>
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8.	Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Mr. Rajiv C. Lochan Managing Director DIN: 05309534																	
9.	Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	Same as point no. 8																	
10.	Details of Review of NGRBCs by the Company																		
Subject for review		Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly / Quarterly / Any other – please specify)								
		P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Performance against above policies and follow up action.		Director									M/Q/A	-	P^	P^	M/Q/A	-	M	-	P^
Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances		Director									M/Q/A	-	P^	P^	M/Q/A	-	M	-	P^
P^ - the engagement with employees and customers is done on a day-to-day basis																			
11.	Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9	No. However, the policies and processes are reviewed on a periodic basis by the internal audit team, risk management team, compliance team and Senior Management on a regular basis, with the support and participation of the regional / functional heads. Wherever applicable, the policies are also assessed and evaluated by the statutory auditors, the Board of Directors, and its committees.								
12.	If answer to question (1) above is “No” i.e. not all Principles are covered by a policy, reasons to be stated:																		
Questions		P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9									
1. The entity does not consider the principles material to its business (Yes/No)		-	-	-	-	-	-	-	-	-									
2. The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)		-	-	-	-	-	-	-	-	-									
3. The entity does not have the financial or/human and technical resources available for the task (Yes/No)		-	-	-	-	-	-	-	-	-									
4. It is planned to be done in the next financial year (Yes/No)		-	-	-	-	-	-	-	-	-									
5. Any other reason (please specify)		-	NA	-	-	-	NA	-	NA	-									

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

Principle 1: Businesses should conduct and govern themselves with Integrity, and in a manner that is Ethical, Transparent and Accountable.

ESSENTIAL INDICATORS

1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
Board of Directors	7	<u>Topics / Principles covered:</u> <ul style="list-style-type: none"> • Overall business performance • Customer focus • Stakeholder interests • Market and environment • Business prospects • Corporate Governance • Regulatory Compliance • CSR initiatives • Employee performance management • Employee engagement 	100
Key Managerial Personnel		Impact: All the programmes were highly informative and resourceful for the Directors, KMP and other functional heads, who also participated actively in the programmes.	
Employees other than BoD and KMPs	Senior level employees are trained on various aspects of leadership capabilities through various tailor-made leadership programmes. Other employees are put through various training programmes relating to domain knowledge and soft skills as part of the initiatives undertaken by Sundaram Learning. All employees of the Company are also covered under various other programmes like, induction, values socialisation, risk awareness, IT and cyber security, health awareness, etc. Additionally, employees are also trained on various business and social aspects through the online Learning Management System.		100
Workers	NA		

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format:

Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement	Amount (In INR)	Brief of the Case	Has an appeal been agencies/ judicial institutions
Penalty/ Fine	Nil				
Settlement					
Compounding fee					
Non-Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement	Brief of the Case	Has an appeal been agencies/ judicial institutions	
Imprisonment	Nil				
Punishment					

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

Case Details	Name of the Regulatory / Enforcement Agencies / Judicial Institutions
NA	NA

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

No

5. Number of Directors / KMPs / employees / workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery / corruption:

Category	2022-23	2021-22
Board of Directors	Nil	
KMPs		
Employees		
Workers		

6. Details of complaints with regard to conflict of interest:

Description	2022-23		2021-22	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	Nil		Nil	
Number of complaints received in relation to issues of Conflict of Interest of the KMPs				

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

Nil

LEADERSHIP INDICATORS

1. Awareness programmes conducted for value chain partners on any of the principles during the financial year:

Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	% of value chain partners covered (by value of business done with such partners) under the awareness programmes
The Company engages with a wide range of stakeholders – automobile dealers, service providers, technology partners, oil marketing companies, MSMEs, etc., – on an on-going basis and conducts awareness programmes on the values systems, standards of integrity and transparency, and service excellence.		

2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If yes, provide details of the same.

Yes.

The Board of Directors has approved and adopted a Code of Conduct (the Code) for all the Directors which inter alia includes suitable clauses to ensure effective management of conflict of interest. All the Directors affirm compliance with the Code on an annual basis to the Board.

Principle 2: Businesses should provide goods and services in a manner that is sustainable and safe

ESSENTIAL INDICATORS

1. **Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.**

	2022-23	2021-22	Details of improvements in environmental and social impacts
R & D	Not Applicable		
Capex	Not Applicable		

2. a) **Does the entity have procedures in place for sustainable sourcing? (Yes/No)**

Not applicable

- b) **If yes, what percentage of inputs were sourced sustainably?**

Not applicable.

3. **Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.**

Although, this Principle has limited or no applicability to the Company, the following steps are effectively implemented to ensure appropriate handling of e-waste:

1. All the End-of-Life IT Assets are identified by the respective functions and details are shared with the IT Team for scraping.
2. The items are then bifurcated into reusable and disposable category.
3. In respect of storage devices to be disposed off, hard disks are degaussed.
4. Disposal of all e-waste in the Company is done only through a pre-approved e-waste management agency, with whom the Company has a valid contract.
5. After examining the details of the devices to be disposed, the IT team co-ordinates with the approved e-waste management agency and takes suitable steps to dispose the devices at the agreed scrap value.
6. E-waste disposal is done by the Company once in every three months, or at such shorter intervals as may be required.

The Company makes very limited use of plastic mineral water bottles and stationery items made of plastic. The Company ensures that all such plastic waste is disposed off on a monthly basis or such other shorter frequency as may be considered necessary, in a responsible manner, through vendors who are authorised to recycle the same. All other bio-degradable waste is disposed off in a responsible manner through the Municipal Corporation and authorised vendors. The Company does not produce any hazardous waste.

4. **Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.**

Not applicable

LEADERSHIP INDICATORS

1. **Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?**

NIC Code	Name of Product/ Service	% of total turnover contributed	Boundary for which the life cycle perspective / assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No) If yes, provide the web-link.
Not Applicable					

2. **If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.**

Name of Product/Service	Description of the risk/concern	Action Taken
Not Applicable		

3. **Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).**

Indicate Input Material	Re-cycled or re-used input material to total material	
	2022-23	2021-22
Not Applicable		

4. **Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:**

	2022-23			2021-22		
	Re-used	Recycled	Safely Disposed	Re-used	Recycled	Safely Disposed
Plastics (including packaging)	Not Applicable					
E-waste						
Hazardous waste						
Other waste						

5. **Reclaimed products and their packaging materials (as percentage of products sold) for each product category.**

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
Not Applicable	

Principle 3 Businesses should respect and promote the well-being of all employees, including those in their value chains

Essential Indicators

1. A. Details of measures for the well-being of employees

% of employees covered by											
Category	Total	Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day care facilities	
		Number (A)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Male	4510	4510	100%	4510	100%	-	-	-	-	-	-
Female	227	227	100%	227	100%	227	100%	NA	NA	-	-
Total	4737	4737	100%	4737	100%	227	100%	-	-	-	-
Other than permanent employees											
Male	2098	-	-	2098	100%	-	-	-	-	-	-
Female	53	-	-	53	100%	-	-	-	-	-	-
Total	2151	-	-	2151	100%	-	-	-	-	-	-

B . Details of measures for the well-being of workers

% of workers covered by											
Category	Total	Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day care facilities	
		Number (A)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Male	NA										
Female											
Total											
Other than permanent workers											
Male	NA										
Female											
Total											

2. Details of retirement benefits, for Current FY and Previous FY

Benefits	2022-23			2021-22		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100%	100%	Y	100%	100%	Y
Gratuity	100%	100%	Y	100%	100%	Y
ESI	1%	1%	Y	1%	1%	Y
Others - please specify	-	-	-	-	-	-

3. **Accessibility of workplaces**

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Yes, the Company premises/offices are accessible to differently abled employees and workers.

4. **Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy**

The Company, since inception, has always followed the principle of providing equal opportunities to all persons irrespective of their physiological condition. The Company has never believed in any form of discrimination between persons who are physically fit and those with disabilities. Hence, the need to frame an equal opportunity policy has not been felt necessary.

5. **Return to work and Retention rates of permanent employees and workers that took parental leave.**

Gender	Permanent Employees		Permanent Workers	
	Return to work rate	Retention Rate	Return to work rate	Retention rate
Male	–	–	–	–
Female	3%	100%	–	–
Total	3%	100%	–	–

6. **Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.**

	Yes/No (If yes, then give details of the mechanism in brief)
Permanent Workers	Not Applicable
Other than Permanent Workers	
Permanent employees	Yes. The employees of the Company have been provided with the facility to raise their grievances through a Help desk portal on the Human Resource Management System [HRMS]. The grievances raised by the employees on the HRMS are usually redressed within a period of three working days, and the redressal process is monitored by the management and subjected to Internal Audit.
Other than Permanent Employees	Not Applicable

7. **Membership of employees and worker in association(s) or Unions recognised by the listed entity.**

Category	2022-23			2021-22		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B/A)	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B/A)
Total Permanent Employees						
- Male	1105	692	62.62%	966	826	85.51%
- Female	28	18	64.29%	25	16	64.00%
Total Permanent Workers						
- Male	Not Applicable					
- Female	Not Applicable					

8. Details of training given to employees and workers

Category	2022-23					2021-22				
	Total	On health and safety measures		On skill upgradation		Total	On health and safety measures		On skill upgradation	
	(A)	No. (B)	% (B/A)	No. (C)	% (C/A)	(D)	No. (E)	% (E/A)	No. (F)	% (F/A)
Male	4,510	4,510	100%	4,510	100%	4,039	4,039	100%	4,039	100%
Female	227	227	100%	227	100%	221	221	100%	221	100%
Total	4,737	4,737	100%	4,737	100%	4,260	4,260	100%	4,260	100%
Other than permanent employees										
Male	2,098	-	821	39%	-	-	-	-	-	-
Female	53	-	-	-	-	-	-	-	-	-
Total	2,151	-	821	39%	-	-	-	-	-	-

9. Details of performance and career development reviews of employees and worker

Category	2022-23			2021-22		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
Employees						
Male	4,510	4,273	93.50%	4,022	3,718	92.44%
Female	227	206	90.75%	206	179	86.89%
Total	4,737	4,479	94.55%	4,228	3,897	92.17%
Workers						
Male	NA					
Female						
Total						

10. Health and safety management system:

- a) Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage of such system.

Yes. Regular online training programs on occupational health are conducted, with monthly webcast by a medical professional on the related subject and online / Offline Yoga classes etc.

- b) What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

The employees of the Company have limited exposure to work related hazards, which is restricted to accidents during travel by two-wheelers or cars. Though such accidents have been very few in number, the Company has proactively taken effective steps to identify the risk of such a hazard and ensured mitigation of the same through programmes such as educating the employees on the importance of wearing a helmet while riding a two-wheeler or wearing the seat belt while driving a car, frequent eye check-ups and need based eye treatments for drivers, etc.

- c) Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks?

Please refer response to Point No. 10 (b)

d) Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)

Yes. All employees of the Company are covered under Group Medclaim Insurance, Graded Life Cover and Group Personal Accident Insurance from the date of joining. All female employees of the Company are being supported with maternity leave with pay in accordance with the applicable statutory provisions.

11. Details of safety related incidents, in the following format:

Safety Incident/Number	Category	2022-23	2021-22
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0	0
	Workers	NA	NA
Total recordable work-related injuries	Employees	0	0
	Workers	NA	NA
No. of fatalities	Employees	0	0
	Workers	NA	NA
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	NA	NA

12. Describe the measures taken by the entity to ensure a safe and healthy workplace:

The workplace is designed with the primary objective of having safe work stations. At least 2 representatives from each department are given training on fire safety & first aid. This is done every year and each of them designated as Emergency Response Team.

13. Number of Complaints on the following made by employees and workers:

	2022-23			2021-22		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working conditions	Nil					
Health & Safety						

14. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and Safety Practices	100%
Working Conditions	100%

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

Not applicable

Leadership Indicators

1. Does the entity extend any life insurance or any compensatory package in the event of death of

(A) Employees (Y/N).

The Company provides Graded Life Insurance Coverage for all employees from the date of their joining. Additionally, the Company extends the following types of support in the event of the death of an employee:

- a. A Compassionate Allowance is paid to the family to support them in managing the incidental expenses that are likely to arise immediately upon the death of the employee, as well as meeting their livelihood.
- b. Reimbursement of the school/college fees for a maximum of two children in accordance with the policy of the Company.
- c. Providing employment in the Company/Group to the spouse or adult child.

(B) Workers (Y/N)

Not Applicable

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

Verifying the dues by checking the payment challans provided by them and also in the portal.

3. Provide the number of employees / workers having suffered high consequence work-related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

Category	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	2022-23	2021-22	2022-23	2021-22
Employees	NA		NA	
Workers	NA		NA	

Even though the employees of the Company have not suffered any high consequence work-related injury/ill health/fatalities, in the unfortunate event of an injury resulting in permanent disability or the death of an employee, the Company provides a job opportunity to the spouse or adult child of the employee concerned, in addition to the financial support mentioned under Point No. 1 (A) of the Leadership Indicators

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No).

No.

5. Details on assessment of value chain partners

Benefits	% of value chain partners (by value of business done with such partners) that were assessed
Working conditions	Nil
Health & Safety Practices	Nil

6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners

Nil

Principle 4: Businesses should respect the interests of and be responsive to all their stakeholders

Essential Indicators

1. Describe the processes for identifying key stakeholder groups of the entity.

The Company engages with various categories of persons associated with its line of business towards the sustenance and preservation of one of its core values, viz., relationships, on a regular basis. All key stakeholder groups of the Company are identified primarily through such on-going engagements.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as Vulnerable & Marginalised Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Others	Frequency of engagement (Annually/Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Customers	No	<ol style="list-style-type: none"> 1. Customer meetings 2. Road shows 3. In-person engagement 4. Social media / Online platforms 5. E-mails / SMS 6. Website 7. Postal communication 	Periodic	<ol style="list-style-type: none"> 1. Service 2. Relationship 3. Financial inclusion 4. Information about subsisting contract 5. New product / service updates 6. Customer satisfaction 7. Grievance Redressal Awareness 8. Regulatory / Statutory awareness
Business Partners	No	<ol style="list-style-type: none"> 1. Business conclaves 2. In-person engagement 3. Website 4. Social media 5. E-mails 	Periodic	<ol style="list-style-type: none"> 1. Relationship 2. Customer Service / Satisfaction / Benefits 3. Financing arrangements 4. Technological solutions for business processes and customer solutions 5. New product / service updates
Employees	No	<ol style="list-style-type: none"> 1. Town Hall Meetings 2. Focus Group Discussions 3. Trainings 4. Team Meetings 5. Family Meets 6. Special Event Gatherings 7. Intranet 8. E-mails 9. Notice Board 	Periodic	<ol style="list-style-type: none"> 1. Company performance updates 2. Training 3. Employee policy communication 4. Employee engagement programmes 5. Health and safety related awareness programmes 6. Family socialisation and interaction 7. Statutory communication

Shareholders and other Investors	No	<ol style="list-style-type: none"> 1. Email 2. Stock Exchange disclosures 3. Website 4. Institutional investor meetings 5. Press releases 6. Postal Communication 7. Newspaper advertisement 8. Telephonic communication 	Periodic	<ol style="list-style-type: none"> 1. Performance updates 2. Dividend / interest related intimation 3. Unclaimed dividend follow-up 4. Dematerialisation follow-up 5. Regulatory disclosures 6. General meetings / postal ballot notices 7. Other services
Depositors	Yes	<ol style="list-style-type: none"> 1. Email 2. Social media / Online platforms 3. Website 4. Newspaper advertisement 5. Postal Communication 6. Telephonic communication 	Periodic	<ol style="list-style-type: none"> 1. Service 2. Relationship 3. Interest Rate revisions 4. Statutory communication 5. Tax related communication 6. Other services
Bankers	No	<ol style="list-style-type: none"> 1. Consortium meeting 2. Meetings with individual bankers 3. E-mails 4. Postal communication 	Periodic	<ol style="list-style-type: none"> 1. Service 2. Relationship 3. Performance updates 4. Funding proposals
Regulatory Authorities	No	<ol style="list-style-type: none"> 1. Portals of respective regulators 2. Website 3. E-mails 4. Newspaper advertisements 	Monthly / Quarterly / Annual	Regulatory disclosures
Communities	Yes	CSR initiatives	Periodic	<ol style="list-style-type: none"> 1. Promoting healthcare 2. Promoting education 3. Environmental sustainability and ecological balance 4. Heritage, Art and Culture 5. Empowerment of women and children from weak socio-economical background 6. Disaster Relief

Leadership Indicators

- 1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.**

The consultation on economic, environmental, and social topics with stakeholders is done by the members of the Senior Management and regional / functional heads and the feedback from such consultations is provided to the Board by the Managing Director, Deputy Managing Director and Chief Financial Officer.

- 2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.**

Yes.

Based on the inputs received from customers, the Company has been conducting eye testing camps for drivers and providing them with free spectacles for many years now. Similar health awareness programs are being conducted for vulnerable sections of the community, based on inputs received from various stakeholders.

- 3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalised stakeholder groups.**

"In a commercialised world, where business interests are often projected, there are silver lines of hope like one now exhibited" - Kerala High Court. Sundaram Finance has earned the appreciation of the Kerala High Court for transferring the entire insurance amount - against the loss of a financed vehicle - it received, to the victims of a gruesome incident. The victims included a POCSO survivor who lost her parents and one sibling after her father set fire to their vehicle. Following deliberations with the insurance company, the Victim Rights Centre and Sundaram Finance convinced the insurance company to transfer the amount to Sundaram Finance, which in turn transferred the amount to the victim and her minor sibling.

Principle 5 : Businesses should respect and promote human rights

Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format

Category	2022-23			2021-22		
	Total (A)	No. of employees covered (B)	% (B/A)	Total (c)	No. of employees covered (D)	% (D/C)
EMPLOYEES						
Permanent	4,737	4,737	100%	4,260	4,260	100%
Other than Permanent	-	-	-	-	-	-
Total Employees	-	-	-	-	-	-
WORKERS						
Not applicable						

2. Details of minimum wages paid to employees and workers, in the following format:

Category	2022-23					2021-22				
	Total	Equal to Minimum Wage		More than Minimum Wage		Total	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
EMPLOYEES										
Permanent										
Male	4,510	-	-	4,510	100%	4,039	-	-	4,039	100%
Female	227	-	-	227	100%	221	-	-	221	100%
Other than Permanent										
Male	2,098	-	-	2,098	100%	-	-	-	1,972	100%
Female	53	-	-	53	100%	-	-	-	56	100%
WORKERS										
Not applicable										

3. Details of remuneration / salary / wages, in the following format

	Male		Female	
	Number	Median remuneration/ salary / wages of respective category (₹)	Number	Median remuneration/ salary/ wages of respective category (₹)
Board of Directors (BoD) (Whole-time directors)	3	245.46	Nil	–
Key Managerial Personnel (other than BoD)	2	105.34	Nil	–
Employees other than BoD and KMP	4,505	6.82	227	6.72

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No).

Yes.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

The mechanism to redress grievances related to human rights issues are in accordance with policies such as the POSH Policy, Whistle Blower Policy, Code of Conduct for employees, etc. The grievances, if any, raised by the employees are evaluated by the Head – HR and escalated to the senior management if considered necessary. Thereafter, steps are taken to redress the grievance through appropriate, corrective and preventive measures.

6. Number of Complaints on the following made by employees and workers:

	2022-23			2021-22		
	Filed during the year	Pending resolution at the end of the year	Remarks	Filed during the year	Pending resolution at the end of the year	Remarks
Sexual Harassment	Nil		NA	Nil		NA
Discrimination at workplace	Nil		NA	Nil		NA
Child Labour	Nil		NA	Nil		NA
Forced Labour/ Involuntary Labour	Nil		NA	Nil		NA
Wages	Nil		NA	Nil		NA
Other human rights related issues	Nil		NA	Nil		NA

7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

The Senior Management, along with the Head – HR, Compliance Officer and Head – Internal Audit, ensures that complainants/ whistle blowers, if any, are adequately protected and not subjected to any form of adverse consequences for the complaint raised by them. Further, the Senior Management has ensured that any attempt to victimise a complainant is dealt with appropriate disciplinary action.

8. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

No

9. Assessments for the year

Particulars	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Sexual Harassment	100%
Discrimination at workplace	
Child Labour	
Forced Labour/Involuntary Labour	
Wages	
Others – please specify	

10. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.

Not applicable

Leadership Indicators

1. Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints.

No

2. Details of the scope and coverage of any Human rights due diligence conducted.

No

3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

Yes

4. Details on assessment of value chain partners:

Particulars	% of value chain partners (by value of business done with such partners) that were assessed
Sexual Harassment	Nil
Discrimination at workplace	
Child Labour	
Forced Labour/Involuntary Labour	
Wages	
Others – please specify	

5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.

Nil

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

Essential Indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format

Parameter	2022-23	2021-22
Total electricity consumption (A) (Giga Joules)	32,540.38	24,585.13
Total fuel consumption (B) (Giga Joules)	137.6	89.43
Energy consumption through other sources (C) (Solar) (Giga Joules)	1150	1040.95
Total energy consumption (A+B+C) (Giga Joules)	33,827.98	25,715.51
Energy intensity per rupee of turnover (Total energy consumption/ turnover in rupees)	0.0000008	0.0000007
Energy intensity (optional) – the relevant metric may be selected by the entity	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

Not applicable

3. Provide details of the following disclosures related to water, in the following format:

Parameter	2022-23	2021-22
Water withdrawal by source (in kilolitres)		
(i) Surface water	NA	NA
(ii) Groundwater	80,335	64,260
(iii) Third party water	NA	NA
(iv) Seawater / desalinated water	NA	NA
(v) Others	NA	NA
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	80,335	64,260
Total volume of water consumption (in kilolitres)	80,335	64,260
Water intensity per rupee of turnover (Water consumed / turnover)	0.0000020	0.0000017
Water intensity (optional)–the relevant metric may be selected by the entity	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation. – Not applicable

5. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format

Parameter	Please specify unit	2022-23	2021-22
NOx		Not applicable	
SOx			
Particulate matter (PM)			
Persistent organic pollutants (POP)			
Volatile organic compounds (VOC)			
Hazardous air pollutants (HAP)			
Others – please specify			

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency

6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format

Parameter	Unit	2022-23	2021-22
Total Scope 1 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	Not applicable	
Total Scope 2 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent		
Total Scope 1 and Scope 2 emissions per rupee of turnover			
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity			

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

7. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details

Not Applicable

8. Provide details related to waste management by the entity, in the following format:

Parameter	2022-23	2021-22
Total Waste generated (in metric tonnes)		
Plastic waste (A)	NA	NA
E-waste (B)	8,317	8,111
Bio-medical waste (C.)	NA	NA
Construction and demolition waste (D)	NA	NA
Battery waste (E.)	NA	NA
Radioactive waste (F)	NA	NA
Other Hazardous waste. Please specify, if any. (G)	NA	NA
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	NA	NA
Total (A+B + C + D + E + F + G + H)	8317	8111
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled	Not Applicable	
(ii) Re-used		
(iii) Other recovery operations		
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	Not Applicable	
(ii) Landfilling		
(iii) Other disposal operations		
Total		

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

The Company does not manufacture anything and therefore, the question of using hazardous and toxic chemicals in products and processes does not arise. As regards waste management practises of the Company, please refer the response to Essential Indicator No. 3 under Principle 2.

10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

Not Applicable

11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
Not applicable					

12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

S. No.	Specify the law / regulation / guidelines which was not complied with	Provide details of the non-compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
Not applicable				

Leadership Indicators

1. Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources, in the following format:

Parameter	2022-23	2021-22
From renewable sources	-	-
Total electricity consumption (A)	-	-
Total fuel consumption (B)	-	-
Energy consumption through other sources (C)	-	-
Total energy consumed from renewable sources (A+B+C)	-	-
From non-renewable sources		
Total electricity consumption (D)	-	-
Total fuel consumption (E)	-	-
Energy consumption through other sources (F)	-	-
Total energy consumed from non-renewable sources (D+E+F)	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

2. Provide the following details related to water discharged:

Parameter	2022-23	2021-22
Water discharge by destination and level of treatment (in kilolitres)	–	–
(i) To Surface water	–	–
- No treatment	–	–
- With treatment – please specify level of treatment	–	–
(ii) To Groundwater	–	–
- No treatment	–	–
- With treatment – please specify level of treatment	–	–
(iii) To Seawater	–	–
- No treatment	–	–
- With treatment – please specify level of treatment	–	–
(iv) Sent to third-parties	–	–
- No treatment	–	–
- With treatment – please specify level of treatment	–	–
(v) Others	–	–
- No treatment	–	–
- With treatment – please specify level of treatment	–	–
Total water discharged (in kilolitres)	–	–

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency

3. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):

For each facility / plant located in areas of water stress, provide the following information:

- (i) Name of the area
- (ii) Nature of operations
- (iii) Water withdrawal, consumption and discharge in the following format:

Parameter	2022-23	2021-22
Water withdrawal by source (in kilolitres)	–	–
(i) Surface water	–	–
(ii) Groundwater	–	–
(iii) Third party water	–	–
(iv) Seawater / desalinated water	–	–
(v) Others	–	–
Total volume of water withdrawal (in kilolitres)	–	–
Total volume of water consumption (in kilolitres)	–	–
Water intensity per rupee of turnover (Water consumed / turnover)	–	–
Water discharge by destination and level of treatment (in kilolitres)	–	–
(i) To Surface water	–	–
- No treatment	–	–
- With treatment – please specify level of treatment	–	–
(ii) To Groundwater	–	–
- No treatment	–	–
- With treatment – please specify level of treatment	–	–
(iii) To Seawater	–	–
- No treatment	–	–
- With treatment – please specify level of treatment	–	–

(iv) Sent to third-parties		
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(v) Others		
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
Total water discharged (in kilolitres)	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency

4. Please provide details of total Scope 3 emissions & its intensity, in the following format:

Parameter	Unit	2022-23	2021-22
Total Scope 3 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	-	-
Total Scope 3 emissions per rupee of turnover	-	-	-
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity	-	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

5. With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

6. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format

Sr. No	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
-	-	-	-

7. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.

Yes, the Company has a robust and effective business continuity and disaster management plan. Adequate safety measures are in place to handle unforeseen hazards such as fires, flood, earthquakes, etc at the Head Office and branches. As regards the IT Infrastructure, the Company has a state-of-the-art Data Centre and a Disaster Recovery Site with near real-time data replication. The Company has a 24x7 Security Operations Centre for real-time cyber threat monitoring and alerting. The Company has also built a secure and scalable IT Infrastructure for remote working (Work From Home) to ensure smooth business operations and customer services during adversities like the COVID-19 pandemic.

8. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.

Nil

9. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts

Nil

Principle 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.

Essential Indicators

1. A) Number of affiliations with trade and industry chambers/ associations.

Eight (8)

B) List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

S. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers / associations (State / National)
1	Madras Chamber of Commerce & Industry	State
2	Finance Industry Development Council	National
3	Finance Companies' Association (India)	National
4	South India Hire Purchase Association	State
5	International Financial and Leasing Association	International
6	Madras School of Economics	State
7	Madras Management Association	State
8	Confederation of Indian Industry	National

2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.

Name of authority	Brief of the case	Corrective action plan
Not applicable		

Leadership Indicators

1. Details of public policy positions advocated by the entity:

S. No.	Public Policy advocated	Method resorted for such advocacy	Whether information available in public domain ? (Yes/No)	Frequency of Review by Board (Annually / Half Yearly/ Quarterly/ Others - please specify)	Web link, if available
Our Company has been representing on various initiatives, on its own and through FIDC, where we are an active participant. The recent verdict of the Hon'ble Supreme Court of India regarding the non-applicability of the Money Lenders Act to NBFCs was an initiative taken up by the Company on behalf of the industry as a whole.					

Principle 8: Businesses should promote inclusive growth and equitable development.

Essential Indicators

1. **Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year**

Name and brief details of project	SIA Notification No.	Date of Notification	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No)	Relevant Web link
Not applicable					

2. **Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:**

S. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In INR)
Not applicable						

3. **Describe the mechanisms to receive and redress grievances of the community.**

The Company's operations do not have any adverse impact on any section of the community and hence, the question of the community having grievances does not arise. However, the Company is sensitive and alert to the requirements of the Community, and it endeavours to fulfil these requirements through its CSR initiatives.

4. **Percentage of input material (inputs to total inputs by value) sourced from suppliers:**

	2022-23	2021-22
Directly sourced from MSMEs/small producers	Not Applicable	
Sourced directly from within the district and neighbouring districts		

Leadership Indicators

1. **Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):**

Details of negative social impact identified	Corrective action taken
Not Applicable	

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies

S. No	State	Aspirational District	Amount spent (In INR)
1	Tripura - (through 'Ahvaan Trust, New Delhi')	Dhalai	2,00,000

3. (a) **Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No) - Not applicable**
 (b) **From which marginalized /vulnerable groups do you procure? - Not applicable**
 (c) **What percentage of total procurement (by value) does it constitute? - Not applicable**

4. **Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:**

S. No	Intellectual Property based on traditional knowledge	Owned/Acquired (Yes/No)	Benefit shared (Yes / No)	Basis of calculating benefit share
Not Applicable				

5. **Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved**

Name of authority	Brief of the case	Corrective action taken
Not Applicable		

6. **Details of beneficiaries of CSR Projects:**

S. No	CSR Project	No of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
1	Chakra Foundation	36	70%
2	Sanjeevani Life Beyond Cancer	57,559	72%
	Programs for Holistic Healing of Cancer Patients (124 sessions on various subject were held)	3,137	over 95%
	Mass Awareness Programs for Cancer Prevention (291 programs - physical + virtual - were held)	54,422	over 50%
3	Ahvaan Trust		
	Delhi Government Schools - Delhi Board of School Education (DBSE)	Teachers: 900+ Students: 36,000	Teachers: Female: 100% Students: Female: 50%
	Delhi Government Schools - State Council of Educational Research & Training (SCERT)	Teachers: 9,000 Students: 3,43,500	Teachers: Female: 100% Students: Female: 50%
	Tripura Pre-primary Schools - Department of Elementary Education	Teachers: 354 Students: 8,850	Teachers: Female: 80% Students: Female: 45%
	Tripura NIPUN Bharat - NIPUN PMU, Samagra Shiksha	Teachers: 10,000 Students: 2,50,000	Teachers: Female: 80% Students: Female: 48%
4	Modern School Educational and Development Trust	Children: 192	100%
5	Children Movement for Civic Awareness	3,171	100%
6	Live, Love and Laugh	500 direct beneficiaries & 500 caregivers	100%
7	Madras Spice Ladies Circle	Building of 100 toilets in Tiruvallur district villages	100%
8	Open Mentor Trust - Rural Interaction Centres providing Free Education to Students studying TN State Board Syllabus by CSR Funds	Students: 323	95%
9	Sri Ramachandra Educational and Health Trust - treatment of children with malignancies	53	55%
10	RMD Pain and Palliative Care Trust	Critical Cancer Patients: 18 Overall : 216	100%
11	Single Teacher School	Students: 1,500 Teachers: 50	10%

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

Essential Indicators

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

customer grievances/complaints lodged with the Company, and which shall be acted upon by the company:

- a) All customer grievances / complaints are redressed by the Company in accordance with the Fair Practices Code (Code) and Customer Grievances Redressal Policy (Policy) approved and adopted by the Board.
- b) All customer complaints are received by the Company through the Customer Voice Portal set up for the said purpose.
- c) The centralised Customer Voice Team (CVT) receives and responds to all the complaints received on the Customer Voice Portal, in coordination with the branches and other functions at head office, well within the timelines laid down for the said purpose.
- d) Customer complaints are monitored on a regular basis by the Grievance Officers, Principal Nodal Officer, and other Nodal Officers, who coordinate with the CVT to ensure that all customer grievances are redressed within a reasonable time.
- e) The Company has appointed an Internal Ombudsman (IO) in compliance with the RBI Guidelines for escalation of customer complaints that are rejected by the Company.

2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about

	As a percentage to total turnover
Environmental and social parameters relevant to the product	Not Applicable
Safe and responsible usage	Not Applicable
Recycling and / or safe disposal	Not Applicable

3. Number of consumer complaints in respect of the following:

	2022-23		Remarks	2021-22		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy			Nil			
Advertising						
Cyber-security						
Delivery of essential services						
Restrictive Trade Practices						
Unfair Trade Practices						

	2022-23		Remarks	2021-22		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Other	2,731	62	The figures mentioned under complaints pending at the end of the year relate to complaints that were received during March 2023 and were redressed during April 2023, well within the stipulated period of 30 days	2,825	42	The figures mentioned under complaints pending at the end of the year relate to complaints that were received during March 2022 and were redressed during April 2022, well within the stipulated period of 30 days

4. Details of instances of product recalls on account of safety issues: Not applicable

	Number	Reasons for recall
Voluntary recalls	Not Applicable	
Forced recalls		

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy. - Yes - <https://www.sundaramfinance.in/privacy-policy>

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services. Not applicable

Leadership Indicators

1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available). - <https://www.sundaramfinance.in/>
2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services. - NA
3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services - NA
4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No) - NA
5. Provide the following information relating to data breaches:
 - a. Number of instances of data breaches along-with impact - NIL
 - b. Percentage of data breaches involving personally identifiable information of customers - NIL

Form No. MR-3

Secretarial Audit Report for the Financial Year ended 31.03.2023

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To.

The Members,

SUNDARAM FINANCE LIMITED

(CIN: L65191TN1954PLC002429)

21, Patullos Road, Chennai-600002.

I M. Damodaran, Managing Partner of M Damodaran & Associates LLP, Practicing Company Secretaries, Chennai have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s. SUNDARAM FINANCE LIMITED** (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31.03.2023 ('Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31.03.2023 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') :- (to the extent applicable)
 - (a) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - (d) Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
 - (e) Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act, dealing with client and ESOP;
 - (f) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI LODR');
 - (g) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
- (vi) Reserve Bank of India Act, 1934 and RBI Directions and Guidelines as applicable to the NBFCs.

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

- i. Listing Agreements entered into by the Company with the National Stock Exchange of India Limited; and
- ii. Secretarial Standards (SS-1) for Board Meeting and Secretarial Standards (SS-2) for General Meeting issued by The Institute of Company Secretaries of India.

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

I further report that the Board of Directors of the Company is duly constituted with proper balance of Executive, Non-Executive and Independent Directors. The change in the composition of the Board of Directors that took place during the period under review was carried out in compliance with the provisions of the act.

Adequate notice is given to all directors to schedule the Board Meetings. Agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.

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

I further report that the Company is in compliance with Regulation 3(5) & 3(6) of SEBI (Prohibition of Insider Trading) Regulations, 2015 with respect to Structured Digital Database.

I further report that during the audit period;

- i. Sri P Viswanathan, Secretary & Compliance Officer of the Company, has retired from the services of the Company at the close of business hours on 31st May, 2022.
- ii. Sri. P. N. Srikant was appointed as Secretary & Compliance Officer of the Company with effect from 1st June, 2022.
- iii. The Company has issued Redeemable Non-Convertible Debentures on various dates on private placement basis.
- iv. The Company has redeemed the Redeemable Non-Convertible Debentures on various dates.

I further report that during the audit period the shareholders of the company, inter alia, has;

- a) passed Special Resolution at the Annual General Meeting held on 27th July, 2022 u/r 17(1A) of SEBI LODR for continuation of office of Sri S. Prasad (DIN - 00063667) as an Independent Director of the Company up to the date of completion of the term approved by the shareholders, viz., 31st March 2024, notwithstanding that he would be attaining the age of seventy five years during the continuity of the term.
- b) passed Special Resolution at the Annual General Meeting held on 27th July, 2022 u/r 17(1A) of SEBI LODR for continuation of office of Sri S. Mahalingam (DIN - 00121727) as an Independent Director of the Company up to the date of completion of the term approved by the shareholders, viz., 25th May 2024, notwithstanding that he would be attaining the age of seventy five years during the continuity of the term.
- c) passed Special Resolution through postal ballot on 09th December, 2022 to amend Article No. 7 of the Articles of Association of the Company for increasing the maximum number of Directors from 12 to 15, as permitted under Section 149(1)(b) of the Companies Act, 2013.
- d) passed Special Resolution through postal ballot on 20th March, 2023 under sections 149, 152 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, read with Reg. 17(IC) of the SEBI LODR for appointment of Mrs. Bhavani Balasubramanian (DIN: 09194973) as an Independent Director of the Company, to hold office for a term of five (5) consecutive years w.e.f 06th February, 2023.

For **M DAMODARAN & ASSOCIATES LLP**

M. DAMODARAN

Managing Partner

Membership No.: 5837

COP. No.: 5081

FRN: L2019TN006000

PR 1374/2021

ICSI UDIN: F005837E000351622

Place: Chennai

Date: 22.05.2023

Disclaimer Certificate

To,

The Members,

SUNDARAM FINANCE LIMITED

(CIN: L65191TN1954PLC002429)

21, Patullos Road,

Chennai - 600002.

My Secretarial Audit Report of even date is to be read along with this letter.

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

Place: Chennai

Date: 22.05.2023

For **M DAMODARAN & ASSOCIATES LLP**

M. DAMODARAN

Managing Partner

Membership No.: 5837

COP. No.: 5081

FRN: L2019TN006000

PR 1374/2021

ICSI UDIN: F005837E000351622

Secretarial Compliance Report of Sundaram Finance Limited for the year ended 31.03.2022

(Pursuant to Regulation 24A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements)

Regulations, 2015 read with SEBI Circular No. CIR/CFD/CMD1/27/2019 dated February 08, 2019)

I M. Damodaran, Managing Partner of M Damodaran & Associates LLP Practicing Company Secretaries, Chennai have examined:

- a) all the documents and records made available to me and explanation provided by Sundaram Finance Limited (“the Company”),
- b) the filings/ submissions made by the Company to the stock exchanges,
- c) website of the Company,
- d) any other document/ filing, as may be relevant, which has been relied upon to make this certification, for the year ended March 31, 2023 (“Review Period”) in respect of compliance with the provisions of:
 - i. Securities and Exchange Board of India Act, 1992 (“SEBI Act”) and the Regulations, circulars, guidelines issued there under; and
 - ii. Securities Contracts (Regulation) Act, 1956 (“SCRA”), rules made there under and the Regulations, circulars, guidelines issued there under by the Securities and Exchange Board of India (“SEBI”);

The specific Regulations prescribed under the SEBI Act whose provisions and the circulars/guidelines issued thereunder, (wherever applicable), have been examined, include:-

- a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘SEBI LODR’)
- b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.
- c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
- d) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.
- e) Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021.
- f) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.
- g) Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client and ESOP.
- h) Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018.
- i) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 – Not Applicable during the review period.
- j) Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 - Not Applicable during the review period.

and circulars/ guidelines issued thereunder;

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

- a) The Company has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder, during the review period.
- b) The Company was not required to take any actions as there were no observations made by the Secretarial Auditor in previous reports.
- c) There was no appointment/re-appointment of Statutory Auditors of the Company during the period. Hence, the compliance of SEBI circular CIR/CFD/CMD1/114/2019 dated 18th October, 2019 is not applicable.

I hereby further report that, during the Review Period the compliance status of the Company is appended as below:

Sr. No.	Particulars	Compliance Status (Yes / No / NA)	Observations/ Remarks by PCS
1.	Secretarial Standards: The compliances of the Company are in accordance with the applicable Secretarial Standards (SS) issued by the Institute of Company Secretaries India (ICSI), as notified by the Central Government under section 118(10) of the Companies Act, 2013 and mandatorily applicable.	Yes	–
2.	Adoption and timely updation of the Policies: <ul style="list-style-type: none"> • All applicable policies under SEBI Regulations are adopted with the approval of board of directors of the Company • All the policies are in conformity with SEBI Regulations and have been reviewed & updated on time, as per the regulations/circulars/guidelines issued by SEBI. 	Yes	–
3.	Maintenance and disclosures on Website: <ul style="list-style-type: none"> • The Company is maintaining a functional website. • Timely dissemination of the documents/ information under a separate section on the website. • Web-links provided in annual corporate governance reports under Regulation 27(2) are accurate and specific which re-directs to the relevant document(s)/ section of the website. 	Yes	–
4.	Disqualification of Director: None of the Director(s) of the Company is disqualified under Section 164 of Companies Act, 2013 as confirmed by the Company.	Yes	–
5.	Details related to Subsidiaries of the Company have been examined w.r.t.: <ol style="list-style-type: none"> (a) Identification of material subsidiary companies. (b) Disclosure requirement of material as well as other subsidiaries. 	Yes	–

6.	Preservation of Documents: The Company is preserving and maintaining records as prescribed under SEBI Regulations and disposal of records as per Policy of Preservation of Documents and Archival policy prescribed under SEBI LODR Regulations, 2015.	Yes	–
7.	Performance Evaluation: The Company has conducted performance evaluation of the Board, Independent Directors and the Committees at the start of every financial year as prescribed in SEBI Regulations.	Yes	–
8.	Related Party Transactions: (a) The Company has obtained prior approval of Audit Committee for all related party transactions; or (b) The Company has provided detailed reasons along with confirmation whether the transactions were subsequently approved/ratified/rejected by the Audit Committee, in case no prior approval has been obtained.	Yes Not Applicable	–
9.	Disclosure of events or information: The Company has provided all the required disclosure(s) under Regulation 30 along with Schedule III of SEBI LODR Regulations, 2015 within the time limits prescribed thereunder.	Yes	–
10.	Prohibition of Insider Trading: The Company is in compliance with Regulation 3(5) & 3(6) of SEBI (Prohibition of Insider Trading) Regulations, 2015.	Yes	–
11.	Actions taken by SEBI or Stock Exchange(s), if any: No action(s) has been taken against the Company / its promoters/ directors/ subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under SEBI Regulations and circulars/ guidelines issued thereunder.	Yes	–
12.	Additional Non-compliances, if any: No additional non-compliance observed for any SEBI regulation/circular/guidance note etc.	Yes	–

Place: Chennai
Date: 22.05.2023

For **M DAMODARAN & ASSOCIATES LLP**
M. DAMODARAN
Managing Partner
Membership No.: 5837
COP. No.: 5081
FRN: L2019TN006000
PR 1374/2021
ICSI UDIN: F005837E000351655

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

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

Names of the Directors / Key Managerial Personnel	Ratio to Median Remuneration (times)	Ratio to Mean Remuneration (times)	Inc / Dec in Remuneration
Mr. S.Viji, Chairman	3.26	2.41	45.90%
Mr. T.T. Srinivasaraghavan	3.21	2.37	50.69%
Mr. Srivats Ram	2.02	1.49	-
Mr. S. Prasad	4.03	2.98	14.61%
Mr. P.N. Venkatachalam	2.58	1.91	12.82%
Ms. Shobhana Ramachandhran	2.74	2.03	12.65%
Mr. S. Mahalingam	2.55	1.88	20.91%
Mr. R. Raghuttama Rao	2.99	2.21	15.63%
Mr. L. Ganesh	1.96	1.45	32.18%
Mrs. Bhavani Balasubramanian*	0.50	0.37	-
Mr. Harsha Viji, Executive Vice Chairman	83.96	62.07	13.30%
Mr. Rajiv C. Lochan, Managing Director	83.30	61.58	26.45%
Mr. A.N. Raju, Deputy Managing Director	61.16	45.22	10.00%
Mr. M. Ramaswamy, Chief Financial Officer	34.98	25.86	1.27%
Mr. P.N. Srikant, Secretary & Compliance Officer**	5.84	4.32	-

* with effect from 06.02.2023

** with effect from 01.06.2022

- (iii) The percentage increase in the median remuneration of employees in the financial year: 13%
- (iv) The number of permanent employees on the rolls of the Company: 4,737
- (v) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

The average increase in salaries of employees other than managerial personnel in 2022-23 was 7%. Percentage increase in the managerial remuneration for the year was 10%.

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

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

(VII) NAMES OF TOP TEN EMPLOYEES IN TERMS OF REMUNERATION DRAWN DURING THE YEAR 2022-23

Sl. No	Name of the Employee	Designation	Remuneration (₹ in cr)	Nature of Employment	Qualification and Experience	Date of Commencement of Employment	Date of Birth	Age	Last employment	% of equity shares	Relative of any director
1	Mr. Harsha Viji	Executive Vice Chairman	5.72	Contractual	B.Com, ACA, MBA (Ann Arbor, Michigan) Has more than 2 decades experience in areas of specialisation particularly, strategy formulation, joint venture negotiations, new business development etc.	14-11-2005	28-08-1975	47	McKinsey & Company	1.53	Son of Mr. S. Viji, Chairman
2	Mr. Rajiv C. Lochan	Managing Director	5.68	Contractual	B.Tech. (IIT), MS (MIT), MBA (Columbia Business School) Has nearly 3 decades of experience in the field of management especially in the area of finance, social sector and public health. Formerly MD & CEO of the The Hindu Group and Partner at McKinsey & Company.	03-06-2020	23-07-1971	51	Kasturi and Sons Ltd., publishers of The Hindu	0.01	-
3	Mr. A.N. Raju	Deputy Managing Director	4.17	Contractual	B.Sc (Engineering), MBA. Has over 4 decades of experience in automobiles, engineering and financial sector.	02-07-1997	15-05-1959	63	G.E. Capital Services India Limited	0.04	-
4	Mr. M. Ramaswamy	Chief Financial Officer	2.38	Others	B.Sc. Statistics, ACA Has over 3 decades of experience in accounts, taxation and treasury in financial services industry.	07-06-1986	28-07-1961	61	Brahmayya & Co.	0.03	-

Sl. No	Name of the Employee	Designation	Remuneration (₹ in cr)	Nature of Employment	Qualification and Experience	Date of Commencement of Employment	Date of Birth	Age	Last employment	% of equity shares	Relative of any director
5	Mr. Moahan Ananda Venkatesan	Senior Vice President & Head - Tamil Nadu	1.00	Others	B. Com, ACA, CPA (Australia), Certified Internal Auditor (Institute of Internal Auditors, Australia) Has nearly 4 decades of experience in banking and finance industry.	01-04-2021	02-10-1962	60	Sundaram Home Finance Ltd	0.31	-
6	Mr. Sudheer Warriar	Chief Technology & Digital Officer	1.00	Others	B.E. (Computer Science). Has 3 decades of experience in information & technology industry.	03-01-2022	20-05-1967	55	Tata Consultancy Services	-	-
7	Mr. Rajesh Venkat	Senior Vice President & Head - Western Region & Analytics	0.83	Others	B.A. (Economics), MBA Has nearly 2 decades of experience in financial services industry	01-07-2017	27-08-1974	48	Sundaram Business Services Limited	-	-
8	Mr. N. Ramachandran	Executive Director	0.69	Others	M. Com. Has over 4 decades of experience in automobile & financial industry.	01-12-1980	23-05-1957	65	-	-	-
9	Mr. K. Sankarakumar	Senior Vice President - Corporate Finance	0.74	Others	M.Sc., Maths, PGDM Has over 3 decades of experience in automobile & financial services industry.	01-05-2004	07-05-1961	61	Maruthi Udyog Ltd.	-	-
10	Mr. M.J. Kulkarni	National Head - MH & CE	0.71	Others	B. Com. Has over 3 decades of experience in automobile & financial industry.	11-09-1985	08-03-1960	62	M G Auto-mobiles	-	-

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

The Sundaram Finance Employee Stock Options Scheme-2008 (the "SCHEME") came into existence with effect from 24th July 2008, pursuant to the approval obtained from the shareholders. The scheme was framed with the object of granting equity stock options not exceeding 1% of the paid-up capital of the Company (adjusted for corporate actions, if any) in one or more tranches, to eligible employees and Directors of the Company and its subsidiaries. The Scheme is being administered by the Nomination, Compensation and Remuneration Committee (NCRC), through the Sundaram Finance Employees Welfare Trust. On 28th May 2021, based on the recommendations of the NCRC, the Board of Directors modified the "SCHEME" by introducing "Stock Appreciation Rights" (SARs).

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

S. No	Particulars	Sundaram Finance Employee Stock Option Scheme - 2008
a)	Options Granted from the introduction of the Scheme	2,62,875
	Stock Appreciation Rights (SARs) from the introduction of SARs #	4,918
b)	Exercise Price	₹10/- per share (at par)
c)	Options vested	2,16,373
	SARs vested	1,425
d)	Options exercised	2,15,405
	SARs paid	1,425
e)	The total number of shares arising as a result of exercise of Option.	2,15,405
f)	Options lapsed/cancelled*	1,240
	SARs lapsed/cancelled**	22
g)	Variation of terms of Options	Not Applicable
h)	Money realized by exercise of Option (Amount ₹)	21,54,050
i)	Total number of Options in force	46,230
j)	Total number of SARs in force	3,471

k) Employee-wise details of Options / SARs granted on 25th May 2022 (Grant 14) and Options granted on 26 th May 2023 (Grant 15)			
		Options	SARs
i) Key Managerial Personnel	1. Mr. Rajiv C Lochan Managing Director	5,489	-
	2. Mr. A N Raju, Deputy Managing Director	3,921	-
	3. Mr. M Ramaswamy, Chief Financial Officer	2,147	270
	4. Mr. P N Srikant, Secretary & Compliance Officer	291	32
ii) Any other employee who receives a grant in any one year of Option amounting to 5% or more of Option granted during that year/s:	1. Mr. Lakshminarayanan Duraiswamy, Managing Director, Sundaram Home Finance Limited	2,317	-
	2. Mr. Sunil Subramanian, Managing Director, Sundaram Asset Management Company Limited	1,854	-
iii) Identified employees who were granted Option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant	Not Applicable		

SARs granted as per Scheme

* 750 Options - were cancelled as per the advise of the Regulator during 2020-2021,
400 Options - were cancelled before vesting as per terms of the Scheme during 2021-2022 and
90 options - were cancelled before vesting as per terms of the scheme during 2022-23

** 22 SARs - were cancelled before vesting as per terms of the scheme during 2022-23

Other details relating to stock Options granted have been furnished vide Note No. 40 forming part of the Notes to the Accounts.

Financial Highlights

(₹ in cr.)

Year	Paid-up Capital	Reserves	Deposits	Borrowings	Total Receivables	PBDT	PAT	Dividend %	Dividend Amount
1954	0.02		0.10	0.10	0.10				
1972	1.00	0.58	8.35	8.37	9.86	0.73	0.30	16.00	0.16
1976	1.50	0.99	13.57	14.44	19.87	1.78	0.67	16.00	0.24
1978	2.00	1.37	14.65	19.47	27.18	2.01	0.77	18.00	0.36
1982	3.00	3.00	45.20	58.42	76.60	4.28	1.58	20.00	0.60
1986	6.00	6.59	104.10	125.60	184.66	10.35	2.67	16.00	0.96
1990-91	12.00	30.24	201.02	334.29	483.21	34.69	12.01	25.00	3.00
1995-96	24.00	204.31	550.44	1138.69	1637.05	127.50	64.92	35.00	8.40
2004-05	27.78	655.22	740.25	3806.38	4488.30	144.55	75.99	75.00	21.87
2008-09	55.55	1097.12	940.06	6275.77	9203.53	257.47	150.73	65.00	36.11
2012-13	111.10	1974.72	1476.99	11487.36	17644.58	674.11	410.11	90.00	99.99
2018-19	111.10	4932.71	2975.16	25041.76	33446.71	1541.68	1126.31*	175.00 **	194.43
2019-20	111.10	5436.26	3676.19	27393.99	35088.37	1018.10	723.95	130.00	144.43
2020-21	111.10	6068.36	4021.00	28251.05	35735.56	1126.55	809.05	180.00	199.98
2021-22	111.10	6781.99	4103.19	27887.81	33774.00	1249.54	903.41	200.00	222.21
2022-23	111.10	7626.30	4709.17	32815.35	39950.00	1849.81	1088.31	270.00	299.98

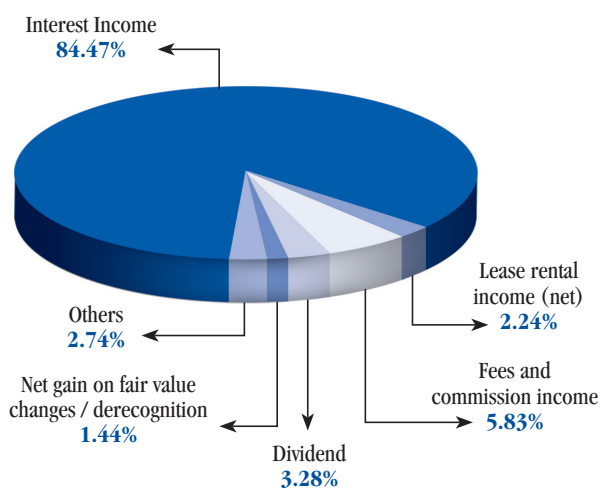
* includes an amount of ₹522 Cr. towards exceptional income on account of sale of shares in Royal Sundaram

** includes a special dividend of 50%

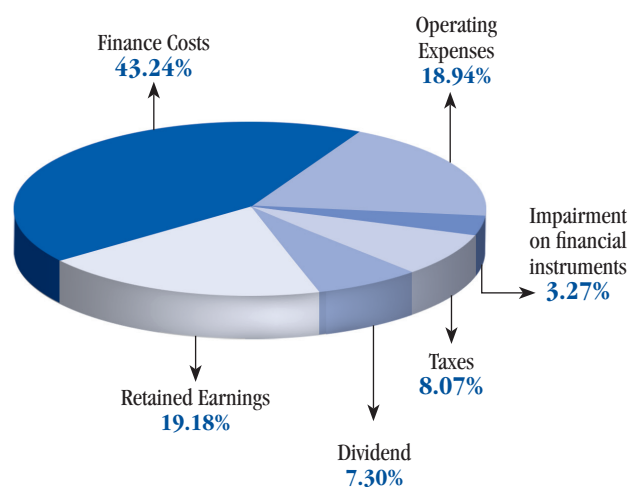
Sources and Distribution of Income (2022-23)

₹4110.20 cr.

SOURCES



DISTRIBUTION



INDEPENDENT AUDITORS' REPORT

To the Members of Sundaram Finance Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying Standalone Financial Statements of Sundaram Finance Limited (“the Company”), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 (“the Act”) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended, (“Ind AS”) and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, its profit and total comprehensive income, its changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Standalone Financial Statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the ‘Auditor’s Responsibilities for the Audit of the Standalone Financial Statements’ section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (“ICAI”) together with the ethical requirements that are relevant to our audit of the Standalone Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI’s Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Financial Statements.

Key Audit Matters

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

Sr. No	Key Audit Matter	How the Key Audit Matter was addressed in our audit
1	“Impairment Loss Allowance / ECL on Loans”	
	Refer to the accounting policies in ‘Note 2.3 to the Ind AS Financial Statements: Financial Instruments – Impairment of Financial Assets’, Impairment of Financial Assets ‘Note 2.1 to the Ind AS Financial Statements: Revenue Recognition’ and ‘Note 37 to the Ind AS Financial Statements: Risk Management’.	
	Under Ind AS 109, “Financial Instruments”, allowance for loan losses are determined using expected credit loss (‘ECL’) estimation model. The estimation of ECL on financial instruments involves significant judgement and estimates. The key areas where we identified greater levels of management judgement and therefore increased levels of audit focus are:	<p>Our audit procedures were focussed on assessing the appropriateness of management’s judgement and estimates used in the impairment analysis that included, but were not limited to, the following:</p> <ul style="list-style-type: none"> • Reviewed the Board approved Policy and approach concerning the management of credit and other risks. • Obtained an understanding of the modelling techniques adopted by the Company including the key inputs and assumptions.

Sr. No	Key Audit Matter	How the Key Audit Matter was addressed in our audit
	<ul style="list-style-type: none"> • Data inputs - The application of ECL model requires several data inputs. This increases the risk of completeness and accuracy of the data that has been used to create assumptions in the model. • Model estimations - Inherently judgmental models are used to estimate ECL which involves determining Probabilities of Default (“PD”), Loss Given Default (“LGD”), and Exposures at Default (“EAD”). The PD and the LGD are the key drivers of estimation complexity in the ECL and as a result are considered the most significant judgmental aspect of the Company’s modelling approach. • Economic scenarios - Ind AS 109 requires the Company to measure ECLs on an unbiased forward-looking basis reflecting a range of future economic conditions. Significant management judgement is applied in determining the economic scenarios used and the probability weights applied to them. <p>The effect of these matters is that, as part of our risk assessment, we determined that the impairment of loans and advances to customers, has a high degree of estimation uncertainty, with a potential range of reasonable outcomes greater than our materiality for the Standalone Ind AS Financial Statements as a whole, and possibly many times that amount.</p> <p>Disclosures:</p> <p>The disclosures (including disclosures prescribed by RBI) regarding the Company’s application of Ind AS 109 are key to explaining the key judgements and material inputs to the Ind AS 109 ECL results.</p>	<ul style="list-style-type: none"> • Assessed the design, implementation and operating effectiveness of key internal financial controls including monitoring process of overdue loans, measurement of provision, stage-wise classification of loans, identification of NPA accounts, assessing the reliability of management information, which included overdue reports. • Evaluated the appropriateness of the Company’s determination of Significant Increase in Credit Risk (“SICR”) in accordance with the applicable accounting standard and the basis for classification of various exposures into various stages. • Reviewed the critical assumptions and input data used in the estimation of expected credit loss for specific key credit risk parameters, such as the movement between stages, Exposure at default, (EAD), probability of default (PD) or loss given default (LGD); • Tested key controls relating to selection and implementation of material macro-economic variables and the controls over the scenario selection and computation of probability of default and loss given default percentages. • Verified the manner of preparation of information w.r.t. to provisions and disclosures in the Standalone Ind AS Financial Statements. • Involved Information system resource to obtain comfort over data integrity and process of report generation through interface of various information systems. • Tested controls placed over key inputs, data and assumptions impacting ECL calculations to assess the completeness, accuracy and relevance of data and reasonableness of economic forecasts, weights, and model assumptions applied. • Performed test of details over model calculations testing through re-performance, where possible. • Assessed whether the disclosures on key judgements, assumptions and quantitative data with respect to impairment of loans (including restructuring related disclosures) in the Standalone Ind AS Financial Statements are appropriate and sufficient.
2	Impairment testing of investments in Subsidiaries / Joint Venture	
	<p>Impairment testing of investments in Subsidiaries/ Joint venture is considered as a Key Audit Matter since impairment, if any, of these investments may have an impact on the equity of the Company.</p>	<p>To test for impairment in the Investments in Subsidiaries / Joint Venture, we compared the book value of the investments in the year under review with their pro rata share of the respective company’s equity based on its financial statements, and evaluated the internal and external sources of information to reassure its values.</p> <p>Evaluate the Company’s Internal controls viz a viz the implementation of Investment Risk management System and processes.</p> <p>Test of management oversight and controls over valuation of investments.</p> <p>Accordingly based on our audit procedures, we noted no reportable matters regarding investments and its valuation.</p>

Sr. No	Key Audit Matter	How the Key Audit Matter was addressed in our audit
3	Information Technology	
	<p>IT systems and controls</p> <p>The Company's financial reporting processes are dependent on technology considering significant number of transactions that are processed daily across multiple and discrete Information Technology ('IT') systems. The Financial accounting system of the Company is interfaced with several other IT systems including Loan Management & Originating systems and several other systemic workflows.</p> <p>IT general and application controls are critical to ensure that changes to applications and underlying data are made in an appropriate manner. Adequate controls contribute to mitigating the risk of potential fraud or errors as a result of changes to the applications and data.</p> <p>These includes implementation of preventive and detective controls across critical applications and infrastructure.</p> <p>Due to the pervasive nature of role of information technology systems in financial reporting, in our preliminary risk assessment, we planned our audit by assessing the risk of a material misstatement arising from the technology as significant for the audit, hence the Key Audit Matter.</p>	<p>With the assistance of our IT specialist, our key audit procedures for assessment of the IT systems and controls over financial reporting covered following broad aspects:</p> <ul style="list-style-type: none"> • Obtained an understanding of the Company's key IT systems, IT General Controls which covered access controls, program/ system changes, program development and computer operations i.e. job processing, data/ system backup and incident management and application controls relevant to our audit • Tested the design, implementation and operating effectiveness of the general IT controls over the key IT systems that are critical to financial reporting. • Reviewed user access management, change management, segregation of duties, system reconciliation controls and system application controls over key financial accounting and reporting systems and related application controls. • Reviewed of the report of IS Audit carried in earlier year(s) by an independent firm of Chartered Accountants pertaining to IT systems general controls including access rights over applications, operating systems and databases relied upon for financial reporting. • Evaluated the design, implementation and operating effectiveness of the significant accounts-related IT automated controls which are relevant to the accuracy of system calculation, and the consistency of data transmission <p>Tested compensating controls or performed alternate audit procedures to assess whether there were any unaddressed IT risks that would impact the controls or completeness and/or accuracy of data</p>

Information Other than the Financial Statements and Auditors' Report thereon

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

Our opinion on the Standalone Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

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

Responsibilities of management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the audit of the Financial Statements

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

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

We also:

- Identify and assess the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Standalone Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Standalone Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Standalone Financial Statements.

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

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

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

Report on other Legal and Regulatory requirements

1. As required by the Companies (Auditor's Report) Order, 2020("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid Standalone Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
 - (e) On the basis of the written representations received from the directors as on March 31, 2023, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023, from being appointed as a director in terms of Section 164(2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls with reference to Standalone Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to Financial Statements.
 - (g) In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 read with Schedule V to the Act.

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

- (i) The Company has disclosed the impact of pending litigations on its financial position in its Standalone Financial Statements – Refer Note 42.04 to the Standalone Financial Statements.
- (ii) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 6 to the Standalone Financial Statements; and
- (iii) During the year, there has been no delay in transferring the amounts required to be transferred to the Investor Education and Protection Fund.
- (iv) (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
(b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
(c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) above contain any material misstatement.
- (v) The interim dividend declared and paid by the Company during the year and until the date of this audit report is in accordance with Section 123 of the Companies Act 2013.
As stated in Note 42.16 to the standalone financial statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend.
- (vi) As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 relating to audit trail feature of the Company's accounting software is applicable to the Company only with effect from financial year beginning April 1, 2023, the reporting under Clause (g) of Rule 11 of the Companies (Audit and Auditors) Rules, 2014 is not applicable for the current year.

For **B. K. Khare & Co.**
Chartered Accountants
Firm Registration Number - 105102W

Shirish Rahalkar
Partner
Membership Number: 111212
UDIN: 23111212BGVIZI6618

Place: Mumbai
Date: 26 May, 2023

For **N C Rajagopal & Co**
Chartered Accountants
Firm Registration Number - 003398S

V. Chandrasekaran
Partner
Membership No. 024844
UDIN: 23024844BGRMVV6972

Place: Chennai
Date: 26 May, 2023

Annexure A to the Independent Auditors' Report on the Financial Statements of Sundaram Finance Limited for the year ended 31st March 2023

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act and as per the information and explanation provided to us, we give a statement on the matters Specified in paragraphs 3 and 4 of the Order, to the extent applicable.

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of its property, plant and equipment.
(B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) The Company has a regular programme of physical verification of its property, plant and equipment and investment properties by which the property, plant and equipment and investment properties are verified by the management according to a phased programme designed to cover all the items over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its property, plant and equipment and investment properties. In accordance with the programme, the Company has physically verified certain property, plant and equipment and investment properties during the year and no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of the immovable property are held in the name of the Company.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, it has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, no proceedings have been initiated against the Company for holding Benami property under the "Benami Transactions (Prohibition) Act, 1988" and Rules made thereunder.
- (ii) (a) The Company is in the business of providing loans and does not have any physical inventories. Accordingly, the provision of clause 3(ii)(a) of the Order is not applicable to it.
- (b) Based on the information and explanations given to us, and as disclosed in note no.19, the Company has been sanctioned working capital limits from banks in excess of ₹5 crores in aggregate, on the basis of security of book debts during the year. The periodic statements filed by the Company with such banks are in agreement with the books of accounts.

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- (iii) (a) Since the Company's principal business is to give loans, the provisions of clause 3(iii)(a) of the Order are not applicable to it.
- (b) In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the Company, the terms and conditions of the grant of all loans and advances, investments made are not observed to be prejudicial to the Company's interest.
- (c) & (d) The Company, being a Non-Banking Financial Company ('NBFC'), registered under provisions of RBI Act, 1934 and rules made thereunder, in pursuance of its compliance with provisions of the said Act/Rules, particularly, the Income Recognition, Asset Classification and Provisioning Norms, monitors repayments of principal and payment of interest by its borrowers as stipulated. In cases where repayment of principal or payment of interest is not received as stipulated, the cognizance thereof is taken by the Company in course of its periodic regulatory reporting.
- (e) Since the Company's principal business is to give loans, the provisions of clause 3(iii)(e) of the Order are not applicable to it.
- (f) According to the information and explanations given to us, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act, with respect to loans granted, guarantees provided and investments made by the Company. The Company has not provided any security during the year to the parties covered under Sections 185 and 186 of the Act.
- (v) According to the information and explanations given to us, in respect of deposits accepted by the company or amounts which are deemed to be deposits, the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules made thereunder, where applicable, have been complied with. According to the information and explanations given to us, there is no order passed by the Company Law Board or National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunal during the year against the Company on these matters.
- (vi) The Central Government has not prescribed the maintenance of cost records under sub section (1) of Section 148 of the Act for any of the services rendered by the Company. Accordingly, the provision of the clause (vi) of the Order is not applicable.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Income-tax, Sales-tax, Service tax, Goods and Services Tax, Cess and other material statutory dues, the Company has been generally regular in depositing during the year by the Company with the appropriate authorities. There are no undisputed statutory dues payable in respect of the above statutes, outstanding as at March 31, 2023, for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, it did not have dues which have not been deposited as on March 31, 2023, on account of any disputes, except the following:

Name of the statute	Nature of dues	Amount ₹ Crores	Period to which the amount relates	Forum where dispute is pending
Value Added tax	Value Added Tax	0.96	1993-94 to 2013-14	Assistant/Deputy/Joint Commissioner
	Value Added Tax	0.32	1995-96 to 2011-12	Tribunal
	Value Added Tax	6.42	1998-99 to 2004-05	High Court
Income Tax Act, 1961	Income Tax	0.95*	2017-18	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	0.11	2017-18	Income Tax Appellate Tribunal

* Adjusted with refund received subsequent to year end.

- (viii) According to the information and explanations given to us, there are no transactions not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961. Accordingly, the reporting under Clause 3 (viii) of the Order is not applicable to the Company.
- (ix) (a) According to the information and explanations given to us and based on the audit procedures performed by us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.
- (b) As represented, the Company has not been declared as a wilful defaulter by any bank or financial institution or other lender.
- (c) In our opinion and according to the information and explanations given to us, the Terms Loans were applied for the purpose for which the Loans were obtained. Also Refer note no.19 to the Financial Statements, regarding a Term Loan, wherein the application of funds is in progress, and the unapplied loan amount is being held in the form of liquid investments as at the year end.
- (d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company and further considering the Asset Liability management mechanism of the Company, we report that no funds raised on short-term basis have been utilised for long-term purposes.
- (e) According to the information and explanations given to us and on an overall examination of the Financial Statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
- (f) According to the information and explanations given to us and based on the audit procedures performed by us, we report that the Company has not raised any loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Accordingly, the reporting under Clause 3 (ix) (f) of the Order is not applicable to the Company.

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- (x) (a) In our opinion and according to the information and explanations given to us, the Company has not raised any money by way of initial public offer/ further public offer (including debt instruments) during the year. Accordingly, the reporting under Clause 3(x)(a) of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, the reporting under Clause 3(x)(b) of the Order is not applicable to the Company.
- (xi) (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company noticed or reported during the year, nor have we been informed of any such case by the management.
- (b) There has been no report filed by us under sub-section (12) of Section 143 of the Act in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government. Accordingly, the reporting under Clause 3(xi)(b) of the Order is not applicable to the Company
- (c) As represented to us by the management, no whistle blower complaints were received by the Company during the year.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, the reporting under Clause 3(xii) of the Order is not applicable to the Company.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the Ind AS Financial Statements as required under applicable Indian Accounting Standard (Ind AS).
- (xiv) (a) In our opinion, the company has an internal audit system commensurate with its size and nature of its business.
- (b) We have considered, during the course of our audit, the reports of the Internal Auditor(s) for the period under audit in accordance with the guidance provided in SA 610 "Using the work of Internal Auditors".
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, it has not entered into non-cash transactions with directors or persons connected with them.
- (xvi) (a) In our opinion, the company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and it has obtained valid registration under the said section of the said Act.
- (b) The Company has not conducted any Non-Banking Financial or Housing Finance activities without a valid Certificate of Registration from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.
- (c) In our opinion and according to the information and explanations given to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under Clauses 3(xvi)(c) and 3(xvi)(d) of the Order is not applicable to the Company.

- (d) Based on the information and explanations given to us and the audit procedures performed by us, we report that the Group has one Core Investment Company.
- (xvii) In our opinion and according to the information and explanations given to us, the Company has not incurred cash loss during this financial year as well as in the immediately preceding financial year.
- (xviii) There has been no resignation of the Statutory Auditors during the year.
- (xix) In our opinion and according to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, along with details provided in Note 43.04 to the Ind AS Financial statements which describe the maturity analysis of assets & liabilities and other information accompanying the Ind AS Financial Statements and also our knowledge of the plans of Board of Directors and of Management, we are of the opinion that no material uncertainty exists as on the date of the audit report and that the company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the Balance Sheet date, will get discharged by the Company as and when they fall due.
- (xx) (a) According to the information and explanations given to us, the Company has no unspent amount that needs to be transferred to a Fund specified in Schedule VII to the Act in compliance with second proviso to sub-section (5) of Section 135 of the Act.
- (b) According to the information and explanations given to us, the Company has no unspent amount which needs to be transferred to a special account in compliance with sub-section (6) of Section 135 of the Act.

For **B. K. Khare & Co.**
Chartered Accountants
Firm Registration Number - 105102W

Shirish Rahalkar
Partner
Membership Number: 111212
UDIN: 23111212BGVIZI6618

Place: Mumbai
Date: 26 May, 2023

For **N C Rajagopal & Co**
Chartered Accountants
Firm Registration Number - 003398S

V. Chandrasekaran
Partner
Membership No. 024844
UDIN: 23024844BGRMVV6972

Place: Chennai
Date: 26 May, 2023

Annexure B to the Independent Auditors' Report on the Financial Statements of Sundaram Finance Limited for the year ended 31st March 2023

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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

We have audited the internal financial controls with reference to the Standalone Financial Statements of Sundaram Finance Limited ("the Company") as at 31 March 2023 in conjunction with our audit of the standalone Financial Statements of the Company for the year ended on that date.

Management's responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal controls over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to the Standalone Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing ("SA"), prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to the Standalone Financial Statements. Those SAs and the Guidance Note require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to the Standalone Financial Statements were established and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to the Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to the Financial Statements included obtaining an understanding of internal financial controls with reference to the Financial Statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls with reference to the Standalone Financial Statements

A company's internal financial controls with reference to the Standalone Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Financial Statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to the Standalone Financial Statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the Financial Statements.

Inherent Limitations of Internal Financial Controls with reference to the Standalone Financial Statements

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2023, based on the criteria for internal financial controls with reference to standalone financial statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **B. K. Khare & Co.**
Chartered Accountants
Firm Registration Number - 105102W

Shirish Rahalkar
Partner
Membership Number: 111212
UDIN: 23111212BGVIZI6618

Place: Mumbai
Date: 26 May, 2023

For **N C Rajagopal & Co**
Chartered Accountants
Firm Registration Number - 003398S

V. Chandrasekaran
Partner
Membership No. 024844
UDIN: 23024844BGRMVV6972

Place: Chennai
Date: 26 May, 2023

Standalone Balance Sheet

March 31, 2023

(₹ in crores)

Particulars	Note	March 31, 2023	March 31, 2022
ASSETS			
Financial Assets			
Cash and cash equivalents	4	137.27	78.01
Bank Balances	5	932.98	539.12
Derivative financial instruments (net)	6	1.03	0.61
Receivables	7		
(I) Trade receivables		25.56	14.32
(II) Other receivables		6.86	3.94
Loans	8	33,755.20	28,400.15
Investments	9	5,062.82	5,318.67
Other Financial assets	10	16.03	59.07
Non-Financial Assets			
Current tax assets (Net)	11	324.09	264.00
Deferred tax assets (Net)	11	172.77	185.10
Investment Property	12	99.05	68.66
Property, Plant and Equipment	13	345.16	244.97
Right-of-use assets	14	59.89	43.59
Intangible assets under development	15	0.60	-
Other intangible assets	15	8.41	3.21
Other non-financial assets	16	110.98	64.10
Total Assets		<u>41,058.70</u>	<u>35,287.52</u>
LIABILITIES AND EQUITY			
Liabilities			
Financial Liabilities			
Payables	17		
I) Trade Payables			
(i) Total outstanding dues of micro enterprises and small enterprises		2.41	1.37
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		99.55	87.93
II) Other Payables			
(i) Total outstanding dues of micro enterprises and small enterprises		-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		10.34	7.64
Debt securities	18	13,721.13	13,751.20
Borrowings (Other than debt securities)	19	11,986.91	7,363.11
Deposits	20	4,806.04	4,214.24
Subordinated liabilities	21	2,240.86	2,501.24
Other financial liabilities	22	386.79	396.50
Non-Financial Liabilities			
Provisions	23	38.91	42.76
Other non-financial liabilities	24	28.36	28.44
Equity			
Equity share capital	25	111.10	111.10
Other equity *		7,626.30	6,781.99
Total Liabilities and Equity		<u>41,058.70</u>	<u>35,287.52</u>

Significant Accounting policies and Notes to the Standalone Financial Statements 1-49

* Refer Statement of Changes of Equity

As per our report of even date attached

For B. K. Khare & Co
Chartered Accountants
Firm Registration No. 105102W

Shirish Rahalkar
Partner

Membership No. 111212
Place : Mumbai

For N. C. Rajagopal & Co
Chartered Accountants
Firm Registration No. 003398S
V Chandrasekaran

Partner
Membership No. 024844

Place : Chennai
Date : May 26, 2023

S. Viji
Chairman

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Managing Director

Harsha Viji
Executive Vice Chairman

A.N. Raju
Deputy Managing Director

S. Prasad
Director

M. Ramaswamy
Chief Financial Officer

P.N. Srikant
Secretary & Compliance Officer

Statement of Standalone Profit and Loss

March 31, 2023

(₹ in crores)

Particulars	Note	2022-23	2021-22
Revenue from operations			
Interest Income	26	3,472.07	3,394.46
Lease Rental income (Net)		92.06	69.07
Fees and Commission Income	27	239.67	195.89
Dividend Income		134.67	94.02
Income from other Services		13.08	19.49
Recovery of Bad debts		35.74	19.18
Net gain on fair value changes	28	59.17	77.92
Total Revenue from operations		4,046.46	3,870.03
Other Income	29	63.74	20.43
Total Income		4,110.20	3,890.46
Expenses			
Finance cost	30	1,777.09	1,700.11
Employee benefit expenses	31	445.06	414.46
Administrative & other expenses	32	240.30	207.83
Depreciation & amortisation		93.54	72.64
Impairment on financial instruments	33	134.25	318.52
Total expenses		2,690.24	2,713.56
Profit/(loss) before exceptional items and tax		1,419.96	1,176.90
Profit/(loss) before tax		1,419.96	1,176.90
Tax expense		331.65	273.49
Current tax		319.43	296.74
Deferred tax		12.22	(23.25)
Profit/(loss) after tax for the Year		1,088.31	903.41
Other Comprehensive Income			
Remeasurements of the defined benefit plans (A)			
A (i) Items that will not be reclassified to profit or loss :			
Remeasurements of the defined benefit plans		(3.61)	(7.41)
(ii) Income tax relating to items that will not be reclassified to profit or loss		0.91	1.86
Sub-total (A)		(2.70)	(5.55)
B (i) Items that will be reclassified to profit or loss:			
Fair value change on cashflow hedge		0.42	(11.64)
(ii) Income tax relating to items that will be reclassified to profit or loss		(0.11)	2.93
Sub-total (B)		0.31	(8.71)
Other Comprehensive Income (A + B)		(2.39)	(14.26)
Total Comprehensive Income for the Year		1,085.92	889.15
Earnings per equity share (on PAT)			
Basic & diluted (Face Value of ₹10/- each)		97.95	81.31

Significant Accounting policies and Notes to the Standalone Financial Statements 1-49

As per our report of even date attached

For B. K. Khare & Co
Chartered Accountants
Firm Registration No. 105102W

Shirish Rahalkar
Partner
Membership No. 111212
Place : Mumbai

For N. C. Rajagopal & Co
Chartered Accountants
Firm Registration No. 003398S
V Chandrasekaran

Partner
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Place : Chennai
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Executive Vice Chairman

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Deputy Managing Director

S. Prasad
Director

M. Ramaswamy
Chief Financial Officer

P.N. Srikant
Secretary & Compliance Officer

Statement of Standalone Changes in Equity for the Year Ended March 31, 2023

a) Equity Share Capital

(₹ in crores)

Particulars	Amount
Balance as at 31st March, 2022	111.10
Changes in equity share capital during the year	–
Balance as at 31st March, 2023	111.10

b) Other equity

(₹ in crores)

Particulars	Reserves and Surplus						Other Comprehensive Income	Total
	Capital Reserve	Share Options Outstanding Account	Statutory Reserve	General Reserve	Retained Earnings	Impairment Reserve	Effective portion of cash flow hedge	
Balance as at March 31, 2021	6.60	0.94	1,528.29	3,502.88	1,020.48		9.17	6,068.36
Changes in accounting policy or prior period errors	–	–	–	–	–	–	–	–
Restated balance as at March 31, 2021	6.60	0.94	1,528.29	3,502.88	1,020.48	–	9.17	6,068.36
(A) Profit After tax for the year	–	–	–	–	903.41	–	–	903.41
(B) Other comprehensive income:	–	–	–	–	–	–	–	–
Remeasurements of the defined benefit plans	–	–	–	–	(5.55)	–	–	(5.55)
Transfer to Retained earning	–	–	–	–	–	–	–	–
Fair value change on cashflow hedge	–	–	–	–	–	–	(8.71)	(8.71)
Total Comprehensive income for the year (A)+(B)	–	–	–	–	897.86	–	(8.71)	889.15
Transfer to Impairment Reserve	–	–	–	–	(11.28)	11.28	–	–
Deferred tax on Impairment Reserve provision	–	–	–	–	2.84	–	–	2.84
Dividend payout (Final) FY 20-21	–	–	–	–	(66.66)	–	–	(66.66)
Dividend payout (Interim) FY 21-22	–	–	–	–	(111.10)	–	–	(111.10)
Options Granted during the year	–	3.94	–	–	–	–	–	3.94
Cost of shares transferred on exercise of option	–	(0.03)	–	–	–	–	–	(0.03)
Deferred Employee Compensation Cost	–	(1.62)	–	–	–	–	–	(1.62)
Share Options exercised after regulatory approvals during the year	–	(0.05)	–	–	–	–	–	(0.05)
Transfer to Statutory reserve	–	–	180.68	–	(180.68)	–	–	–
Movement on account of Share options	–	(1.02)	–	1.02	–	–	–	–
Transfer from Retained earnings	–	–	–	–	–	–	–	–
Transfer from Impairment Reserve	–	–	–	–	11.28	(11.28)	–	–
Deferred tax on Impairment Reserve provision	–	–	–	–	(2.84)	–	–	(2.84)
Balance as at March 31, 2022	6.60	2.17	1,708.97	3,503.90	1,559.89	–	0.46	6,781.99

Statement of Standalone Changes in Equity for the Year Ended March 31, 2023

b) Other equity

(₹ in crores)

Particulars	Reserves and Surplus					Other Comprehensive Income	Total
	Capital Reserve	Share Options Outstanding Account	Statutory Reserve	General Reserve	Retained Earnings	Effective portion of cash flow hedge	
Balance as at March 31, 2022	6.60	2.17	1,708.97	3,503.90	1,559.89	0.46	6,781.99
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-
Restated balance as at March 31, 2022	6.60	2.17	1,708.97	3,503.90	1,559.89	0.46	6,781.99
(A) Profit After tax for the year	-	-	-	-	1,088.31	-	1,088.31
(B) Other comprehensive income:	-	-	-	-	-	-	-
Remeasurements of the defined benefit plans	-	-	-	-	(2.70)	-	(2.70)
Fair value change on cashflow hedge	-	-	-	-	-	0.31	0.31
Total Comprehensive income for the year (A) + (B)	-	-	-	-	1,085.61	0.31	1,085.92
Dividend payout (Final) - FY 21-22	-	-	-	-	(111.10)	-	(111.10)
Dividend payout (Interim) - FY 22-23	-	-	-	-	(133.32)	-	(133.32)
Options Granted during the year	-	3.04	-	-	-	-	3.04
Cost of shares transferred on exercise of option	-	(0.02)	-	-	-	-	(0.02)
Deferred Employee Compensation Cost	-	(0.21)	-	-	-	-	(0.21)
Movement on account of Share Options	-	(1.88)	-	1.88	-	-	-
Transfer to Statutory reserve	-	-	-	-	(217.66)	-	(217.66)
Transfer from Retained earnings	-	-	217.66	-	-	-	217.66
Balance as at March 31, 2023	6.60	3.10	1,926.63	3505.78	2,183.42	0.77	7,626.30

Notes:

Description of nature and purpose of other equity:

- Capital Reserve: Represents reserve created on account of amalgamations and arrangements
- Share Options Outstanding Account: Represents reserve on grant of option to employees of the company / group company under Employee Stock option Scheme.
- Statutory reserve: Represents reserve created as per Section 45-IC of the Reserve Bank of India Act, 1934.
- General reserve: Represents amount appropriated from retained earnings.

As per our report of even date attached

For B. K. Khare & Co
Chartered Accountants
Firm Registration No. 105102W

Shirish Rahalkar
Partner
Membership No. 111212
Place : Mumbai

For N. C. Rajagopal & Co
Chartered Accountants
Firm Registration No. 003398S
V Chandrasekaran

Partner
Membership No. 024844
Place : Chennai
Date : May 26, 2023

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Managing Director

Harsha Viji
Executive Vice Chairman

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Deputy Managing Director

S. Prasad
Director

M. Ramaswamy
Chief Financial Officer

P.N. Srikant
Secretary & Compliance Officer

Standalone Cash Flow Statement

(₹ in crores)

	2022-2023		2021-2022	
<u>A. CASH FLOW FROM OPERATING ACTIVITIES:</u>				
Profit before tax	1,419.96		1,176.90	
Add: Finance costs	<u>1,777.09</u>	3,197.05	<u>1,700.11</u>	2,877.01
Depreciation and Amortisation expense		93.54		72.64
Impairment on financial instruments		134.25		318.52
(Gain)/loss on sale of property, plant and equipment		2.18		(4.77)
Share-based payment expense		2.54		2.09
Interest income from Investments		(74.68)		(53.72)
Net gain on fair value changes		<u>(59.17)</u>		<u>(77.92)</u>
Dividend income		(134.67)		(94.02)
(Gain) / Loss on disinvestment of shares		-		-
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		3,161.04		3,039.83
(Increase) Decrease in Leased assets - net of sales	(164.33)		(76.81)	
(Increase) Decrease in Bank deposits	(457.34)		(110.00)	
(Increase) Decrease in SLR Investments (net)	65.70		187.07	
(Increase)/ Decrease in trade and other receivables	(14.05)		1.66	
(Increase)/ Decrease in Loans	(5,513.76)		661.99	
(Increase)/ Decrease in Other financial assets	68.10		(21.88)	
(Increase)/ Decrease in Non financial assets	(30.13)		(14.95)	
(Increase)/ Decrease in Other non-financial assets	(158.05)		(164.85)	
Increase/ (Decrease) in trade and other payables	15.36		34.05	
Increase/(Decrease) in financial liabilities	0.72		(44.56)	
Increase/(Decrease) in other non-financial liabilities and provisions	0.10	(6,187.68)	14.09	465.81
Cash generated from Operations		<u>(3,026.64)</u>		<u>3,505.64</u>
Financial costs	(1,682.10)		(1,593.78)	
Income Taxes Paid	<u>(272.25)</u>	(1,954.35)	<u>(173.00)</u>	(1,766.78)
NET CASH FROM / (USED IN) OPERATING ACTIVITIES (A)		(4,980.99)		1,738.86

(₹ in crores)

	2022-2023	2021-2022
<u>B. CASH FLOW FROM INVESTING ACTIVITIES:</u>		
Payment for purchase and construction of property, plant and equipment	(16.51)	(20.72)
Payment for purchase and construction of investment properties	(40.14)	(1.25)
Payment for purchase and generation of intangible assets/ movement in Intangibles under development	(15.69)	(1.23)
Purchase of investment in Equity instruments (Subsidiaries)	-	(147.63)
Purchase of other investments	(17,197.41)	(14,766.66)
Sale of other investments	1,7512.04	13,710.23
Proceeds from sale of property, plant and equipment, intangible assets and investment property	23.18	12.51
Interest received from Investments	66.95	44.21
Dividend income	134.67	94.02
NET CASH FROM / (USED IN) INVESTING ACTIVITIES (B)	467.09	(1,076.52)
<u>C. CASH FLOW FROM FINANCING ACTIVITIES:</u>		
Payment of Lease liability	(16.30)	(15.23)
Debt securities, deposits, sub-ordinated liabilities and other borrowings :		
Availment	21,838.80	1,4493.37
Repayment	(17,004.91)	(14,987.08)
Dividend Paid	(244.43)	(177.77)
NET CASH FROM / (USED IN) FINANCING ACTIVITIES (C)	4,573.16	(686.71)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A)+(B)+(C)	59.26	(24.37)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	78.01	102.38
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	137.27	78.01
COMPONENTS OF CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		
Cash, Cheques & drafts on hand	63.13	69.92
Balances with Banks	74.14	8.09
	137.27	78.01

As per our report of even date attached

For **B. K. Khare & Co**
Chartered Accountants
Firm Registration No. 105102W
Shirish Rahalkar
Partner
Membership No. 111212
Place : Mumbai
For **N. C. Rajagopal & Co**
Chartered Accountants
Firm Registration No. 003398S
V Chandrasekaran
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Director

M. Ramaswamy
Chief Financial Officer

P.N. Srikant
Secretary & Compliance Officer

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

General information:

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

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

1. BASIS OF PREPARATION AND PRESENTATION

1.1 Statement of Compliance

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

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

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

Any directions issued by the RBI or other regulators are implemented as and when they become applicable.

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

1.2 Accounting Convention

The Financial Statements have been prepared under the historical cost convention except for certain financial

instruments that are measured at fair values at the end of each reporting period.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Revenue recognition

A) Interest Income

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

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

B) Service Income

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

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

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

C) Fee and Commission Income

Fee and commission income and expense that are integral to the effective interest rate on a financial asset or liability are included in the effective interest rate.

D) Dividend Income

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

NOTES TO THE ACCOUNTS (Contd.)

2.2 Measurement of Fair Values

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Company's accounting policies and disclosures require the measurement of financial and non-financial assets and liabilities at fair values. The Company has established policies and procedures with respect to measurement of fair values.

2.3 Financial Instruments

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

Financial Assets / Liabilities

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

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

Classification and subsequent measurement

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

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

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

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

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

Equity Investments

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

All other equity investments are designated at Fair Value Through Other Comprehensive Income (FVTOCI). The fair

NOTES TO THE ACCOUNTS (Contd.)

value changes on the instrument, excluding dividends, are recognised under Other Comprehensive Income (OCI). There is no recycling of the amounts from OCI to the statement of profit and loss on sale of investment.

Investment in Compulsorily Convertible Preference Shares (CCPS)

The Company designates investment in CCPS at FVTOCI. The fair value changes on the instrument, excluding dividends, are recognised under OCI. There is no recycling of the amounts from OCI to the statement of profit and loss on sale of investment.

Fair Value Hierarchy

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

Level 1 - This level includes financial assets that are measured by reference to quoted prices in active markets for identical assets or liabilities.

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

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

Impairment of Financial Assets

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

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

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

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

Contract Asset and Contract Liability.

The Company's right to consideration in exchange for goods or services that have been transferred to a customer is recognized as Contract Assets.

The Company's obligation to transfer goods or services to a customer for which consideration has been received is recognized as Contract Liabilities.

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

De-recognition of Financial Assets and Financial Liabilities

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

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

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

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

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

NOTES TO THE ACCOUNTS (Contd.)

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

Offsetting of Financial Instruments

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

2.4 Leases

Lessor Accounting

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

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

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

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

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

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

Lessee Accounting

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

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

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

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

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

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

2.5 Employee Benefits

Short term Employee benefits

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

Post-Employment benefits

Defined contribution plans

- 1 Superannuation:** The Company contributes to the Superannuation fund, which is administered by trustees and managed by the Life Insurance Corporation of India (LIC). The contributions are charged to the Statement of Profit and Loss.
- 2 Employees' Pension Scheme and Employees' State Insurance Scheme:** The Company also contributes to a government administered Employees' Pension Scheme under the Employees Provident Fund Act and to Employees' State Insurance Schemes on behalf of its employees.

Defined benefit plans

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

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

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

- 2. Provident Fund:** Contributions are made to the company's Employees Provident Fund Trust in accordance with the fund rules. The interest rate payable by the trust to the beneficiaries every year is notified by the Government. The company has an obligation to make good the shortfall, if any, between the return from the Investment of the trust and the notified interest rate based on actuarial valuation. The monthly contribution made by the Company is recognised as employee benefit expense in the Statement of Profit and Loss.
- 3. Retired Employee Medical scheme:** The Post-retirement medical benefit plan provides for reimbursement of health care costs to certain categories of employees post their retirement. The reimbursement is subject to an overall ceiling sanctioned based on cadre of the employee at the time of retirement. The plan is unfunded. Employees do not contribute to the plan.

Other Long-Term Employee Benefits

- 1. Leave Encashment:** The company accounts its liability based on an actuarial valuation, as at the balance sheet date, using the Projected Unit Credit method.
- 2. Sick leave:** The Company accounts its liability in respect of other long-term benefits like entitlement of sick leave on the basis of an actuarial valuation.

2.6 Share Based Payments:

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

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

The equity settled shares vest in a graded manner over the vesting period. The fair value determined on the grant date of equity settled share payment is expensed on straight line basis over the vesting period of the respective tranches of such

NOTES TO THE ACCOUNTS (Contd.)

grants based on company's estimate of equity instruments that will eventually vest with a corresponding increase in equity. At the end of each financial year, the company revises its estimate of the number of equity instruments that are expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit and loss in such a way that the cumulative expense reflects the revised estimate with a corresponding adjustment to equity.

The cash settled share-based payments vest in a graded manner over the vesting period and are measured initially at fair value of the liability and re-measured at the end of each reporting period until the liability is settled.

The Option carries neither right to Dividend nor voting rights.

2.7 Income Taxes

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

Current tax

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

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

Deferred tax

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

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying

amount of its assets and liabilities. It is measured using tax rates enacted or substantively enacted at the reporting date.

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

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

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

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

Current and Deferred tax for the Year

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

2.8 Property plant and equipment (PPE)

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

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

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

NOTES TO THE ACCOUNTS (Contd.)

Freehold land is not depreciated

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

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

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

(in Years)

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

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

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

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

2.9 Investment Property

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

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

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

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

2.10 Intangible Assets

Intangible assets are identified non-monetary assets without physical existence. Intangible assets with finite useful lives that are acquired separately are capitalized and carried at cost less accumulated amortisation and accumulated impairment losses.

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

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

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

NOTES TO THE ACCOUNTS (Contd.)

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

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

Intangible Assets under development

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

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

2.11 Impairment of Assets

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

2.12 Foreign Currency Transaction

Transactions in foreign currency are accounted at the exchange rates prevailing on the date of the transaction. The foreign currency borrowing being a monetary liability is restated to INR (being the functional currency of the Company) at the prevailing rates of exchange at the end of every reporting period with the corresponding exchange gain/

loss being recognised in profit or loss. The Company enters into forward exchange contracts, forward rate agreements, coupon only swaps and interest rate swaps. The Company undertakes such transactions for hedging its balance sheet. The foreign currency borrowing and derivative swaps are treated as separate transactions.

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

2.13 Derivatives & Hedge Accounting

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

2.14 Dividend

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

2.15 Cash Flow Statement

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

Cash comprises of cash on hand and demand deposits with banks. Cash equivalents are short-term deposits with banks (with an original maturity of three months or less from the date of placement) and cheques on hand. Short term and liquid investments being subject to more than insignificant risk of change in value, are not included as part of cash and cash equivalents.

2.16 Provisions, Contingent Liabilities and Contingent Assets

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

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

Contingent Liabilities

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more future uncertain events not wholly within the control of the Company (or)

There is a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

2.17 Earnings Per Share

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

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

3.1 Critical accounting judgments and key sources of estimation uncertainty

The preparation of financial statements in accordance with Ind AS requires use of estimates and assumptions for some items, which might have an effect on their recognition and measurement in the balance sheet and statement of profit and

loss. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. The actual results may differ from these estimates. The Company's management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Any revision to the accounting estimates is recognized prospectively in the current and future periods.

3.2 Recent Accounting pronouncements:

On 31st March, 2023, Ministry of Corporate Affairs ("MCA") notified the following provisions vide the Companies (Indian Accounting Standards) Amendment Rules, 2023;

Ind AS 1 - Presentation of Financial Statements - The amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023.

Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors - The amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its financial statement.

Ind AS 12 - Income Taxes - The amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its financial statement.

NOTES TO THE ACCOUNTS (Contd.)

Note 4: Cash and cash equivalents

(₹ in crores)

Particulars	March 31, 2023	March 31, 2022
Cash on hand	7.94	12.22
Balances with Banks	74.14	8.09
Cheques, drafts on hand	55.19	57.70
TOTAL	137.27	78.01

Note 5: Bank Balance other than specified in Note 4 above

(₹ in crores)

Particulars	March 31, 2023	March 31, 2022
Unpaid dividend account	3.43	3.43
Balances with banks *	929.55	535.69
TOTAL	932.98	539.12

* Bank deposits include,

- ₹464.23 crores (as on 31.03.2022 ₹299.91 crores) provided as collateral for assets securitised.
- In accordance with the Reserve Bank of India directives, the company has created a floating charge on the bank deposits of ₹225.00 crores (as on 31.03.2022 ₹161.53 crores) towards statutory liquidity requirements in favour of trustees representing the deposit holders of the Company.
- A Bank Guarantee amounting to ₹1.82 crores (as on 31.03.2022 - ₹1.82 crores) has been provided for demand raised under TNVAT Act in respect of VAT on sale of repossessed vehicles.
- Bank Guarantee amounting to ₹0.48 crores. (as on 31.03.2022 - ₹0.27 crores) for Legal proceedings with respect to repossessed assets.
- Bank deposit of ₹7.00 crores (as on March 31 2022 - ₹1.51 crores) placed for obtaining Letter of Credit on behalf of our Customers.

NOTES TO THE ACCOUNTS (Contd.)

Note 6 : Derivative Financial Instruments

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

Part I

(₹ in crores)

Particulars	March 31, 2023			March 31, 2022		
	Notional amount	Fair Value		Notional amount	Fair Value	
		Assets	Liabilities		Assets	Liabilities
(i) Currency derivatives:						
- Currency swaps	–	–	–	–	–	–
- Forward Contracts	–	–	–	–	–	–
Subtotal (i)	–	–	–	–	–	–
(ii) Interest rate derivatives:						
- Forward Rate Agreements & Interest Rate Swaps	125.00	1.03	–	375.00	0.61	–
Subtotal (ii)	125.00	1.03	–	375.00	0.61	–
Total Derivative Financial Instruments (i)+(ii)	125.00	1.03	–	375.00	0.61	–
Derivative Financial Asset / Liability (net)		1.03			0.61	–

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

(₹ in crores)

Particulars	March 31, 2023			March 31, 2022		
	Notional amount	Fair Value		Notional amount	Fair Value	
		Assets	Liabilities		Assets	Liabilities
(i) Cash flow hedging:						
- Interest rate derivatives	125.00	1.03	–	375.00	0.61	–
(ii) Net Investment Hedging	–	–	–	–	–	–
Total Derivative Financial Instruments (i)+(ii)	125.00	1.03	–	375.00	0.61	–
Derivative Financial Asset / Liability (net)		1.03			0.61	–

Notes:

- 1) The interest rate risk and exchange rate risk on the borrowings of the Company are managed using various derivative instruments which are entered from time to time. The risk management strategy and the use of derivatives are explained in Note 37 - Financial Risk Management Framework and Note 43.03 - Derivatives.
- 2) The Company has designated the Interest rate derivatives (IRS/FRA), which were entered to mitigate interest rate risk on its Subordinated Non Convertible Debentures and Rupee Term Loans, as hedging instruments.

NOTES TO THE ACCOUNTS (Contd.)

Note 6A: Derivatives designated as Hedging Instruments

The impact of the hedging instrument on the balance sheet as at 31st March 2023 is as follows:

(₹ in crores)

Hedged Instrument	Notional Amount	Carrying Amount	Line item in the Balance sheet	Change in fair value used for measuring ineffectiveness for the period
Interest rate swap	125.00	1.03	Derivative Financial Instruments	0.42

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

(₹ in crores)

Hedged Item	Change in value used for measuring ineffectiveness	Cash flow hedge reserve as on 31.03.2023
Floating rate borrowings	(0.42)	0.77

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

(₹ in crores)

Hedged Item	Total hedging gain / (loss) recognised in OCI	Ineffectiveness recognised in the profit and loss	Line item in the statement of profit and loss that include the hedge ineffectiveness	Amount reclassified from cash flow hedge reserve to Profit or loss	Line item in the statement of profit or loss that includes the reclassification adjustment
Floating rate borrowings	0.42	—	NA	—	NA

Note 7 Receivables

(₹ in crores)

Particulars	March 31, 2023	March 31, 2022
Trade receivables		
- Secured, considered good		
- Unsecured, considered good	25.55	14.24
- Receivables - credit impaired	0.24	0.42
Less: Impairment loss on the above	(0.23)	(0.34)
Sub-total - Trade receivables	25.56	14.32
Other receivables		
- Secured, considered good	5.02	3.06
- Unsecured, considered good	1.84	0.88
Sub-total - Other receivables	6.86	3.94
TOTAL	32.42	18.26

NOTES TO THE ACCOUNTS (Contd.)

Trade Receivables ageing schedule as at March 31, 2023

(₹ in crores)

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 Months	6 months to 1 year	1 to 2 years	2 to 3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	–	21.99	0.12	0.07	–	–	22.18
(ii) Undisputed Trade Receivables – considered doubtful	–	0.03	0.03	0.06	0.12	–	0.24
(iii) Disputed Trade Receivables considered good	–	–	–	–	–	–	–
(iv) Disputed Trade Receivables considered doubtful	–	–	–	–	–	–	–
(v) Unbilled revenue – considered good	3.37	–	–	–	–	–	3.37

Trade Receivables ageing schedule as at March 31, 2022

(₹ in crores)

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 Months	6 months to 1 year	1 to 2 years	2 to 3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	1.48	10.56	–	–	–	–	12.04
(ii) Undisputed Trade Receivables – considered doubtful	–	0.07	0.07	0.16	0.13	–	0.42
(iii) Disputed Trade Receivables considered good	–	–	–	–	–	–	–
(iv) Disputed Trade Receivables considered doubtful	–	–	–	–	–	–	–
(v) Unbilled revenue – considered good	2.20	–	–	–	–	–	2.20

NOTES TO THE ACCOUNTS (Contd.)

Note 8: Loans
Carried at amortised cost

(₹ in crores)

Particulars	March 31, 2023	March 31, 2022
Hypothecation loans	3,3037.30	28,033.37
Term Loans	774.77	467.04
Advance for business assets	236.46	154.31
Amount retained on Assets securitised / assigned	9.05	37.77
Loans repayable on Demand	54.26	67.07
Bills Purchased and Bills Discounted	17.49	18.88
Net investment in lease	39.63	26.33
Other loans [@]	46.20	156.99
Total Loans - Gross	34,215.16	28,961.76
Less: Impairment loss allowance	459.96	561.61
Total Loans - Net	33,755.20	28,400.15
Of the above		
Secured by tangible assets	33,384.90	27,655.36
Covered by Bank/Government Guarantees	533.84	996.59
Secured by Deposits	7.88	3.92
Unsecured	288.54	305.89
Total Loans - Gross	34,215.16	28,961.76
Less: Impairment loss allowance	459.96	561.61
Total Loans - Net	33,755.20	28,400.15
Loans in India		
Public Sector	-	-
Others *	34,215.16	28,961.76
Total Loans - Gross	34,215.16	28,961.76
Less: Impairment loss allowance	459.96	561.61
Total Loans in India - Net - (A)	33,755.20	28,400.15
Loans outside India	-	-
Less: Impairment loss allowance	-	-
Total Loans outside India - Net - (B)	-	-
Total loans (A) + (B)	33,755.20	28,400.15

[@] includes loans to employees, loan against deposits and net investment in hire purchase.

* includes loans to Individuals, Sole proprietorship, Partnership, LLPs, Private and Public Limited companies.

There are no Loans or Advances in the nature of loans granted to promoters, directors, KMPs and the related parties that are:

- repayable on demand or
- without specifying any terms or period of repayment

NOTES TO THE ACCOUNTS (Contd.)

Note 9: Investments

(₹ in crores)

Particulars	Note No.	Face Value (₹)	March 31, 2023		March 31, 2022	
			Holding (Number)	Carrying Amount	Holding (Number)	Carrying Amount
At Cost:						
Equity Instruments						
- Subsidiaries						
Sundaram Asset Management Company Limited		10	2,39,50,384	236.58	2,39,50,384	236.24
Sundaram Home Finance Limited		10	10,12,54,438	1,153.27	10,12,54,438	1,152.90
Sundaram Fund Services Limited		10	4,50,03,000	24.45	4,50,03,000	24.45
Sundaram Trustee Company Limited		10	50,000	2.29	50,000	2.29
LGF Services Limited		10	2,50,000	0.05	2,50,000	0.05
Sundaram Finance Holdings Limited	i	5	5,21,76,605	114.21	5,21,76,605	114.15
				1,530.85		1,530.08
- Joint Ventures						
Royal Sundaram General Insurance Co. Limited		10	22,45,00,000	585.34	22,45,00,000	585.27
Total - A				2,116.19		2,115.35
At fair value through other comprehensive income:						
Equity Instruments						
Experian Credit Information Company of India Private Limited		10	1,12,00,000	11.20	1,12,00,000	11.20
				11.20		11.20
Preference Shares						
Series A Compulsorily Convertible Preference Shares of RBSG Capital Private Limited		10	7,14,286	3.12	7,14,286	3.12
Total - B				14.32		14.32
At fair value through profit or loss:						
- Mutual Funds						
Sundaram Liquid Fund		1,000	33,36,355	663.22	18,39,684	345.69
SBI Liquid Fund		1,000	9,94,000	350.22	8,10,651	270.19
Sundaram Overnight Fund		1,000	16,79,706	200.11	-	-
Sundaram Banking and PSU Debt Fund		10	2,85,55,808	104.65	-	-
Kotak Corporate Bond Fund		1,000	1,60,914	52.72	-	-
Sundaram Corporate Bond Fund		10	1,49,53,239	52.33	-	-
SBI Corporate Bond Fund		10	3,92,19,262	52.26	-	-
Sundaram Ultra Short Duration Fund		1,000	-	-	14,24,234	333.80
SBI Magnum Low duration Fund		1,000	-	-	8,65,380	251.76
Aditya Birla Sun Life Liquid Fund		100	-	-	39,38,050	135.12
Sundaram Low Duration Fund		1,000	-	-	3,43,582	101.63

NOTES TO THE ACCOUNTS (Contd.)

(₹ in crores)

Particulars	Note No.	Face Value (₹)	March 31, 2023		March 31, 2022	
			Holding (Number)	Carrying Amount	Holding (Number)	Carrying Amount
ICICI Prudential Liquid Fund		100	-	-	25,46,586	80.28
ICICI Prudential Ultra Short Term Fund		10	-	-	3,13,64,880	75.00
Kotak Savings Fund		10	-	-	2,08,14,830	75.00
Tata Ultra Short Term Fund		10	-	-	6,29,90,299	75.00
HDFC Ultra Short Term Fund		10	-	-	6,04,18,479	75.00
HDFC Liquid Fund		1,000	-	-	1,68,143	70.36
Tata Liquid Fund		1,000	-	-	1,88,139	63.22
Kotak Liquid Fund		1,000	-	-	1,40,084	60.28
SBI Magnum Ultra Short Duration Fund		1,000	-	-	1,02,097	50.00
Nippon India Liquid Fund		1,000	-	-	42,456	22.11
DSP Liquidity Fund		1,000	-	-	32,958	10.03
L&T Liquid Fund		1,000	-	-	34,404	10.03
Canara Robeco Liquid Fund		1,000	-	-	39,326	10.03
Axis Liquid Fund		1,000	-	-	278	0.07
Sundaram Mutual Fund - Seed Capital	ii		-	22.60	-	21.88
				1,498.11		2,136.48
- Alternative Investment Funds						
Sponsor investments						
" Sundaram Alternative Opportunities Series –						
High Yield Secured Debt Fund"						
High Yield Secured Debt Fund II	iii		-	5.03	-	5.00
High Yield Secured Real Estate Fund III	iii		-	4.50	-	1.25
Sundaram India Premier Fund	iii	1,000	98,567	14.75	98,567	17.17
Sundaram Alternative Opportunities Fund -						
ACORN	iii	1,00,000	816	13.24	816	14.58
ATLAS	iii	1,00,000	1,000	10.05	-	-
ATLAS-II	iii	1,00,000	300	2.96	-	-
Sundaram Alternates - Emerging Corporate	iii		-	5.00	-	-
Credit Opportunities Fund - Series I"						
Others						
Sundaram Alternative Opportunities Series –						
High Yield Secured Debt Fund"						
High Yield Secured Debt Fund II			-	45.24	-	45.00
Sundaram Alternates - Emerging Corporate			-	15.00	-	-
Credit Opportunities Fund - Series I						
Lok Capital Growth Fund		100	9,69,307	30.77	1,180,961	26.07
Trifecta Venture Debt Fund-III		100	33,70,500	34.63	-	-
				181.17		118.35
Total - C				1,679.28		2,254.83

NOTES TO THE ACCOUNTS (Contd.)

(₹ in crores)

Particulars	Note No.	Face Value (₹)	March 31, 2023		March 31, 2022	
			Holding (Number)	Carrying Amount	Holding (Number)	Carrying Amount
At amortised cost:						
Debt securities						
Government Securities:						
Central Government Loans	i	100	1,55,89,300	157.08	1,52,14,300	154.42
State Government Loans	i	100	3,22,50,000	326.90	3,27,50,000	331.78
				483.98		486.20
- Non-Convertible Debentures:						
Navi Finserv Limited		10,00,000	1,000	99.40	-	-
Spandana Spoorthy Financial Limited	i	10,00,000	250	25.00	-	-
Vivriti Capital Private Limited		1,00,000	5,000	50.43	-	-
				174.83		-
Treasury Bills	i	100	5,00,00,000	496.77	25,000,000	247.88
Pass Through Certificates				84.38		100.60
- Commercial Paper:						
Northern Arc Capital Limited		5,00,000	-	-	1,500	72.28
Navi Finserv Private Limited		5,00,000	-	-	570	27.79
Vivriti Capital Private Limited		5,00,000	300	13.63	-	-
				13.63		100.07
				1,253.58		934.75
Less: Allowance for Impairment loss				(0.55)		(0.58)
Total - D				1,253.03		934.17
Total Investments *				5,062.82		5,318.67
A+B+C+D						
(Net of allowance for impairment loss)						

* All investments of the company are in India.

Notes:

- i) Represent Quoted Investments.
- ii) Represents investments in the growth option of the open-ended schemes of Sundaram Mutual Fund in compliance with the seed capital requirements as stipulated by SEBI (Mutual Funds) Regulations, 1996, as amended from time to time. The same cannot be redeemed unless the scheme is wound up.
- iii) Represents sponsor investments, in compliance with SEBI (Alternative Investment Funds) Regulations, 2012, as amended from time to time and the same cannot be redeemed unless the Fund is wound up.
- iv) In accordance with the Reserve Bank of India directives, the company has created a floating charge on the statutory liquid assets comprising investment in Government Securities of face value ₹478.39 cr. (amortised cost - ₹483.98 cr.).

NOTES TO THE ACCOUNTS (Contd.)

Note 10: Other Financial Assets

(₹ in crores)

Particulars	March 31, 2023	March 31, 2022
Reposessed Loan Stock (Net Realisable Value)*	–	45.52
Carried at amortised cost		
- Security deposits	9.00	8.22
- Redemption Receivable from MF Investments	1.43	–
- Other advances	5.81	5.50
Less: Impairment loss on the above	0.21	0.17
TOTAL	16.03	59.07

Note 11 : Disclosure pursuant to Ind AS 12 "Income Taxes"

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

(₹ in crores)

Sl.no.	Particulars	2022-23	2021-22
(a)	Profit or Loss section :		
(i)	Current income tax :		
	Current income tax expense	319.43	296.74
	Tax expense of prior periods	–	–
(ii)	Deferred tax :		
	Tax expense on origination and reversal of temporary differences	12.22	(23.25)
	Effect of previously unrecognised tax losses used to reduce tax expense	–	–
	Income tax expense reported in Profit or Loss [(i) + (ii)]	331.65	273.49
(b)	Other Comprehensive Income (OCI) section :		
(i)	Items not to be reclassified to profit or loss in subsequent periods :		
	Current tax expense/(income) :	(0.91)	(1.86)
	On remeasurement of defined benefit plans	(0.91)	(1.86)
	Items that will not be reclassified to profit or loss : Profit of equity investments	–	–
(ii)	Items to be reclassified to profit or loss in subsequent periods :		
	(A) Deferred tax expense/(income) :		
	On MTM of cash flow hedges	0.11	(2.93)
	Income tax expense reported in Other Comprehensive Income [(i) + (ii)]	(0.80)	(4.79)
	Income tax expense reported in retained earnings	330.85	268.70

NOTES TO THE ACCOUNTS (Contd.)

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

(₹ in crores)

Sl.no.	Particulars	2022-23	2021-22
(a)	Profit before tax and exceptional items	1,419.96	1,176.90
(b)	Profit on exceptional items	–	–
(c)	Profit before tax	1,419.96	1,176.90
(d)	Corporate tax rate as per Income Tax Act 1961	25.17%	25.17%
(e)	Tax on Accounting profit (e)=(a)*(d)	357.38	296.20
(f)	(i) Tax on income deductible / exempt from tax :		
	(A) Dividend income (deduction u/s. 80M)	27.11	18.93
	(ii) Tax on expenses not tax deductible :		
	CSR expenses / Donations	6.05	4.09
	(iii) Tax effect on various other items	4.66	7.88
	Total effect of tax adjustments [(i) -(ii) + (iii)]	25.72	22.72
(g)	Tax expense recognised during the year (h)=(e)-(f)	331.65	273.49
(h)	Effective tax Rate (f)=(h)/(c)	23.36%	23.24%

(c) Components of deferred tax assets / (liabilities) recognised in Balance Sheet and Statement of Profit or Loss :

(₹ in crores)

Sl. no.	Particulars	Balance sheet		Statement of Profit or Loss	
		March 31, 2023	March 31, 2022	2022-23	2021-22
(a)	Items disallowed u/s. 43B of the Income Tax Act 1961	5.44	5.05	0.39	(2.64)
(b)	Provision for doubtful debts and advances	95.02	111.37	(16.35)	15.18
(c)	Difference between book depreciation and tax depreciation	33.80	33.51	0.29	
(d)	Other temporary differences	38.51	35.17	3.35	(1.91)
(e)	Provision for Covid Reserve		-		10.27
	Deferred tax (expense)/income	-	-	(12.33)	26.18
	Net deferred tax assets/(liabilities)	172.77	185.10		-

NOTES TO THE ACCOUNTS (Contd.)

d) Reconciliation of deferred tax assets / (liabilities):

(₹ in crores)

Sl. no.	Particulars	March 31, 2023	March 31, 2022
(a)	Opening balance as at April 1	185.10	158.92
(b)	Tax income/(expense) during the period recognised in :		
(i)	Statement of Profit and Loss in Profit or Loss section	(12.22)	23.25
(ii)	Statement of Profit and Loss under OCI section	(0.11)	2.93
(iii)	Retained earnings		-
Closing balance		172.77	185.10

Note 12: Investment Property

(₹ in crores)

Particulars	Land	Building	Total
GROSS BLOCK AT COST			
As at 31.03.2022	55.99	16.13	72.12
Additions	40.14	-	40.14
Deductions	5.52	4.59	10.11
Asset Transfer from PPE	-	-	-
As at 31.03.2023	90.61	11.54	102.15
DEPRECIATION			
Upto 31.03.2022	-	3.46	3.46
Additions	-	0.59	0.59
Deductions	-	0.95	0.95
Asset Transfer from PPE	-	-	-
Upto 31.03.2023	-	3.10	3.10
Carrying Value as at 31.03.2023	90.61	8.44	99.05

Title deeds of all the Immovable Properties are held in the name of the Company.

The fair value measurement for all the investment property has been done by Registered Valuer.

The fair valuation of the investment property is ₹ 273.65 crores (31.03.2022 : ₹ 245.00 crores).

NOTES TO THE ACCOUNTS (Contd.)

Items relating to Investment property recognised in Profit & Loss account for the year ended are as given below:

(₹ in crores)

Particulars	Land	Building	Total
GROSS BLOCK AT COST			
As at 31.03.2021	58.23	16.08	74.31
Additions	–	0.05	0.05
Deductions	2.24	–	2.24
Asset Transfer from PPE	–	–	–
As at 31.03.2022	55.99	16.13	72.12
DEPRECIATION			
Upto 31.03.2021	–	2.79	2.79
Additions	–	0.67	0.67
Deductions	–	–	–
Asset Transfer from PPE	–	–	–
Upto 31.03.2022	–	3.46	3.46
Carrying Value as at March 31, 2022	55.99	12.67	68.66

(₹ in crores)

Particulars	2022-23	2021-22
Rental income	6.42	6.36
Direct Operating expenses on properties generating rental income	0.54	0.22
Direct Operating expenses on properties not generating rental income	0.02	0.01

The investment properties are freely realizable.

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

Note 13: Property, Plant and equipment

(₹ in crores)

Particulars	Freehold Land	Freehold Buildings	Leasehold office / Residential Premises	Plant and Machinery and Computers	Furniture and Fixtures	Vehicles	Office Equipment	Assets on Operating Lease			Total
								Plant and Machinery and Computers	Vehicles	Medical Equipment	
GROSS BLOCK AT COST											
As at 31.03.2022	28.60	13.89	6.26	54.78	11.49	25.32	9.92	16.47	228.76	11.43	406.92
Additions	–	1.14	0.07	6.32	2.28	9.63	1.86	2.28	180.60	–	204.18
Deductions	0.76	0.26	0.00	1.52	0.36	3.95	0.35	0.23	59.32	0.00	66.75
Asset Transfer to IP	–	–	–	–	–	–	–	–	–	–	–
As at 31.03.2023	27.84	14.77	6.33	59.58	13.41	31.00	11.43	18.52	350.04	11.43	544.35
DEPRECIATION											
Upto 31.03.2022	–	4.06	1.29	34.12	6.73	13.33	5.15	9.28	83.07	4.92	161.95
Additions	–	0.74	0.30	7.23	1.33	4.17	1.01	3.04	56.91	2.05	76.78
Deductions	–	0.08	0.00	1.28	0.26	2.88	0.23	0.21	34.60	–	39.54
Asset Transfer to IP	–	–	–	–	–	–	–	–	–	–	–
Upto 31.03.2023	–	4.72	1.59	40.07	7.80	14.62	5.93	12.11	105.38	6.97	199.19
Carrying Value as at 31.03.2023	27.84	10.05	4.74	19.51	5.61	16.38	5.50	6.41	244.66	4.46	345.16

Title deeds of all the Immovable Properties are held in the name of the Company.

No Revaluation of Property, Plant and Equipment has been carried out during the year.

Refer Note 18 for Mortgage on Immovable Property.

The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

NOTES TO THE ACCOUNTS (Contd.)

(₹ in crores)

Particulars	Freehold Land	Freehold Buildings	Leasehold office / Residential Premises	Plant and Machinery and Computers	Furniture and Fixtures	Vehicles	Office Equipment	Assets on Operating Lease			Total
								Plant and Machinery and Computers	Vehicles	Medical Equipment	
GROSS BLOCK AT COST											
As at 31.03.2021	28.60	12.69	6.37	47.43	10.26	22.87	8.91	15.65	189.15	8.95	350.88
Additions	—	1.20	0.20	7.94	1.27	5.17	1.11	3.46	87.15	2.48	109.98
Deductions	—	—	0.31	0.59	0.04	2.72	0.10	2.64	47.54	—	53.94
Asset Transfer to IP	—	—	—	—	—	—	—	—	—	—	—
As at 31.03.2022	28.60	13.89	6.26	54.78	11.49	25.32	9.92	16.47	228.76	11.43	406.92
DEPRECIATION											
Upto 31.03.2021	—	3.27	1.04	27.75	5.57	11.94	4.25	7.53	75.07	2.11	138.53
Additions	—	0.79	0.31	6.77	1.19	3.20	0.94	4.16	35.42	2.81	55.59
Deductions	—	—	0.06	0.40	0.03	1.81	0.04	2.41	27.42	—	32.17
Asset Transfer to IP	—	—	—	—	—	—	—	—	—	—	—
Upto 31.03.2022	—	4.06	1.29	34.12	6.73	13.33	5.15	9.28	83.07	4.92	161.95
Carrying Value as at 31.03.2022	28.60	9.83	4.97	20.66	4.76	11.99	4.77	7.19	145.69	6.51	244.97

NOTES TO THE ACCOUNTS (Contd.)

Note 14 : Right of use – Assets

(₹ in crores)

Particulars	ROU Land	ROU Buildings	Finance Lease	Total
			Land	
GROSS BLOCK AT COST				
As at 31.03.2022	4.39	77.74	0.39	82.52
Additions	–	31.81	–	31.81
Deductions	–	1.68	–	1.68
As at 31.03.2023	4.39	107.87	0.39	112.65
DEPRECIATION				
Up to 31.03.2022	3.08	35.85	0.00	38.93
Additions	0.88	12.95	–	13.83
Deductions	–	–	–	–
Upto 31.03.2023	3.96	48.80	–	52.76
Carrying Value as at 31.03.2023	0.43	59.07	0.39	59.89

(₹ in crores)

Particulars	ROU Land	ROU Buildings	Finance Lease	Total
			Land	
GROSS BLOCK AT COST				
As at 31.03.2021	2.03	65.15	0.39	67.57
Additions	2.36	17.32	–	19.68
Deductions	–	4.73	–	4.73
As at 31.03.2022	4.39	77.74	0.39	82.52
DEPRECIATION				
Up to 31.03.2021	1.98	24.01	–	25.99
Additions	1.10	11.84	–	12.94
Deductions	–	–	–	–
Upto 31.03.2022	3.08	35.85	–	38.93
Carrying Value as at 31.03.2022	1.31	41.89	0.39	43.59

Note 15 : Other Intangibles Assets & Intangible Assets Under Development

(₹ in crores)

Particulars	Computer Software		Total	Intangibles Under Development
	Purchased	Self Generated		
GROSS BLOCK AT COST				
As at 31.03.2022	18.67	9.95	28.62	–
Additions	0.01	7.54	7.55	8.14
Deductions	–	–	–	7.54
As at 31.03.2023	18.68	17.49	36.17	0.60
DEPRECIATION				
Up to 31.03.2022	16.45	8.96	25.41	–
Additions	1.28	1.07	2.35	–
Deductions	–	–	–	–
Upto 31.03.2023	17.73	10.03	27.76	–
Carrying Value as at 31.03.2023	0.95	7.46	8.41	0.60
Carrying Value as at 31.03.2022	2.22	0.99	3.21	–

* 0.60 crores aging is less than 1 year.

No Revaluation of Intangible assets is done during the year.

(₹ in crores)

Particulars	Computer Software		Total	Intangibles Under Development
	Purchased	Self Generated		
GROSS BLOCK AT COST				
As at 31.03.2021	17.44	9.95	27.39	–
Additions	1.23	–	1.23	–
Deductions	–	–	–	–
As at 31.03.2022	18.67	9.95	28.62	–
DEPRECIATION				
Up to 31.03.2021	14.10	7.86	21.96	–
Additions	2.35	1.10	3.45	–
Deductions	–	–	–	–
Upto 31.03.2022	16.45	8.96	25.41	–
Carrying Value as at 31.03.2022	2.22	0.99	3.21	–

NOTES TO THE ACCOUNTS (Contd.)

Note 16: Other Non-Financial Assets

(₹ in crores)

Particulars	March 31, 2023	March 31, 2022
Balances with Government authorities	84.28	38.17
Prepaid expenses	11.39	13.25
SF employee welfare trust	2.91	2.94
Stamp and stamp papers on hand	2.90	2.57
Capital Advances	1.37	6.16
Others Assets *	8.13	1.01
TOTAL	110.98	64.10

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

Note 17: Payables

(₹ in crores)

Particulars	March 31, 2023	March 31, 2022
Trade payables		
(i) Total outstanding dues of micro enterprises and small enterprises Outstanding Liability *	2.41	1.37
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises Dealer Balances	89.28	66.25
Outstanding Liability	10.27	21.68
Sub-Total	99.55	87.93
Other payables		
(i) Total outstanding dues of micro enterprises and small enterprises	–	–
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	10.34	7.64
Sub-Total	10.34	7.64

* Subsequently liability is discharged

Trade Payables ageing schedule as at 31st March 2023

Trade Payables ageing schedule as at March 31, 2023

(₹ in crores)

Particulars	Outstanding for following periods from due date of payment					Total
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	–	2.41	–	–	–	2.41
(ii) Others	2.43	88.06	9.04	0.02	–	99.55
(iii) Disputed dues – MSME	–	–	–	–	–	–
(iv) Disputed dues - Others	–	–	–	–	–	–

NOTES TO THE ACCOUNTS (Contd.)

Trade Payables ageing schedule as at March 31, 2022

(₹ in crores)

Particulars	Outstanding for following periods from due date of payment					Total
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	–	1.37	–	–	–	1.37
(ii) Others	8.83	68.03	11.08	–	–	87.93
(iii) Disputed dues – MSME	–	–	–	–	–	–
(iv) Disputed dues - Others	–	–	–	–	–	–

Maturity pattern of Borrowings:

(₹ in crores)

Implicit Interest rate* (%)	March 31, 2023				March 31, 2022			
	<1 year	1-3 years	>3 years	Total	<1 year	1-3 years	>3 years	Total
Maturities								
Secured Debentures								
>= 4 to 5	1,737.95			1,737.95		1,726.41		1,726.41
>= 5 to 6	1,842.81	1,849.56		3,692.37	861.20	3,429.17	188.71	4,479.08
>= 6 to 7	599.58	500.00	750.00	1,849.58	1,035.74	527.58	793.89	2,357.21
>= 7 to 8	1,116.83	1,955.00	939.89	4,011.72	2,324.46	1,072.74		3,397.20
>= 8 to 9					814.73			814.73
Total	5,297.17	4,304.56	1,689.89	11,291.62	5,036.13	6,755.90	982.59	12,774.63
Long Term Loans								
>=3 to 4	437.14	243.24	2.31	682.69	689.91	679.61	48.86	1,418.38
>= 4 to 5	490.06	631.67	4.14	1,125.87	1,405.90	1,251.37	280.36	2,937.63
>= 5 to 6	556.19	416.81	10.45	983.45	686.28	705.85	125.00	1,517.13
>= 6 to 7	1,052.00	1,438.94	184.77	2,675.70	136.64	61.48		198.12
>= 7 to 8	1,135.25	1,711.82	1,088.41	3,935.47	62.81	15.34		78.15
>= 8 to 9	83.49	333.30	83.30	500.09				
Total	3,754.13	4,775.78	1,373.38	9,903.29	2,981.54	2,713.65	454.22	6,149.41
Subordinated Liabilities								
>= 7 to 8	14.51		600.00	614.51			614.65	614.65
>= 8 to 9	48.86		1,225.00	1,273.86			1,273.31	1,273.31
>= 9 to 10	12.49	215.00	125.00	352.49	60.82	180.37	171.75	412.94
>= 10 to 11					200.34			200.34
Total	75.86	215.00	1,950.00	2,240.86	261.16	180.37	2,059.71	2,501.24

The Secured Non - Convertible Debentures which are issued and allotted till 26-Nov-2020 are secured by mortgage of immovable property ranking pari passu with charges created in favour of the trustees and Hypothecation of specific Loan receivables / Hire purchase/ Lease agreements with a cover of 100%, as per the terms of issue.

The Secured Non - Convertible Debentures which are issued and allotted on or after 27-Nov-2020 are secured by Hypothecation of specific Loan receivables / Hire Purchase / Lease agreements with a cover of 100%, as per the terms of issue.

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

* Monthly cost

SUNDARAM FINANCE LIMITED

NOTES TO THE ACCOUNTS (Contd.)

Note 18: Debt Securities

(₹ in crores)

Particulars	March 31, 2023	March 31, 2022
Carried at amortised cost		
Non-Convertible debentures	11,291.62	12,774.63
Commercial paper	2,429.51	976.57
Total	13,721.13	13,751.20
Of the above		
- Debt securities in India	13,721.13	13,751.20
- Debt securities in outside India	-	-
Total	13,721.13	13,751.20

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

Note 19: Borrowings other than debt securities

(₹ in crores)

Particulars	March 31, 2023	March 31, 2022
Secured:		
Term Loan from banks	9,903.29	6,149.41
Working capital demand loans and Cash credit	2,083.62	1,198.28
Unsecured:		
Credit facilities from banks	0.00	15.42
TOTAL	11,986.91	7,363.11
Of the above		
Borrowings in India	11,986.91	7,363.11
Borrowings in Outside India	-	-
TOTAL	11,986.91	7,363.11

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

Term loans were deployed for the purpose for which they were obtained. In respect of a term loan of ₹ 1000 Cr. availed from a Bank during the last quarter of the financial year, the application of funds is in progress in accordance with terms of the sanction and the undeployed loan is held in the form of liquid investments.

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

Funds raised on short term basis have not been utilised for long term purposes.

Quarterly Returns or Statements of current assets filed by the Company with Banks or Financial Institutions are in agreement with the Books of Accounts.

The Company has not been declared as wilful defaulter by any Bank or Financial Institution or other lender or government or any government authority.

NOTES TO THE ACCOUNTS (Contd.)

Note 20: Deposits

(₹ in crores)

Particulars	March 31, 2023	March 31, 2022
Carried at amortised cost		
- Public Deposits	4,806.04	4,214.24
- From banks	—	—
- From others	—	—
TOTAL	4,806.04	4,214.24

Note 21: Subordinated Liabilities

(₹ in crores)

Particulars	March 31, 2023	March 31, 2022
Carried at amortised cost		
Subordinated Non Convertible Debentures	2,240.86	2,501.24
Of the above		
- Subordinated Liabilities in India	2,240.86	2,501.24
- Subordinated Liabilities outside India	—	—
Total	2,240.86	2,501.24

Reconciliation of movement in borrowings to cash flows from financing activities

(₹ in crores)

Particulars	April 01, 2022	Cashflows	Others*	March 31, 2023
Opening Balance				
Debt securities	13,751.20	(127.11)	97.04	13,721.13
Borrowings (Other than debt securities)	7,363.11	4,605.03	18.77	11,986.91
Deposits	4,214.24	605.96	(14.16)	4,806.04
Subordinated liabilities	2,501.24	(250.00)	(10.38)	2,240.86
Total	27,829.79	4,833.88	91.27	32,754.94
Particulars	April 01, 2021	Cashflows	Others*	March 31, 2022
Debt securities	14,692.94	(1,195.08)	253.34	13,751.20
Borrowings (Other than debt securities)	6,860.05	616.19	(113.13)	7,363.11
Deposits	4,154.55	82.20	(22.51)	4,214.24
Subordinated liabilities	2,505.87	2.98	(7.61)	2,501.24
Total	28,213.41	(493.71)	110.09	27,829.79

*Others represents the effect of interest accrued but not paid on borrowing and amortization of initial cost of borrowing.

NOTES TO THE ACCOUNTS (Contd.)

Note 22: Other Financial Liabilities

(₹ in crores)

Particulars	March 31, 2023	March 31, 2022
Amount due on assets securitised or assigned	20.25	50.89
Unpaid matured deposits and interest accrued thereon	60.41	58.02
Advance received from customers	16.65	19.67
Unpaid dividend	3.43	3.43
Payable to employees	89.03	82.26
Lease liability	56.81	49.12
Other liabilities **	140.21	133.11
TOTAL	386.79	396.50

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

Note 23: Provisions

(₹ in crores)

Particulars	March 31, 2023	March 31, 2022
Provision for employee benefits	20.17	24.71
Provision for Other expenses ^	18.74	18.05
Total	38.91	42.76

^ Provision for other expenses include provision made for legal cases / claims

Note 24: Other Non-Financial Liabilities

(₹ in crores)

Particulars	March 31, 2023	March 31, 2022
Revenue received in advance	0.58	0.43
Other Liabilities #	27.78	28.01
Total	28.36	28.44

mainly include government dues, taxes payable, GST payable and salary deductions payable

NOTES TO THE ACCOUNTS (Contd.)

Note 25: Equity Share Capital

(₹ in crores)

Particulars	March 31, 2023	March 31, 2022
Authorised capital		
27,81,00,000 Equity Shares of ₹10/- each	278.10	278.10
Issued, Subscribed and fully paid-up		
11,11,03,860 Equity Shares of ₹10/- each	111.10	111.10

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

Particulars	March 31, 2023	March 31, 2022
At the beginning of the year	11,11,03,860	11,11,03,860
Changes in equity share capital during the current year	–	–
At the end of the year	11,11,03,860	11,11,03,860

b) Share holder holding more than 5% of shares:

Name of the Share holder	Axis Mutual Fund	
	31.03.2023	31.03.2022
No of shares	61,26,653	52,87,888
% of holding	5.51%	4.76%

c) Aggregate number of equity shares issued for consideration other than cash / Bonus shares during the period of five years immediately preceding the reporting date: Nil

d) Shareholding of Promoters - refer annexure

Shares held by promoters at the end of the year

Date	Promoter name	No. of Shares	%of total shares	% Change during the year
31.03.2022	As per table below	4,27,68,519	38.49	2.59
31.03.2023		4,27,63,719	38.49	-0.00

NOTES TO THE ACCOUNTS (Contd.)

Annexure - Note 25.e: Shareholding of Promoters

	Name of The Promoters	PAN	Shareholders Type	No. of Shares as on 31 st March 2023	% of shares	No. of Shares as on 31 st March 2022	% of shares	% Change
1	Mr. Srivats Ram	APKPS8819Q	Promoter	17,01,322	1.53	17,01,322	1.53	-
2	Mrs. Nivedita Ram	AADPN0585A	Promoter	16,49,516	1.48	16,49,516	1.48	-
3	Mr. Harsha Viji	AABPH5786K	Promoter Group	16,91,704	1.52	16,91,704	1.52	-
4	Mr. Arjun Rangarajan	AFMPA1593H	Promoter Group	13,08,270	1.18	13,08,270	1.18	-
5	Mr. Sriram Viji	ABCPS3880K	Promoter Group	12,78,620	1.15	12,78,620	1.15	-
6	Mrs. Gita Ram	ACUPG1484G	Promoter Group	11,39,680	1.03	11,39,680	1.03	-
7	Late Mr. S Sundaram	ABAPS0106L	Promoter	4,000	0.00	4,000	0.00	-
8	Mrs. S Hema	AABPH2369C	Promoter Group	3,34,968	0.30	3,34,968	0.30	-
9	Mrs. Usha Raghavan	AAAPR8232R	Promoter	5,89,992	0.53	5,89,992	0.53	-
10	Mr. Srikanth Ramanujam	AIJPS9413N	Promoter	9,14,052	0.82	9,14,052	0.82	-
11	Mr. S. Viji	AAFV2927C	Promoter	12,75,704	1.15	9,09,780	0.82	0.33
12	Mrs. Vijaya Rangarajan	ACFPR6155E	Promoter	10,86,265	0.98	10,86,265	0.98	-
13	Mrs. Chitra Viji	AACPC0420E	Promoter Group	8,34,034	0.75	8,34,034	0.75	-
14	Mrs. Prema Ramanujam	AACPR3435L	Promoter Group	6,43,412	0.58	6,43,412	0.58	-
15	Mrs. Lily Vijayaraghavan	AABPL7289D	Promoter	5,45,436	0.49	5,45,436	0.49	-
16	Mrs. Vijaya Rangarajan & Mr. Santhanam Ram	ACFPR6155E	Promoter Group	6,09,896	0.55	6,09,896	0.55	-
17	Mr. S. Ram	ADCPR0378R	Promoter	5,06,788	0.46	5,06,788	0.46	-
18	Mrs. Choodamani Narayanan	AADPN2665B	Promoter	5,09,094	0.46	5,09,094	0.46	-
19	Mr. Narayanan Ramji (HUF)	AAAHN0119F	Promoter Group	1,36,160	0.12	1,36,160	0.12	-
20	Mrs. Anuradha Raghavan	AABPR3006N	Promoter	3,97,264	0.36	3,97,264	0.36	-
21	Mr. Jaideep Chakravarthy	AADPJ4258L	Promoter	6,85,198	0.62	6,85,198	0.62	-
22	Mr. Pradeep Chakravarthy	AACPC0448A	Promoter	6,67,986	0.60	6,67,986	0.60	-
23	Mrs. Lily Vijayaraghavan & Mrs. Sashi Parthasarathy	AABPL7289D	Promoter	3,05,112	0.27	3,15,112	0.28	-0.01
24	Mr. Sharath Vijayaraghavan (HUF)	AALHS3553D	Promoter Group	2,09,000	0.19	2,09,000	0.19	-
25	Mr. K Vasudevan	AAAPV2148Q	Promoter	2,87,492	0.26	2,87,492	0.26	-
26	Mrs. Lakshmi Vasudevan	AGFPV2469M	Promoter Group	2,80,016	0.25	2,74,816	0.25	0.00
27	Mr. R. Ramanujam	AABPR9212J	Promoter Group	4,09,622	0.37	4,09,622	0.37	-

NOTES TO THE ACCOUNTS (Contd.)

	Name of The Promoters	PAN	Shareholders Type	No. of Shares as on 31 st March 2023	% of shares	No. of Shares as on 31 st March 2022	% of shares	% Change
28	Mr. Aditya S. Ramanujam	ARIPR0950R	Promoter Group	2,61,548	0.24	2,61,548	0.24	-
29	Miss Tulsi S Ramanujam	BDHPR4276C	Promoter Group	2,67,767	0.24	2,67,767	0.24	-
30	Mr. Sharath Vijayaraghavan	AAAPV4274F	Promoter	1,74,844	0.16	1,74,844	0.16	-
31	Mrs. Lily Vijayaraghavan & Mr. Badri Vijayaraghavan	AABPL7289D	Promoter	1,97,776	0.18	1,97,776	0.18	-
32	Mrs. Lily Vijayaraghavan & Mr. Sharath Vijayaraghavan	AABPL7289D	Promoter	1,97,776	0.18	1,97,776	0.18	-
33	Mr. T.T. Narendran, Mrs. Vimala Rangaswamy & Mrs. Padmini Narendran	AAAPN8006H	Promoter	1,62,988	0.15	1,62,988	0.15	-
34	Mrs. Indira Krishnaswami	AABPI0060M	Promoter Group	1,62,180	0.15	1,62,180	0.15	-
35	Mr. T.T. Srinivasaraghavan (HUF)	AAAHT0056R	Promoter Group	1,23,192	0.11	1,23,192	0.11	-
36	Mr. Daya Ambirajan	AYMPA5797J	Promoter Group	2,70,539	0.24	2,70,539	0.24	-
37	Mr. S. Viji (HUF 2)	AAFHS9812K	Promoter Group	1,13,988	0.10	1,13,988	0.10	-
38	Mr. S. Kishore & Mr. A.M. Srinivasan	ALRPK5324P	Promoter Group	4,63,612	0.42	4,63,612	0.42	-
39	Mrs. Bagyam Raghavan & Mr. T.T. Venkatraghavan	AABPR2372R	Promoter Group	1,13,308	0.10	1,13,308	0.10	-
40	Mr. T.T. Srinivasaraghavan & Mr. T.T. Narendran	AABTA7395M	Promoter Group	1,18,000	0.11	1,18,000	0.11	-
41	Mr. T.T. Srinivasaraghavan & Mrs. Bagyam Raghavan	AABTV8927C	Promoter Group	1,18,000	0.11	1,18,000	0.11	-
42	Mr. T.T. Narendran & Mrs. Padmini Narendran	AAATD8906G	Promoter Group	90,000	0.08	90,000	0.08	-
43	Mr. Narayanan Ramji	AAUPS6022N	Promoter	1,12,148	0.10	1,12,148	0.10	-
44	Mr. S Raghavan	AACPR1872R	Promoter Group	1,03,492	0.09	1,03,492	0.09	-
45	Mrs. Padmini Narendran & Mr. T.T. Hayagreevan	AAAPN8007G	Promoter Group	1,09,412	0.10	1,09,412	0.10	-
46	Mr. N Krishnan	AACPK6061H	Promoter	1,12,192	0.10	1,12,192	0.10	-
47	Mr. N Krishnan (HUF)	AAAHK2718M	Promoter Group	1,01,592	0.09	1,01,592	0.09	-
48	Mr. T.T. Narendran (HUF)	AAAHT0077L	Promoter Group	95,068	0.09	95,068	0.09	-

NOTES TO THE ACCOUNTS (Contd.)

	Name of The Promoters	PAN	Shareholders Type	No. of Shares as on 31st March 2023	% of shares	No. of Shares as on 31st March 2022	% of shares	% Change
49	Mrs. Vimala Rangaswamy, Mr. T.T. Narendran & Mrs. Padmini Narendran	AABPR2371N	Promoter Group	95,024	0.09	95,024	0.09	-
50	Mr. T.T. Narendran & Mrs. Padmini Narendran	AAATH9184Q	Promoter Group	80,000	0.07	80,000	0.07	-
51	Mr. T.T. Srinivasaraghavan Mrs. Vimala Rangaswamy & Mrs. Bagyam Raghavan	AAGPS0089M	Promoter	85,084	0.08	85,084	0.08	-
52	Mrs. Vimala Rangaswamy, Mr. T.T. Srinivasaraghavan & Mr. T.T. Venkatraghavan	AABPR2371N	Promoter Group	82,664	0.07	82,664	0.07	-
53	Mr. Srivats Ram (HUF)	AAPHS9705K	Promoter Group	77,200	0.07	77,200	0.07	-
54	Mr. Vishnu Vijayaraghavan	AGAPV6283G	Promoter Group	1,50,984	0.14	1,50,984	0.14	-
55	Mrs. Rupa Srikanth	ADQPR9034C	Promoter Group	70,188	0.06	70,188	0.06	-
56	Mrs. Aruna Sankaranarayanan	AKFPS1892R	Promoter Group	56,840	0.05	56,840	0.05	-
57	Mrs. Rama Sridharan	AUOPS3865M	Promoter	55,920	0.05	55,920	0.05	-
58	Late Mr. T.T. Rangaswamy (HUF 1)	AAAHT0031Q	Promoter Group	49,324	0.04	49,324	0.04	-
59	Late Mr. T.T. Rangaswamy, Mr. T.T. Narendran & Mr. T.T. Hayagreevan	AABPR2403B	Promoter	49,200	0.04	49,200	0.04	-
60	Late Mr. T.T. Rangaswamy, Mr. T.T. Venkatraghavan & Mr. T.T. Srinivasaraghavan	AABPR2403B	Promoter	48,628	0.04	48,628	0.04	-
61	Mr. K Vasudevan & Mrs. Lakshmi Vasudevan	AAAPV2148Q	Promoter	46,392	0.04	46,392	0.04	-
62	Mrs. Lakshmi Vijayaraghavan	AABPL7182P	Promoter Group	42,955	0.04	42,955	0.04	-
63	Mr. Shriram Vijayaraghavan (HUF)	AAUHS1066A	Promoter Group	1,05,000	0.09	1,05,000	0.09	-
64	Mr. Shreen Raghavan	AAJPS6234R	Promoter Group	94,892	0.09	94,892	0.09	-
65	Mr. R. Ramanujam & Mr. Ananth Ramanujam	AABPR9212J	Promoter Group	25,600	0.02	25,600	0.02	-
66	Miss Tarika Ram (Minor)	BDHPR4279P	Promoter Group	1,64,380	0.15	1,64,380	0.15	-

	Name of The Promoters	PAN	Shareholders Type	No. of Shares as on 31 st March 2023	% of shares	No. of Shares as on 31 st March 2022	% of shares	% Change
67	Miss Gitanjali Jeevan Jose, Rep By M/G Mrs. Divya Jeevan Jose	AOTPJ0570M	Promoter Group	10,000	0.01	10,000	0.01	-
68	Master P Siddhartha Jeevan, Rep By M/G Mrs. Divya Jeevan Jose	ERCPS8634D	Promoter Group	10,000	0.01	10,000	0.01	-
69	Mr. R. Ramanujam (HUF)	AAFHR3792D	Promoter Group	9,992	0.01	9,992	0.01	-
70	Mr. R. Ramanujam & Mrs. Prema Ramanujam	AABPR9212J	Promoter Group	9,736	0.01	9,736	0.01	-
71	Mr. Sumanth Ramanujam	AAKPS4078E	Promoter Group	9,27,129	0.83	9,27,129	0.83	-
72	Mr. S. Viji & Mrs. Chitra Viji	AAFVP2927C	Promoter	8,684	0.01	8,684	0.01	-
73	Mr. Srikanth Ramanujam (HUF)	AANHS3825C	Promoter Group	8,000	0.01	8,000	0.01	-
74	Master Ranjan Ambirajan	AYMPA5659H	Promoter Group	1,57,633	0.14	1,57,633	0.14	-
75	Mr. Shreen Raghavan (HUF)	ABAHS7352C	Promoter Group	5,115	0.00	5,115	0.00	-
76	Mr. Srikanth Ramanujam & Mrs. Rupa Srikanth	AIJPS9413N	Promoter	4,472	0.00	4,472	0.00	-
77	Mr. Sriram Viji & Mrs. Chitra Viji	ABCPS3880K	Promoter Group	3,156	0.00	3,156	0.00	-
78	Mr. Harsha Viji & Mrs. Chitra Viji	AABPH5786K	Promoter Group	3,156	0.00	3,156	0.00	-
79	Mr. Srinivasan Ravindran	AACPR6159H	Promoter	2,39,680	0.22	2,39,680	0.22	-
80	Mr. S Ravindran	AAAHS0352M	Promoter Group	2,51,680	0.23	2,51,680	0.23	-
81	Mrs. Thanjam Ravindran	ACQPR1429N	Promoter Group	5,62,670	0.51	5,62,670	0.51	-
82	Mr. Shreyas Ravindran & Mr. Srinivasan Ravindran	BGYPS6976G	Promoter Group	1,36,342	0.12	1,36,342	0.12	-
83	Mr. C B Srinivasan	AICPS2728M	Promoter Group	9,600	0.01	9,600	0.01	-
84	Mr. A.M. Srinivasan & Mr. S. Kishore	BHJPS8016D	Promoter Group	3,50,452	0.32	3,50,452	0.32	-
85	Mr. A M Srinivasan	BHJPS8016D	Promoter Group	120	0.00	120	0.00	-
86	Ms. Kavitha Gorur Keshav & Mr. T.T. Hayagreevan	ARAPK4690F	Promoter Group	10,000	0.01	10,000	0.01	-
87	Miss Nakshatra Hayagreevan (Minor)	AZYPN1903G	Promoter Group	10,000	0.01	10,000	0.01	-
88	Ms. Sanjana Tara Ramanujam	CPKPS6207J	Promoter Group	99,524	0.09	99,524	0.09	-

	Name of The Promoters	PAN	Shareholders Type	No. of Shares as on 31 st March 2023	% of shares	No. of Shares as on 31 st March 2022	% of shares	% Change
89	Master T.T. Samitinjayan Rep By F/G Mr. T.T. Hayagreevan	BTVPT2424C	Promoter Group	10,000	0.01	10,000	0.01	-
90	M/S. India Motor Parts & Accessories Limited	AAACI0931P	Promoter Group	28,98,600	2.61	28,98,600	2.61	-
91	M/S. Raghuvamsa Holdings Private Limited	AABCR8425L	Promoter Group	18,51,634	1.67	18,51,634	1.67	-
92	M/S. Uthirattadhi Sriram Holdings Private Limited	AAACU5632K	Promoter Group	14,79,560	1.33	14,79,560	1.33	-
93	M/S. Silver Oak Holdings Private Limited	AAACS4942G	Promoter Group	14,36,914	1.29	14,36,914	1.29	-
94	M/S. Rohini Holdings Private Limited	AAACR1407P	Promoter Group	12,94,362	1.17	12,94,362	1.17	-
95	M/S. Padmalakshmi Holdings Private Limited	AAACP1633M	Promoter Group	12,92,832	1.16	12,92,832	1.16	-
96	M/S. Allegro Holdings Private Limited	AAACA2912L	Promoter Group	12,47,100	1.12	12,47,100	1.12	-
97	M/S. Revathi Holdings Private Limited	AAACR1408C	Promoter Group	12,20,460	1.10	12,20,460	1.10	-
98	M/S. Azorious Holdings Private Limited	AAACA3137F	Promoter Group	8,50,156	0.77	8,50,156	0.77	-
99	M/S. Maham Holdings Limited	AAACM2168G	Promoter Group	5,12,720	0.46	5,12,720	0.46	-
100	Mr. Ananth Ramanujam	AFGPA0011C	Promoter Group	5,81,576	0.52	5,81,576	0.52	-
101	Mr. Ananth Krishnan	AKWPK3319A	Promoter Group	1,80,000	0.16	1,80,000	0.16	-
102	Mr. Akshay Krishnan	AHPPK1860L	Promoter Group	1,80,000	0.16	1,80,000	0.16	-
103	Mr. Srinivas Raghavan	BBGPS9059F	Promoter Group	27,040	0.02	27,040	0.02	-
104	Mrs. Dangey Krishnakumari	BAWPD5849R	Promoter Group	23,324	0.02	23,324	0.02	-
105	Mr. S. Viji (HUF 1)	AADHV2482A	Promoter Group	-	0.00	3,65,924	0.33	-0.33
	Total			4,27,63,719	38.49	4,27,68,519	38.49	-0.00

NOTES TO THE ACCOUNTS (Contd.)

Note 25(f): Other Equity–Reserves

(₹ in crores)

Particulars	March 31, 2023	March 31, 2022
Capital Reserve		
At the beginning of the year	6.60	6.60
Add: Changes during the year	–	–
At the end of the year	6.60	6.60
Share Options Outstanding Account		
At the beginning of the year	2.17	0.94
Options Granted during the year	3.04	3.94
Cost of shares transferred on exercise of option	(0.02)	(0.03)
Deferred Employee Compensation Cost	(0.21)	(1.62)
Transfer to general reserve	(1.88)	(1.02)
Share Options exercised after regulatory approvals during the period	–	(0.05)
At the end of the year	3.10	2.17
Statutory Reserve		
At the beginning of the year	1,708.97	1,528.29
Add: Changes during the year	217.66	180.68
At the end of the year	1,926.63	1,708.97
General Reserve		
At the beginning of the year	3,503.90	3,502.88
Add: Transfer from Share Options Outstanding account	1.88	1.02
At the end of the year	3,505.78	3,503.90
Retained Earnings		
At the beginning of the year	1,559.89	1,020.48
Profit After tax for the year	1,088.31	903.41
Remeasurements of the defined benefit plans	(2.70)	(5.55)
Transfer to Impairment Reserve	–	(11.28)

NOTES TO THE ACCOUNTS (Contd.)

(₹ in crores)

Particulars	March 31, 2023	March 31, 2022
Deferred tax on Impairment Reserve provision	–	2.84
Dividend payout (Final)	(111.10)	(66.66)
Dividend payout (Interim)	(133.32)	(111.10)
Transfer to Statutory reserve	(217.66)	(180.68)
Transfer from Impairment Reserve	–	11.28
Deferred tax on Impairment Reserve provision	–	(2.84)
At the end of the year	2,813.42	1,559.89
Impairment Reserve		
At the beginning of the year		
Transfer to Impairment Reserve	–	11.28
Transfer from impairment reserve	–	(11.28)
At the end of the year	–	–
Effective portion of cash flow hedge		
At the beginning of the year	0.46	9.17
Fair value change on cashflow hedge	0.31	(8.71)
At the end of the year	0.77	0.46
Total equity	7,626.30	6,781.99

Description of nature and purpose of other equity:

- Capital Reserve: Represents reserve created on account of amalgamations and arrangements.
- Share Options Outstanding Account: Represents reserve on grant of option to employees of the company / group company under Employee Stock option Scheme.
- Statutory reserve: Represents reserve created as per Section 45-IC of the Reserve Bank of India Act, 1934.
- General reserve: Represents amount appropriated from retained earnings.

NOTES TO THE ACCOUNTS (Contd.)

STATEMENT OF PROFIT AND LOSS NOTES

Note 26: Interest Income

(₹ in crores)

Particulars	2022-23	2021-22
On Financial assets measured at amortised cost:		
Loans	3,358.09	3,306.47
Investments	62.61	44.26
Deposits with Banks	39.30	34.28
On Financial assets classified at Fair value through profit or loss:		
Investments	12.07	9.45
Total	3,472.07	3,394.46

Note 27: Fees and Commission Income

(₹ in crores)

Particulars	2022-23	2021-22
Relating to		
- Loans	143.92	112.70
- Selldown servicing fee	27.41	26.43
- Income from other Financial Services	68.34	56.76
TOTAL	239.67	195.89

Note 28: Net gain / (loss) on Fair Value Changes

(₹ in crores)

Particulars	2022-23	2021-22
A . Net gain on financial instruments at fair value through profit or loss		
(i) On trading portfolio	–	–
(ii) On Financial instruments designated at fair value through profit or loss	–	–
B. Others -		
Net gain / (loss) on financial instruments at fair value through profit or loss on Investments	59.17	77.92
C. Total Net gain / (loss) on fair value changes (A + B)	59.17	77.92
Of the above, fair value changes:		
Realised	35.89	70.40
Unrealised	23.28	7.52
TOTAL	59.17	77.92

NOTES TO THE ACCOUNTS (Contd.)

Note 29: Other Income

(₹ in crores)

Particulars	2022-23	2021-22
Net gain/(loss) on Derecognition of property, plant and equipment	4.01	8.85
Interest income	21.80	0.06
Rental income	7.25	6.84
Other non-operating income	30.68	4.68
Total	63.74	20.43

Note 30: Finance Costs

(₹ in crores)

Particulars	2021-22	2020-21
On Financial liabilities carried at amortised cost:		
Interest on		
Deposits	289.58	299.35
Term loans	455.80	279.18
Debt securities	823.98	912.79
Subordinated liabilities	198.78	213.73
Other interest expense and borrowing cost	8.95	6.56
Derivatives	-	(27.78)
Foreign currency transaction and translation	-	28.29
Gain/Loss on unwinding of Derivatives	-	(12.01)
Total	1,777.09	1,700.11

Note 31: Employee Benefits Expenses

(₹ in crores)

Particulars	2022-23	2021-22
Salaries and Wages	414.03	387.74
Contribution to provident and other funds	21.65	19.28
Share Based Payments to employees	2.54	2.09
Staff welfare expenses	6.84	5.35
Total	445.06	414.46

NOTES TO THE ACCOUNTS (Contd.)

Note 32: Administrative and Other Expenses

(₹ in crores)

Particulars	2022-23	2021-22
Rent, taxes and energy costs	11.47	9.95
Repairs and maintenance	28.42	25.20
Communication Costs	9.87	8.90
Printing and stationery	3.13	2.25
Advertisement and publicity	1.20	4.78
Director's fees, allowances and expenses	1.88	1.49
Auditor's fees and expenses	1.40	1.27
Legal and Professional charges	8.94	18.37
Insurance	3.29	3.80
Outsourcing cost	77.00	68.22
Travel and conveyance	26.79	13.51
Donations	24.04	16.25
Other expenditure	42.87	33.84
Total	240.30	207.83

Note 33: Impairment on Financial Instruments

(₹ in crores)

Particulars	2022-23	2021-22
On Financial instruments measured at amortised cost:		
Loans	142.25	312.18
Investments	(0.04)	(0.10)
Repossessed assets	(8.59)	5.30
Others	0.63	1.14
Total	134.25	318.52

NOTES TO THE ACCOUNTS (Contd.)

Other Notes

Note 34: Capital Management:

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

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

(₹ in crores)

Particulars	March 31, 2023	March 31, 2022
Tier I	5,871.58	4,961.24
Tier II	1,679.21	1,966.94
Total	7,550.79	6,928.18
Risk Weighted Assets	33,158.04	28,424.98
(a) Capital to risk-weighted assets ratio (CRAR) %	22.77	24.37
(b) Tier I CRAR %	17.71	17.45
(c) Tier II CRAR %	5.06	6.92

Note 35: Revenue

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

Remaining performance obligation

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

The aggregate value of performance obligations that are completely or partially unsatisfied as at March 31, 2023 is nil (2021-22- nil) which the company expects to recognise in next year.

NOTES TO THE ACCOUNTS (Contd.)

Note 36: Financial Instruments – Fair Value Measurements

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

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

(₹ in crores)

Particulars	Fair Value Hierarchy	March 31, 2023	March 31, 2022
Financial Assets			
Derivatives	Level 2	1.03	0.61
Investments			
Mutual Funds	Level 1	1,498.11	2,136.48
Alternate Investment Funds	Level 1	181.17	118.35
Financial Liabilities	-	-	-

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

b. i) Equity Shares designated at Fair value through Other Comprehensive Income (FVTOCI):

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

(₹ in crores)

Particulars	March 31, 2023	March 31, 2022
Investment in Experian Credit Information Company of India Private Ltd.	11.20	11.20

ii) Compulsory Convertible Preference Shares (CCPS) designated at Fair value through Other Comprehensive Income:

(₹ in crores)

Particulars	March 31, 2023	March 31, 2022
Investment in Series A CCPS of RBSG Capital Private Limited	3.12	3.12

For the above investments, as per Ind AS 109, cost has been considered as the best estimate of the fair value and no dividend has been recognised during the year.

NOTES TO THE ACCOUNTS (Contd.)

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

(₹ in crores)

Particulars	Carrying Amount		Fair Value Hierarchy	Fair Value	
	March 31, 2023	March 31, 2022		March 31, 2023	March 31, 2022
Financial Assets:					
Cash and cash equivalents	137.27	78.01	Level 1	137.27	78.01
Bank Balances	932.98	539.12	Level 3	933.62	544.47
Receivables	32.42	18.26	Level 3	32.42	18.26
Loans	33,755.20	28,400.15	Level 3	33,619.70	28,717.90
Investments in Government securities	483.98	486.20	Level 1	486.56	505.47
Investments (others)	769.06	447.97	Level 3	768.10	446.31
Other Financial assets	16.03	59.07	Level 3	16.03	59.07
Total	36,126.94	30,028.78		35,993.70	30,369.49
Financial Liabilities					
Payables	112.30	96.94	Level 3	112.17	96.94
Debt Securities	13,721.13	13,751.20	Level 3	13,631.39	13,815.47
Borrowings (Other than Debt Securities)	11,986.91	7,363.11	Level 3	11,863.20	7,333.57
Deposits	4,806.04	4,214.24	Level 3	4,758.61	4,229.37
Subordinated Liabilities	2,240.86	2,501.24	Level 3	2,251.71	2,678.88
Other Financial Liabilities	386.79	396.50	Level 3	386.58	398.09
Total	33,254.03	28,323.23		33,003.66	28,552.32

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

Note 37: Financial Risk Management Framework

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

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

NOTES TO THE ACCOUNTS (Contd.)

Note 37.1 Credit Risk

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

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

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

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

Impairment - Expected Credit Loss (ECL):

As per Ind AS 109, the Expected Credit Losses on financial instruments are classified under three stages.

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

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

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

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

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

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

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

Stage 3: Where instalments are overdue beyond 90 days

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

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

As prescribed under para 5.5 in Ind AS 109, 12-months PD is required to be computed for financial instruments which are in stage 1 and life time PD for those in stage 2 & 3.

12 months PD is the likelihood of the borrower defaulting in the 12 months following the reporting date while life time PD is the likelihood of the borrower defaulting during the residual tenor.

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

NOTES TO THE ACCOUNTS (Contd.)

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

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

LGD

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

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

a. Loans and Advances

(₹ in crores)

Stages->	Gross Carrying Amount							
	March 31, 2023				March 31, 2022			
	1	2	3	Total	1	2	3	Total
Balance at the beginning of the year	26,575.24	1,907.35	638.55	29,121.14	27,568.68	1,847.51	552.25	29,968.44
New business - net of recovery	6,710.74	(968.40)	(132.37)	5,609.97	473.53	(1,029.17)	(43.30)	(598.94)
Transfers due to change in creditworthiness	(620.31)	289.58	330.73	-	(1,466.96)	1,089.01	377.96	-
Financial assets that have been derecognised	-	-	-	-	-	-	-	-
Write off during the year	-	-	260.40	260.40	-	-	248.36	248.36
Balance at the end of the year	32,665.67	1,228.53	576.51	34,470.71	26,575.24	1,907.35	638.55	29,121.14

* Includes operating lease of ₹255.53 Cr. as on March 31, 2023 and ₹159.38 Cr. as March 31, 2022

Stages->	Expected Credit Loss							
	March 31, 2023				March 31, 2022			
	1	2	3	Total	1	2	3	Total
Balance at the beginning of the year	105.52	124.27	331.82	561.61	154.14	90.74	252.92	497.80
New business - net of recovery	(19.25)	(26.71)	204.72	158.75	(33.12)	33.15	312.15	312.17
Transfers due to change in creditworthiness	27.82	(31.64)	3.82	-	(15.49)	0.38	15.11	-
Financial assets that have been derecognised	-	-	-	-	-	-	-	-
Write off during the year	-	-	260.40	260.40	-	-	248.36	248.36
Balance at the end of the year	114.09	65.92	279.96	459.96	105.52	124.27	331.82	561.61

NOTES TO THE ACCOUNTS (Contd.)

Concentration of Credit risk %

(i) Concentration by Geographical risk:

Particulars	March 31, 2023	March 31, 2022
South	56.53	57.11
North	26.51	25.56
West	12.56	13.03
East	4.40	4.30
Total	100.00	100.00

(ii) Concentration by Asset Class:

Particulars	March 31, 2023	March 31, 2022
Commercial Vehicles	46.66	44.92
Cars	25.88	26.01
Construction Equipment	10.77	11.21
Tractors & Farm Equipment	8.04	8.21
Others	8.65	9.65
Total	100.00	100.00

b. Other Assets

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

(₹ in crores)

Stages->	March 31, 2023				March 31, 2022			
	1	2	3	Total	1	2	3	Total
Gross Carrying Amount	16.51	-	0.28	16.79	14.55	0.07	0.36	14.98
Expected Credit Loss	0.16	-	0.28	0.44	0.15	-	0.36	0.51
Net Carrying Amount	16.35	-	-	16.35	14.40	0.07	-	14.47

c. Loan Commitments and Financial Guarantees

(₹ in crores)

Particulars	March 31, 2023	March 31, 2022
Gross Carrying Amount	152.67	109.95
Expected Credit Loss	2.93	2.24
Net Carrying Amount	149.74	107.71

The above particulars are in respect of assets classified at stage 1.

Credit risk management practices

- (i) **Policy on write off:** Loans are written off when the value of underlying security/other collateral is not sufficient to cover the loan exposure or where the underlying security / customer are not traceable. In such cases, the company takes legal recourse for recovery of shortfall of dues, if any.
- (ii) **Narrative description of collateral:** The underlying assets, which are financed, are the primary collateral held. These are typically commercial vehicles, cars, construction equipment, farm equipment etc. Additional collateral, by way of credit enhancement, is obtained based on the management's credit evaluation of the customer.

d. Debt Securities:

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

NOTES TO THE ACCOUNTS (Contd.)

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

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

(₹ in crores)

Particulars	Gross Carrying Amount			
	March 31, 2023		March 31, 2022	
	FVTPL	Amortised Cost	FVTPL	Amortised Cost
Government Securities	-	483.98	-	486.20
Mutual Funds	1,498.11	-	2,136.48	-
Alternate Investment Funds	181.17	-	118.35	-
Non-Convertible Debentures	-	174.83	-	-
Pass Through Certificates	-	84.38	-	100.60
T Bills	-	496.77	-	247.88
Commercial Paper	-	13.63	-	100.07
Total	1,679.28	1,253.59	2,254.83	934.75

The Gross carrying amount in respect of investments classified under amortised cost are at stage 1.

(₹ in crores)

Particulars	Expected Credit loss	
	March 31, 2023	March 31, 2022
Balance at the beginning of the year	0.58	0.69
Additional Provisions (Net)	0.20	0.16
Transfers due to change in creditworthiness	-	-
Financial assets that have been derecognised	0.23	0.27
Write off during the year	-	-
Balance at the end of the year	0.55	0.58

The Expected credit loss pertains to investments classified under Amortised Cost at Stage 1

37.2 Liquidity Risk

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

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

NOTES TO THE ACCOUNTS (Contd.)

(₹ in crores)

March 31, 2023	Upto 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
Non-Derivative Financial Liabilities							
Payables	108.31	2.87	1.12	-	-	-	112.30
Debt Securities	3,178.74	2,362.70	2,512.54	4,766.97	2,063.13	-	14,884.08
Borrowings (Other than Debt Securities)	2,676.39	1,832.36	1,855.92	5,301.16	1,483.36	-	13,149.19
Deposits	507.01	689.99	1,230.00	2,836.12	-	-	5,263.12
Subordinated Liabilities	42.43	37.10	104.20	565.62	1,137.73	1,344.19	3,231.27
Other Financial Liabilities	205.47	36.20	1.87	97.95	15.39	29.91	386.79
Derivative Financial Liabilities	-	-	-	-	-	-	-
Total	6718.35	4,961.22	5,705.65	13,567.82	4,699.61	1,374.10	37,026.75
Non-Derivative Financial Assets							
Cash and cash equivalents	137.27	-	-	-	-	-	137.27
Bank Balances	262.26	298.64	244.21	171.94	-	-	977.05
Receivables	24.46	-	7.97	-	-	-	32.43
Loans	4,997.51	4,046.79	7,358.23	17,900.31	4,271.54	104.05	38,678.43
Investments	2,001.22	29.69	187.53	288.30	355.75	280.85	3,143.34
Other Financial Assets	2.16	0.36	0.87	2.99	2.27	7.38	16.03
Derivative Financial Assets	1.07	0.74	-	-	-	-	1.81
Total	7,425.95	4,376.22	7,798.81	18,363.54	4,629.56	392.28	42,986.36

NOTES TO THE ACCOUNTS (Contd.)

(₹ in crores)

March 31, 2022	Upto 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
Non-Derivative Financial Liabilities							
Payables	88.99	5.77	1.12	1.06	-	-	96.94
Debt Securities	2,968.36	566.82	2,982.27	7,120.69	1,118.09	-	14,756.22
Borrowings (Other than Debt Securities)	1,809.38	833.93	1,762.94	2,854.67	467.14	0.01	7,728.08
Deposits	554.83	764.77	1,074.24	2,137.75	-	-	4,531.59
Subordinated Liabilities	42.46	246.67	170.05	542.71	519.60	2,168.98	3,690.46
Other Financial Liabilities	232.70	37.49	5.34	106.31	12.22	8.32	402.38
Derivative Financial Liabilities	0.41	0.24	0.33	0.16	-	-	1.15
Total	5,697.13	2,455.69	5,996.29	12,763.35	2,117.05	2,177.31	31,206.82
Non-Derivative Financial Assets							
Cash and cash equivalents	78.01	-	-	-	-	-	78.01
Bank Balances	23.56	481.18	46.60	1.44	-	-	552.78
Receivables	17.25	-	1.01	-	-	-	18.26
Loans	4,491.29	3,691.67	6,496.28	15,054.57	2,791.74	38.31	32,563.87
Investments	2,402.72	135.32	78.45	160.12	228.68	381.90	3,387.20
Other Financial Assets	45.83	0.35	0.85	1.69	1.12	9.22	59.07
Derivative Financial Assets	-	-	-	-	-	-	-
Total	7,058.66	4,308.52	6,623.19	15,217.82	3,021.54	429.43	36,659.19

NOTES TO THE ACCOUNTS (Contd.)

37.3 Market Risk

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

Interest rate risk

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

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

(₹ in crores)		
Particulars	March 31, 2023	March 31, 2022
Financial assets		
Fixed-rate instruments		
Loans	33,124.75	28,373.82
Investments	1,253.03	934.17
Bank Balances	932.98	539.12
	35,310.76	29,847.11
Variable rate instruments		
Lease assets / Floating rate Loans	886.01	185.71
Total	36,196.77	30,032.82
Financial liabilities		
Fixed-rate instruments		
Debt securities / Subordinated Liabilities	15,961.99	16,252.44
Borrowings (Other than debt securities)	8,747.08	5,621.02
Deposits	4,866.45	4,272.26
	29,575.52	26,145.72
Variable rate instruments		
Financial liabilities with floating interest rate	3,239.83	1,742.11
	32,815.35	27,887.83

Fair value sensitivity analysis for fixed rate instruments

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

Cash flow sensitivity analysis for variable rate instruments

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

NOTES TO THE ACCOUNTS (Contd.)

(₹ in crores)

Particulars	Profit or loss / Equity		Profit or loss / Equity	
	100 bps increase	100 bps decrease	100 bps increase	100 bps decrease
	March 31, 2023		March 31, 2022	
Variable rate instruments	(7.07)	7.08	(18.66)	18.66
Forward Contract / Cross currency Interest Rate swap	-	-	(0.47)	0.47
Cash flow sensitivity (net)	(7.07)	7.08	(18.19)	18.19

a. Interest rate sensitivity

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

To measure the above risk the Company adopts the duration gap analysis which is measured for assets and liabilities maturing in next 12 months as well as for the overall assets and liabilities. Also, for Interest rate risk management, the Duration Gap model is used on assets and liabilities maturing in the next 12 months, to assess the change in Net Interest Income (NII) for a 1% increase in interest rate. The change in NII for 1% change in interest rate as on 31.03.2023 is ₹(5.87) Cr.

b. Currency Risk

The Company does not have any outstanding foreign currency assets/liabilities and hence not exposed to currency risk.

Note 38: Financial Instruments - Transferred financial assets that are not derecognised in their entirety

Securitisation:

The company as part of its business model periodically enters into securitisation transactions via Pass through Certificates (PTC) route and/or Direct Assignment (DA). As per RBI guidelines, the company maintained credit enhancement for securitisation transactions which covers the expected losses and thereby retains the risk associated with the assets.

(₹ in crores)

Particulars	March 31, 2023	March 31, 2022
Carrying amount of transferred assets	3,541.44	2,629.00
Carrying amount of associated liabilities	3,666.61	2,696.00
Fair value of assets	3,490.50	2,653.70
Fair value of associated liabilities	3,607.13	2,680.20
Net position at Fair value	(116.62)	(26.50)

NOTES TO THE ACCOUNTS (Contd.)

Note 39: Employee benefits

Post-employment benefits: Defined Contribution Plans

(₹ in crores)

Amount recognised as expense in Employee benefit expense	March 31, 2023	March 31, 2022
Superannuation	-	0.37
Pension fund	6.73	6.24
Employee State Insurance scheme	0.04	0.02
Total	6.77	6.63

Defined benefit plans

Defined benefit plan exposes the Company to a number of risks, the most significant of which are detailed below:

Investment risk: This may arise from volatility in Asset value due to market fluctuations and impairment of assets due to credit losses. The defined benefit plans may hold equity type assets, which may carry volatility and associated risk.

Interest risk: A decrease in bond yields will increase plan liabilities, although this is expected to be partially offset by an increase in the value of the plan's investment in debt instruments.

Salary cost Inflation risk: The present value of some of the defined benefit plan obligations are calculated with reference to the future salaries of plan participants. Increase in salary due to adverse Inflationary pressures might lead to higher liabilities.

Longevity risk: The present value of defined benefit plan obligation is calculated by reference to the best estimate of the mortality of plan participants. Increase or decrease in such rate will affect the plan liability.

A. Gratuity (Funded)

Expected contribution to the plan for the next year is ₹ 6 crores.

B. Leave encashment & Compensated absences (unfunded)

The company earmarks liability towards leave benefit and provides for payments to vested employees. The benefits under the plan are in the form of a payment to employees as per the leave policy of the company

C. Post Retirement employees medical scheme (unfunded):

The company earmarks liability towards unfunded post-retirement medical benefit and provides for payments to vested employees. The benefits under the plan are in the form of a medical benefit paid to employees post their employment within the company.

Details of defined benefit plans as per actuarial valuation are as below

(₹ in crores)

Particulars	FUNDED		UNFUNDED	
	Gratuity		Retired Employee Medical Scheme	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Amounts recognised in profit or loss				
Current service cost	4.71	4.02		
Past service cost		-		
Net interest expense/(income)	0.06	(0.04)	0.07	0.07
Total amount included in employee benefits expense	4.78	3.98	0.07	0.07

NOTES TO THE ACCOUNTS (Contd.)

Particulars	FUNDED		UNFUNDED	
	Gratuity		Retired Employee Medical Scheme	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Amounts recognised in other comprehensive income				
Remeasurement (gains)/losses				
Actuarial (gains)/losses arising from changes in				
- Financial assumptions	1.04	(2.43)	(0.02)	(0.02)
- Experience adjustments	2.42	10.54	(0.05)	(0.04)
Return on plan assets, excluding amount included in net interest expense/ (income)	0.24	(0.63)		
Total amount recognised in other comprehensive income	3.68	7.47	(0.07)	(0.06)
Changes in the defined benefit obligation				
Opening defined benefit obligation	74.58	64.42	1.05	1.09
Add/(less) on account of business combination/transfers		-		-
Current service cost	4.71	4.02		-
Past service cost				
Interest expense	5.28	4.31	0.07	0.07
Remeasurement (gains)/losses arising from changes in				
- Demographic assumptions		-		-
- Financial assumptions	1.02	(2.43)	(0.02)	(0.02)
- Experience adjustments	2.39	10.54	(0.05)	(0.04)
Benefits paid	(5.20)	(6.27)	(0.05)	(0.05)
Closing defined benefit obligation	82.80	74.58	1.00	1.05
Changes in fair value of plan assets during the year				
Opening fair value of plan assets	67.64	64.94	-	-
Add/(less) on account of business combination		-	-	-
Interest income	5.22	4.26		
Return on plan assets excluding interest income	0.18	0.63	-	-
Contribution by employer	12.19	3.84	0.05	0.05
Benefits paid	(5.20)	(6.27)	(0.05)	(0.05)
Actuarial gain / (loss) on plan assets	(0.36)	0.23		
Closing fair value of plan assets	79.68	67.64	-	-
Net asset / (liability) recognised in balance sheet				
Defined benefit obligation	82.80	74.58	1.00	1.05
Fair value of plan assets	79.68	67.64	-	-
Surplus/(Deficit)	(3.12)	(6.94)	(1.00)	(1.05)

NOTES TO THE ACCOUNTS (Contd.)

(in %)

Particulars	FUNDED		UNFUNDED	
	Gratuity		Retired Employee Medical Scheme	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
I. Actuarial assumptions				
Discount rate	7.21%	7.34%	6.82-7.37%	4.14-6.94%
Expected Return on plan assets	7.00%	6.70%		
Attrition rate (Age based)				
From Age 18 - 20 years	3.00%	3.00%		
From Age 21 - 30 years	2.00%	2.00%		
From Age 31 - 40 years	2.00%	2.00%		
From Age 41 - 58 years	1.00%	1.00%		
Salary escalation	8.00%	8.00%		

(in %)

Particulars	UNFUNDED	
	LONG TERM COMPENSATED ABSENCE - PRIVILEGE LEAVE	
	March 31, 2023	March 31, 2022
Actuarial assumptions		
Discount rate	7.38%	6.94%
Salary escalation	8.00%	8.00%
Attrition rate	8.50%	7.00%

(₹ in crores)

Particulars	FUNDED		UNFUNDED	
	Gratuity		Retired Employee Medical Scheme	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
II. Quantitative sensitivity analysis for impact of significant assumptions on defined benefit obligation are as below				
Impact of				
0.5% decrease in discount rate	4.11	3.84	0.02	0.02
0.5% increase in discount rate	(3.83)	(3.57)	(0.02)	(0.02)
0.5% decrease in salary growth rate	(3.82)	(3.57)	-	-
0.5% increase in salary growth rate	4.06	3.80	-	-
Life expectancy -1 year	-	-	0.03	0.03
Life expectancy +1 year	-	-	(0.03)	(0.03)
Weighted average duration of the Defined benefit obligation (in years)	14.32	14.89	9.50	9.50

NOTES TO THE ACCOUNTS (Contd.)

(₹ in crores)

Particulars	FUNDED		UNFUNDED	
	Gratuity		Retired Employee Medical Scheme	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Maturity profile of defined benefit obligation				
Year 1	7.29	2.80	0.12	0.12
Year 2	4.14	5.97	0.12	0.12
Year 3	5.53	5.38	0.11	0.11
Year 4	5.90	6.09	0.10	0.10
Year 5	6.15	5.43	0.09	0.09
Next 5 years	33.67	31.09	0.33	0.36

In the absence of detailed information regarding plan assets which is funded with Insurance Companies, the composition of each major category of plan assets, the percentage or amount for each category to the fair value of plan assets & the description of the Asset-Liability matching strategies used by the plan has not been disclosed.

D. Provident Fund

The provident fund contributions to trust are managed through trust investments in addition to contribution of a portion of its provident fund liability relating to Employees Pension Scheme to Employee Provident Fund Organisation.

The fund has relatively balanced mix of investments in order to manage the risks. The investment strategy is designed based on the interest rate scenario, liquidity needs of the Plans and Pattern of the investments as prescribed under the statute.

The trustees regularly monitor the funding and investment, there are systems in place to ensure that health of the portfolio is regularly reviewed and investments do not pose significant risk of impairment.

(₹ in crores)

Particulars	March 31, 2023
Plan assets at year end at fair value	223.66
Present value of defined obligation at year end	223.21
Surplus/(deficit) as per actuarial certificate	0.45
Shortfall recognised in balance sheet	-
Active members as at year end (nos)	6066

Assumptions used in determining the present value obligation of the interest rate guarantee under the deterministic approach:

Particulars	March 31, 2023
Discount rate	7.38%
Yield on existing funds	7.85%
Expected guaranteed interest rate	8.15%

NOTES TO THE ACCOUNTS (Contd.)

Contribution to Defined benefit Plan, recognised as expense for the year is as under:

(₹ in crores)

Particulars	March 31, 2023	March 31, 2022
Employer's contribution towards Provident Fund	8.36	7.39

Major Category of Plan Assets as % of the Total Plan Asset

(in %)

Particulars	March 31, 2023	March 31, 2022
Central Government Securities	11.61	9.57
State Government Securities	39.16	41.44
Public Sector Bonds	36.20	40.76
Private Sector Bonds	3.03	1.39
Special Deposits	2.37	2.86
Equity Fund	4.26	3.76
Short Term Deposit	3.37	0.22
Total	100.00	100.00

Note 40: Share Based Payments

The Company grants ESOP to Senior Management employees in accordance with the terms of the Plan.

(a) Description of the ESOP plan (graded vesting) that existed during the period:

Particulars	Grant 14	Grant 14	Grant 13	Grant 13
Board meeting date	25.05.2022	25.05.2022	28.05.2021	28.05.2021
Options granted	10,854	6,732	9,480	4,856
Exercise price (₹ per share)	10/-	10/-	10/-	10/-
Date of grant	25.05.2022	25.05.2022	28.05.2021	28.05.2021
Vesting date / period	3 years grant with 30%, 30% and the balance vesting after 1,2 & 3 years respectively	One year	3 years grant with 30%, 30% and the balance vesting after 1,2 & 3 years respectively	One year
Exercise period	Within 5 years after respective vesting	Within 5 years after respective vesting	Within 5 years after respective vesting	Within 5 years after respective vesting
Market price immediately prior to grant date (₹ per share)	1,735.65	1,735.65	2,478.15	2,478.15
Intrinsic value (₹ per share)	1,725.65	1,725.65	2,468.15	2,468.15

NOTES TO THE ACCOUNTS (Contd.)

(b) Description of the Stock Appreciation Rights(SAR –graded vesting) plan that existed during the period:

Particulars	Grant 14	Grant 14	Grant 13	Grant 13
Board meeting date	25.05.2022	25.05.2022	28.05.2021	28.05.2021
Options granted	1,276	1,258	1,370	1,014
Exercise price (₹ per share)	10/-	10/-	10/-	10/-
Date of grant	25.05.2022	25.05.2022	28.05.2021	28.05.2021
Vesting date / period	3 years grant with 30%, 30% and the balance vesting after 1,2 & 3 years respectively	One year	3 years grant with 30%, 30% and the balance vesting after 1,2 & 3 years respectively	One year
Exercise period	Within one day after respective vesting	Within one day after respective vesting	Within one day after respective vesting	Within one day after respective vesting

Market value of shares on the reporting period is considered and estimated fair value is arrived based on Black-Scholes model using one year, two year and three year G-Sec rates respectively for 1, 2 & 3 year exercise period.

Group share based payments:

The company as a part of ESOP scheme has issued share options to employees of various group Companies. The company does not get reimbursed for the cost of such group share options and such costs are treated as investment in the group companies.

Effect of Share based payments transactions on financial statement of the entity:

(₹ in crores)

Particulars	March 31, 2023	March 31, 2022
Expenses recognised in Profit & Loss account	2.54	2.09
Amount recognised as Investment in Group companies	0.84	0.48

Unvested share options issued to employees of various group companies are as under:

(in numbers)

Particulars	Grant 14	Grant 13
Sundaram Asset Management Company Limited	1,800	1,200
Sundaram Home Finance Limited	2,400	1,520
Sundaram Finance Holdings Limited	360	480
Royal Sundaram General Insurance Co.Ltd	500	-
TOTAL	5,060	3,200

NOTES TO THE ACCOUNTS (Contd.)

Measurement of fair value

The fair values of the options issued have been arrived at using the Black Scholes Model.

The key assumptions used in computing the fair value are :

(in numbers)

Particulars	Grant 14	Grant 13
Risk free interest rate (1 year to 3 years)	6.38% to 7.27%	3.94% to 7.27%
Life of the option	1 to 3 years	1 to 3 years
Expected Volatility	31.8 %	50.15%
Fair value of the option (₹ per share)-ESOP Plan	1 year :1726.28 2 year :1726.94 3 year :1727.58	1 year :2468.54 2 year : 2469.01 3 year :2469.55
Fair value of the option (₹ per share)-SAR Plan	1 year :2289.96 2 year :2290.64 3 year :2291.25	1 year :NIL 2 year :2289.79 3 year :2290.48

The expected volatility is based on historical share price volatility. The life of the option has been based on general option holder behaviour.

Reconciliation of the share options outstanding as on 31.03.2023

The number and weighted-average exercise prices of share options under various grants are as follows:

(in numbers)

Grant details	Grant 14 – ESOP		Grant 13-ESOP	
	Weighted average exercise price per option	No. of options	Weighted average exercise price per option	No. of options
Outstanding at the beginning of the period	-	-	10	14,336
Granted during the period	10	17,586	-	-
Forfeited / expired during the period	-	-	-	-
Exercised during the period	-	-	10	7,478
Outstanding at the end of the period	10	17,586	10	6,858*
Exercisable at the end of the period	-	-	10	218**

(in numbers)

Grant details	Grant 14 - SAR		Grant 13-SAR	
	Weighted average exercise price per option	No. of options	Weighted average exercise price per option	No. of options
Outstanding at the beginning of the period	-	-	10	2,384
Granted during the period	10	2,534	-	-
Forfeited / expired during the period	-	-	-	-
Exercised during the period	-	-	10	1,425
Outstanding at the end of the period	10	2,534	10	959*
Exercisable at the end of the period	-	-	-	-

* represents options under 3 year grant (year 2 and 3) which are not exercisable as on 31.03.2023 and options under 1 year grant / 3 year grant (year 1) not exercised as on 31.03.2023.

** represents options under 1 year grant / 3 year grant (year 1) not exercised as on 31.03.2023.

NOTES TO THE ACCOUNTS (Contd.)

Exercise price and Contractual life for the share options outstanding at the end of the period

(in numbers)

Particulars	March 31, 2023	March 31, 2022
	Grant 14	Grant 13
Exercise Price (₹)	10	10
Contractual life	2 months to 26 months	2 months to 14 months

Reconciliation of the share options outstanding as on 31.03.2022

The number and weighted-average exercise prices of share options under various grants are as follows:

(in numbers)

Grant details Particulars	Grant 13-ESOP		Grant 12-ESOP	
	Weighted average exercise price per option	No. of options	Weighted average exercise price per option	No. of options
Outstanding at the beginning of the period	-	-	10	9,375
Granted during the period	10	14,336	-	-
Forfeited / expired during the period	-	-	10	400
Exercised during the period	-	-	10	8,975
Outstanding at the end of the period	10	14,336	-	-
Exercisable at the end of the period	-	-	-	-

The number and weighted-average exercise prices of share options under various grants are as follows:

(in numbers)

Grant details Particulars	Grant 13-ESOP		Grant 12-ESOP	
	Weighted average exercise price per option	No. of options	Weighted average exercise price per option	No. of options
Outstanding at the beginning of the period	-	-	10	9,375
Granted during the period	10	14,336	-	-
Forfeited / expired during the period	-	-	10	400
Exercised during the period	-	-	10	8,975
Outstanding at the end of the period	10	14,336	-	-
Exercisable at the end of the period	-	-	-	-

(in numbers)

Grant details Particulars	Grant 13-SAR		Grant 12-SAR	
	Weighted average exercise price per option	No. of options	Weighted average exercise price per option	No. of options
Outstanding at the beginning of the period	-	-	-	-
Granted during the period	10	2,384	-	-
Forfeited / expired during the period	-	-	-	-
Exercised during the period	-	-	-	-
Outstanding at the end of the period	10	2,384	-	-
Exercisable at the end of the period	-	-	-	-

NOTES TO THE ACCOUNTS (Contd.)

Note 41: Leases

(₹ in crores)

Details	March 31, 2023		March 31, 2022	
	Gross Investment in Lease	Present value of Minimum Lease payments	Gross Investment in Lease	Present value of Minimum Lease payments
Upto 1 Year	18.31	13.60	26.67	23.88
1-5 Year	31.68	26.81	22.60	18.84
Total	49.99	40.41	49.27	42.72
Less: Unearned Finance income	9.58		6.55	
Present value of Minimum Lease payments	40.41		42.72	

Operating lease as lessor

Maturity pattern of Minimum Lease payments:

(₹ in crores)

Year	March 31, 2023	March 31, 2022
Less than 1 year	105.71	68.33
Later than 1 year and not later than 5 years	166.52	95.77
Total	272.23	164.10

Note 42: General

42.01 Tax u/s 115BAA of the Income Tax Act

The Company has opted for reduced rate of Income tax pursuant to the aforesaid section.

42.02 Segment Information

Segment information is presented in the consolidated financial statements as per Ind AS 108.

42.03 Corporate Social Responsibility(CSR)

(₹ in crores)

Particulars	March 31, 2023	March 31, 2022
(a) Amount required to be spent by the company during the year	19.44	18.13
(b) Amount of expenditure incurred	25.13	20.37
(c) Shortfall at the end of the year	—	—
(d) Total of previous years shortfall	—	—
(e) Reason for shortfall	—	—
(f) Nature of CSR activities	*	
(g) Details of related party transactions, e.g., contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard	—	—
(h) Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year has to be shown separately	—	—

* Education, Art & Culture, Culture & Heritage, preservation and rejuvenation of National heritage and heritage crafts of India, Environment, Disaster Relief, Health, Park Maintenance, Protection / Restoration of Buildings and sites of historical importance, Protection of Ecology, Rural Development, Social Welfare, Sports, Animal Welfare.

NOTES TO THE ACCOUNTS (Contd.)

42.04 Provisions contingent liabilities and contingent asset

(₹ in crores)

Movement of provisions	Amount
Carrying amount as on 31.03.2022	18.05
Add: Provisions made during the year	2.93
Less: Amount used or reversed during the year	2.24
Carrying amount as on 31.03.2023	18.74

(₹ in crores)

Contingent liabilities	March 31, 2023	March 31, 2022
a) Bank guarantee and Letter of credit	8.48	19.00
b) Claims against the company not acknowledged as debts	3.68	6.68
c) Tax disputes	9.46	10.57

Tax disputes in respect of Income Tax, Service Tax, VAT demands and are pending before various appellate forums/authorities and the cash flows would be determined only upon the receipt of decisions. The Company is of the opinion that the demands are not sustainable and expects to succeed in its appeal.

The contested tax demands have been ascertained on the basis of relief allowed by the appellate authorities, on similar issues in earlier assessment years.

42.05 Pending Litigations

The pending litigations as on 31st March 2023 have been compiled by the company and reviewed by the Statutory Auditors. The current position of the litigation has been evaluated and the effect thereof has been appropriately disclosed in the financial statements.

42.06 RELATED PARTIES DISCLOSURES:

Related party disclosures, as per INDAS 24 - 'Related Party Disclosures', for the Year ended 31st March 2023, are given below:

RELATED PARTIES:

Subsidiary Companies:

- Sundaram Asset Management Company Limited
- SAMC Support Services Private Limited
- SAMC Trustee Private Limited
- SAMC Services Private Limited (Formerly Principal Retirement Advisors Private Limited)
- Sundaram Asset Management Singapore Pte Ltd.
- Sundaram Alternate Assets Ltd
- Sundaram Trustee Company Limited

NOTES TO THE ACCOUNTS (Contd.)

Sundaram Finance Holdings Limited
Sundaram Business Services Limited
Sundaram Home Finance Limited
Sundaram Fund Services Limited
Sundaram Finance Employees Welfare trust
LGF Services Ltd.

Associates of a Subsidiary Company:

Sundaram Composite Structures Private Limited
Flometallic India Private Ltd (Amalgamated with Brakes India Private Limited w.e.f. 27.07.2022)
The Dunes Oman LLC (FZC)
Sundaram Hydraulics Ltd
Axles India Limited
Turbo Energy Private Limited
Trans Energy Private Ltd.
Sundaram Dynacast Private Ltd
Wheels India Limited
Mind S.r.l.
Brakes India Private Limited (W.e.f. 27.07.2022)
India Motor Parts & Accessories Limited (Associate of SFHL w.e.f. 04.08.2022)

Joint Ventures :

Royal Sundaram General Insurance Co. Ltd.

Key Management Personnel:

Mr. Harsha Viji, Executive Vice Chairman
Mr. Rajiv C. Lochan, Managing Director
Mr. A.N. Raju, Deputy Managing Director

Relatives of Key Management Personnel: (with whom the company has transactions)

Mr. S.Viji
Mrs. Chitra Viji
Mr. Sriram Viji
Mrs. Geetha Chellappa
Mrs. R.N. Mala
Mr. Pradyumna

Enterprises over which Key Management Personnel (KMP) and his relatives can exercise significant influence

M/s. Azorius Holdings Private Limited
M/s. Uthirattadhi Sriram Holdings Private Ltd.

NOTES TO THE ACCOUNTS (Contd.)

All the arrangements and transactions entered into by the company with related parties, during Year ended 31.03.2023 were in ordinary course of business and on arm's length price.

Related Party Transactions for Year Ended 31st March 2023

The nature and volume of transactions for the Year ended 31st March 2023 with the above related parties are as follows.

(₹ in crores)

Particulars	Subsidiaries	Associates	Joint Ventures	Apr - March 23	Apr - March 22
INCOME					
Lease Rental Income	0.13	4.91	0.09	5.13	1.56
Interest Income	0.97	0.00	–	0.97	1.51
Income from Services	7.99	–	5.05	13.05	13.33
Dividend	121.20	–	13.47	134.67	94.02
Rent Receipts	5.83	–	0.71	6.54	6.42
Income from other Financial Services	12.05	–	15.98	28.03	23.37
Other Non Operating Income	1.20	0.00	0.34	1.54	1.96
EXPENDITURE					
Interest	–	0.20	9.53	9.73	11.95
Support Services	12.85	–	–	12.85	12.64
Rent Paid	1.09	–	–	1.09	1.07
Insurance Premium	–	–	1.89	1.89	2.33
Brokerage	0.03	–	–	0.03	0.03
ASSETS					
Investments	–	–	–	–	147.63
Loans and Advances Disbursed	0.04	0.30	–	0.34	0.03
Repayment of Loans and Advances	0.03	0.31	–	0.34	0.03
Insurance Premium paid in advance	–	–	1.63	1.63	2.41
Inter corporate Loans	–	–	–	–	100.00
Repayment of inter corporate Loans	100.00	–	–	100.00	–
LIABILITIES					
Issue of Non Convertible Debentures	–	–	64.93	64.93	40.04
Redemption of Non Convertible Debentures	–	–	83.00	83.00	29.30
Other Liabilities	1.47	–	–	1.47	1.34
Deposits placed	–	6.00	–	6.00	–
Dividend Paid	2.00	6.44	–	8.43	1.51

NOTES TO THE ACCOUNTS (Contd.)

(₹ in crores)

Compensation paid to Key Managerial Personnel / Relatives	2022-2023	2021-2022
Short term benefits	15.80	13.44
Post retirement benefits	0.48	0.44
Share based payments	0.61	0.26

Transactions with Key Managerial Personnel/Relatives	2022-2023	2021-2022
Interest on deposits	0.92	0.71
Dividend Paid	11.57	8.40
Deposits placed	10.16	0.15
Dividend Paid to Enterprises over which KMP and his relatives is exercising significant influence	2.80	3.73

Disclosure of Material Transactions with Related Parties

(₹ in crores)

Particulars	Related Parties	2022-2023	2021-2022
INCOME			
Lease Rental Income	Brakes India Private Limited	3.38	–
	Wheels India Limited	1.02	0.81
	Turbo Energy Private Limited	0.42	0.38
	Axles India Limited	0.08	0.13
	Sundaram Asset Management Company Limited	0.06	0.11
	Royal Sundaram General Insurance Co. Ltd.	0.09	0.07
	Sundaram Home Finance Limited	0.05	0.03
	Sundaram Business Services Limited	0.03	0.03
Interest Income	Sundaram Asset Management Company Limited	0.97	1.51
	Brakes India Private Limited	0.00	–

NOTES TO THE ACCOUNTS (Contd.)

Particulars	Related Parties	2022-2023	2021-2022 (₹ in crores)
Income from Services	Sundaram Home Finance Limited	7.85	8.17
	Royal Sundaram General Insurance Co. Ltd.	5.05	5.01
	Sundaram Asset Management Company Limited	0.14	0.14
	Sundaram Business Services Limited	–	0.00
	Turbo Energy Private Limited	–	0.00
Dividend	Sundaram Home Finance Limited	65.82	70.88
	Sundaram Asset Management Company Limited	38.00	15.00
	Sundaram Finance Holdings Limited	16.96	7.83
	Royal Sundaram General Insurance Co. Ltd.	13.47	–
	Sundaram Trustee Company Limited	0.30	0.25
	LGF Services Ltd.	0.13	0.06
Rent Receipts	Sundaram Asset Management Company Limited	2.22	2.21
	Sundaram Home Finance Limited	1.99	1.89
	Sundaram Business Services Ltd.	1.52	1.54
	Royal Sundaram General Insurance Co. Ltd.	0.71	0.69
	Sundaram Finance Holdings Limited	0.09	0.09
Income from other Financial Services	Royal Sundaram General Insurance Co. Ltd.	15.98	15.82
	Sundaram Home Finance Limited	8.12	4.92
	Sundaram Alternate Assets Limited	3.93	2.63
Other Non Operating Income	Sundaram Asset Management Company Limited	0.54	0.45
	Sundaram Home Finance Limited	0.44	1.24
	Royal Sundaram General Insurance Co. Ltd.	0.34	0.06
	Sundaram Business Services Ltd.	0.10	0.10
	Sundaram Alternate Assets Limited	0.06	0.05
	Sundaram Finance Holdings Limited	0.06	0.06
	Indian Motor Parts and Accessories Limited	0.00	–

NOTES TO THE ACCOUNTS (Contd.)

Disclosure Of Material Transactions With Related Parties

(₹ in crores)

Particulars	Related Parties	2022-2023	2021-2022
EXPENDITURE			
Interest	Royal Sundaram General Insurance Co. Ltd.	9.53	11.95
	Sundaram Dynacast Private Ltd	0.20	-
Support Services	Sundaram Finance Holdings Limited	12.85	12.64
Rent Paid	Sundaram Finance Holdings Limited	1.05	1.04
	Sundaram Home Finance Limited	0.04	0.03
Insurance Premium	Royal Sundaram General Insurance Co. Ltd.	1.89	2.33
Brokerage	Sundaram Home Finance Limited	0.03	0.03

Particulars	Related Parties	2022-2023	2021-2022
Dividend Paid	Sundaram Finance employee Welfare trust	2.00	1.46
	Turbo Energy Private Limited	0.06	0.04
	Indian Motor Parts and Accessories Limited	6.38	-

(₹ in crores)

Particulars	Related Parties	2022-2023	2021-2022
ASSETS			
Investment	Sundaram Finance Holdings Limited	-	97.63
	Sundaram Asset Management Company Limited	-	50.00
Loans and Advances Disbursed	Sundaram Asset Management Company Limited	0.04	0.03
	Brakes India Private Ltd	0.30	
Repayment of Loans and Advances	Sundaram Asset Management Company Limited	0.03	0.03
	Brakes India Private Ltd	0.31	
Insurance Premium paid in advance	Royal Sundaram General Insurance Co. Ltd.	1.63	2.41
Inter corporate Loans given	Sundaram Asset Management Company Limited	-	100.00
Repayment of inter corporate Loans	Sundaram Asset Management Company Limited	100.00	-

NOTES TO THE ACCOUNTS (Contd.)

Particulars	Related Parties	2022-2023	2021-2022
LIABILITIES			
Issue of Non Convertible Debentures	Royal Sundaram General Insurance Co. Ltd.	64.93	40.04
Redemption of Non Convertible Debentures	Royal Sundaram General Insurance Co. Ltd.	83.00	29.30
Other Liabilities	Sundaram Finance Holdings Limited	1.47	1.23
	Sundaram Home Finance Limited		0.00
	Royal Sundaram General Insurance Co. Ltd.		0.10
Deposits placed	Sundaram Dynacast Private Ltd	6.00	-

Balances With Related Parties as at 31st March 2023

(₹ in crores)

Balances Outstanding	Subsidiaries	Associates	Joint Venture	Key Management Personnel	Relatives of Key Management Personnel	Enterprises over which KMP and his relatives is exercising significant influence	31.03.2023	31.03.2022
ASSETS								
Investments	1,530.85	-	585.34	-	-	-	2,116.19	2,115.35
Loans and Advances	0.00	0.02	-	-	-	-	0.03	100.00
Other Assets	1.70	0.00	8.55	-	-	-	10.25	9.90
LIABILITIES								
Equity Holdings	4.99	2.93	-	1.74	3.52	2.33	15.51	12.60
Non Convertible Debentures	-	-	135.46	-	-	-	135.46	152.01
Deposits	-	8.00	-	0.80	13.02	-	21.82	3.56
Other Liabilities	3.39	-	0.46	-	-	-	3.85	3.61
Remuneration payable	-	-	-	9.25	-	-	9.25	8.62

NOTES TO THE ACCOUNTS (Contd.)

Balances with Related Parties as at 31st March 2023

(₹ in crores)

BALANCES OUTSTANDING	Subsidiaries	Joint Ventures	31.03.2023	31.03.2022
ASSETS				
Investments				
Investments In Equity Shares				
Sundaram Home Finance Limited	1153.27	–	1153.27	1152.90
Royal Sundaram General Insurance Co. Ltd.	–	585.34	585.34	585.27
Sundaram Asset Management Company Limited	236.58	–	236.58	236.25
Sundaram Finance Holdings Limited	114.21	–	114.21	114.15
Sundaram Fund Services Limited	24.45	–	24.45	24.45
Sundaram Trustee Company Limited	2.29	–	2.29	2.29
LGF Services Ltd.	0.05	–	0.05	0.05
Total	1530.85	585.34	2116.19	2115.35

Disclosure of Material Balances With Related Parties as at 31st March 2023

(₹ in crores)

Balances Outstanding	Subsidiaries	Associates	Joint Ventures	Key Management Personnel	Relatives of Key Management Personnel	Enterprises over which KMP and his relatives is exercising significant influence	31.03.2023	31.03.2022
Loans and Advances								
Sundaram Asset Management Company Limited	–	–	–	–	–	–	–	100.00
Fleet								
Sundaram Asset Management Company Limited	0.00	–	–	–	–	–	0.00	0.00
Brakes India Private Ltd	–	0.02	–	–	–	–	0.02	–
Other Assets								
Royal Sundaram General Insurance Co. Ltd.	–	–	8.55	–	–	–	8.55	8.62
Sundaram Home Finance Limited	1.29	–	–	–	–	–	1.29	0.92
Sundaram Asset Management Company Limited	0.00	–	–	–	–	–	0.00	0.01
Sundaram Business Services Limited	0.11	–	–	–	–	–	0.11	–

NOTES TO THE ACCOUNTS (Contd.)

Balances Outstanding	Subsidiaries	Associates	Joint Ventures	Key Management Personnel	Relatives of Key Management Personnel	Enterprises over which KMP and his relatives is exercising significant influence	31.03.2023	31.03.2022
Sundaram Alternate Assets Limited	0.30	–	–	–	–	–	0.30	0.32
Sundaram Finance Holdings Limited	0.00	–	–	–	–	–	0.00	0.03
Indian Motor Parts and Accessories Limited	–	0.00	–	–	–	–	0.00	–
Total	1.70	0.00	8.55	–	–	–	10.25	9.90
LIABILITIES								
Equity Holdings	4.99	2.93	0	1.74	3.52	2.33	15.51	12.60
Non Convertible Debentures	–	–	–	–	–	–	–	–
Royal Sundaram General Insurance Co. Ltd.	–	–	135.46	–	–	–	135.46	152.01
Deposits	–	8.00	0	0.80	13.02	0	21.82	3.56
Other Liabilities	–	–	–	–	–	–	–	–
Sundaram Home Finance Limited	1.44	–	–	–	–	–	1.44	1.44
Sundaram Finance Holdings Limited	1.47	–	–	–	–	–	1.47	1.23
Royal Sundaram General Insurance Co. Ltd.	–	–	0.46	–	–	–	0.46	0.46
Sundaram Asset Management Company Limited	0.27	–	–	–	–	–	0.27	0.27
Sundaram Business Services Limited	0.21	–	–	–	–	–	0.21	0.21
Remuneration payable	–	–	–	9.25	–	–	9.25	8.62
Total	3.39	–	0.46	9.25	–	–	13.10	12.23

(₹ in crores)

Maximum amount outstanding in respect of Loans and Advances	2022-2023	2021-2022
Sundaram Asset Management Company Limited	–	100.00
Brakes India Ltd	0.03	–

NOTES TO THE ACCOUNTS (Contd.)

42.07 Estimated amount of contracts remaining to be executed on capital account

(₹ in crores)

Particulars	March 31, 2023	March 31, 2022
Estimated amount of contracts remaining to be executed on capital account (net of advance)	17.05	12.83
Uncalled commitment in Alternative Investment Fund Schemes	83.65	4.19

Other Commitments

The Company has given an undertaking not to dilute, in any manner, its shareholding below 51% in respect of the borrowings availed by one of its wholly owned subsidiaries.

42.08 Relationship with Struck off Company:

Sl. No.	Name Of Struck Off Company	Nature of transactions	As at March 31, 2023	As at March 31, 2022	Relationship with the struck off company, if any, to be disclosed for related party
1	M/S Rithika Travels And Transport India Pvt Ltd	Loan	0.33	0.33	No
2	M/S Prostar Textile Mill Pvt Ltd	Loan	0.02	0.02	No
3	M/S Aarohi Motors Pvt Ltd	Loan	–	0.55	No
4	M/S Pandit Automotive Pvt Ltd	Loan	–	0.25	No
5	M/S Bristol Tourist Complex Private Limited	Admin exp	Nil	Nil	No
6	M/S Kothari Intergroup Limited	Shareholder	*	*	No
7	M/S Parivar Developers Pvt Limited	Shareholder	*	*	No

* Note:- In the absence of purchase price of shares held by the above shareholders, face value is considered for reporting purpose. Amount is Less than ₹10,000/-

42.09 Registration of charges or satisfaction:

(₹ in crores)

Particulars	March 31, 2023	March 31, 2022
(a) Where any charges or satisfaction yet to be registered with ROC beyond the statutory period,	Nil	Nil
(b) Details and reasons thereof shall be disclosed		

42.10 Utilisation of Borrowed funds and Share Premium (Diversion of Funds):

No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend to or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

No funds have been received by the Company from any person(s) or entity(ies), including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend to or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

42.11 Undisclosed income

There is no surrender or disclosure of income separately on account of search or survey under Income tax since all transactions are recorded in the books.

42.12 Crypto Currency or Virtual Currency

Company has neither traded nor invested in Crypto currency or virtual currency during the year.

42.13 Administrative and other expenses “under Other Expenditure” include payment to Statutory Auditors towards:

(₹ in Crores)

Particulars	March 31, 2023	March 31, 2022
Auditors' fees and expenses*	1.40	1.27
Statutory fees	0.99	0.85
Tax fees	0.16	0.16
Certification fees	0.21	0.24
Reimbursement of expenses	0.04	0.02

* Including GST provision

42.14 Disclosure under the MSME Act 2006

(₹ in Crores)

Particulars	March 31, 2022	March 31, 2021
ia) Principal amount remaining unpaid*	2.41	1.37
ib) Interest amount remaining unpaid	NIL	NIL
ii) Interest and principal amount paid beyond appointed date	NIL	NIL
iii) Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointment day during the year) but without adding the interest specified under this Act.	NIL	NIL
iv) Interest accrued and remaining unpaid	NIL	NIL

* Subsequently liability is discharged

42.15 Based on the current assessment of the long-term contracts in the ordinary course of business, the Company has made adequate provision for losses where required. The derivative contracts have been entered into for hedging the foreign currency liability and interest liability. Derivative contracts being in the nature of hedge contracts, the Company does not anticipate any material losses from the same

42.16 The Board of Directors have recommended a final dividend of ₹15/-per share (150%) for the year ended 31st March 2023 in May 2023. This together with interim dividend of ₹12/- per share (120%) paid would aggregate to a total dividend of ₹27/- per share (270%).

42.17 Earnings per Share

Particulars	March 31, 2023	March 31, 2022
Profit/(Loss) attributable to equity shareholders (₹ in crores)	1,088.31	903.41
Weighted average number of equity shares	11,11,03,860	11,11,03,860
Earnings per share – Basic & Diluted (in ₹)	97.95	81.31
Face value of Share	10/-	10/-

42.18 Previous period's figures have been regrouped wherever necessary to conform to current period's classification.

Note 43: Disclosures as per Non-Banking Financial Company - Systemically Important Non-Deposit Taking Company and Deposit taking Company (Reserve Bank) Directions, 2016:

43.01 Capital to Risk (weighted) Assets Ratio

Particulars	March 31, 2023	March 31, 2022
CRAR (%)	22.77	24.37
CRAR - Tier I Capital (%)	17.71	17.45
CRAR - Tier II Capital (%)	5.06	6.92
Subordinated debt considered as Tier II Capital (₹ in Crore)	1,806.00	2,014.00

43.02 Investments

(₹ in crores)

Particulars	March 31, 2023	March 31, 2022
Value of Investments		
Gross Value of Investments		
a) In India	5,063.37	5,319.25
b) Outside India	–	–
Provisions for Depreciation		
a) In India	0.55	0.58
b) Outside India	–	–
Net Value of Investments		
a) In India	5,062.82	5,318.67
b) Outside India	–	–
Movement of provisions held towards depreciation on investments		
Opening balance	0.58	0.69
Add : Provisions made during the year	0.19	0.16
Less : Reversal of provisions during the year	0.22	0.27
Closing balance	0.55	0.58

NOTES TO THE ACCOUNTS (Contd.)

43.03 Derivatives

43.03.01 Forward Rate Agreement / Interest Rate Swap (FRA / IRS)

(₹ in crores)

Particulars	March 31, 2023	March 31, 2022
The notional principal of swap agreements	125.00	375.00
Losses which would be incurred if counter parties failed to fulfill their obligations under the agreements	1.34	0.38
Collateral required by NBFC upon entering into swaps	–	–
Concentration of credit risk arising from the swaps	100% with Banks	
The fair value of the swap book	1.03	0.61

The details and terms of IRS / FRA are set out below:

(₹ in crores)

Derivatives	March 31, 2023	March 31, 2022	Benchmark	Terms
	Notional Principal			
Interest Rate Swap	125.00	375.00	OIS	Fixed Payable v/s Floating Receivable

43.03.02 Exchange Traded Interest Rate (IR) Derivatives : NIL

43.03.03 Qualitative disclosures on risk exposure of derivatives

i) Qualitative disclosures

The Company has a Board approved policy for entering into derivative transactions. Derivative transaction comprises Forward Rate Agreements, Interest Rate Swaps, Coupon only swaps, Currency and Interest rate swap and Forward Exchange contracts. The Company undertakes such transactions for hedging balance sheet assets and liabilities. The Asset Liability Management Committee and Risk Management Committee periodically monitors and reviews the risks involved.

ii) Quantitative disclosures

(₹ in crores)

Particulars	Interest Rate Derivatives	
	March 31, 2023	March 31, 2022
i) Derivatives (Notional Principal Amount) For Hedging	125.00	375.00
ii) Marked to Market Position		
- Asset (+)	1.03	0.61
- Liability (-)	–	–
iii) Credit Exposure	0.63	2.50
iv) Unhedged Exposures	–	–

NOTES TO THE ACCOUNTS (Contd.)

43.04 Maturity Pattern of certain items of Assets and Liabilities

As at March 31, 2023:

(₹ in crores)

	0 to 7 days	8 to 14 days	Upto 30/31 days	Over 1 month upto 2 months	Over 2 months upto 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
Deposits	93.75	32.58	96.92	126.07	177.73	646.91	1,142.03	2,550.46	—	—	4,866.45
Borrowings	558.62	535.98	215.13	1,004.26	1,809.40	3,498.99	6,016.88	9,295.34	3,888.27	1,125.00	27,947.87
Foreign Currency Liabilities	—	—	—	—	—	—	—	—	—	—	—
Advances	329.88	905.77	427.71	1,539.37	1,757.09	4,010.49	7,293.63	17,716.00	4,232.52	81.83	38,294.30
Investments	1,981.60	4.36	12.87	17.18	22.02	77.63	273.12	415.11	38.16	2,220.76	5,062.82
Foreign Currency Assets	—	—	—	—	—	—	—	—	—	—	—

NOTES TO THE ACCOUNTS (Contd.)

43.05 Exposures

43.05.01 Exposure to Real Estate Sector

(₹ in crores)

Particulars	March 31, 2023	March 31, 2022
Residential Mortgages -		
Lending - Fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented	18.51	18.82
Commercial Real Estate -		
Lending - Secured by mortgages on commercial real estates (office buildings, retail space, multi purpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc). Exposure would also include non-fund based limits	19.76	32.74
Investments in Mortgage Backed Securities (MBS) and other securitised exposures		
- Residential	-	-
- Commercial Real Estate	-	-
Total Exposure to Real Estate Sector	38.27	51.56

43.05.02 Exposure to Capital Market

(₹ in crores)

Particulars	March 31, 2023	March 31, 2022
Direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt; (listed Securities)	114.21	114.15
Advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs/ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	-	-
Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	-	-
Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e where the primary security other than shares/convertible bonds/ convertible debentures / units of equity oriented mutual funds does not fully cover the advances;	-	-
Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	-	-
Loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	-	-
Bridge loans to companies against expected equity flows / issues	-	-
All exposures to Venture Capital Funds (both registered and unregistered)- Alternate Investment fund		
Category I	-	-
Category II	140.16	86.60
Category III	41.01	31.75
Total Exposure to Capital Market	295.38	232.50

NOTES TO THE ACCOUNTS (Contd.)

43.05.03 Details of financing of parent company products : NIL

43.05.04 Details of Single Borrower Limit (SBL) / Group Borrower Limit (GBL) exceeded by the company : NIL

43.06 Registration obtained from other financial sector regulators during the year : NIL

43.07 Disclosure of penalties imposed by other regulators : 2022-23 NIL

43.08 Rating Assignment by Credit Rating Agencies and migration of ratings during the year

Instrument	ICRA	CRISIL
Deposits	AAA	AAA
Debentures	AAA	AAA
Subordinated Debentures	AAA	AAA
Long Term Bank Loans	AAA	AAA
Consortium Bank Facilities	AAA	—
Commercial Paper	A1+	A1+
Short Term Bank Loans	A1+	—

Migration of ratings during the year : NIL

43.09 Provisions and Contingencies

(₹ in crores)

Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account	March 31, 2023	March 31, 2022
Provisions for depreciation on Investments	(0.04)	(0.10)
Provisions towards Stage 3 assets (incl. write offs)	208.54	327.25
Provisions for Stage 1 & 2 assets	(74.25)	(8.63)
Provisions made towards Income tax	331.65	273.49

43.10 Concentration of Deposits

(₹ in crores)

Particulars	March 31, 2023	March 31, 2022
Total Deposits of twenty largest depositors	233.70	188.57
% of Twenty largest depositors	4.80%	4.41%

43.11 Concentration of Advances

(₹ in crores)

Particulars	March 31, 2023	March 31, 2022
Total Advances to twenty largest borrowers	978.97	442.98
% of Twenty largest borrowers	4.68%	3.34%

NOTES TO THE ACCOUNTS (Contd.)

43.12 Concentration of Exposures

(₹ in crores)

Particulars	March 31, 2023	March 31, 2022
Total Exposure to twenty largest borrowers	1027.12	662.75
% of Twenty largest borrowers	2.96%	2.28%

43.13 Concentration of NPA assets

(₹ in crores)

Particulars	March 31, 2023	March 31, 2022
Total Exposure to top four NPA assets	39.53	46.53
% of Top four NPA assets to total NPA assets	3.80%	7.29%

43.14 NPA assets as a percentage to Advances in the respective segments

(in %)

Segment	March 31, 2023	March 31, 2022
Truck Operators	3.50	2.57
Auto Loans	1.76	1.68
Infrastructure Loans	3.40	1.90
Agriculture	3.44	2.79
Others	4.37	2.62

* As per RBI's notification on Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances - Clarifications dated 12th November, 2021.

43.15 Movement of NPA assets

(₹ in crores)

Particulars	March 31, 2023	March 31, 2022
Net NPA assets to Net Advances (%)	2.10%	1.26%
Movement of NPA assets (Gross)		
Opening balance	703.54	683.07
Additions during the year	900.86	518.36
Reductions during the year	564.75	497.89
Closing balance	1,039.65	703.54
Movement of Net NPA assets		
Opening balance	363.63	400.89
Additions during the year	568.68	152.79
Reductions during the year	209.95	190.06
Closing balance	722.35	363.63
Movement of Provision on NPA assets		
Opening balance	339.93	282.19
Provisions made during the year	332.17	365.57
Write-off / Write-back of excess provisions	354.80	307.83
Closing balance	317.30	339.93

NOTES TO THE ACCOUNTS (Contd.)

43.16 Overseas Assets (for those with Joint Ventures and Subsidiaries abroad) : NIL

43.17 Off-balance sheet SPVs sponsored (which are required to be consolidated as per accounting norms) : NIL

43.18 Customer Complaints: Refer Note 49 (c)

Note 44: Disclosure on frauds

There are 24 fraud cases reported to RBI as of 31st March 2023, involving an amount of ₹20.01 Cr., including six cases reported during the financial year 2022-23 involving ₹6.15 Cr. The company has provided for / written off the amount and has proceeded legally to recover the dues from the respective parties.

Note 45: Disclosures as per RBI notification no. DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated 13th March 2020 - Implementation of Indian Accounting Standards:

A comparison between provisions required under IRACP and impairment allowances made under Ind AS 109:

(₹ in crores)

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms (including income deferred)	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7) = (4)-(6)
Performing Assets						
Standard	Stage 1	32,722.11	105.32	32,616.79	149.62	(44.30)
	Stage 2	883.78	37.51	846.27	11.44	26.08
Sub total		33,605.89	142.83	33,463.06	161.06	(18.22)
Non-Performing Assets (NPA)						
Substandard	Stage 1	118.40	8.94	109.46	11.94	(3.00)
Substandard	Stage 2	344.11	27.77	316.34	44.26	(16.50)
Substandard	Stage 3	367.95	99.78	268.17	60.86	38.92
Sub total		830.46	136.49	693.97	117.06	19.42
Doubtful						
Upto 1 year	Stage 3	143.20	115.52	27.68	101.57	13.95
1 to 3 years	Stage 3	54.51	53.87	0.64	46.52	7.35
More than 3 years	Stage 3	8.34	8.34	-	5.87	2.47
Subtotal		206.05	177.73	28.32	153.96	23.77

NOTES TO THE ACCOUNTS (Contd.)

(₹ in crores)

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms (including income deferred)	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7) = (4)-(6)
Loss	Stage 2	0.63	0.63	–	0.63	–
	Stage 3	2.49	2.44	0.05	2.49	(0.05)
	Subtotal	3.12	3.07	0.05	3.13	(0.05)
TOTAL NPA		1,039.65	317.30	722.34	274.15	43.14
OFF BOOKS : Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms.	Stage 1	152.67	2.93	149.74	–	2.93
	Stage 2	–	–	–	–	–
	Stage 3	–	–	–	–	–
	Subtotal	152.67	2.93	149.74	–	2.93
Total (On book assets)	Stage 1	32,840.51	114.26	32,726.25	161.56	(47.30)
	Stage 2	1,228.53	65.91	1,162.61	56.33	9.58
	Stage 3	576.50	279.96	296.54	217.32	62.64
	Total	34,645.54	460.13	34,185.40	435.21	24.92

Disclosure on Resolution Framework 2.0 implemented in terms of RBI circulars RBI/2021-22/31 DOR.STR.REC.11/21.04.048/2021-22 dated 5th May 2021:

(₹ in crores)

Type of Borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of the previous half-year (A) 30.09.2022	Of (A), aggregate debt that slipped into NPA during the half-year	Of (A) amount written off during the half-year	Of (A) amount paid by the borrowers during the half-year	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of this half-year 31.03.2023
Personal Loans	–	–	–	–	–
Corporate persons*	–	–	–	–	–
Of which MSMEs	–	–	–	–	–
Others (Business loan)	483.42	63.62	2.41	136.57	280.82

*As defined in Section 3(7) of the Insolvency and Bankruptcy Code 2016.

NOTES TO THE ACCOUNTS (Contd.)

Note 46: Disclosure as per RBI Notification No. RBI/DOR/2021-22/85 DOR.STR.REC.53/21.04.177/2021-22
Disclosures to be made in Notes to Accounts by originators

(₹ in crores)

Sl. No	Particulars	March 31, 2023	March 31, 2022
1	No. of SPEs holding assets for securitisation transactions originated by the originator (only the SPVs relating to outstanding securitization exposures to be reported here)	16	9
2	Total amount of securitised assets as per books of the SPEs	3,664.52	2,694.05
3	Total amount of exposures retained by the originator to comply with MRR as on the date of balance sheet		
	a) Off-balance sheet exposures		
	• First loss		
	• Others		
	b) On-balance sheet exposures		
	• First loss	464.23	299.91
	• Others	65.36	65.76
4	Amount of exposures to securitisation transactions other than MRR		
	a) Off-balance sheet exposures		
	i) Exposure to own securitisations		
	• First loss		
	• Others		
	ii) Exposure to third party securitisations		
	• First loss		
	• Others		
	b) On-balance sheet exposures		
	i) Exposure to own securitisations		
	• First loss		
	• Others		
	ii) Exposure to third party securitisations		
	• First loss		
	• Others		

NOTES TO THE ACCOUNTS (Contd.)

Sl. No	Particulars	March 31, 2023	March 31, 2022
5	Sale consideration received for the securitised assets Gain/loss on sale on account of securitisation		
	- Consideration Received	6,359.82	4,667.83
	- Gain/Loss	NIL	NIL
6	Form and quantum (outstanding value) of services provided by way of, liquidity support, post-securitisation asset servicing, etc.	464.23	299.91
7	Performance of facility provided. Please provide separately for each facility viz. Credit enhancement, liquidity support, servicing agent etc. Mention percent in bracket as of total value of facility provided.		
	(a) Amount Paid (Initial CC)	515.58	355.99
	(b) Repayment received (CC Reset)	51.35	56.08
	(c) Outstanding amount (Outstanding CC)	464.23	299.91
8	Average default rate of portfolios observed in the past. Please provide breakup separately for each asset class i.e. RMBS, Vehicle Loans etc	Cv : 1.29% Tractor: 1.37% CE : 0.85%	CV: 1.36% Tractor: 1.58%
9	Amount and number of additional/top up loan given on same underlying asset. Please provide breakup separately for each asset class i.e. RMBS, Vehicle Loans etc	NIL	NIL
10	Investor complaints (a) Directly/Indirectly received and; (b) Complaints outstanding	NIL	NIL

Note 47: Disclosure on Liquidity Coverage Ratio (LCR):

As part of the Liquidity Risk Management Framework for NBFCs, RBI has mandated maintenance of Liquidity Coverage Ratio (LCR) effective 1st December 2020. The Company is required to maintain adequate unencumbered High Quality Liquid Asset (HQLA) to meet its liquidity needs for a 30 calendar-day time horizon under a significantly severe liquidity stress scenario. The objective of the LCR is to promote the short-term resilience of the liquidity risk profile. Presently, the Company is mandated to maintain a minimum LCR of 70%, effective December 1, 2022, progressively reaching up to the required level of 100% by December 1, 2024.

The LCR is calculated by dividing the company's stock of HQLA by its total net cash outflows over a 30-day stress period. "High Quality Liquid Assets (HQLA)" means liquid assets that can be readily sold or immediately converted into cash at little or no loss of value or used as collateral to obtain funds in a range of stress scenarios. Total Net cash outflows is defined as total expected cash outflows minus total expected cash inflows in the specified stress scenario for the subsequent 30 calendar days. The main drivers of LCR are adequate HQLAs and lower net cash outflow.

Major source of borrowings for the Company are Non-Convertible Debentures, Term loans from Banks, Commercial paper and Public deposits. Details of funding concentration from Significant counter party are given above under Public disclosure.

The average LCR for the quarter ended 31st March 2023 is 92.5% which is well above the regulatory requirement of 70%.

Particulars	Liquidity Coverage Ratio (LCR)												
	Jan - Mar 2023			Oct - Dec 2022			Jul-Sep 2022			Apr-Jun 2022			
	Unweighted Value (Average)	Weighted Value (Average)		Unweighted Value (Average)	Weighted Value (Average)		Unweighted Value (Average)	Weighted Value (Average)		Unweighted Value (Average)	Weighted Value (Average)		
High Quality Liquid Assets													
1 ***Total High Quality Liquid Assets (HQLA)	-	545.03		-	530.45		-	651.61		-	726.06		
Cash Outflows													
2 Deposits (for deposit taking companies)	247.66	284.81		321.66	369.90		357.69	411.35		276.19	317.62		
3 Unsecured wholesale funding	479.86	551.84		217.18	249.75		70.52	81.09		71.29	81.98		
4 Secured wholesale funding	884.26	1,016.90		635.18	730.46		438.20	503.93		949.09	1,091.45		
5 Additional requirements, of which													
(i) Outflows related to derivative exposures and other collateral requirements	-	-		-	-		-	-		-	-		
(ii) Outflows related to loss of funding on debt products	-	-		-	-		-	-		-	-		
(iii) Credit and liquidity facilities	153.07	176.03		153.69	176.74		139.37	160.28		109.80	126.27		
6 Other contractual funding obligations	277.05	318.61		285.44	328.26		266.03	305.93		214.37	246.53		
7 Other contingent funding obligations	7.38	8.49		13.62	15.66		6.75	7.77		6.37	7.33		
8 TOTAL CASH OUTFLOWS	2,049.28	2,356.68		1,626.77	1,870.77		1,278.56	1,470.35		1,627.11	1,871.18		
Cash Inflows													
9 Secured lending	-	-		-	-		-	-		-	-		
10 Inflows from fully performing exposures	1,637.02	1,227.76		1,680.70	1,260.53		1,450.52	1,087.89		1,503.93	1,127.95		
11 Other cash inflows	2,272.43	1,704.32		1,926.74	1,445.06		2,534.43	1,900.82		2,158.97	1,619.23		
12 TOTAL CASH INFLOWS	3,909.45	2,932.08		3,607.44	2,705.59		3,984.95	2,988.71		3,662.90	2,747.18		
	Total Adjusted Value		Total Adjusted Value		Total Adjusted Value		Total Adjusted Value		Total Adjusted Value		Total Adjusted Value		
13 TOTAL HQLA	-	545.03		-	530.45		-	651.61		-	726.06		
14 TOTAL NET CASH OUTFLOWS	-	589.17		-	467.69		-	367.59		-	467.79		
15 LIQUIDITY COVERAGE RATIO (%)	-	92.5%		-	113.4%		-	177.3%		-	155.2%		
** Components of HQLA													
- Cash		2.66			2.64			3.30			3.82		
- Balance with Banks		13.30			15.06			6.93			14.00		
- Government Securities		363.54			442.98			391.57			390.66		
- Commercial Paper		-			-			53.61			61.84		
- Treasury Bills		165.53			69.78			196.26			255.74		
Total HQLA		545.03			530.46			651.61			726.06		

NOTES TO THE ACCOUNTS (Contd.)

Note 48: Public Disclosure on Liquidity Risk as on March 31, 2023 pursuant to RBI circular dated 4th November 2019 on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies:

(i) Funding concentration based on significant counterparty (both deposits and borrowings)

Sl. No.	Number of Significant counter parties	Amount (₹ in crores)	% of Total Deposits *	% of Total Liabilities
1	12	21,525.24	—	64.6

* None of the Depositors hold more than 1% of the Total deposits

(ii) Top 20 large deposits

Amount (₹ in crores)	233.70
% of Total Deposits	4.8

(iii) Top 10 borrowings

Amount (₹ in crores)	20,731.44
% of Total Borrowings	63.2

(iv) Funding Concentration based on significant instrument / product

Sl. No.	Name of the Instrument / product	Amount (₹ in crores)	% of Total Liabilities
1	Non-Convertible Debentures	13,532.48	40.6
2	Term loan	9,903.29	29.7
3	Public Deposits	4,866.45	14.6
4	Commercial paper	2,429.51	7.3
5	Other Bank borrowings	2,083.62	6.3

(v) Stock Ratios:

Sl. No.	Name of the Instrument / Product	As a % of Total Public funds	As a % of Total Liabilities	As a % of Total Assets
1	Commercial Paper	7.4	7.3	5.9
2	Non-Convertible Debentures (original maturity < 1 year)	-NA-	-NA-	-NA-
3	Other Short- term Liabilities	41.2	40.6	32.9

NOTES TO THE ACCOUNTS (Contd.)

(vi) Institutional setup for Liquidity Risk management

Board has setup the Asset Liability Management Committee (ALCO) and Risk Management Committee to manage various risks of the Company. ALCO meets on a regular basis and is responsible for ensuring adherence to the risk tolerance/limits set by the Board including the Liquidity risk of the Company. The performance of the ALCO is reviewed by Audit Committee / Board.

The Company has formulated a policy on Liquidity Risk Management Framework. Accordingly, the Company,

- Performs stress testing on a quarterly basis which enables the Company to estimate the liquidity requirements as well as adequacy and cost of the liquidity buffer under stressed conditions.
- Has also formulated a contingency funding plan as a part of the outcome of stress testing results.
- Monitors liquidity risk based on 'Stock' approach to liquidity by way of pre-defined internal limits for various critical ratios pertaining to liquidity risk.

The Company has diversified source of funding to ensure that there is no significant source, the withdrawal of which could trigger liquidity problems.

The Company monitors cumulative mismatches across all time buckets by establishing internal prudential limits. The Company maintains adequate liquidity buffer of readily marketable assets, to protect itself against any liquidity risk at the same time is mindful of the cost associated with it.

Notes:

1. As per the circular issued by RBI on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies dated 04th November 2019, "Significant counter party" is defined as a single counterparty or group of connected or affiliated counterparties accounting in aggregate for more than 1% of the total liabilities and "Significant instrument/product" is defined as a single instrument/product of group of similar instruments/products which in aggregate amount to more than 1% of the total liabilities.
2. Total Liabilities represent 'Total Liabilities and Equity' as per Balance sheet less Equity.
3. Public funds are as defined in Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016.
4. Other Short term liabilities represent all Short-term borrowings other than CPs.

NOTES TO THE ACCOUNTS (Contd.)

Note 49: Disclosures as per 'Scale Based Regulation (SBR) - A Revised Regulatory Framework' for NBFCs, vide RBI Notification RBI/2022-23/26 DOR.ACC.REC.No.20/21.04.018/2022-23, dated April 19, 2022:

Section I - Part A - Exposure

1) Exposure to Real Estate Sector - Refer Note 43.05.01

2) Exposure to Capital Market - Refer Note 43.05.02

3) Sectoral Exposure

(₹ in crores)

Sectors	Current Year			Previous Year		
	Total Exposure	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector	Total Exposure	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector
1. Agricultural and Allied activities	2,770.42	92.06	3.32%	2,375.21	66.69	2.81%
2. Industry	—	—	—	—	—	—
3. Services						
3.1 Transport Operators	16,084.10	548.99	3.41%	15,880.87	373.02	2.35%
3.2 Commercial Real Estate	19.76	—	—	37.62	—	—
3.3 NBFCs	774.77	—	—	467.26	—	—
3.4 Other Services	3,712.29	121.37	3.27%	2,242.53	70.00	3.12%
Total	20,590.92	670.36	3.26%	18,628.27	443.02	2.38%
3.a Micro and Small	8,293.67	193.58	2.33%	3,257.21	123.96	3.81%
3.b Medium	889.75	23.77	2.67%	875.77	38.94	4.45%
3.c Large	—	—	—	—	—	—
3.d Others	11,407.50	453.01	3.97%	14,495.29	280.12	1.93%
Total	20,590.92	670.36	3.26%	18,628.27	443.02	2.38%
4. Personal Loans						
4.1 Vehicle/Auto Loans	8,910.81	149.08	1.67%	7,132.77	125.72	1.76%
Total	8,910.81	149.08	1.67%	7,132.77	125.72	1.76%
5. Others	2,373.39	128.14	5.40%	984.89	68.11	6.92%
TOTAL	34,645.54	1,039.65	3.00%	29,121.15	703.54	2.42%
Off Balance sheet exposure	152.67	—	—	109.95	—	—

(₹ in crores)

4) Intra-group Exposures

Particulars	March 31, 2023	March 31, 2022
Total Amount of intra-group exposures	17.34	109.60
Total amount of top 20 intra group exposures	17.34	109.60
Percentage of intra group exposures to total exposure of the NBFC on borrowers/customers	0.05%	0.38%

5) Unhedged foreign currency exposure - NIL (March 31, 2022 - NIL)

Section I - Part B - Related party disclosure

(₹ in crores)

Particulars	Subsidiaries		Associates/Joint ventures		Key Management Personnel		Relatives of Key Management Personnel		Others		Total	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Outstanding												
Borrowings	-	-	135.46	152.01	-	-	-	-	-	-	135.46	152.01
Deposits	-	-	8.00	-	12.95	0.40	30.40	5.02	91.38	-	142.73	5.42
Other Liabilities	3.39	3.15	0.46	0.46	10.53	9.87	-	-	-	-	14.38	13.48
Loans and advances	-	100.00	-	-	-	-	-	-	47.12	45.52	47.12	145.52
Investments	1,530.85	1,530.08	585.34	585.27	-	-	-	-	-	-	2,116.19	2,115.35
Other Assets	1.70	1.28	8.55	8.62	-	-	-	-	-	0.03	10.25	9.93
Transactions												
Issue of Non-Convertible Debentures	-	-	64.93	40.04	-	-	-	-	-	-	64.93	40.04
Redemption of Non Convertible Debentures	-	-	83.00	29.30	-	-	-	-	-	-	83.00	29.30
Deposits	-	-	6.00	-	1.54	-	18.58	0.26	43.60	-	69.72	0.26
Loans and advances disbursed	0.03	100.03	0.30	-	-	-	-	-	1,713.70	1,022.07	1,714.03	1,122.10
Repayment of Loans and advances	100.03	-	0.31	-	-	-	-	-	1,704.30	1,053.05	1,804.64	1,053.05
Purchase of fixed assets	-	-	-	-	-	-	-	-	-	-	-	-
Sale of fixed assets	-	-	-	-	-	-	-	-	-	-	-	-
Interest paid	-	1.51	9.73	11.95	1.13	0.03	2.24	0.94	8.00	-	21.10	14.44
Interest received	0.97	94.02	0.00	-	-	-	-	-	3.94	4.44	4.91	98.46
Dividend Income	121.20	100.03	13.47	-	-	-	-	-	-	-	134.67	100.03
Dividend paid	-	-	-	-	12.58	2.90	15.67	5.64	60.38	3.73	88.63	12.27
Others – income	27.21	25.57	27.09	23.02	-	-	-	-	2.12	4.38	56.42	52.97
Others – Expenses	13.97	13.75	1.89	4.04	21.27	18.21	-	-	1.21	-	38.34	36.00
Maximum Amount Outstanding												
Borrowings	-	-	152.92	161.49	-	-	-	-	-	-	152.92	161.49
Deposits	-	-	8.15	-	12.95	0.40	30.40	5.02	94.37	94.37	145.87	99.78
Loans and advances	100.00	100.00	0.03	-	-	-	-	-	149.07	84.31	249.11	184.31
Investments	1,530.85	1,530.08	585.34	585.27	-	-	-	-	-	-	2,116.19	2,115.35

NOTES TO THE ACCOUNTS (Contd.)

Section I - Part C - Disclosure of complaints

1) Summary information on complaints received by the NBFCs from customers and from the Offices of Ombudsman

Sr. No	Particulars	FY 22-23	FY 21-22
		Current Year	Previous Year
Complaints received by the NBFC from its customers			
1	Number of complaints pending at beginning of the year	42***	69***
2	Number of complaints received during the year	2731	2825
3	Number of complaints disposed during the year	2711	2852
3.1	Of which, number of complaints rejected by the NBFC	NIL	NIL
4	Number of complaints pending at the end of the year	62***	42***
Maintainable complaints received by the NBFC from Office of Ombudsman			
5*	Number of maintainable complaints received by the NBFC from Office of Ombudsman	56	NA**
5.1	Of 5, number of complaints resolved in favour of the NBFC by office of Ombudsman	54	NA**
5.2	Of 5, number of complaints resolved through conciliation/mediation/advisories issued by Office of Ombudsman	1	NA**
5.3	Of 5, number of complaints resolved after passing of Awards by Office of Ombudsman against the NBFC	1	NA**
6*	Number of Awards unimplemented within the stipulated time (other than those appealed)	NIL	NIL

Note: Maintainable complaints refer to complaints on the grounds specifically mentioned in Integrated Ombudsman Scheme, 2021 (Previously The Ombudsman Scheme for Non-Banking Financial Companies, 2018) and covered within the ambit of the Scheme.

* It shall only be applicable to NBFCs which are included under The Reserve Bank - Integrated Ombudsman Scheme, 2021

** Internal Ombudsman was appointed w.e.f. 12/May/2022

*** The figures mentioned under complaints pending at the end of the year relate to complaints that were received during March 2022 and March 2023 respectively, and were redressed during April 2022 and April 2023 respectively, well within the stipulated period of 30 days

NOTES TO THE ACCOUNTS (Contd.)

2) Top five grounds of complaints received by the NBFCs from customers

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
1	2	3	4	5	6
Current Year Apr'22 to Mar'23					
Arrear Payment related	10	426	-25%	14	NIL
NOC related	3	380	-14%	1	NIL
Credit Bureau related	4	285	-24%	15	NIL
Repossession related	7	173	14%	2	NIL
COVID-19 related	2	163	-8%	3	NIL
Others	16	1304	9%	27	NIL
Total	42	2731	-3%	62	NIL
Previous Year Apr'21 to Mar'22					
Arrear Payment related	2	532	34%	10	NIL
NOC related	16	434	9%	3	NIL
Credit Bureau related	8	353	41%	4	NIL
Repossession related	1	148	95%	7	NIL
COVID-19 related	12	176	-456%	2	NIL
Others	30	1182	28%	16	NIL
Total	69	2825	1%	42	NIL

Section II - Part B - Breach of Covenant of loan availed or debt securities issues: Nil (Nil - 31st March 2022)

Section II - Part C - Divergence in Asset Classification and Provisioning:

S. No	Particulars	₹ in crores
1	Gross NPAs as on March 31,2022 as reported	703.54
2	Gross NPAs as on March 31,2022 as assessed by RBI	775.13
3	Divergence in Gross NPA (2-1)	71.59
4	Net NPAs as on March 31,2022 as reported	363.62

NOTES TO THE ACCOUNTS (Contd.)

S. No	Particulars	₹ in crores
5	Net NPAs as on March 31,2022 as assessed by RBI	435.21
6	Divergence in Net NPAs (5-4)	71.59
7	Provisions for NPAs as on March 31,2022 as reported	339.92
8	Provisions for NPAs as on March 31,2022 as assessed by RBI	271.92
9	Divergence in Provisioning NPA (8-7)	-
10	Reported Profit before tax and impairment loss on financial instruments for the year ended March 31, 2022	1,495.42
11	Reported Net Profit after Tax (PAT) for the year ended March 31,2022	903.41
12	Adjusted (notional) Net Profit after Tax (PAT) for the year ended March 31, 2022 after considering the divergence in provisioning	903.41

Notes:

For several years now, as a matter of due process & prudence, the Company has been accounting repossessed loan assets as Current assets, valued at market value, with any shortfall charged to P&L immediately. In its inspection during this year, the RBI inspection team observed that the said loan assets with aging 90-days past due, to the extent of ₹45.46 Cr., be classified as NPA. However, there is no shortfall in provisioning for these loan assets.

The loan exposures extended under the COVID -induced Emergency Credit Line Guarantee Scheme (ECLGS) were not considered for asset classification and provisioning as on March 31, 2022. Exposure aggregating to ₹26.13 Cr., were 90-days past due, as on March 31, 2022. The Company did not treat such assets as NPA as these loans are backed by the irrevocable sovereign guarantee of the Government of India. In its inspection during this year, the RBI inspection team observed that the said loan assets with aging 90-days past due be treated as non-performing assets and provisions to the extent of ₹2.62 Cr., be included.

The Company maintained overall ECL provisions in excess of RBI IRAC norms by ₹103.83 Cr., in the year ending 31st March 2022 and there is no impact to the Profit and Loss account for the change in the loan asset reclassification.

As per our report of even date attached

For B. K. Khare & Co
Chartered Accountants
Firm Registration No. 105102W

Shirish Rahalkar
Partner
Membership No. 111212
Place : Mumbai

For N. C. Rajagopal & Co
Chartered Accountants
Firm Registration No. 003398S

V Chandrasekaran
Partner
Membership No. 024844
Place : Chennai
Date : May 26, 2023

S. Viji
Chairman

Rajiv C. Lochan
Managing Director

Harsha Viji
Executive Vice Chairman

A.N. Raju
Deputy Managing Director

S. Prasad
Director

M. Ramaswamy
Chief Financial Officer

P.N. Srikant
Secretary & Compliance Officer

SCHEDULE

(as required under Annexure IV of Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016)

(₹ in crores)

	Particulars	Amount outstanding	Amount overdue
	Liabilities side:		
(1)	Loans and advances availed by the NBFCs @		
a	Debtures : Secured	11,291.62	—
	: Unsecured (other than falling within the meaning of public deposits)	2,240.86	—
b	Deferred Credits	—	—
c	Term Loans	9,903.29	—
d	Inter-corporate loans and borrowings	—	—
e	Commercial paper	2,429.51	—
f	Public Deposits	4,834.44	60.41 [#]
g	Other loans		
	- Bank Borrowing	2,083.62	—
	- Deposits from Corporates	32.01	—
(2)	Break-up of 1 (f) above (Outstanding public deposits) [®]		
a	In the form of Unsecured debtures	—	—
b	In the form of partly secured debtures i.e. debtures where there is a shortfall in the value of security	—	—
c	Other public deposits	4,834.44	60.41 [#]

[®] Includes interest accrued thereon but not due and hence not paid

[#] Represents unrenewed deposits and interest accrued thereon

(₹ in crores)

	Particulars	Amount outstanding
	Assets side:	
(3)	Break-up of Loans and Advances including bills receivables (other than those included in (4) below) :	
a	Secured	303.12
b	Unsecured (including Advance for Business Assets)	291.38
(4)	Break-up of Leased Assets and Stock on hire and hypothecation loans counting towards AFC activities:	
(i)	Lease assets including lease rentals under sundry debtors	
a	Financial Lease	—
b	Operating Lease	255.53
(ii)	Net Stock on hire including hire charges under sundry debtors	
a	Assets on hire	40.41
b	Repossessed Assets	—
(iii)	Hypothecation loans counting towards AFC activities	
a	Loans where assets have been repossessed	50.99
b	Loans other than (a) above	33,529.27

SUNDARAM FINANCE LIMITED

(₹ in crores)

	Particulars	Amount outstanding	Market Value *
(5)	Break-up of Investments :		
	Current Investments:		
1.	Quoted:	–	–
	Others		
	– Treasury Bills	496.77	496.59
2.	Unquoted:		
(i)	Units of mutual funds	1,475.51	1,475.51
(ii)	Others		
	– Investment in Commercial Paper	13.63	13.63
	Long Term Investments:		
1.	Quoted:		
(i)	Equity Shares	114.21	411.41
(ii)	Government Securities	483.98	486.56
	Others		
	– Investment in Non Convertible Debentures	25.00	25.24
2.	Unquoted:		
(i)	Equity Shares	2,013.18	2,966.72
(ii)	Compulsorily Convertible Preference Shares	3.12	3.12
(iii)	Units of mutual funds	22.60	22.60
(iv)	Others		
	– Investment in Pass Through Certificates	84.38	83.51
	– Investment in Alternative Investment Fund	181.17	181.17
	– Investment in Non Convertible Debentures	149.83	149.69
	Total	5,063.37	6,315.75

* Unquoted investments disclosed at break up / fair value / NAV

(₹ in crores)

(6)	Borrower group-wise classification of all leased assets, stock-on-hire and loans and advances:			
	Category	Amount net of provisions		
		Secured	Unsecured	Total
1.	Related Parties**			
a	Subsidiaries	0.30	0.18	0.49
b	Companies in the same group	11.84	0.14	11.98
c	Other related parties	–	–	–
2.	Other than related parties	3,4036.11	279.29	34,315.40
	Total	34,048.25	279.61	34,327.87

(₹ in crores)

(7)	Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted) :		
	Category	Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)
1.	Related Parties**		
a	Subsidiaries	2,645.55	1,530.85
b	Companies in the same group	732.58	596.54
c	Other related parties	–	–
2.	Other than related parties	2,937.62	2935.43
	Total	6,315.75	5,062.82

** As per Ind AS

(₹ in crores)

(8)	Other Information	
	Particulars	Amount
(i)	Gross Non-Performing Assets	
a	Related Parties	–
b	Other than related parties	1,039.65
(ii)	Net Non-Performing Assets	
a	Related Parties	–
b	Other than related parties	722.35
(iii)	Assets acquired in satisfaction of debt (during the year)	–

*Consolidated
Financial
Statements*

INDEPENDENT AUDITOR'S REPORT

To the members of Sundaram Finance Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Sundaram Finance Limited ("the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group") which includes the Group's share of profit / loss in its associates and jointly controlled entities which comprise the Consolidated Balance Sheet as at March 31, 2023 and the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year then ended and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of the other auditors on separate / consolidated financial statements / financial information of the subsidiaries, associates and jointly controlled entities referred to in the Other Matters section below, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS') and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its associates and jointly controlled entities as at March 31, 2023 and their consolidated profit, their consolidated total comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group, its associates and jointly controlled entities in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in the sub-paragraphs (a) and (b) of the Other Matters section below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Key Audit Matters

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

SUNDARAM FINANCE LIMITED

Sr. No	Key Audit Matter	How the Key Audit Matter was addressed in our audit
1	<p>Provisioning based on Expected Credit Loss model (ECL) under IND AS 109 and testing of Impairment of assets, more particularly the Loan Book of the Company</p>	
<p>Refer to the accounting policies in 'Note 2.2 to the Ind AS Financial Statements: Financial Instruments – Impairment of Financial Assets', Impairment of Financial Assets 'Note 2.1 to the Ind AS Financial Statements: Revenue Recognition' and 'Note 37 to the Ind AS Financial Statements: Risk Management Framework'.</p>		
	<p>Subjective estimates:</p> <p>Under Ind AS 109, “Financial Instruments”, allowance for loan losses are determined using expected credit loss ('ECL') estimation model. The estimation of ECL on financial instruments involves significant judgement and estimates. The key areas where we identified greater levels of management judgement and therefore increased levels of audit focus in the Company's estimation of ECLs are:</p> <ul style="list-style-type: none"> • Data inputs - The application of ECL model requires several data inputs. This increases the risk of completeness and accuracy of the data that has been used to create assumptions in the model. • Model estimations - Inherently judgmental models are used to estimate ECL which involves determining Probabilities of Default (“PD”), Loss Given Default (“LGD”), and Exposures at Default (“EAD”). The PD and the LGD are the key drivers of estimation complexity in the ECL and as a result are considered the most significant judgmental aspect of the Company's modelling approach. • Economic scenarios - Ind AS 109 requires the Company to measure ECLs on an unbiased forward-looking basis reflecting a range of future economic conditions. Significant management judgement is applied in determining the economic scenarios used and the probability weights applied to them. <p>The effect of these matters is that, as part of our risk assessment, we determined that the impairment of loans and advances to customers, has a high degree of estimation uncertainty, with a potential range of reasonable outcomes greater than our materiality for the Standalone Ind AS Financial Statements as a whole, and possibly many times that amount.</p>	<p>Our key audit procedures included:</p> <p>Review of Policy/procedures & design/controls</p> <ul style="list-style-type: none"> • Review of the Board approved Policy and approach concerning the assessment of credit and other risks and ascertainment/ageing of 'default' by the borrowers and procedures in relation to stages and ECL computation. • Studying the report of review of ECL model of the Company for the year, as performed by an independent expert, whose report is placed before the Board of Directors of the Company. • Testing key controls relating to selection and implementation of material macro-economic variables and the controls over the scenario selection and application of probability weights. • Assessing the design, implementation and operating effectiveness of key internal financial controls including monitoring process of overdue loans (and those which became overdue after the reporting date), measurement of provision, stage-wise classification of loans, identification of NPA accounts, assessing the reliability of management information, which included overdue reports. • Understanding management's approach, interpretation, systems and controls implemented in relation to probability of default and stage-wise bifurcation of product-wise portfolios for timely ascertainment of stress and early warning signals. • Testing of review controls over measurement of provisions and disclosures in the Standalone Ind AS Financial Statements. • Involvement of Information system resource to obtain comfort over data integrity and process of report generation through interface of various systems. • Understanding of models and general economic indicator criteria used for regression testing over data of the loan book.

Sr. No	Key Audit Matter	How the Key Audit Matter was addressed in our audit
	<p>Disclosures:</p> <p>The disclosures (including disclosures prescribed by RBI) regarding the Company's application of Ind AS 109 are key to explaining the key judgements and material inputs to the Ind AS 109 ECL results.</p>	<p>Substantive verification</p> <ul style="list-style-type: none"> • Sample testing over key inputs, data and assumptions impacting ECL calculations to assess the completeness, accuracy and relevance of data and reasonableness of economic forecasts, weights, and model assumptions applied. • Model calculations testing through re-performance, where possible. • Assessing disclosures - Assessed whether the disclosures on key judgements, assumptions and quantitative data with respect to impairment of loans (including restructuring related disclosures) in the Standalone Ind AS Financial Statements are appropriate and sufficient.
2	<p>Impairment testing of investments in Subsidiaries /Joint Venture</p> <p>Impairment testing of investments in Subsidiaries/ Joint venture is considered as a Key Audit Matter since impairment, if any, of these investments may have an impact on the equity of the Company.</p>	<p>To test for impairment in the Investments in Subsidiaries / Joint Venture, we compared the book value of the investments in the year under review with their pro rata share of the respective company's equity based on its financial statements, and evaluated the internal and external sources of information to reassure its values.</p> <p>Evaluate the Company's Internal controls viz a viz the implementation of Investment Risk management System and processes.</p> <p>Test of management oversight and controls over valuation of investments.</p> <p>Accordingly based on our audit procedures, we noted no reportable matters regarding investments and its valuation.</p>
3	<p>Information Technology</p> <p>IT systems and controls</p> <p>The Company's financial reporting processes are dependent on technology considering significant number of transactions that are processed daily across multiple and discrete Information Technology ('IT') systems. The Financial accounting system of the Company is interfaced with several other IT systems including Loan Management & Originating systems and several other systemic workflows.</p> <p>IT general and application controls are critical to ensure that changes to applications and underlying data are made in an appropriate manner. Adequate controls contribute to mitigating the risk of potential fraud or errors as a result of changes to the applications and data.</p>	<p>With the assistance of our IT specialist, our key audit procedures for assessment of the IT systems and controls over financial reporting covered following broad aspects:</p> <p>Obtained an understanding of the Company's key IT systems, IT General Controls which covered access controls, program/ system changes, program development and computer operations i.e. job processing, data/ system backup and incident management and application controls relevant to our audit</p> <p>Tested the design, implementation and operating effectiveness of the general IT controls over the key IT systems that are critical to financial reporting.</p> <p>Reviewed user access management, change management, segregation of duties, system reconciliation controls and system application controls over key financial accounting and reporting systems and related application controls.</p>

Sr. No	Key Audit Matter	How the Key Audit Matter was addressed in our audit
	<p>These includes implementation of preventive and detective controls across critical applications and infrastructure.</p> <p>Due to the pervasive nature of role of information technology systems in financial reporting, in our preliminary risk assessment, we planned our audit by assessing the risk of a material misstatement arising from the technology as significant for the audit, hence the Key Audit Matter.</p>	<p>Reviewed of the report of IS Audit carried in earlier year(s) by an independent firm of Chartered Accountants pertaining to IT systems general controls including access rights over applications, operating systems and databases relied upon for financial reporting.</p> <p>Evaluated the design, implementation and operating effectiveness of the significant accounts-related IT automated controls which are relevant to the accuracy of system calculation, and the consistency of data transmission</p> <p>Tested compensating controls or performed alternate audit procedures to assess whether there were any unaddressed IT risks that would impact the controls or completeness and/or accuracy of data</p>

Other Matters

- (a) We did not audit the financial statements / financial information of 12 subsidiaries (including 5 step down subsidiaries) whose financial statements / financial information reflect total assets of ₹15,977 Crores as at March 31, 2023, total revenues of ₹1595 Crores and net cash inflows amounting to ₹ (4) Crores for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit after tax of ₹321 Crores and total comprehensive income/loss of ₹850 Crores for the year ended March 31, 2023, as considered in the consolidated financial statements, in respect of nine associates, whose financial statements / financial information have not been audited by us. These financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, associates and jointly controlled entities, and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, associates and jointly controlled entities is based solely on the reports of the other auditors.

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

- The Parent's Board of Directors is responsible for the other information. The other information comprises the information included in the Directors report and its Annexures, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.
- Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, compare with the financial statements of the subsidiaries, associates and jointly controlled entities audited by the other auditors to the extent it relates to these entities and in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiaries, associates and jointly controlled entities, is traced from their respective financial statements audited by the other auditors.
- If, based on the work we have performed, we conclude that there is a material misstatement, of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Consolidated Financial Statements

The Parent's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group including its associates and jointly controlled entities in accordance with Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its associates and jointly controlled entities and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent as aforesaid.

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

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

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

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

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

We also:

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

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

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

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

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

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

Report on Other Legal and Regulatory Requirements

1. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/ "CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the Independent Auditor's Reports issued by the Auditors of companies included in the Consolidated financial statements, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these reports.
2. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on the consolidated / separate financial statements / financial information of the subsidiaries, associates and jointly controlled entities referred to in the Other Matters section above we report, to the extent applicable that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

-
- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books, returns and the reports of the other auditors.
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors of the Parent as on March 31, 2023 taken on record by the Board of Directors of the Parent Company and the reports of the statutory auditors of its subsidiary companies, associate companies and jointly controlled entities incorporated in India, none of the directors of the group companies, its associate companies and jointly controlled entities incorporated in India is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls with reference to financial reporting and the operating effectiveness of such controls, refer to our separate Report in “Annexure A” which is based on the auditors’ reports of the Parent, subsidiary companies, associate companies and Jointly controlled entities incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company’s internal financial controls with reference to financial statements of those companies.
- g) In our opinion and according to the information and explanations given to us, the remuneration paid during the current year by the Parent Company is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act.
- h) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associates and jointly controlled entities. Refer Note 42.04 to the consolidated financial statements.
 - ii) Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
 - iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Parent and its subsidiary companies, associate companies and jointly controlled entities incorporated in India
 - iv) (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company or any of its subsidiaries, associates and joint ventures which are companies incorporated in India to or in any other person(s) or entity(ies), including foreign entities (“Intermediaries”), with the understanding,

whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or any of such subsidiaries, associates and joint ventures (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

- (b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company any of its subsidiaries, associates and joint ventures which are companies incorporated in India to or into any person(s) or entity(ies), including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- (c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
- v) The interim dividend declared and paid by the company during the year and until the date of this audit report is in accordance with section 123 of Companies Act 2013.

As stated in note 42.15 to the financial statements, the Board of Directors of the company have proposed final dividend for the year which is subject to approval of the members as at ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

- vi) Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable with effect from April 1, 2023 to the Company and its subsidiaries, which are companies incorporated in India, and hence our reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 as to whether the company has used such accounting software is not furnished.

For B. K. Khare & Co.
Chartered Accountants
Firm Registration Number - 105102W

Shirish Rahalkar
Partner
Membership Number: 111212
UDIN: 23111212BGVIZJ1903

Place: Mumbai
Date: 26 May, 2023

For N C Rajagopal & Co
Chartered Accountants
Firm Registration Number - 003398S

V. Chandrasekaran
Partner
Membership No. 024844
UDIN: 23024844BGRMVW6873

Place: Chennai
Date: 26 May, 2023

ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph (f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

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

In conjunction with our audit of the consolidated financial statements of the Sundaram Finance Limited as of and for the year ended March 31, 2023, we have audited the internal financial controls with reference to consolidated financial statements of Sundaram Finance Limited (hereinafter referred to as “Parent”) and its subsidiary companies which are companies incorporated in India, its associate companies and jointly controlled entities, which are companies incorporated in India, as of that date.

Management’s Responsibility for Internal Financial Controls

The respective Board of Directors of the Parent, its subsidiary companies, its associate companies and jointly controlled entities, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor’s Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements of the Parent, its subsidiary companies, its associate companies and jointly controlled entities, which are companies incorporated in India, based on our audit.

We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiaries, associates and jointly controlled entities, which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system with reference to consolidated financial statements of the Parent, its subsidiary companies, its associate companies and jointly controlled entities, which are companies incorporated in India.

Meaning of Internal Financial Controls with reference to financial statements.

A company's internal financial control with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements.

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

Opinion

In our opinion to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors referred to in the Other Matters paragraph below, the Parent, its subsidiary companies, its associate companies and jointly controlled entities, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2023, based on the criteria for internal financial control with reference to consolidated financial statements established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements insofar as it relates to forty-one (41) subsidiary companies, fifteen (15) associate companies and two jointly controlled entities, which are companies incorporated in India, is based solely on the corresponding reports of the auditors of such companies incorporated in India.

Our opinion is not modified in respect of the above matters.

For **B. K. Khare & Co.**
Chartered Accountants
Firm Registration Number - 105102W

Shirish Rahalkar
Partner
Membership Number: 111212
Place: Mumbai
Date: 26 May, 2023

For **N C Rajagopal & Co**
Chartered Accountants
Firm Registration Number - 003398S

V. Chandrasekaran
Partner
Membership No. 024844
Place: Chennai
Date: 26 May, 2023

Consolidated Balance Sheet

as at 31st March, 2023

(₹ in crores)

Particulars	Note	March 31, 2023	March 31, 2022
ASSETS			
Financial Assets			
Cash and cash equivalents	4	188.33	133.97
Bank Balances	5	956.85	580.57
Derivative financial instruments	6	4.38	0.10
Receivables	7		
(I) Trade receivables		74.51	43.90
(II) Other receivables		6.86	3.94
Loans	8	44,631.06	37,476.40
Investments	9	8,082.07	8,087.53
Other Financial assets	10	24.47	73.39
Non-Financial Assets			
Current tax assets (Net)	11	422.65	360.39
Deferred tax Assets (Net)	11	181.10	154.33
Investment Property	12	94.37	46.16
Property, Plant and Equipment	13	405.91	300.56
Right-of-use assets	14	105.12	58.63
Goodwill	15	474.05	475.66
Other intangible assets	15	216.37	235.52
Intangible assets under development	15	0.60	-
Other non-financial assets	16	197.20	122.98
Total Assets		56,065.90	48,154.03
LIABILITIES AND EQUITY			
Liabilities			
Financial Liabilities			
Payables	17		
I) Trade Payables			
(i) Total outstanding dues of micro enterprises and small enterprises		2.58	1.41
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		123.07	127.30
II) Other Payables			
(i) Total outstanding dues of micro enterprises and small enterprises		-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		26.41	7.85
Debt securities	18	17,262.69	16,963.51
Borrowings (Other than debt securities)	19	16,311.26	10,542.96
Deposits	20	6,813.34	6,215.51
Subordinated liabilities	21	2,306.61	2,634.11
Other financial liabilities	22	472.04	453.08
Non-Financial Liabilities			
Provisions	23	68.84	76.11
Other non-financial liabilities	24	40.58	43.28
Equity			
Equity share capital	25A	110.20	110.19
Other equity *	25B	9,799.65	8,684.64
Non Controlling Interest		2,728.63	2,294.08
Total Liabilities and Equity		56,065.90	48,154.03

Significant Accounting policies and notes to the consolidated financial statements 1-42

* Refer Statement of Changes in equity

As per our report of even date attached

For B. K. Khare & Co
Chartered Accountants
Firm Registration No. 105102W
Shirish Rahalkar

Partner
Membership No. 111212
Place : Mumbai

For N. C. Rajagopal & Co
Chartered Accountants
Firm Registration No. 003398S
V Chandrasekaran

Partner
Membership No. 024844
Place : Chennai

Date : May 26, 2023

S. Viji
Chairman

Rajiv C. Lochan
Managing Director

Harsha Viji
Executive Vice Chairman

A.N. Raju
Deputy Managing Director

S. Prasad
Director

M. Ramaswamy
Chief Financial Officer

P.N. Srikant
Secretary & Compliance Officer

Consolidated Statement of Profit and Loss

for the Year Ended 31st March, 2023

(₹ in crores)

Particulars	Note	2022-23	2021-22
<u>Revenue from operations</u>			
Revenue from operations			
Interest Income	26	4,546.14	4,314.16
Lease Rental income (Net)		92.01	68.96
Fees and Commission Income	27	238.19	204.89
Dividend Income		15.14	17.43
Income from other Services		410.37	373.84
Recovery of Bad debts		59.86	19.18
Net gain on fair value changes	28	112.39	106.82
Net gain on derecognition of financial instruments under amortised cost category		2.05	3.09
Total Revenue from operations		5,476.15	5,108.37
Other Income	29	68.27	37.30
Total Income		5,544.42	5,145.67
<u>Expenses</u>			
Finance cost	30	2,406.38	2,236.20
Employee benefit expenses	31	671.15	618.57
Fees and commission expenses		78.86	75.62
Administrative & other expenses	32	336.22	287.55
Depreciation & amortisation		138.84	101.17
Impairment on financial instruments	33	202.00	409.93
Total expenses		3,833.45	3,729.04
Profit before tax		1,710.97	1,416.63
Tax expense:			
Current tax		418.87	381.18
Deferred tax		20.35	(31.17)
Profit after tax (before adjustment for non controlling interest)		1,271.75	1,066.62
Add: Share of Profit from Associates		206.04	143.41
Add: Share of Profit from Joint Ventures		21.77	86.21
Profit after Tax		1,499.56	1,296.24

Consolidated Statement of Profit and Loss for the Year Ended 31st March, 2023 (Contd.)

Particulars	Note	2022-23	2021-22
Other Comprehensive Income (OCI)			
A (i) Items that will not be reclassified to profit or loss			
Remeasurements of the defined benefit plans		(2.96)	(12.59)
Equity Instruments through Other Comprehensive Income		330.86	305.40
Share of other comprehensive income from associates & Joint Ventures using equity method		17.04	(0.88)
(ii) Income tax relating to items that will not be reclassified to profit or loss		23.12	(18.11)
Sub-total (A) = (i)-(ii)		321.82	310.04
B (i) Items that will be reclassified to profit or loss			
Change in fair value of derivative instrument/Other Investments		4.44	(8.78)
Share of other comprehensive income from associates & Joint Ventures using equity method		(63.87)	(23.49)
Foreign currency Translation Reserve		12.07	3.58
(ii) Income tax relating to items that will be reclassified to profit or loss		1.13	(2.14)
Sub-total (B) = (i)-(ii)		(48.49)	(26.54)
Other Comprehensive Income (A + B)		273.33	283.50
Total Comprehensive Income for the year		1,772.89	1,579.74
Profit for the period attributable to;			
Owners of the Company		1,317.81	1,173.34
Non-controlling interests		181.75	122.90
Other Comprehensive Income for the year attributable to;			
Owners of the Company		19.75	33.72
Non-controlling interests		253.58	249.78
Total Comprehensive Income for the year attributable to;			
Owners of the Company		1,337.56	1,207.06
Non-controlling interests		435.33	372.68
Earnings per equity share (on PAT)(Face value of ₹10/-each)		119.59	106.48
Basic & diluted			

Significant Accounting policies and notes to the consolidated financial statements 1-42

As per our report of even date attached

For B. K. Khare & Co
Chartered Accountants
Firm Registration No. 105102W
Shirish Rahalkar
Partner
Membership No. 111212
Place : Mumbai

S. Viji
Chairman

Rajiv C. Lochan
Managing Director

Harsha Viji
Executive Vice Chairman

A.N. Raju
Deputy Managing Director

S. Prasad
Director

M. Ramaswamy
Chief Financial Officer

For N. C. Rajagopal & Co
Chartered Accountants
Firm Registration No. 003398S
V Chandrasekaran
Partner
Membership No. 024844
Place : Chennai

P.N. Srikant
Secretary & Compliance Officer

Date: **16/04/2023** **FINANCE LIMITED**

Statement of Standalone Changes in Equity for the Year Ended March 31, 2023

a) Equity Share Capital		(₹ in crores)
Particulars	Amount	
Balance as at 31 st March, 2021	110.18	
Add: Allotment of Shares by ESOP Trust to Employees	0.01	
Balance as at 31 st March, 2022	110.19	
Add: Allotment of Shares by ESOP Trust to Employees	0.01	
Balance as at 31st March, 2023	110.20	

Particulars	Reserves and Surplus										Total Other Equity	Non Controlling Interest	Total
	Capital Reserve	Share Options Outstanding Account	Statutory Reserve	Special Reserve	General Reserve	Retained Earnings	Foreign Currency Translation Reserve	Debt instruments through Other Comprehensive Income	Equity instrument through Other Comprehensive Income	Effective portion of cash flow hedge			
Balance as at 31st March, 2021	20.42	0.94	1561.27	316.74	4,163.83	1,292.00	5.34	29.28	221.09	9.17	7,620.07	1,720.25	9,340.32
Changes in accounting policy or prior period errors"													
Restated balance as at 31st March, 2021	20.42	0.94	1561.27	316.74	4,163.83	1,292.00	5.34	29.28	221.09	9.17	7,620.07	1,720.25	9,340.32
(A) Profit after tax for the year						1,173.34					1,173.34	122.90	1,296.24
(B) Other comprehensive income:													
(i) Items that will not be reclassified to profit or loss													
Remeasurements of the defined benefit plans						(3.72)					(3.72)	(0.23)	(3.95)
Change in Fair value of equity instruments									70.65		70.65	244.21	314.86

(₹ in crores)

Particulars	Reserves and Surplus							Items of Other Comprehensive Income			Total Other Equity	Non Controlling Interest	Total
	Capital Reserve	Share Options Outstanding Account	Statutory Reserve	Special Reserve	General Reserve	Retained Earnings	Foreign Currency Translation Reserve	Debt instruments through Other Comprehensive Income	Equity instrument through Other Comprehensive Income	Effective portion of cash flow hedge			
Share of other comprehensive income from associates using equity method					(0.36)						(0.36)	(0.52)	(0.88)
(ii) Items that will be reclassified to profit or loss													
Change in fair value of derivative instrument					0.47				(8.71)		(8.24)	1.60	(6.64)
Net gain/(loss) on Fair value of debt securities							(26.87)				(26.87)		(26.87)
Share of other comprehensive income from associates using equity method					0.84						0.84	2.55	3.39
Foreign currency Translation Reserve					-	1.41					1.41	2.17	3.58
Total Comprehensive income for the year (A)+(B)	20.42	0.94	1561.27	316.74	4,163.83	2,462.57	6.75	2.40	291.74	0.46	8,827.11	2,092.93	10,920.03
Transfer to Impairment Reserve					(11.28)						-		-
Deferred tax on Impairment Reserve provision					2.84						2.84		2.84
Transfer from Impairment Reserve					11.28						-		-
Deferred tax on Impairment Reserve provision					(2.84)						(2.84)		(2.84)
On account of Sundaram Finance Employees' Welfare Trust					2.33						2.33	(2.26)	0.07
Dividend payout (Final)					(64.99)						(64.99)	(25.49)	(90.48)

(₹ in crores)

Particulars	Reserves and Surplus							Items of Other Comprehensive Income			Total Other Equity	Non Controlling Interest	Total
	Capital Reserve	Share Options Outstanding Account	Statutory Reserve	Special Reserve	General Reserve	Retained Earnings	Foreign Currency Translation Reserve	Debt instruments through Other Comprehensive Income	Equity instrument through Other Comprehensive Income	Effective portion of cash flow hedge			
Dividend payout (Interim)						(111.10)					(111.10)		(111.10)
Transfer on account of Sale of Equity instruments measured at FVTOCI						36.35			(36.35)		-		-
Change in the value of Holdings	0.52			2.48	3.14		0.30		22.60		29.04	228.84	257.88
Options Granted during the year		3.94									3.94	0.05	3.99
Cost of shares transferred on exercise of option		(0.03)									(0.03)		(0.03)
Deferred Employee Compensation Cost		(1.62)									(1.62)		(1.62)
Transfer to Statutory Reserve						(181.23)					(181.23)		(181.23)
Transfer to Special Reserve						(33.00)					(33.00)		(33.00)
Transfer to General Reserve		(1.02)									(1.02)		(1.02)
Share options lapsed during the year		(0.05)									(0.05)		(0.05)
Transfer from Share Options Outstanding account				1.02							1.02		1.02
Transfer from Retained earnings			181.23	33.00							214.22		214.22
Balance as at 31 st March, 2022	20.94	2.16	1,742.50	349.74	4,167.33	2,114.08	7.05	2.40	277.98	0.46	8,684.64	2,294.08	10,978.71

(₹ in crores)

Particulars	Reserves and Surplus							Items of Other Comprehensive Income			Total Other Equity	Non Controlling Interest	Total
	Capital Reserve	Share Options Outstanding Account	Statutory Reserve	Special Reserve	General Reserve	Retained Earnings	Foreign Currency Translation Reserve	Debt instruments through Other Comprehensive Income	Equity instrument through Other Comprehensive Income	Effective portion of cash flow hedge			
Balance as at 31st March , 2022	20.94	2.16	1,742.50	349.74	4,167.33	2,114.08	7.05	2.40	277.98	0.46	8,684.64	2,294.08	10,978.71
"Changes in accounting policy or prior period errors"	-												
Restated balance as at 31st March, 2022	20.94	2.16	1,742.50	349.74	4,167.33	2,114.08	7.05	2.40	277.98	0.46	8,684.64	2,294.08	10,978.71
(A) Profit after tax for the year						1,317.81					1,317.81	181.75	1,499.56
(B) Other comprehensive income:													
(i) Items that will not be reclassified to profit or loss													-
Remeasurements of the defined benefit plans						(2.21)					(2.21)	0.00	(2.20)
Change in Fair value of equity instruments									72.12		72.12	234.87	306.99
Share of other comprehensive income from associates using equity method											4.25	12.79	17.04
(ii) Items that will be reclassified to profit or loss													
Change in fair value of derivative instrument						1.18				0.31	1.49	1.82	3.31
Net gain/(loss) on Fair value of debt securities								(60.78)			(60.78)		(60.78)
Share of other comprehensive income from associates using equity method						(0.73)					(0.73)	(2.37)	(3.09)
Foreign currency Translation Reserve							5.60				5.60	6.47	12.07
Total Comprehensive income for the year (A) + (B)						(130.87)					(130.87)	(55.23)	(186.10)
Dividend payout (Final)						(111.10)					(111.10)		(111.10)
Dividend payout (Interim)													

Particulars	Reserves and Surplus							Items of Other Comprehensive Income			Total Other Equity	Non Controlling Interest	Total
	Capital Reserve	Share Options Outstanding Account	Statutory Reserve	Special Reserve	General Reserve	Retained Earnings	Foreign Currency Translation Reserve	Debt instruments through Other Comprehensive Income	Equity instrument through Other Comprehensive Income	Effective portion of cash flow hedge			
Change in the value of Holdings of associates	13.87					152.03			(149.21)		16.69	54.40	71.10
Options Granted during the year		3.05									3.05		3.05
Cost of shares transferred on exercise of option		(0.02)									(0.02)		(0.02)
Deferred Employee Compensation Cost		(0.21)									(0.21)		(0.21)
On account of Sundaram Finance Employees' Welfare Trust						(0.08)					(0.08)	0.05	(0.05)
Transfer to Statutory Reserve						(223.74)					(6.08)		(6.08)
Transfer to Special Reserve						(37.00)					(37.00)		(37.00)
Movement on account of Share options		(1.88)			1.88						-		-
Transfer from Retained earnings			223.74	37.00							43.08		43.08
Balance as at 31st March, 2023	34.81	3.10	1,966.24	386.74	4,169.21	3,083.62	12.65	(58.38)	200.89	0.77	9,799.65	2,728.63	12,528.28

Description of nature and purpose of other equity:

- Capital Reserve: Represents reserve created on account of amalgamations and arrangements
- Share Options Outstanding Account: Represents reserve on grant of option to employees of the company / group company under Employee Stock option Scheme.
- General reserve: Represents amount appropriated from retained earnings.
- Statutory reserve: Represents reserve created as per Section 45-IC of the Reserve Bank of India Act, 1934.
- Special reserve: Represents reserve created as per Section 36(1)(viii) of Income Tax Act, 1961 and Section 29C of the National Housing Bank Act, 1987.

As per our report of even date attached

For B. K. Khare & Co
Chartered Accountants
Firm Registration No. 105102W
Shirish Rahalkar

Partner
Membership No. 111212
Place : Mumbai
For N. C. Rajagopal & Co
Chartered Accountants
Firm Registration No. 0033988
V Chandrasekaran

Partner
Membership No. 024844
Place : Chennai
Date : May 26, 2023

S. Viji
Chairman

Harsha Viji
Executive Vice Chairman

S. Prasad
Director

Rajiv C. Lochan
Managing Director

A.N. Raju
Deputy Managing Director

M. Ramaswamy
Chief Financial Officer

P.N. Srikanth
Secretary & Compliance Officer

Standalone Cash Flow Statement

(₹ in crores)

	2022-23		2021-22	
<u>A. CASH FLOW FROM OPERATING ACTIVITIES:</u>				
Profit before tax	1,710.97		1,416.63	
Add: Finance costs	2,406.38	4,117.35	2,236.20	3,652.83
Depreciation and Amortisation expense		138.84		101.17
Impairment on financial instruments		202.00		409.93
(Gain)/loss on sale of property, plant and equipment		2.15		(6.82)
Share-based payment expense		3.30		2.50
Net gain on fair value changes		(112.39)		(106.82)
Profit or loss recognised and reversed on account of loss of control		–		4.98
Interest income from investments		(112.72)		(81.42)
Dividend income		(15.14)		(17.43)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		4,223.39		3,958.92
(Increase) Decrease in Leased assets - net of sales	(164.33)		(76.81)	
(Increase) Decrease in Bank deposits	(439.52)		(101.27)	
(Increase) Decrease in SLR Investments (net)	65.70		187.07	
(Increase)/ Decrease in trade and other receivables	(33.54)		13.29	
(Increase)/ Decrease in Loans	(7,377.37)		281.82	
(Increase)/ Decrease in Other financial assets	74.09		32.47	
(Increase)/ Decrease in Non financial assets	(53.76)		16.04	
(Increase)/ Decrease in Other non-financial assets	(171.50)		(163.29)	
Increase/ (Decrease) in trade and other payables	21.04		58.09	
Increase/(Decrease) in financial liabilities	10.64		(50.84)	
Increase/(Decrease) in other non-financial liabilities and provisions	(1.87)	(8,070.42)	25.37	221.94
Cash generated from Operations		(3,847.03)		4,180.86
Financial costs	(2,284.93)		(2,127.43)	
Income Taxes Paid	(372.33)	(2657.26)	(272.63)	(2,400.06)
NET CASH FROM OPERATING ACTIVITIES (A)		(6,504.29)		1,780.80
<u>B. CASH FLOW FROM INVESTING ACTIVITIES:</u>				
Purchase and construction of property, plant and equipment		(25.35)		(28.06)
Purchase and generation of intangible assets		-		(248.42)
Purchase of investment in Equity instruments		205.41		(413.18)
Sale of investment in Equity instruments		-		184.17

(₹ in crores)

	2022-23	2021-22
Purchase of other investments	(17,616.44)	(15,084.87)
Sale of other investments	17,925.71	13,873.41
Payment for purchase and construction of investment properties	(57.57)	0.66
Proceeds from sale of property, plant and equipment, intangible assets and investment property	23.77	12.96
Interest received from Investments	103.76	70.79
Dividend income	109.22	35.78
NET CASH FROM INVESTING ACTIVITIES (B)	668.51	(1,596.76)
<u>C. CASH FLOW FROM FINANCING ACTIVITIES:</u>		
Payment of Lease liability	(32.43)	(32.42)
Debt securities, deposits, sub-ordinated liabilities and other borrowings		
Availment	23,219.66	14,865.14
Repayment	(16,999.89)	(15,032.63)
Proceeds from Rights Issue (net of expenses)	-	201.93
Dividend Paid	(297.20)	(201.59)
NET CASH FROM FINANCING ACTIVITIES (C)	5,890.14	(199.57)
NET INCREASE IN CASH AND CASH EQUIVALENTS (A)+(B)+(C)	54.36	(15.53)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	133.97	149.50
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	188.33	133.97
COMPONENTS OF CASH AND CASH EQUIVALENTS		
AT THE END OF THE YEAR		
Cash, Cheques & drafts on hand	72.73	77.50
Balances with Banks	115.60	56.47
	188.33	133.97

As per our report of even date attached

For **B. K. Khare & Co**
Chartered Accountants
Firm Registration No. 105102W

Shirish Rahalkar
Partner
Membership No. 111212

Place : Mumbai
For **N. C. Rajagopal & Co**
Chartered Accountants
Firm Registration No. 003398S
V Chandrasekaran
Partner
Membership No. 024844
Place : Chennai
Date : May 26, 2023

S. Viji
Chairman

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Managing Director

Harsha Viji
Executive Vice Chairman

A.N. Raju
Deputy Managing Director

S. Prasad
Director

M. Ramaswamy
Chief Financial Officer

P.N. Srikant
Secretary & Compliance Officer

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

SIGNIFICANT ACCOUNTING POLICIES

1.1 Reporting Entity

Sundaram Finance Limited (the “Company”) is domiciled in India, with its registered office located at No 21 Patullos road, Chennai 600002, The Company has been incorporated under the provisions of the Indian Companies Act 1913 and its equity shares are listed on the National Stock Exchange (NSE) in India.

The consolidated financial statement comprises the company, its subsidiaries and the Group’s interest in joint ventures (referred collectively as the Group). The Company, together with its subsidiaries and joint venture is engaged in the business of financing of Commercial vehicles, Cars, construction equipment, other vehicles and Housing Finance in the retail segment, business of Investments, Mutual Funds, General Insurance, Retail Distribution of a wide array of financial services and products, Information Technology, Business Processing and support services.

1.2 Statement of Compliance

The Consolidated Financial Statements are prepared as a going concern in accordance Indian Accounting Standards notified under section 133 of The Companies Act, 2013 read together with Rule 3 of The Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) amendments Rules, 2016 issued by the Ministry of Corporate Affairs (MCA) provisions of the Companies Act 2013 (to the extent notified) have been complied.

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

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

Any directions issued by the RBI or other regulators are implemented as and when they become applicable.

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

1.3 Accounting Convention

The consolidated financial statements have been prepared and presented on the historical cost basis except for certain financial instruments that are measured at fair value at the end of each reporting period. Historical cost is generally based on the fair value of the consideration given in exchange of goods and services.

1.4 Measurement of fair value

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

Fair value measurements are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1:** Quoted prices (unadjusted) in active markets for identical assets and liabilities.
- Level 2:** Inputs other than quoted prices included in Level 1, which are observable for the asset or liability, either directly or indirectly.
- Level 3:** Inputs for the asset and liability that are not based on observable market data.

1.5 Basis of Consolidation

The financial statements of the following subsidiaries have been consolidated as per Ind AS 110 “Consolidated Financial Statements”

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Name of the Company	% of Holdings as on	
	31.03.2023	31.03.2022
Sundaram Asset Management Company [#]	100	100
Sundaram Trustee Company	100	100
LGF Services Limited	100	100
Sundaram Finance Employee Welfare Trust	100	100
Sundaram Finance Holdings Limited *	23.49	23.49
Sundaram Home Finance Limited	100	100
Sundaram Fund Services Limited	100	100

[#] The investments in the following subsidiaries of Sundaram Asset Management Company (SAMC) have been considered for the company's consolidation

Name of the Company	% of Holdings as on	
	31.03.2023	31.03.2022
Subsidiaries		
Sundaram Asset Management Singapore Pte Ltd	100	100
Sundaram Alternate Assets Limited	100	100
SAMC Support Services Private Limited	100	100
Principal Retirement Advisors Private Limited	100	100
Principal Trustee Company Private Limited	100	100

* Sundaram Finance Holdings Limited

The Company along with its promoters holds more than 50% in Sundaram Finance Holdings Limited and hence treated as subsidiary for Consolidation purpose.

The Investments in the following Subsidiaries/ Associates companies of Sundaram Finance Holdings Limited have been considered for the company's consolidation.

Name of the Company	% of Holdings as on	
	31.03.2023	31.03.2022
Subsidiaries		
Sundaram Business Services Limited	100	100
Associates		
Flometallic India Private Limited*	-	46.84
The Dunes Oman LLC (FZC) (Sultanate of Oman)	43.69	43.69
Sundaram Hydraulics Limited	25.71	25.71
Axles India Limited	38.81	38.81
Turbo Energy Private Limited	32.00	32.00
Transenergy Limited	42.41	43.74
SundaramDynacast Private Limited	26.00	26.00
Wheels India Limited	23.85	23.28
Mind S.r.l, Italy	48.86	48.86
Sundaram Composite Structures Private Limited	49.00	49.00
Brakes India Private Limited	23.57	-
Indian Motor Parts & Accessories Limited	20.00	-

* Associate till 27.07.2022

The investment in the following joint venture has been consolidated as per "Ind AS 28 -Investment in Associates and Joint ventures"

Name of the Company	% of Holdings as on	
	31.03.2023	31.03.2022
Royal Sundaram General Insurance Company Limited	50.00	50.00

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

The consolidated financial statement of the subsidiaries has been prepared on the following basis:

The consolidated financial statements incorporate the financial statements of the company and the entities controlled by the company. Control is achieved when the company has the power over the investee and is exposed or has right to variable returns from its involvement with the investee and has the ability to use its power to affect its returns.

The consolidated financial statement of the group combines the financial statement of the parent and its subsidiaries line by line by adding together the like items of the assets, liabilities, income and expenses. All the intra group assets, liabilities, income, expenses, unrealised profits/losses on intra group transaction are eliminated on consolidation.

Non-controlling interest represents that part of the total comprehensive income and net assets of the subsidiaries, attributable to interests which are not owned directly or indirectly by the company.

The consolidated financial statements of the Joint ventures have been prepared on the following basis:

Interest in Joint ventures is accounted for using the equity method. An investment in Joint venture is initially recognised at cost and adjusted thereafter to recognise the Group's share of profit or loss and other comprehensive income. Gain or loss in respect of changes in other equity of Joint ventures resulting in dilution of stake in the Joint ventures is recognised in the Statement of Profit and Loss.

2. Significant Accounting Policies

2.1 Revenue recognition

Revenue is recognized when it is probable that economic benefits associated with a transaction flows to the Company in the ordinary course of its activities and the amount of revenue can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment.

A) Interest Income

As per Ind AS 109, Financial Instruments, Interest income from financial assets is recognised on an accrual basis using

effective interest method (EIR). The effective interest method is the rate that exactly discounts estimated future cash receipts (including all fees, transaction costs and other premiums or discounts) paid or received through the expected life of the financial instrument to the carrying amount on initial recognition.

B) Service income

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

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

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

C) Fee and commission income

Fee and commission income and expense that are integral to the effective interest rate on a financial asset or liability are included in the effective interest rate.

D) Dividend Income

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

E) Lease income: Refer Note 2.3

F) Trusteeship Fee, investment management and advisory fees

The trusteeship fee, investment management and advisory fee are accounted on accrual basis.

2.2 Financial instruments

A financial instrument is any contract that gives rise to a financial asset for one entity and a financial liability or equity instrument for another entity. Financial instruments also

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

include derivative contracts such as foreign currency forward contracts and cross currency swaps. Financial assets and financial liabilities are recognized when the Group becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities measured at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

Classification

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

All regular way purchases or sales of financial assets are recognised and de-recognised on a settlement date basis. Regular way purchases or sales are purchase or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

At Amortised Cost

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

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

Such Financial assets are subsequently measured at amortised cost using the Effective Interest rate method.

The effective interest rate method is a method of calculating the

amortised cost of a financial instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition. The interest income, foreign exchange gains and losses are recognized in the profit or loss. The losses arising from impairment are recognised in the profit or loss and the amortised cost is reduced by impairment losses.

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

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

Financial instrument at Fair Value through Profit and Loss (FVTPL)

Any financial instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL. In addition, the Group may elect to classify a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

Amortization Policy on Brokerage Expenses – Mutual Fund:

Incurred towards Amortized over a period of

- Equity Linked Savings Schemes 36 Months
- Open Ended Equity Schemes-Lump sum 12 Months
- Open Ended Equity Schemes-SIP 36 Months
- Closed Ended Schemes- Over the tenor of the Scheme

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Amortization Policy on Brokerage Expenses – AIF:

Brokerage is amortized in proportion to Fees charged on AUM or Fees Charged on commitment amount as the case may be.

Equity Investments

All equity investments (i.e. other than equity investments in subsidiaries / associates / joint ventures) are designated at Fair Value through OCI. The fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to the statement of profit and loss on sale of investment.

Investment in Compulsorily Convertible Preference Shares (CCPS)

The Company designates investment in CCPS at FVTOCI. The fair value changes on the instrument, excluding dividends, are recognised under OCI. There is no recycling of the amounts from OCI to the statement of profit and loss on sale of investment.

Impairment of Financial Assets

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

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

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

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

Financial Liabilities

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

Contract Asset and Contract Liability.

The Company's right to consideration in exchange for goods or services that have been transferred to a customer is recognized as Contract Assets.

The Company's obligation to transfer goods or services to a customer for which consideration has been received is recognized as Contract Liabilities.

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

De-recognition of Financial Assets and Financial Liabilities

Financial Asset

A financial asset or a part thereof is primarily derecognized when:

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

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

If the Group enters into transactions whereby it transfers assets recognized on its balance sheet, but retains all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised. On derecognition of a financial asset, the difference between the carrying amount of the asset and the consideration received including any cumulative gain or loss accounted in OCI till now, is recognised in profit or loss.

Financial Liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expired.

Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet when the Group has a legally

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

2.3 Leases

Lessor Accounting

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

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

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

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

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

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

Lessee Accounting

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

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

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

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

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

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

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

2.4 Employee Benefits

Short Term Employee Benefits

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

Post-Employment Benefits

Defined contribution plans

1. Superannuation

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

2. Employees' Pension Scheme and Employees' State Insurance Scheme

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

3. Provident Fund

Contributions of the subsidiaries and associates of the Group are made to the Government administered Provident Fund and Employees' pension scheme under the Employees' Provident Fund Act and through Employees' State Insurance scheme on behalf of its employees. The contributions are charged to statement of Profit and Loss.

Defined benefit plans

1. Gratuity

The Group makes an annual contribution to a Gratuity Fund administered by trustees and managed by LIC / SBI Life Insurance Company Limited. The Company accounts its liability based on actuarial valuation as at the balance sheet date, using the Projected Unit Credit method.

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

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

2. Provident Fund

Contributions of the Company are made to the Company's Employees Provident Fund Trust in accordance with the fund rules. The interest rate payable by the trust to the beneficiaries every year is notified by the Government. The Company has

an obligation to make good the shortfall, if any, between the return from the Investment of the trust and the notified interest rate based on actuarial valuation. The monthly contribution made by the Company is recognised as employee benefit expense in the Statement of Profit and Loss.

3. Retired Medical care plan

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

Other Long-Term Employee Benefits

1. Leave Encashment:

The Group accounts its liability based on actuarial valuation as at the balance sheet date, using the Projected Unit Credit method.

2. Sick leave:

The Company accounts its liability in respect of other long-term benefits like entitlement of sick leave on the basis of an actuarial valuation.

3. Share Based Payments:

Employee Stock Options

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

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

The equity settled shares vest in a graded manner over the vesting period. The fair value determined on the grant date of equity settled share payment is expensed on straight line basis over the vesting period of the respective tranches of such grants based on Group's estimate of equity instruments that will eventually vest with a corresponding increase in equity. At

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

the end of each financial year, the Group revises its estimate of the number of equity instruments that are expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit and loss in such a way that the cumulative expense reflects the revised estimate with a corresponding adjustment to equity.

The cash settled share-based payments vest in a graded manner over the vesting period and are measured initially at fair value of the liability and re-measured at the end of each reporting period until the liability is settled.

The Option carries neither right to Dividend nor voting rights.

2.5 Income Taxes

Income tax expense comprises current and deferred income tax. Income tax expense is recognised in net profit in the Consolidated Statement of Profit and Loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in other comprehensive income.

a) Current income tax

Current income tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. The Group offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

b) Deferred income tax

Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date and are expected to apply to taxable income in the years in

which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date.

A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

MAT Credit Entitlement is in the form of unused tax credits and is accordingly grouped under Deferred Tax Assets.

2.6 Business Combination

Business combinations have been accounted as per the acquisition method prescribed in Ind AS 103.

When a business combination is achieved in stages, any previously held equity interest in the acquired is remeasured at its acquisition-date fair value and the resulting gain or loss, if any, is recognised in the consolidated statement of profit and loss or other comprehensive income, as appropriate.

The excess of

- (i) Sum of
 - the consideration transferred
 - the amount of any non-controlling interests in the acquired entity and
 - the acquisition-date fair value of any previously held equity interest in the acquired entity
 over
- (ii) The acquisition-date fair value of the net identifiable assets acquired is recognized as “Goodwill” else as “Gain on bargain purchase”.

Any “Gain on a bargain purchase” is recognized in other comprehensive income and accumulated in equity as Capital

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Reserve if there exists clear evidence of the underlying reasons for classifying the business combination as resulting in a bargain purchase, otherwise the gain is recognized directly in equity as Capital Reserve.

Transaction costs in connection with a business combination are expensed as incurred.

2.7 Property plant and equipment (PPE)

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

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

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

The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset, if the recognition criteria for a provision are met.

Freehold land is not depreciated.

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

Subsequent expenditure is added to the carrying amount or recognized as separate asset, when the Group expects future economic benefits from that item

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

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

(In Years)

Assets	Own	Operating Lease
Plant and Machinery	15	5
Computer and end user devices	3-7	3
Computer servers and network	6-10	6
Vehicles	5	4
Office equipment	3-8	-
Electrical installations	15	-
Furniture and Fixtures	3-10	-

Assets	Own	Operating Lease
Improvement to lease hold premises		Equally over the maximum period of the lease initially agreed upon and in case of improvement to existing leased premises, over the balance lease period

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

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

An item of the property plant equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of asset. Any gain or loss arising on the disposal or retirement of the item of property plant equipment is determined as the difference between the sale proceeds and carrying amount of the asset and is recognized in profit and loss. When the use of property changes from owner-occupied to investment property, the property is reclassified as investment property at its Carrying amount on the date of reclassification.

2.8 Investment property

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

It is measured initially at cost of acquisition including transaction costs, borrowing cost and other directly

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

attributable cost in bringing the asset to its working condition for its intended use.

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

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

Depreciation is provided on written down value method by adopting useful life prescribed under schedule II to the Companies Act, 2013 after retaining 5% of Original cost as residual value for Buildings. The useful life of buildings is between 30 to 60 years.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefit are expected from the disposal. Any gain or loss arising on derecognition of the property is recognised in the statement of profit and loss in the same period.

2.9 Discontinued Operations

Discontinuing operation is a component of an entity that either has been disposed of or is classified as “Held for sale”.

Assets and Liabilities in connection with Discontinuing operations are classified under “Held for sale” if their carrying amount is intended to be recovered principally through sale rather than through continued use.

The condition for classification of “Held for sale” is met when the Assets and liabilities are available for immediate sale and the same is highly probable of being completed within one year from the date of classification under “Held for sale”.

Assets “Held for sale” are measured at lower of carrying amount and fair value less cost to sell.

2.10 Intangible assets

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

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

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

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

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

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

Impairment loss, if any, is provided to the extent, the carrying amount of assets exceeds their recoverable amount. Recoverable amount is the higher of an assets net selling price and the present value of estimated future cash flows expected to arise from the continuing use of the asset and from its disposal at the end of its useful life. The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

Intangible Assets under development

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

- Technical feasibility of completing the asset
- Intention to complete the asset
- The ability to use or sell the asset
- Probability that the intangible asset will generate future economic benefits

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

- Availability of the adequate technical adequate technical, financial and other resources to complete the intangible asset.
- The ability to measure reliably the expenditure attributable during the development stage

2.11 Impairment of non-financial assets

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

2.12 Foreign Currency transaction

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

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

2.13 Derivatives & Hedge Accounting

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

2.14 Dividend

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

2.15 Cash flow Statement

Cash comprises of cash on hand and demand deposits with banks. Cash equivalents are short-term deposits with banks (with an original maturity of three months or less from the date of placement) and cheques on hand. Short term and liquid investments being subject to more than insignificant risk of change in value, are not included as part of cash and cash equivalents.

2.16 Provisions, Contingent Liabilities and Contingent Assets

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

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

Contingent liabilities

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more future uncertain events not wholly within the control of the group (or)

There is a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

2.17 Earnings Per Share

The basic earnings per share have been computed by dividing the net income attributable to equity shareholders

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

by weighted average number of shares outstanding during the year.

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

2.18 Operating Segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components, and for which discrete financial information is available. Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM). The Chairman of the Company is responsible for allocating resources and assessing performance of the operating segments and accordingly is identified as the CODM. The Group's CODM reviews financial information presented, for purposes of making operating decisions and assessing financial performance of the Group.

3.1 Critical accounting judgments and key sources of estimation uncertainty

On assessment of the estimates made under the Previous GAAP financial statements, the group has concluded that there is no necessity to revise the estimates under Ind AS, as there is no objective evidence of an error in those estimates. However, estimates that were required under Ind AS but not required under Previous GAAP are made by the group for the relevant reporting dates reflecting conditions existing as at that date.

The preparation of financial statements in accordance with Ind AS requires use of estimates and assumptions for some items, which might have an effect on their recognition and measurement in the balance sheet and statement of profit and loss. The estimates and associated assumptions are based on historical experience and other factors that are considered

to be relevant. The actual results may differ from these estimates. The group's management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Any revision to the accounting estimates is recognized prospectively in the current and future periods.

3.2 Recent Accounting pronouncements:

On 31st March, 2023, Ministry of Corporate Affairs ("MCA") notified the following provisions vide the Companies (Indian Accounting Standards) Amendment Rules, 2023;

Ind AS 1 - Presentation of Financial Statements - The amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023.

Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors - The amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its financial statement.

Ind AS 12 - Income Taxes - The amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its financial statement.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Note 4: Cash and cash equivalents

(₹ in crores)

Particulars	March 31, 2023	March 31, 2022
Cash on hand	8.65	12.86
Balances with Banks	115.60	56.47
Cheques, drafts on hand	64.08	64.64
TOTAL	188.33	133.97

Note 5: Bank Balance other than specified in Note 4 above

(₹ in crores)

Particulars	March 31, 2023	March 31, 2022
Unpaid dividend account	4.30	4.20
Balances with banks*	952.55	576.37
TOTAL	956.85	580.57

* Balances with banks include,

- ₹ 485.28 crores (as on 31.03.2022 ₹ 328.89 crores) provided as collateral for assets securitised.
- In accordance with the Reserve Bank of India directives, the Group has created a floating charge on the statutory liquid assets comprising bank deposits of ₹ 225 crores (as on 31.03.2022 ₹ 171.51 crores) in favour of trustees representing the deposit holders of the Company.
- A Bank Guarantee amounting to ₹ 1.82 crores (as on 31.03.2022 - ₹ 1.31 crores) has been provided for demand raised under TNVAT Act in respect of VAT on sale of repossessed vehicles.
- Bank Guarantee amounting to ₹ 0.48 crores. (as on 31.03.2022 - ₹ 0.15 crores) for Legal proceedings with respect to repossessed assets.
- Bank deposit of ₹ 7 crores (as on 31.03.2022 - ₹ 2.04 crores) placed for obtaining Letter of Credit on behalf of our Customers.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)
Note 6 : Derivative Financial Instruments

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

Part I

(₹ in crores)

Particulars	March 31, 2023			March 31, 2022		
	Notional amount	Fair Value		Notional amount	Fair Value	
		Assets	Liabilities		Assets	Liabilities
(i) Currency derivatives:						
- Currency swaps	–	–	–	–	–	–
- Forward Contracts	–	3.35	–	–	–	0.51
Subtotal (i)	–	3.35	–	–	–	0.51
(ii) Interest rate derivatives:						
- Forward Rate Agreements & Interest Rate Swaps	125.00	1.03	–	375.00	0.61	–
Subtotal (ii)	125.00	1.03	–	375.00	0.61	–
Total Derivative Financial Instruments (i) + (ii)	125.00	4.38	–	375.00	0.61	0.51
Derivative Financial Asset / Liability (net)	–	4.38	–	–	0.10	–

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

(₹ in crores)

Particulars	March 31, 2023			March 31, 2022		
	Notional amount	Fair Value		Notional amount	Fair Value	
		Assets	Liabilities		Assets	Liabilities
(i) Cash flow hedging:						
- Currency derivatives	–	3.35	–	–	–	0.51
- Interest rate derivatives	125.00	1.03	–	375.00	0.61	–
(ii) Undesignated derivatives	–	–	–	–	–	–
Total Derivative Financial Instruments (i) + (ii)	125.00	4.38	–	375.00	0.61	0.51
Derivative Financial Asset / Liability (net)		4.38			0.10	

Notes:

- 1) The interest rate risk and exchange rate risk on the borrowings of the Company are managed using various derivative instruments which are entered from time to time. The risk management strategy and the use of derivatives are explained in Note 37 - Financial Risk Management Framework.
- 2) The Company has designated the Interest rate derivatives (IRS/FRA), which were entered to mitigate interest rate risk on its Subordinated Non Convertible Debentures and Rupee Term Loans, as hedging instruments.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Note 7 Receivables

(₹ in crores)

Particulars	31 st March 2023	31 st March 2022
Trade receivables		
- Secured, considered good	–	–
- Unsecured, considered good	74.56	43.82
- Receivables which have significant increase in Credit Risk	–	0.04
- Receivables - credit impaired	0.24	0.42
Less: Impairment loss on the above	(0.29)	(0.38)
Sub-total - Trade receivables	74.51	43.90
Other receivables		
- Secured, considered good	5.02	3.06
- Unsecured, considered good	1.84	0.88
Less: Impairment loss on the above	–	–
Sub-total - Other receivables	6.86	3.94
TOTAL	81.37	47.84

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Trade Receivables ageing schedule as at March 31, 2023

(₹ in crores)

Outstanding for following periods from due date of payment							
Particulars	Not Due	Less than 6 Months	6 months to 1 year	1 to 2 years	2 to 3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	6.47	64.53	0.12	0.07	–	–	71.19
(ii) Undisputed Trade Receivables – considered doubtful	–	0.03	0.03	0.06	0.12	–	0.24
(iii) Disputed Trade Receivables considered good	–	–	–	–	–	–	–
(iv) Disputed Trade Receivables considered doubtful	–	–	–	–	–	–	–
(v) Unbilled revenue – considered good	3.37	–	–	–	–	–	3.37
Total	9.84	64.56	0.15	0.13	0.12	–	74.80

Trade Receivables ageing schedule as at March 31, 2022

(₹ in crores)

Outstanding for following periods from due date of payment							
Particulars	Not Due	Less than 6 Months	6 months to 1 year	1 to 2 years	2 to 3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	5.45	36.16	0.04	–	–	–	41.65
(ii) Undisputed Trade Receivables – considered doubtful	–	0.07	0.07	0.16	0.13	–	0.42
(iii) Disputed Trade Receivables considered good	–	–	–	–	–	–	–
(iv) Disputed Trade Receivables considered doubtful	–	–	–	–	–	–	–
(v) Unbilled revenue – considered good	2.20	–	–	–	–	–	2.20
Total	7.65	36.23	0.11	0.16	0.13	0.00	44.28

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Note 8: Loans
Carried at amortised cost

(₹ in crores)

Particulars	31 st March 2023	31 st March 2022
Hypothecation loans	33,037.30	28,033.37
Term Loans	774.77	467.04
Housing Loans	7,130.29	6,481.69
Non Housing Loans	4,003.98	2,941.69
Advance for business assets	236.46	154.31
Amount retained on Assets securitised / assigned	9.05	37.77
Loans repayable on Demand	54.26	67.07
Bills Purchased and Bills Discounted	17.49	18.88
Net investment in lease	39.63	26.33
Other loans [®]	52.81	66.16
Total Loans - Gross	45,356.04	38,294.31
Less: Impairment loss allowance	724.98	817.91
Total Loans - Net	44,631.06	37,476.40
Of the above		
Secured by tangible assets	44,525.66	37,087.70
Covered by Bank/Government Guarantees	533.84	996.59
Secured by Deposits placed	7.88	3.92
Unsecured	288.66	206.10
Total Loans - Gross	45,356.04	38,294.31
Less: Impairment loss allowance	724.98	817.91
Total Loans - Net	44,631.06	37,476.40
Loans in India		
Public Sector	–	–
Others *	45,356.04	38,294.31
Total Loans - Gross	45,356.04	38,294.31
Less: Impairment loss allowance	724.98	817.91
Total Loans in India - Net - (A)	44,631.06	37,476.40
Loans outside India	–	–
Less: Impairment loss allowance	–	–
Total Loans outside India - Net - (B)	–	–
Total loans (A) + (B)	44,631.06	37,476.40

[®] includes loans to employees and loan against deposits

* includes loans to Individuals, Sole proprietorship, Partnership, LLPs, Private and Public Limited companies.

* Loans including instalment and interest outstanding amounts to ₹3,380.19 lakhs (31st March 2022 ₹4,243.83 lakhs) in respect of properties which are held for disposal under Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002.

There are no Loans or Advances in the nature of loans granted to promoters, directors, KMPs and the related parties that are:

(a) repayable on demand or

(b) without specifying any terms or period of repayment

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Note 9: Investments

(₹ in crores)

Particulars	Face Value (₹)	March 31, 2023		March 31, 2022	
		Holding number	Carrying Amount	Holding number	Carrying Amount
Measured as per equity method					
Investments in Equity Instruments					
-Joint Ventures					
Royal Sundaram General Insurance Co. Limited			721.40		773.50
			721.40		773.50
- Associates*					
Flometallic India Private Limited	1,00,000	4,450	0.00	4450	130.06
The Dunes Oman LLC (FZC)	1 ^	18,34,980	109.18	22,93,725	88.94
Sundaram Hydraulics Limited	10	1,12,50,000	0.00	1,12,50,000	0.00
Axles India Limited	10	98,91,754	82.12	98,91,754	68.26
Turbo Energy Private Limited	10	25,60,000	569.82	25,60,000	531.66
Transenergy Limited	100	1,20,000	16.82	1,20,000	12.24
Sundaram Dynacast Private Limited	10	11,70,000	19.62	11,70,000	16.83
Wheels India Limited	10	56,01,117	282.05	56,01,117	266.54
Mind S.r.l	1 #	7,34,675	20.84	7,34,675	29.25
Sundaram Composite Structures Private Ltd	10	1,96,00,000	16.57	1,96,00,000	20.10
Brakes India Private Limited	100	4,11,606	840.29	-	-
India Motor Parts & Accessories Limited	10	24,96,033	214.51	-	-
			2,171.82		1,163.88
Total - A			2,893.22		1,937.38
At fair value through other comprehensive income:					
Investment in Equity Instruments §			942.10		1,682.67
Investment in Preference Shares			3.12		3.12
Investment in Mutual Funds			35.76		-
Total - B			980.98		1685.79
At fair value through profit or loss:					
Investment in Mutual Funds			2,314.62		3,043.73
Investment in Alternative Investment Funds			339.59		204.81
Investment in Equity Instruments			0.88		0.86
Investment in Perpetual Bonds			-		0.00
Investment in Preference Securities			6.86		6.86
Total - C			2,661.95		3,256.25

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

(₹ in crores)

Particulars	Face Value (₹)	March 31, 2023		March 31, 2022	
		Holding number	Carrying Amount	Holding number	Carrying Amount
At amortised cost:					
Investment in Government Securities [@]			771.55		753.20
Investment in Non-Convertible Debentures			174.82		0.00
Investment in Pass Through Certificates			89.73		107.56
Investment in Commercial Paper			13.63		100.07
Investment in Bonds			–		–
Investment in Treasury Bills			496.76		247.88
			1,546.49		1,208.71
Less: Allowance for Impairment loss			(0.57)		(0.61)
Total - D			1,545.92		1,208.10
Total Investments A+B+C+D (Net of allowance for impairment loss)			8,082.07		8,087.53

[^] Face value in Omani Riyal

[#] Face value in Euro

* includes goodwill of ₹98.05 Crores and Capital Reserve of ₹7.34 Crores.

(₹ in crores)

Particulars	31 st March 2023	31 st March 2022
Investment outside India	120.33	119.24
Investment in India	7,961.74	7,968.28

(₹ in crores)

Impairment / ECL Provisions	31 st March 2023	31 st March 2022
ECL Provisions:		
Investment in Equity Instruments	–	–
Investment in Non-Convertible Debentures	0.17	
Investment in Pass Through Certificates	0.39	1.00
Investment in Commercial Paper	0.01	0.02
	0.57	1.02

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Note 10: Other Financial Assets

(₹ in crores)

Particulars	March 31, 2023	March 31, 2022
Carried at amortised cost		
Reposessed Loan Stock (Net Realisable Value)	–	45.52
- Security deposits	15.65	13.93
- Redemption Receivable from MF Investments	1.43	–
- Other advances	7.90	14.12
- Unbilled Revenue	0.23	0.25
Less: Impairment loss on the above	(0.74)	(0.43)
TOTAL	24.47	73.39

Note 11 : Tax Reconciliation**Disclosure pursuant to Ind AS 12 "Income Taxes"****(a) Major components of tax expense/(income) :**

(₹ in crores)

Sl.no.	Particulars	2022-23	2021-22
(a)	Profit or Loss section :		
(i)	Current income tax :		
	Current income tax expense	418.87	381.18
		418.87	381.18
(ii)	Deferred tax :		
	Tax expense on origination and reversal of temporary differences	20.35	(31.17)
	Reversal of deferred tax liabilities relating to past years		
	Total Deferred tax (ii)	20.35	(31.17)
	Income tax expense reported in Profit or Loss [(i) + (ii)]	439.22	350.01
(b)	Other Comprehensive Income (OCI) section :		
(i)	Items not to be reclassified to profit or loss in subsequent periods :		
	Current tax expense/(income) :		
	profit on sale of equity investments	23.12	(18.11)
	fair value of equity investments	23.12	(9.46)
	others	–	(8.64)
(ii)	Items to be reclassified to profit or loss in subsequent periods :		
	(A) Deferred tax expense/(income) :		
	On MTM of cash flow hedges	1.13	(2.14)
	Income tax expense reported in Other Comprehensive Income [(i) + (ii)]	24.26	(20.25)
	Income tax expense reported in retained earnings	463.48	329.76

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

(b) Reconciliation of tax expense and the tax on accounting profit at applicable tax rate

(₹ in crores)

Sl. No.	Particulars	2022-23	2021-22
(a)	Profit before tax and exceptional items	1,852.64	1,514.58
(b)	Profit on exceptional items	–	–
(c)	Profit before tax	1,852.64	1,514.58
(d)	Tax on Accounting profit	468.31	381.38
(e)	(i) Tax on income exempt from tax :		
	(A) Dividend income	27.11	23.57
	(ii) Tax on expenses not tax deductible :		
	(A) CSR expenses/Donations/others	10.45	6.53
	(B) Expenses in relation to exempt income	–	–
	(iii) Tax effect on various other items	12.41	14.32
(f)	Total effect of tax adjustments [(i) to (iii)] (f)=(i)-(ii)+(iii)	29.07	31.37
(g)	Tax on exceptional items	–	–
(h)	Tax expense recognised during the year (h)=(d)-(f)+(g)	439.24	350.01

(c) Reconciliation of Deferred Taxes for the Year Ended 2022-23

(₹ in crores)

Particulars	01.04.2022	Recognised Through Profit and Loss Account	Recognised Through Other Comprehensive Income	Recognised Through Retained Earnings	31.03.2023
Difference between book depreciation and tax depreciation	30.00	(0.56)	–	–	29.44
Loans and impairment on loans	147.20	(15.00)	–	–	132.20
Investments	30.34	42.47	0.21	–	73.02
HP income	(63.65)	0.24	–	–	(63.41)
Utilisation of MAT credit	(3.80)	–	–	–	(3.80)
Covid Reserve	–	–	–	–	–
Others	14.24	(0.70)	0.11	–	13.66
Total	154.33	26.46	0.32	–	181.09

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Reconciliation of Deferred Taxes for the Year Ended 2021-22

(₹ in crores)

Particulars	01.04.2021	Recognised Through Profit and Loss Account	Recognised Through Other Comprehensive Income	Recognised Through Retained Earnings	31.03.2022
Difference between book depreciation and tax depreciation	37.93	(7.93)	–	–	30.00
Loans and impairment on loans	122.73	24.47	–	–	147.20
Investments	0.83	25.79	3.72	–	30.34
HP income	(65.17)	1.52	–	–	(63.65)
Utilisation of MAT credit	(2.07)	(1.73)	–	–	(3.80)
Covid Reserve	–	–	–	–	0.00
Others	7.39	6.85	–	–	14.24
Total	101.64	48.97	3.72	0.00	154.33

Note 12: Investment Property

(₹ in crores)

Particulars	Land	Building	Total
GROSS BLOCK AT COST			
As at 31.03.2022	41.32	7.21	48.53
Additions	57.57	0.00	57.57
Deductions	5.52	4.59	10.11
Asset Transfer from PPE	–	–	–
As at 31.03.2023	93.37	2.62	95.99
DEPRECIATION			
Upto 31.03.2022	–	2.37	2.37
Additions	–	0.20	0.20
Deductions	–	0.95	0.95
Asset Transfer from PPE	–	–	–
Upto 31.03.2023	–	1.62	1.62
Carrying Value as at 31.03.2023	93.37	1.00	94.37

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Note 12: Investment Property

(₹ in crores)

Particulars	Land	Building	Total
GROSS BLOCK AT COST			
As at 31.03.2021	43.57	8.19	51.75
Additions	–	0.05	0.05
Deductions	2.25	–	2.24
Asset Transfer from PPE	–	(1.03)	(1.03)
As at 31.03.2022	41.32	7.21	48.53
DEPRECIATION			
Upto 31.03.2021	–	2.11	2.11
Additions	–	0.26	0.26
Deductions	–	–	–
Asset Transfer from PPE	–	–	–
Upto 31.03.2022	–	2.37	2.37
Carrying Value as at 31.03.2022	41.32	4.84	46.16

The fair value measurement for all the investment property has been carried out by Registered valuer.

The Fair value of the investment property is ₹110.06 crores (2021-22: ₹65.55 crores)

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

(₹ in crores)

Particulars	2022-23	2021-22
Rental income	3.37	2.43
Direct Operating expenses on properties generating rental income	0.30	0.29
Direct Operating expenses on properties not generating rental income	0.02	0.01

The investment properties are freely realizable.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Note 13: Property, Plant and equipment

(₹ in crores)

Particulars	Freehold Land	Freehold Buildings	Leasehold office / Residential Premises	Plant and Machinery and Computers	Furniture and Fixtures	Vehicles	Office Equipment	Assets on Operating Lease			Total
								Plant and Machinery and Computers	Vehicles	Medical Equipments	
GROSS BLOCK AT COST											
As at 31.03.2022	61.10	28.00	10.30	73.66	14.66	30.99	15.89	16.47	228.76	11.43	491.26
Additions	0.00	1.34	0.65	14.44	3.79	12.53	2.51	2.28	180.60	-	218.14
Deductions	0.76	0.26	0.02	4.57	0.49	5.47	0.71	0.23	59.32	-	71.83
Asset Transfer to IP	-	-	-	-	-	-	-	-	-	-	-
Other Adjustments	-	-	-	-	-	-	-	-	-	-	-
Translation Adjustments	-	-	0.05	0.02	0.01	-	0.01	-	-	-	0.09
As at 31.03.2023	60.34	29.08	10.98	83.55	17.97	38.05	17.70	18.52	350.04	11.43	637.66
DEPRECIATION											
Upto 31.03.2022	-	8.45	4.72	46.39	8.75	16.28	8.81	9.28	83.07	4.92	190.67
Additions	-	1.30	0.73	11.13	1.81	6.00	1.79	3.04	56.91	2.05	84.76
Deductions	-	0.08	0.02	3.93	0.37	4.02	0.53	0.21	34.60	0.00	43.76
Asset Transfer to IP	-	-	-	-	-	-	-	-	-	-	-
Other Adjustments	-	-	-	-	-	-	-	-	-	-	-
Translation Adjustments	-	-	0.05	0.01	0.01	-	0.01	-	-	-	0.08
Upto 31.03.2023	-	9.67	5.48	53.60	10.20	18.26	10.08	12.11	105.38	6.97	231.75
Carrying Value as at 31.03.2023	60.34	19.41	5.50	29.95	7.77	19.79	7.62	6.41	244.66	4.46	405.91

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Note 13 Property, Plant and Equipment

(₹ in crores)

Particulars	Freehold Land	Freehold Buildings	Leasehold office / Residential Premises	Plant and Machinery and Computers	Furniture and Fixtures	Vehicles	Office Equipment	Assets on Operating Lease			Total	
								Plant and Machinery and Computers	Vehicles	Medical Equipments		
GROSS BLOCK AT COST												
As at 31.03.2021	61.10	25.70	9.78	63.32	13.18	28.26	14.64	15.65	189.15	8.95	429.73	
Additions	0.00	1.27	0.82	11.35	1.66	6.23	1.65	3.46	87.15	2.48	116.07	
Deductions	-	-	0.31	1.01	0.18	3.50	0.40	2.64	47.54	-	55.58	
Asset Transfer to IP	-	(1.03)	-	-	-	-	-	-	-	-	(1.03)	
Other Adjustments	-	-	-	-	-	-	-	-	-	-	-	
Translation Adjustments	-	-	0.01	-	-	-	-	-	-	-	0.01	
As at 31.03.2022	61.10	28.00	10.30	73.66	14.66	30.99	15.89	16.47	228.76	11.43	491.26	
DEPRECIATION												
Upto 31.03.2021	-	6.39	3.94	37.55	7.36	14.80	7.51	7.53	75.07	2.11	162.26	
Additions	-	2.06	0.83	9.64	1.54	3.88	1.62	4.16	35.42	2.81	61.96	
Deductions	-	-	0.06	0.79	0.15	2.40	0.32	2.41	27.42	-	33.55	
Asset Transfer to IP	-	-	-	-	-	-	-	-	-	-	-	
Other Adjustments	-	-	-	-	-	-	-	-	-	-	-	
Translation Adjustments	-	-	0.01	-0.01	-	-	-	-	-	-	-	
Upto 31.03.2022	-	8.45	4.72	46.39	8.75	16.28	8.81	9.28	83.07	4.92	190.67	
Carrying Value as at 31.03.2022	61.10	19.55	5.58	27.27	5.91	14.71	7.08	7.19	145.69	6.51	300.55	

No Revaluation of Property, Plant and Equipment has been carried out during the year
Benami property : Nil

Refer No. 18 on Mortgage of Immovable Property

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Note 14 : Right of use - Assets

(₹ in crores)

Particulars	ROU Land	ROU Buildings	ROU Vehicles	Finance Lease	Total
				Land	
GROSS BLOCK AT COST					
As at 31.03.2022	4.39	107.50	0.88	0.39	113.16
Additions	–	72.99	–	–	72.99
Deductions	–	12.61	0.29	–	12.90
Other Adjustments	–	0.05	–	–	0.05
As at 31.03.2023	4.39	167.93	0.59	0.39	173.30
DEPRECIATION					
Up to 31.03.2022	3.08	50.83	0.62	–	54.53
Additions	0.88	25.05	0.06	–	25.99
Deductions	–	12.20	0.19	–	12.39
Other Adjustments	–	0.05	–	–	0.05
Upto 31.03.2023	3.96	63.73	0.49	0.00	68.18
Carrying Value as at 31.03.2023	0.43	104.20	0.10	0.39	105.12

(₹ in crores)

Particulars	ROU Land	ROU Buildings	ROU Vehicles	Finance Lease	Total
				Land	
GROSS BLOCK AT COST					
As at 31.03.2021	2.03	104.06	0.35	0.39	106.83
Additions	2.36	27.24	0.26	–	29.86
Deductions	–	19.79	0.14	–	19.93
Other Adjustments	–	(4.01)	0.41	–	(3.60)
As at 31.03.2022	4.39	107.50	0.88	0.39	113.16
DEPRECIATION					
Up to 31.03.2021	1.98	40.80	0.27	–	43.05
Additions	1.10	23.01	0.11	–	24.22
Deductions	–	13.08	0.13	–	13.21
Other Adjustments	–	0.10	0.37	–	0.47
Upto 31.03.2022	3.08	50.83	0.62	–	54.53
Carrying Value as at 31.03.2022	1.31	56.67	0.26	0.39	58.63

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Note 15 A - Goodwill

(₹ in crores)

Gross carrying value as at 01.04.2021	474.02
Additions / Impairment /disposals/Other Adjustments	1.64
Net carrying value as at 31.03.2022	475.66
Additions / Impairment /disposals/Other Adjustments	(1.61)
Net carrying value as at 31.03.2023	474.05

Note 15 B Other Intangibles Assets & Intangible Assets Under Development

(₹ in crores)

Particulars	Computer Software		Rights	Total	Intangibles Under Development
	Purchased	Self Generated			
GROSS BLOCK AT COST					
As at 31.03.2022	47.29	9.95	234.79	292.03	–
Additions	1.19	7.53	–	8.72	8.13
Deductions	–	–	–	–	7.53
Other Adjustments	–	–	–	–	–
As at 31.03.2023	48.48	17.48	234.79	300.75	0.60
DEPRECIATION					
Up to 31.03.2022	41.72	8.96	5.79	56.47	–
Additions	3.38	1.07	23.46	27.91	–
Deductions	–	–	–	–	–
Other Adjustments	–	–	–	–	–
Upto 31.03.2023	45.10	10.03	29.25	84.38	0.00
Carrying Value as at 31.03.2023	3.37	7.46	205.54	216.37	0.60

(₹ in crores)

Particulars	Computer Software		Rights	Total	Intangibles Under Development
	Purchased	Self Generated			
GROSS BLOCK AT COST					
As at 31.03.2021	44.33	9.95	–	54.28	–
Additions	2.91	–	234.79	237.70	–
Deductions	–	–	–	–	–
Other Adjustments	–	–	–	–	–
As at 31.03.2022	47.24	9.95	234.79	291.98	–
DEPRECIATION					
Up to 31.03.2021	36.71	7.86	–	44.57	–
Additions	5.01	1.10	5.79	11.90	–
Deductions	–	–	–	–	–
Other Adjustments	–	–	–	–	–
Upto 31.03.2022	41.72	8.96	5.79	56.46	–
Carrying Value as at 31.03.2022	5.52	0.99	229.00	235.52	–

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Note 16: Other Non-Financial Assets

(₹ in crores)

Particulars	31 st March 2023	31 st March 2022
Stamp and stamp papers on hand	2.90	2.57
Prepaid expenses	89.02	69.05
Balances with Government authorities	92.06	43.28
Capital Advances	2.87	6.26
Other advances*	10.35	1.82
TOTAL	197.20	122.98

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

Note 17: Payables

(₹ in crores)

Particulars	31 st March 2023	31 st March 2022
Trade payables		
(i) Total outstanding dues of micro enterprises and small enterprises Outstanding Liability *	2.58	1.41
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		
Dealer Balances	89.28	66.25
Outstanding Liability	33.79	61.05
Sub-Total	125.65	128.71
Other payables		
(i) Total outstanding dues of micro enterprises and small enterprises	–	–
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	26.41	7.85
Sub-Total	26.41	7.85

Trade Payables ageing schedule as at 31-03-2023

(₹ in crores)

Particulars	Outstanding for following periods from due date of payment					Total
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	–	2.58	–	–	–	2.58
(ii) Others	2.43	111.51	9.05	0.08	–	123.07
(iii) Disputed dues – MSME	–	–	–	–	–	–
(iv) Disputed dues - Others	–	–	–	–	–	–
Total	2.43	114.09	9.06	0.08	0.00	125.65

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Trade Payables ageing schedule as at 31-03-2022

(₹ in crores)

Particulars	Outstanding for following periods from due date of payment					Total
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	–	1.41	–	–	–	1.41
(ii) Others	7.70	108.46	11.08	0.06	–	127.30
(iii) Disputed dues – MSME	–	–	–	–	–	–
(iv) Disputed dues - Others	–	–	–	–	–	–
Total	7.70	109.87	11.08	0.06	0.00	128.71

Note 18 : Debt Securities

(₹ in crores)

Particulars	31 st March 2023	31 st March 2022
Carried at amortised cost		
Non-Convertible debentures	14,441.77	15,194.01
Commercial paper	2,820.92	1,769.50
TOTAL	17,262.69	16,963.51
Of the above		
Debt securities in India	17,262.69	16,963.51
Debt securities outside India	–	–
TOTAL	17,262.69	16,963.51

Note 19 : Borrowings other than debt securities

(₹ in crores)

Particulars	31 st March 2023	31 st March 2022
Carried at amortised cost		
Secured	–	–
Term Loan from banks	11,825.16	7,360.89
Term Loan from National Housing Bank (Refinance Loan)	2,379.92	1,927.53
Working capital demand loans and Cash credit	2,106.18	1,239.12
Unsecured	–	–
Credit facilities from banks	0.00	15.42
TOTAL	16,311.26	10,542.96
Of the above		
Borrowings in India	16,311.26	10,542.96
Borrowings Outside India	–	–
TOTAL	16,311.26	10,542.96

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

The Refinance from NHB is secured by negative lien on assets / specific charge on loan assets of a Subsidiary Company other than Statutory Liquid Assets having floating charge in favour of Trustees. It is repayable in quarterly instalments.

Term loans were deployed for the purpose for which they were obtained. In respect of a term loan of ₹ 1,000 Cr. availed from a Bank during the last quarter of the financial year, the application of funds is in progress in accordance with terms of the sanction and the undeployed loan is held in the form of liquid investments.

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

Funds raised on short term basis have not been utilised for long term purposes.

Quarterly Returns or Statements of current assets filed by the Group with Banks or Financial Institutions are in agreement with the Books of Accounts.

The Group has not been declared as wilful defaulter by any Bank or Financial Institution or other lender or government or any government authority.

Note 20: Deposits

(₹ in crores)

Particulars	March 31, 2023	March 31, 2022
Carried at amortised cost		
- Public Deposits	6,801.58	6,161.14
- From Companies	11.43	53.97
- From Directors	0.32	0.40
TOTAL	6,813.34	6,215.51

Note 21: Subordinated Liabilities

(₹ in crores)

Particulars	March 31, 2023	March 31, 2022
Carried at amortised cost		
Subordinated Non Convertible Debentures	—	—
Of the above		
- India	2,306.61	2,634.11
- Outside India	—	—
TOTAL	2,306.61	2,634.11

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Note 22: Other Financial Liabilities

(₹ in crores)

Particulars	31 st March 2023	31 st March 2022
Amounts due on assets securitised or assigned	21.57	52.82
Unpaid matured deposits and interest accrued thereon	80.77	81.79
Unpaid dividend	3.43	3.43
Payable to Employees	103.01	91.78
Advance received from customers	16.65	19.67
Lease Liability	105.13	66.03
Other liabilities*	141.48	137.56
TOTAL	472.04	453.08

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

Note 23: Provisions

(₹ in crores)

Particulars	31 st March 2023	31 st March 2022
Provision for employee benefits	49.53	57.55
Provision for Other expenses [^]	19.31	18.56
Total	68.84	76.11

[^] Provision for other expenses include provision made for legal cases / claims

Note 24: Other Non-Financial Liabilities

(₹ in crores)

Particulars	31 st March 2023	31 st March 2022
Other Liabilities #	38.99	41.87
Revenue received in advance	1.59	1.41
Total	40.58	43.28

Others mainly include government dues, taxes payable, GST payable and salary deductions payable

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Note 25 A : Equity Share Capital

(₹ in crores)

Particulars	31 st March 2023	31 st March 2022
Authorised Capital		
27,81,00,000 Equity Shares of ₹10/- each	278.10	278.10
Issued, Subscribed and fully paid-up		
11,11,03,860 Equity Shares of ₹10/- each fully paid up	111.10	111.10
Less:		
9,06,545 (2022 - 9,13,985) Equity Shares of ₹10/- each held by ESOP trust but not yet allotted to Employees	0.90	0.91
Adjusted, Issued and Subscribed Share Capital	110.20	110.19

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

Particulars	March 31, 2023	March 31, 2022
Issued and Subscribed :		
Balance at the beginning of the Year	11,11,03,860	11,11,03,860
Less: Shares held by Sundaram Finance Employees' Welfare Trust	9,06,507	9,14,185
Adjusted, Issued and Subscribed Share Capital	11,01,97,353	11,01,89,675

(Refer note no 25 of the Standalone Financial statements for shareholding of promoters)

b) Rights, preferences and restrictions in respect of equity shares:

The Equity share holders are entitled to receive dividends as and when declared; a right to vote in proportion to holding etc. and their rights, preferences and restrictions are governed by / in terms of their issue under the provisions of the Companies Act, 2013

c) Aggregate number of equity shares issued for consideration other than cash / Bonus shares during the period of five years immediately preceding the reporting date: Nil

d) Share holder holding more than 5% of shares:

Name of the Share holder	Axis Mutual Fund	
	31.03.2023	31.03.2022
No of shares	61,26,653	52,87,888
% of holding	5.51%	4.76%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Note 25 B : Other Equity

(₹ in crores)

Particulars	March 31, 2023	March 31, 2022
Capital Reserve		
At the beginning of the year	20.94	20.42
Change in the value of Holdings	13.87	0.52
At the end of the year	34.81	20.94
Share Options Outstanding Account		
At the beginning of the year	2.16	0.94
Options Granted during the year	3.05	3.94
Cost of shares transferred on exercise of option	(0.02)	(0.03)
Deferred Employee Compensation Cost	(0.21)	(1.62)
Transfer to general reserve	(1.88)	(1.02)
Share Options lapsed during the year	–	(0.05)
At the end of the year	3.10	2.16
Statutory Reserve		
At the beginning of the year	1,742.50	1,561.27
Add: Changes during the year	223.74	181.22
At the end of the year	1,966.24	1,742.50
Special Reserve		
At the beginning of the year	349.74	316.74
Add: Changes during the year	37.00	33.00
At the end of the year	386.74	349.74
General Reserve		
At the beginning of the year	4,167.33	4,163.83
Add: Change in the value of holdings	–	2.48
Add: Transfer from Share Options Outstanding account	1.88	1.02
At the end of the year	4,169.21	4,167.33

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

(₹ in crores)

Particulars	March 31, 2023	March 31, 2022
Retained Earnings		
At the beginning of the year	2,114.08	1,292.00
Profit After tax for the year	1317.81	1,173.34
Other comprehensive income:		
(i) Items that will not be reclassified to profit or loss		
Remeasurements of the defined benefit plans	(2.21)	(3.72)
Share of other comprehensive income from associates using equity method	4.25	(0.36)
(ii) Items that will be reclassified to profit or loss		
Change in fair value of derivative instrument	1.18	0.47
Share of other comprehensive income from associates using equity method	(0.73)	0.84
Transfer to Impairment Reserve	–	(11.28)
Deferred tax on Impairment Reserve provision	–	2.84
Transfer from Impairment Reserve	–	11.28
Deferred tax on Impairment Reserve provision	–	(2.84)
On account of Sundaram Finance Employees' Welfare Trust	(0.08)	2.33
Dividend payout (Final)	(130.87)	(64.99)
Dividend payout (Interim)	(111.10)	(111.10)
Transfer on account of Sale of Equity instruments measured at FVTOCI	–	36.35
Change in the value of Holdings	152.03	3.14
Transfer to Statutory reserve	(223.74)	(181.22)
Transfer to Special reserve	(37.00)	(33.00)
At the end of the year	3,083.61	2,114.08
Foreign Currency Translation Reserve		
At the beginning of the year	7.05	5.34
Add: Changes during the year	5.60	1.41
Add: Change in the value of holdings	–	0.30
At the end of the year	12.65	7.05

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

(₹ in crores)

Particulars	March 31, 2023	March 31, 2022
Debt instruments through Other Comprehensive Income		
At the beginning of the year	2.40	29.28
Add: Changes during the year	(60.78)	(26.87)
At the end of the year	(58.38)	2.40
Equity instrument through Other Comprehensive Income		
At the beginning of the year	277.98	221.09
Change in Fair value of equity instruments	72.12	70.65
Transfer on account of Sale of Equity instruments measured at FVTOCI	–	(36.35)
Change in the value of Holdings of associates	(149.21)	22.60
At the end of the year	200.89	277.98
Impairment Reserve		
At the beginning of the year	–	–
Transfer to Impairment Reserve	–	11.28
Transfer from impairment reserve	–	(11.28)
At the end of the year	–	–
Effective portion of cash flow hedge		
At the beginning of the year	0.46	9.17
Fair value change on cashflow hedge	0.31	(8.71)
At the end of the year	0.77	0.46
Non Controlling Interest		
At the beginning of the year	2,294.08	1,720.25
Profit After tax for the year	181.75	122.900
Other comprehensive income:		
(i) Items that will not be reclassified to profit or loss		
Remeasurements of the defined benefit plans	0.00	(0.23)
Change in Fair value of equity instruments	234.87	244.21
Share of other comprehensive income from associates using equity method	12.79	(0.52)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

(₹ in crores)

Particulars	March 31, 2023	March 31, 2022
(ii) Items that will be reclassified to profit or loss		
Change in fair value of derivative instrument	1.82	1.61
Share of other comprehensive income from associates using equity method	(2.37)	2.55
Foreign Currency Translation Reserve	6.47	2.170
On account of Sundaram Finance Employees' Welfare Trust		(2.26)
Dividend payout (Final)	(55.23)	(25.49)
ESOP reserve		
Change in the value of Holdings and reserves	54.40	228.84
Options Granted during the year	0.05	0.05
At the end of the year	2728.63	2294.08
Total equity	12,528.28	10,978.72

Description of nature and purpose of other equity:

- Capital Reserve: Represents reserve created on account of amalgamations and arrangements
- Share Options Outstanding Account: Represents reserve on grant of option to employees of the company / group company under Employee Stock option Scheme.
- General reserve: Represents amount appropriated from retained earnings.
- Statutory reserve: Represents reserve created as per Section 45-IC of the Reserve Bank of India Act, 1934.
- Special reserve: Represents reserve created as per Section 36(1)(viii) of Income Tax Act, 1961 and Section 29C of the National Housing Bank Act, 1987.

STATEMENT OF PROFIT AND LOSS NOTES**Note 26: Interest Income**

(₹ in crores)

Particulars	2022-23	2021-22
On Financial assets measured at amortised cost:		
Loans	4,392.76	4,198.50
Investments	84.39	69.81
Deposit with Banks	40.66	36.40
On Financial assets classified at Fair value through profit or loss :		
Investments	28.33	9.45
Total	4,546.14	4,314.16

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Note 27: Fees and Commission Income

(₹ in crores)

Particulars	2022-23	2021-22
Relating to		
- Loans	152.38	127.47
- Selldown servicing fee	27.41	26.43
- Income from other Financial Services	56.29	49.21
- Trusteeship Fees	2.11	1.78
TOTAL	238.19	204.89

Note 28: Net gain/(loss) on fair value changes

(₹ in crores)

Particulars	2022-23	2021-22
A. Net gain/(loss) on financial instruments at fair value through profit or loss		
(i) On trading portfolio	—	—
- Investments	—	—
- Derivatives	—	—
- Others	—	—
(ii) On Financial instruments designated at fair value through profit or loss	—	—
B. Others		
Net gain/(loss) on financial instruments at fair value through profit or loss on		
- Investments*	112.39	106.82
- Derivatives	—	—
C. Total Net gain/(loss) on fair value changes (A + B)	112.39	106.82
Of the above, fair value changes:		
- Realised	74.75	95.73
- Unrealised	37.63	11.09
TOTAL	112.39	106.82

Note 29: Other Income

(₹ in crores)

Particulars	2022-23	2021-22
- Derecognition of property, plant and equipment	4.04	10.90
- Foreign currency transaction and translation (other than considered as finance cost)	0.67	0.07
Others		
- Interest income	24.83	2.27
- Rental income	3.37	2.43
- Other non-operating income	35.36	21.63
TOTAL	68.27	37.30

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Note 30: Finance Costs

(₹ in crores)

Particulars	2022-23	2021-22
On Financial liabilities carried at amortised cost:		
Interest on		
Deposits	424.76	447.72
Term loans	705.04	454.68
Debt securities	1,014.32	1,103.64
Subordinated liabilities	247.24	226.56
Other interest expense and borrowing cost	15.02	15.10
Derivatives	–	(27.78)
Foreign currency transaction and translation	–	28.29
Gain/Loss on unwinding of Derivatives	–	(12.01)
TOTAL	2,406.38	2,236.20

Note 31: Employee Benefits Expenses

(₹ in crores)

Particulars	2022-23	2021-22
Salaries and Wages	615.32	572.92
Contribution to provident and other funds	37.39	33.68
Share Based Payments to employees	3.30	2.50
Staff welfare expenses	15.13	9.47
TOTAL	671.15	618.57

Note 32: Administrative and Other Expenses

(₹ in crores)

Particulars	2022-23	2021-22
Rent, taxes and energy costs	17.54	10.80
Repairs and maintenance	45.13	39.26
Communication Costs	15.53	13.61
Printing and stationery	5.21	4.16
Advertisement and publicity	15.41	7.19
Director's fees, allowances and expenses	3.90	2.64
Auditor's fees and expenses	2.70	2.10
Legal and Professional charges	21.59	34.44
Insurance	4.91	4.89
Outsourcing cost	77.19	70.60
Travel and conveyance	34.77	16.52
Donations	30.23	23.00
Other expenditure	62.11	58.34
TOTAL	336.22	287.55

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Note 33: Impairment on Financial Instruments

(₹ in crores)

Particulars	2022-23	2021-22
On Financial instruments measured at amortised cost:		
Loans	205.99	393.10
Investments	3.90	-0.08
Repossessed assets	(8.59)	5.30
Others	0.70	11.61
TOTAL	202.00	409.93

Other Notes

Note 34: Capital Management:

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

The Group endeavour to source diversified borrowing, depending on asset liability duration and interest rate sensitivities.

The Group monitors the Capital adequacy ratio, Debt equity ratio and Solvency ratio for the purpose of adequacy of capital.

Note 35: Revenue

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

Remaining performance obligation

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

The aggregate value of performance obligations that are completely or partially unsatisfied as at March 31, 2023 is nil (2021-22 - nil) which the company expects to recognise in next year.

Note 36: Financial Instruments – Fair Value Measurements

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

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

(₹ in crores)

Particulars	Fair Value Hierarchy	March 31, 2023	March 31, 2022
Financial Assets			
Derivatives	Level 2	4.38	0.10
Investments			
Mutual Funds	Level 1	2,350.38	3,043.72
Alternate Investment Funds	Level 1	339.59	204.81
Equity Instruments	Level 2	0.88	0.86
Preference Securities	Level 2	6.86	6.86

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

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

The Group designated the investments in equity shares (other than subsidiaries, associates and joint ventures) at FVTOCI, because the Group intends to hold these investments for long-term strategic purpose.

(₹ in crores)

Particulars	Fair Value Hierarchy	31 st March 2023	31 st March 2022
India Motor Parts & Accessories Limited	Level 1	–	185.67
Sundaram Clayton Limited	Level 1	731.41	769.57
Brakes India Private Limited	Level 2	–	529.80
Lucas-TVS Limited	Level 3	80.70	74.80
Delphi TVS Technologies Limited	Level 3	15.30	13.12
Vishnu Forge Industries Limited	Level 3	1.50	1.36
D2C Consulting Services Private Limited	Level 3	0.04	0.04
Fettle Tone LLP	Level 3	101.95	97.10
*Experian Credit Information Company of India Pvt. Ltd.	Level 3	11.20	11.20
*UMW Industries Limited	Level 3	0.00	0.00
Total		942.10	1,682.67

* As per Ind AS 109, Cost has been considered as the best estimate of the fair value.

Dividend income of ₹94.74 cr. and ₹17.43 cr. were recognised during the financial years 2022-23 and 2021-22 respectively.

ii) Investment derecognised during the year that was measured at fair value through OCI:

(₹ in crores)

Particulars	2022-23		2021-22	
	Fair value at the date of De-recognition	Cumulative gain/ (loss) on disposal	Fair value at the date of de-recognition	Cumulative gain/ (loss) on disposal
Sundaram Clayton Limited	235.21	(32.16)	126.56	124.66
TVS Investments Private Limited	–	–	33.00	30.09

iii) Compulsory Convertible Preference Shares (CCPS) designated at Fair value through Other Comprehensive Income:

(₹ in crores)

Particulars	31 st March 2023	31 st March 2022
Investment in Series A CCPS of RBSG Capital Private Limited	3.12	3.12

For the above investment, as per Ind AS 109, cost has been considered as the best estimate of the fair value.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

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

(₹ in crores)

Particulars	Carrying Amount		Fair Value Hierarchy	Fair Value	
	31 st March 2023	31 st March 2022		31 st March 2023	31 st March 2022
Financial Assets:					
Cash and cash equivalents	188.33	133.97	Level 1	188.33	133.97
Bank Balances	956.85	580.57	Level 3	957.49	585.91
Receivable	81.37	47.84	Level 3	81.37	47.84
Loans	44,631.06	37,476.40	Level 3	44,498.99	38,000.91
Investments in Government Securities	771.55	753.20	Level 1	767.81	775.16
Investment (Others)	774.38	454.89	Level 3	773.43	453.25
Other Financial Assets	24.47	73.39	Level 3	24.47	73.39
Total	47,428.01	39,520.26		47,291.89	40,070.43
Financial Liabilities					
Payables	152.06	136.56	Level 3	151.93	136.56
Debt Securities	17,262.69	16,963.51	Level 3	17,202.36	17,047.13
Borrowings (Other than Debt Securities)	16,311.26	10,542.96	Level 3	16,195.96	10,527.61
Deposits	6,813.34	6,215.51	Level 3	6,733.42	6,248.36
Subordinated Liabilities	2,306.61	2,634.11	Level 3	2,319.10	2,815.91
Other Financial Liabilities	472.04	453.08	Level 3	471.84	454.65
Total	43,318.00	36,945.73		43,074.62	37,230.22

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

Note 37: Financial Risk Management Framework

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

The policies and procedures laid down by the Group for the purpose of risk identification, measurement and management, compare well with contemporary best practices followed by industry peers. The various committees constituted by the respective Group's Boards such as Risk Management Committee, Asset Liability Management Committee, Investment Committee etc. have enunciated detailed policies for assessment of various types of risks, and fixed tolerance limits as appropriate.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Note 37.1 Credit Risk

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

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

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

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

Impairment - Expected credit loss (ECL):

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

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

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

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

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

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

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

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

Stage 3: Where instalments are overdue beyond 90 days

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

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

As prescribed under Para 5.5 in Ind AS 109, 12-months PD is required to be computed for financial instruments which are in stage 1, and life time PD for those in stage 2 & 3.

12 months PD is the likelihood of the borrower defaulting in the 12 months following the reporting date while life time PD is the likelihood of the borrower defaulting during the residual tenor.

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The PD model has been developed for all the major asset classes using a statistical and iterative approach. The design and construction of the model involves identification of various credit parameters and variables that have a strong and direct correlation to propensity of default. The PD model reflects to the probability of default, taking into consideration the inherent credit quality of the borrower and the residual tenor of each contract. It relies not only historical information and the current economic environment, but also considers forward-looking information such as the forecasts on the macroeconomic outlook, including emerging risks. The PD for stage 3 contracts is considered at 100%.

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

LGD

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

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

a. Loans and Advances*

(₹ in crores)

Stages->	Gross Carrying Amount							
	March 31, 2023				March 31, 2022			
	1	2	3	Total	1	2	3	Total
Balance at the beginning of the year	35,112.81	2,418.39	921.77	38,452.97	35,625.85	2,453.04	958.66	39,037.54
New business - Net of recovery	10,476.81	(963.34)	(124.58)	9,388.89	1,974.97	(1,038.59)	(32.89)	903.50
Transfers due to change in creditworthiness	(900.10)	447.24	423.91	(28.95)	(1,532.57)	1,061.17	445.00	(26.40)
Financial assets that have been derecognised	1,725.58	78.86	81.48	1,885.92	954.74	56.98	59.56	1,071.28
Write off during the year	2.41	1.40	311.59	315.40	0.68	0.25	389.44	390.37
Balance at the end of the year	42,961.53	1,822.03	828.03	45,611.60	35,112.81	2,418.39	921.77	38,452.97

* Includes operating lease of ₹255.53 Cr. as on 31st March 2023 and ₹159.38 Cr. as on 31st March 2022.

Stages->	Expected Credit Loss							
	March 31, 2023				March 31, 2022			
	1	2	3	Total	1	2	3	Total
Balance at the beginning of the year	147.46	201.03	469.35	817.84	154.92	96.48	563.71	815.11
New business - Net of recovery	2.12	(19.97)	234.30	216.45	(4.75)	65.91	299.13	360.29
Transfers due to change in creditworthiness	20.73	(3.44)	39.49	56.78	(2.70)	39.07	36.85	73.22
Financial assets that have been derecognised	10.96	15.27	24.45	50.68	(0.67)	0.18	40.90	40.41
Write off during the year	2.41	1.40	311.60	315.41	0.68	0.25	389.44	390.37
Balance at the end of the year	156.94	160.95	407.09	724.98	147.46	201.03	469.35	817.84

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Concentration of Credit risk %**(i) Concentration by Geographical risk:**

Particulars	March 31, 2023	March 31, 2022
South	64.69	66.14
North	21.06	19.96
West	10.51	10.32
East	3.74	3.58
Total	100.00	100.00

(ii) Concentration by Asset Class:

Particulars	March 31, 2023	March 31, 2022
Commercial Vehicles	35.26	33.93
Cars	19.55	19.65
Housing	15.66	16.83
Non Housing	8.78	7.63
Construction Equipment	8.14	8.47
Tractors & Farm Equipment	6.07	6.21
Others	6.54	7.29
Total	100.00	100.00

b. Other Assets

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

(₹ in crores)

Stages->	March 31, 2023				March 31, 2022			
	1	2	3	Total	1	2	3	Total
Gross Carrying Amount	73.07	0.47	0.41	73.95	24.12	0.12	0.47	24.71
Expected Credit Loss	0.63	0.02	0.39	1.04	0.35	0.01	0.47	0.82
Net Carrying Amount	72.44	0.45	0.02	72.91	23.77	0.11	–	23.89

c. Loan Commitments and Financial Guarantees:

(₹ in crores)

Stages->	March 31, 2023				March 31, 2022			
	1	2	3	Total	1	2	3	Total
Gross Carrying Amount	870.68	1.09	–	871.77	533.76	1.17	–	534.92
Expected Credit Loss	5.97	–	–	5.97	2.95	0.13	–	3.09
Net Carrying Amount	864.71	1.09	–	865.80	530.81	1.04	–	531.83

Credit risk management practices

- (i) Policy on write off: Loans are written off when the value of underlying security/other collateral is not sufficient to cover the loan exposure or where the underlying security / customer are not traceable. In such cases, the Group takes legal recourse for recovery of shortfall of dues, if any.
- (ii) Narrative description of collateral: The underlying assets, which are financed, are the primary collateral held. These are typically commercial vehicles, cars, construction equipment, farm equipment etc. Additional collateral, by way of credit enhancement, is obtained based on the management's credit evaluation of the customer.

d. Debt Securities:

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

classification. Further downgrade of rating and/or delay in interest servicing by more than 90 days/default of payment of principal would result in stage 3 classification.

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

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

(₹ in crores)

Particulars	Gross Carrying Amount			
	March 31, 2023		March 31, 2022	
	FVTPL	Amortised Cost	FVTPL	Amortised Cost
Government securities	–	771.55	–	753.21
Mutual Fund	2,314.62	–	3,043.73	–
Alternative Investment Funds	339.59	–	204.81	–
Pass through certificates	–	89.73	–	107.56
Non-Convertible Debentures	–	174.82	–	–
T-Bills	–	496.77	–	247.88
Commercial paper	–	13.63	–	100.07
Preference Securities	6.86	–	6.86	–
Total	2,661.07	1,546.50	3,255.40	1,208.72

The Gross carrying amount in respect of investments classified under amortised cost are at stage 1.

(₹ in crores)

Particulars	Expected Credit loss	
	March 31, 2023	March 31, 2022
Balance at the beginning of the year	0.61	0.70
Additional Provisions (Net)	0.19	0.18
Transfers due to change in creditworthiness	–	–
Financial assets that have been derecognised	0.22	0.27
Write off during the year	0.01	–
Balance at the end of the year	0.57	0.61

The Expected credit loss pertains to investments classified under Amortised Cost at Stage 1.

37.2 Liquidity Risk

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

(₹ in crores)

March 31, 2023	Upto 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
Non Derivative Financial Liabilities							
Payables	146.83	3.02	1.27	0.32	0.30	0.32	152.06
Debt Securities	3,583.07	2,484.98	3,119.06	6,566.37	2,695.82	767.95	19,217.25
Borrowings (Other than Debt Securities)	2,871.68	2,194.19	2,475.65	7,292.02	2,746.30	855.01	18,434.85
Deposits	657.57	911.05	1,604.30	3,900.95	413.89	–	7,487.76
Subordinated Liabilities	42.44	37.10	104.20	636.64	1,137.73	1,344.19	3,302.30
Other Financial Liabilities	245.62	39.28	7.94	116.05	23.92	39.25	472.06
Derivative Financial Liabilities	–	–	–	–	–	–	–
Total	7,547.21	5,669.62	7,312.42	18,512.35	7,017.96	3,006.72	49,066.28
Non Derivative Financial Assets							
Cash and cash equivalents	188.33	–	–	–	–	–	188.33
Bank Balances	263.13	304.28	259.85	173.66	–	–	1,000.92
Receivables	72.90	0.45	8.00	0.02	–	–	81.37
Loans	5,589.52	7,442.73	7,882.63	21,212.43	5,268.91	11,738.83	59,135.06
Investments	2,679.75	62.25	187.84	481.83	427.45	608.68	4,447.80
Other Financial Assets	3.38	1.81	1.64	6.48	4.36	7.88	25.55
Derivative Financial Assets	1.07	0.74	1.34	0.50	1.50	–	5.15
Total	8,798.08	7,812.26	8,341.31	21,874.92	5,702.22	12,355.39	64,884.18

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

(₹ in crores)

March 31, 2022	Upto 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
Non Derivative Financial Liabilities							
Payables	120.55	8.83	5.11	1.26	0.80	–	136.56
Debt Securities	3,695.52	975.48	3,515.11	8,507.29	1,189.53	650.09	18,533.02
Borrowings (Other than Debt Securities)	2,107.54	1,123.46	2,280.72	4,193.07	1,136.59	512.47	11,353.85
Deposits	783.53	1,041.04	1,522.40	3,191.63	106.77	–	6,645.37
Subordinated Liabilities	45.08	261.79	195.23	619.81	584.60	2,168.98	3,875.48
Other Financial Liabilities	275.72	38.57	10.03	112.53	13.96	8.19	459.00
Derivative Financial Liabilities	0.41	0.24	0.33	0.67	–	–	1.66
Total	7,028.35	3,449.41	7,528.93	16,626.26	3,032.25	3,339.73	41,004.95
Non Derivative Financial Assets							
Cash and cash equivalents	133.97	–	–	–	–	–	133.97
Bank Balances	36.02	494.53	62.23	1.44	–	–	594.22
Receivables	46.62	0.23	1.01	–	–	–	47.84
Loans	4,949.72	4,123.17	7,338.68	18,180.47	5,474.91	7,340.08	47,407.03
Investments	3,170.55	139.51	112.57	323.52	275.36	628.72	4,650.22
Other Financial Assets	56.40	0.60	3.02	2.70	1.60	9.31	73.62
Derivative Financial Assets	–	–	–	–	–	–	–
Total	8,393.28	4,758.04	7,517.51	18,508.13	5,751.87	7,978.11	52,906.90

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

37.3 Market Risk

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

a. Interest rate risk

The Group's exposure to changes in interest rates relates to its investment in debt securities/ outstanding floating rate liabilities. Most of the Group's outstanding liability in local currency is on fixed rate basis and hence not subject to interest rate risk. Whereas the foreign currency liability is linked to international rate benchmarks like LIBOR and hence subject to interest rate risk. The Group hedges these risks by way of entering into derivative transactions.

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

	(₹ in crores)	
Particulars	March 31, 2023	March 31, 2022
Financial assets		
Fixed-rate instruments		
Loans	33,702.33	28,873.67
Investments	1,545.93	1,208.12
Bank Balances	956.85	580.56
Sub Total (A)	36,205.11	30,662.35
Variable rate Instruments		
Lease assets	886.01	185.71
Loans	10,298.25	8,576.40
Sub Total (B)	11,184.26	8,762.11
Total (A) + (B)	47,389.37	39,424.46
Financial Liabilities		
Fixed rate Instruments		
Debt Securities	18,804.30	19,032.61
Borrowings (Other than debt securities)	9,295.36	6,335.83
Deposits	6,894.11	6,297.30
Sub Total (C)	34,993.77	31,665.74
Variable rate Instruments		
Financial liabilities with floating interest rate	7,780.88	4,772.15
Sub Total (D)	7,780.88	4,772.15
Total (C) + (D)	42,774.65	36,437.89

Fair value sensitivity analysis for fixed rate instruments

The Group's fixed rate instruments which are carried at amortised cost are not measured for interest rate risk. In respect of other instruments, the risks are measured through fair value.

Cash flow sensitivity analysis for variable rate instruments

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

(₹ in crores)

Particulars	March 31, 2023		March 31, 2022	
	100 bps increase	100 bps decrease	100 bps increase	100 bps decrease
Variable rate instruments	52.29	(53.03)	55.45	(55.45)
Cross currency Interest Rate Swap	–	–	(0.47)	0.47
Cash flow sensitivity (Net)	52.29	(53.03)	55.92	(55.92)

Interest rate sensitivity

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

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

b. Currency Risk

The Group is exposed to currency risk to the extent that there is a mismatch between the currencies in which borrowings are denominated and the respective functional currency, i.e. INR. The transactions of the Group are primarily denominated in INR

Exposure to currency risk on account of Services business:

Particulars	Currency	31 st March 2023		31 st March 2022	
		Foreign Currency	₹ in crores	Foreign Currency	₹ in crores
Cash and Cash Equivalents	AUD	28,98,425	15.95	23,74,000	13.47
Cash and Cash Equivalents	AED	20,141	0.05	34,255	0.07
Bank Balances	AED	73,554	0.16	52,754	0.11
Bank Balances	SGD	2,58,460	1.60	–	–
Trade Receivables	AUD	9,36,024	5.15	6,44,617	3.66
Investments	USD	200	0.00	200	0.00
Other Financial Assets	AED	3,161	0.01	4,090	0.01
Trade Payable	AUD	41,250	0.23	11,836	0.07
Other Financial Liabilities	AED	2,17,830	0.49	39,041	0.07

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

The foreign currency risk is mitigated by derivative contracts. The outstanding contracts as at the Balance Sheet date are as follows:

Particulars	March 31, 2023		March 31, 2022	
	Buy	Sell	Buy	Sell
Forward Contract: Cashflow Hedge				
AUD/INR (in A\$ '000)	–	9,800.00	–	10,500.00
AUD/INR (₹ in crores)	–	59.30	–	62.11

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

Particulars	Foreign Currency
GBP	1,392
NZD	19,101
Equivalent INR (₹ in crores)	0.11

Equity Risk:

The Group has investments in listed/unlisted companies, which are measured at FVTPL and FVTOCI. The valuation is dependent on market conditions.

Note 38: Financial Instruments - Transferred financial assets that are not derecognised in their entirety**Securitisation:**

The Group as part of its business model periodically enters into securitisation transactions via Pass Through Certificates (PTC) route and/or Direct Assignment (DA). As per RBI guidelines, the Group maintained credit enhancement for securitisation transactions which covers the expected losses and thereby retains the risk associated with the assets.

(₹ in crores)

Particulars	March 31, 2023	March 31, 2022
Carrying amount of transferred assets	3,660.72	2,781.80
Carrying amount of associated liabilities	3,784.63	2,848.40
Fair value of assets	3,609.78	2,806.50
Fair value of associated liabilities	3,725.14	2,832.60
Net position at Fair value	(115.36)	(26.10)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Note 39: Employee benefits

Post-employment benefits: Defined Contribution plan

(₹ in crores)

Amount recognised as expense in Employee benefit expense	2022-23	2021-22
Contribution to Provident Fund	14.20	6.58
Contribution to Pension Fund	9.78	7.05
Contribution to Superannuation Fund	0.11	0.53
Contribution to State Insurance Scheme	0.06	0.05
Contribution to Labour Welfare Fund	0.06	0.03
Total	24.20	14.24

Defined benefit plans

Defined benefit plan exposes the Group to a number of risks, the most significant of which are detailed below:

Investment risk: This may arise from volatility in Asset value due to market fluctuations and impairment of assets due to credit losses. The defined benefit plans may hold equity type assets, which may carry volatility and associated risk.

Interest risk: A decrease in bond yields will increase plan liabilities, although this is expected to be partially offset by an increase in the value of the plan's investment in debt instruments.

Salary cost Inflation risk: The present value of some of the defined benefit plan obligations are calculated with reference to the future salaries of plan participants. Increase in salary due to adverse Inflationary pressures might lead to higher liabilities.

Details of defined benefit plans as per actuarial valuation are as below

(₹ in crores)

Particulars	FUNDED		UNFUNDED	
	Gratuity		Retired Employee Medical Scheme	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Amounts recognised in profit or loss				
Current service cost	7.63	6.46	—	—
Past service Cost	—	—	—	—
Net interest expense/(income)	0.44	0.04	0.07	0.07
Total amount included in employee benefits expense	8.07	6.50	0.07	0.07
Amounts recognised in other comprehensive income				
Remeasurement (gains)/losses: Actuarial (gains)/losses arising from changes in	—	—	—	—
- Financial assumptions	0.75	(3.20)	(0.02)	(0.02)
- Experience adjustments	1.98	16.95	(0.05)	(0.04)
Return on plan assets, excluding amount included in net interest expense/ (income)	0.30	(1.10)	1.05	
Total amount recognised in other comprehensive income	3.03	12.65	(0.07)	(0.06)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Particulars	FUNDED		UNFUNDED	
	Gratuity		Retired Employee Medical Scheme	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Changes in the defined benefit obligation				
Opening defined benefit obligation	99.09	84.52	1.05	1.09
Add/(less) on account of business combination/transfers	0.22	0.25	–	–
Current service cost	7.63	6.46	–	–
Past service cost				
Interest expense	6.85	5.53	0.07	0.07
Remeasurement (gains)/losses arising from changes in				
- Demographic assumptions	–	–	–	–
- Financial assumptions	1.23	(3.20)	(0.02)	(0.02)
- Experience adjustments	1.95	16.95	(0.05)	(0.04)
Liabilities assumed / (settled)	–	(0.05)	–	–
Benefits paid	(9.17)	(11.37)	(0.05)	(0.05)
Closing defined benefit obligation	107.81	99.09	1.00	1.05
Opening fair value of plan assets	85.26	82.28	–	–
Add/(less) on account of business combination	0.22	0.25	–	–
Return on plan assets excluding Interest income	0.24	1.05	–	–
Contribution by employer	18.23	7.51	0.05	0.05
Benefits paid	(9.17)	(11.37)	(0.05)	(0.05)
Actuarial gain / (loss) on plan assets	0.24	0.23	–	–
Assets acquired / (settled)	0.43	(0.09)	–	–
interest on plan assets	6.41	5.40	–	–
Closing fair value of plan assets	101.30	85.26	–	–
Net asset / (liability) recognised in balance sheet				
Defined benefit obligation	107.81	99.09	1.00	1.05
Fair value of plan assets	101.30	85.26	–	–
Surplus/(Deficit)	(6.51)	(13.83)	(1.00)	(1.05)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

(in %)

Particulars	FUNDED		UNFUNDED	
	Gratuity		Retired Employee Medical Scheme	
	31.03.2023	31.03.2022	31.03.2023	31.03.2022
I. Actuarial assumptions				
Discount rate	7.15-7.45	6.47-7.36	6.82-7.37	4.14-6.94
Expected Return on plan assets	7-7.23	6.70-7.36	–	–
Attrition rate (Age Based)	–	1 to 10	1 to 10	–
Salary escalation	–	–	5 to 8	5 to 8

(in %)

Particulars	UNFUNDED	
	LONG TERM COMPENSATED ABSENCE - PRIVILEGE LEAVE	
	31.03.2023	31.03.2022
Actuarial assumptions		
Discount rate	7.15-7.45	6.20-7.34
Salary escalation	5 to 8	5 to 8
Attrition rate	1 to 10	1 to 10

In the absence of detailed information regarding plan assets which is funded with Insurance Companies, the composition of each major category of plan assets, the percentage or amount for each category to the fair value of plan assets & the description of the Asset-Liability matching strategies used by the plan have not been disclosed.

Provident Fund

The provident fund contributions to trust are managed through trust investments in addition to contribution of a portion of its provident fund liability relating to Employees Pension Scheme to Employees Provident Fund Organisation.

The fund has a relatively balanced mix of investments in order to manage the risks. The investment strategy is designed based on the interest rate scenario, liquidity needs of the Plans and pattern of investment as prescribed under the statute.

The trustees regularly monitor the funding and investment, there are systems in place to ensure that the health of the portfolio is regularly reviewed, and investments do not pose any significant risk of impairment.

Major Category of Plan Assets as % of the Total Plan Asset

(in %)

Particulars	March 31, 2023	March 31, 2022
Central Government Securities	9.57	9.57
State Government Securities	41.44	41.44
Public Sector Bonds	40.76	40.76
Private Sector Bonds	1.39	1.39
Special Deposits	2.86	2.86
Equity Fund	3.76	3.76
Short Term Deposit	0.22	0.22
Total	100.00	100.00

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Note 40: Share Based Payments

The Company grants ESOP to Senior Management employees in accordance with the terms of the Plan.

(a) Description of the ESOP plan (graded vesting) that existed during the period

Particulars	Grant 14	Grant 14	Grant 13	Grant 13
Board meeting date	25.05.2022	25.05.2022	28.05.2021	28.05.2021
Options granted	10,854	6,732	9,480	4,856
Exercise price (₹ per share)	10	10	10	10
Date of grant	25.05.2022	25.05.2022	28.05.2021	28.05.2021
Vesting date / period	3 years grant with 30%, 30% and the balance vesting after 1,2 & 3 years respectively	One year	3 years grant with 30%, 30% and the balance vesting after 1,2 & 3 years respectively	One year
Exercise period	Within 5 years after respective vesting	Within 5 years after respective Vesting	Within 5 years after respective vesting	Within 5 years after respective vesting
Market price immediately prior to grant date(₹ per share)	1,735.65	1,735.65	2,478.15	2,478.15
Intrinsic value(₹ per share)	1,725.65	1,725.65	2,468.15	2,468.15

(b) Description of the Stock Appreciation Rights(SAR –graded vesting) plan that existed during the period:

Particulars	Grant 14	Grant 14	Grant 13	Grant 13
Board meeting date	25.05.2022	25.05.2022	28.05.2021	28.05.2021
Options granted	1,276	1,258	1,370	1,014
Exercise price (₹ per share)	10/-	10/-	10/-	10/-
Date of grant	25.05.2022	25.05.2022	28.05.2021	28.05.2021
Vesting date / period	3 years grant with 30%, 30% and the balance vesting after 1,2 & 3 years respectively	One year	3 years grant with 30%, 30% and the balance vesting after 1,2 & 3 years respectively	One year
Exercise period	Within one day after respective vesting	Within one day after respective vesting	Within one day after respective vesting	Within one day after respective vesting

Market value of shares on the reporting period is considered and estimated fair value is arrived based on Black–Scholes model using one year, two year and three year G–Sec rates respectively for 1, 2 & 3 year exercise period.

Group share based payments:

The company as a part of ESOP scheme has issued share options to employees of various group Companies. The company does not get reimbursed for the cost of such group share options and such costs are treated as investment in the group companies.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Effect of Share based payments transactions on financial statement of the entity:

(₹ in crores)

Particulars	Apr to Mar 2023	Apr to Mar 2022
Expenses recognised in Profit & Loss account	2.54	2.09
Amount recognised as Investment in Group companies	0.84	0.48

Unvested share options issued to employees of various group companies are as under

(in numbers)

Particulars	Grant 14	Grant 13
Sundaram Asset Management Company Limited	1800	1200
Sundaram Home Finance Limited	2400	1520
Sundaram Finance Holdings Limited	360	480
Royal Sundaram General Insurance Co.Ltd	500	–
TOTAL	5,060	3,200

Measurement of fair value

The fair values of the options issued have been arrived at using the Black Scholes Model.

The key assumptions used in computing the fair value are :

(in numbers)

Particulars	Grant 14	Grant 13
Risk free interest rate (1 year to 3 years)	6.38% to 7.27%	3.94% to 7.27%
Life of the option	1 to 3 years	1 to 3 years
Expected volatility	31.18%	50.51%
Fair value of the option (₹ per share)—ESOP Plan	1 year :1726.28 2 year :1726.94 3 year :1727.58	1 year :2468.54 2 year : 2469.01 3 year 2469.55
Fair value of the option (₹ per share)—SAR Plan	1 year :2289.96 2 year :2290.64 3 year :2291.25	1 year :NIL 2 year :2289.79 3 year :2290.48

The expected volatility is based on historical share price volatility. The life of the option has been based on general option holder behaviour.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Reconciliation of the share options outstanding as on 31.03.2023

The number and weighted-average exercise prices of share options under various grants are as follows:

(in numbers)

Grant details	Grant 14 - ESOP		Grant 13 - ESOP	
	Weighted average exercise price per option	No. of options	Weighted average exercise price per option	No. of options
Outstanding at the beginning of the period	–	–	10	14,336
Granted during the period	10	17,586	–	–
Forfeited / expired during the period	–	–	–	–
Exercised during the period	–	–	10	7,478
Outstanding at the end of the period	10	17,586	10	6,858*
Exercisable at the end of the period	–	–	10	218**

(in numbers)

Grant details	Grant 14 - SAR		Grant 13 - SAR	
	Weighted average exercise price per option	No. of options	Weighted average exercise price per option	No. of options
Outstanding at the beginning of the period	–	–	10	2,384
Granted during the period	10	2,534	–	–
Forfeited / expired during the period	–	–	–	–
Exercised during the period	–	–	10	1,425
Outstanding at the end of the period	10	2,534	10	959*
Exercisable at the end of the period	–	–	–	–

* represents options under 3 year grant (year 2 and 3) which are not exercisable as on 31.03.2023 and options under 1 year grant / 3 year grant (year 1) not exercised as on 31.03.2023.

** represents options under 1 year grant / 3 year grant (year 1) not exercised as on 31.03.2023.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Exercise price and Contractual life for the share options outstanding at the end of the period

(in numbers)

Particulars	March 31, 2023 Grant 14	March 31, 2022 Grant 13
Exercise Price (₹)	10	10
Contractual life	2 months to 26 months	2 months to 26 months

Reconciliation of the share options outstanding as on 31.03.2022

The number and weighted-average exercise prices of share options under various grants are as follows:

(in numbers)

Grant details	Grant 13 - ESOP		Grant 12 - ESOP	
Particulars	Weighted average exercise price per option	No. of options	Weighted average exercise price per option	No. of options
Outstanding at the beginning of the period	–	–	10	9,375
Granted during the period	10	14,336	–	–
Forfeited / expired during the period	–	–	10	400
Exercised during the period	–	–	10	8,975
Outstanding at the end of the period	10	14,336	–	–
Exercisable at the end of the period	–	–	–	–

(in numbers)

Grant details	Grant 13 - SAR		Grant 12 - SAR	
Particulars	Weighted average exercise price per option	No. of options	Weighted average exercise price per option	No. of options
Outstanding at the beginning of the period	–	–	–	–
Granted during the period	10	2,384	–	–
Forfeited / expired during the period	–	–	–	–
Exercised during the period	–	–	–	–
Outstanding at the end of the period	10	2,384	–	–
Exercisable at the end of the period	–	–	–	–

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Note 41: Leases

(₹ in crores)

Details	March 31, 2023		March 31, 2022	
	Gross Investment in Lease	Present value of Minimum Lease payments	Gross Investment in Lease	Present value of Minimum Lease payments
Upto 1 Year	18.31	13.60	26.67	23.88
1-5 Year	31.68	26.81	22.60	18.84
Total	49.99	40.41	49.27	42.72
Less: Unearned Finance income	9.58	–	6.55	–
Present value of Minimum Lease payments	40.41	–	42.72	–

Operating lease as lessor

Maturity pattern of Minimum Lease payments:

(₹ in crores)

Year	March 31, 2023	March 31, 2022
Less than 1 year	105.71	68.33
Later than 1 year and not later than 5 years	166.52	95.77
Total	272.23	164.10

Note 42: General

42.01 Tax u/s 115BAA of the Income Tax Act

The Group has opted for reduced rate of Income tax pursuant to the aforesaid section, except for Sundaram Finance Holdings Limited and Sundaram Business Services Limited.

Movement of provisions	Amount (₹ in crores)
Carrying amount as on 31.03.2022	18.05
Add: Provisions made during the year	2.93
Less: Amount used or reversed during the year	2.24
Carrying amount as on 31.03.2023	18.74

42.02 Provisions contingent liabilities and contingent asset

(₹ in crores)

Contingent liabilities	31.03.2023	31.03.2022
a) On Cheques discounted	–	–
b) Bank guarantee and Letter of credit	8.73	21.05
c) Claims against the company not acknowledged as debts	24.95	6.68
d) Tax disputes	93.23	83.38
e) Uncalled portion of partly paid up shares	–	0.59
f) Retrospective bonus	0.34	0.34

Tax disputes in respect of Income Tax, Service Tax, VAT demands and are pending before various appellate forums/authorities and the cash flows would be determined only upon the receipt of decisions. The Company is of the opinion that the demands are not sustainable and expects to succeed in its appeal.

The contested tax demands have been ascertained on the basis of relief allowed by the appellate authorities, on similar issues in earlier assessment years.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

42.03 Segment Reporting

Business Segments	Asset Financing		Other Operations		Eliminations		Consolidated Total	
	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
REVENUE								
Segment Revenue	4,981.42	4,655.89	494.73	452.48	–	–	5,476.15	5,108.37
Inter segment sales	(1.07)	0.21	176.03	126.95	174.96	127.16	–	–
Total Revenue	4,980.35	4,656.10	670.76	579.43	174.96	127.16	5,476.15	5,108.37
RESULT								
Segment Result	1,548.32	1,330.63	262.57	183.63	134.60	90.38	1,676.29	1,423.88
Unallocated income (net of expense)	–	–	–	–	–	–	34.68	(7.24)
Profit before tax	–	–	–	–	–	–	1,710.97	1,416.63
Less: Income tax	–	–	–	–	–	–	439.22	350.01
Net Profit (before adjustment for non controlling interest)	–	–	–	–	–	–	1,271.76	1,066.62
Add: Share of Profit in Associates/Joint control Entities	–	–	–	–	–	–	227.81	229.63
Less: Non controlling interest	–	–	–	–	–	–	181.75	122.89
Profit after Tax	–	–	–	–	–	–	1,317.82	1,173.35
OTHER INFORMATION	31.03.2023	31.03.2022	31.03.2023	31.03.2022	31.03.2023	31.03.2022	31.03.2023	31.03.2022
Segment Assets	50,008.31	42,704.91	6,386.78	5,827.18	1,588.68	1,697.77	54,806.41	46,834.32
Unallocated Assets	–	–	–	–	–	–	1,259.49	1,319.71
Total Assets	–	–	–	–	–	–	56,065.90	48,154.03
Segment Liabilities	43,251.74	36,988.61	212.61	227.82	36.94	151.31	43,427.41	37,065.12
Unallocated Liabilities	–	–	–	–	–	–	–	–
Total Liabilities	–	–	–	–	–	–	43,427.41	37,065.12
Capital Expenditure	270.83	82.56	21.78	242.03	–	–	292.61	324.59
Depreciation	106.80	84.20	34.56	19.41	2.52	2.44	138.84	101.17
Non-cash expenses other than depreciation	198.05	399.45	3.95	10.47	–	–	202.00	409.93

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

42.04 Pending Litigations

The pending litigations as on 31st March 2023 have been compiled by the company and reviewed by the Statutory Auditors. The current position of the litigation has been evaluated and the effect thereof has been appropriately disclosed in the financial statements.

42.05 Estimated amount of contracts remaining to be executed on capital account

(₹ in crores)

Particulars	31.03.2023	31.03.2022
Estimated amount of contracts remaining to be executed on capital account (net of advance)	89.77	82.70
Uncalled commitment in Alternative Investment Fund Schemes	93.65	41.76

42.06 Registration of charges or satisfaction:

(₹ in crores)

Particulars	31.03.2023	31.03.2022
(a) Where any charges or satisfaction yet to be registered with ROC beyond the statutory period,	Nil	Nil
(b) Details and reasons thereof shall be disclosed	Nil	Nil

42.07 Utilisation of Borrowed funds and Share Premium (Diversion of Funds):

No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Group to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend to or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

No funds have been received by the Group from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Group shall, whether, directly or indirectly, lend to or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

42.08 Undisclosed income

There is no surrender or disclosure of income separately on account of search or survey under Income tax since all transactions are recorded in the books.

42.09 Crypto Currency or Virtual Currency

The Group has neither traded nor invested in Crypto currency or virtual currency during the year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

42.10 Administrative and other expenses “under Other Expenditure” include payment to Statutory Auditors towards :

(₹ in crores)

Particulars	2022-23	2021-22
Auditors' fees and expenses*	2.70	2.50
Statutory fees	1.93	1.74
Tax fees	0.29	0.32
Certification fees	0.39	0.41
Reimbursement of expenses	0.09	0.03

* Including GST provision

RELATED PARTIES DISCLOSURES:

42.11 Related party disclosures, as per INDAS 24 for the year ended 31st March 2023, are given below:

RELATED PARTIES:

Associates of a Subsidiary Company

Sundaram Composite Structures Private Limited

Flometallic India Private Ltd.

(Amalgamated with Brakes India Private Limited w.e.f. 27.07.2022)

The Dunes Oman LLC (FZC)

Sundaram Hydraulics Ltd.

Axles India Ltd.

Turbo Energy Private Ltd.

Trans Energy Private Ltd.

Sundaram Dynacast Private Ltd.

Wheels India Limited

Mind S.r.l.

Brakes India Private Limited (W.e.f. 27.07.2022)

India Motor Parts & Accessories Limited (Associate of SFHL w.e.f. 04.08.2022)

Joint Ventures :

Royal Sundaram General Insurance Co. Ltd.

Key Management Personnel:

Mr. Harsha Viji, Executive Vice Chairman

Mr. Rajiv C. Lochan - Managing Director

Mr. A.N. Raju - Deputy Managing Director

Relatives of Key Management Personnel: (with whom the company has transactions)

Mr. S.Viji

Mrs. Chitra Viji

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Mrs. Geetha Chellappa

Mrs. R.N. Mala

Mr. Sriram Viji

Mr.Pradyumna

Enterprises over which Key Management Personnel (KMP) and his relatives can exercise significant influence

M/s.Azorius Holdings Private Limited

M/s. Uthirattadhi Sriram Holdings Private Ltd.

All the arrangements and transactions entered into by the company with related parties, for the Year ended 31.03.2023 were in ordinary course of business and on arm's length price

Related Party Transactions for the Year ended 31st March 2023

The nature and volume of transactions for the Year ended 31st March 2023 with the above related parties are as follows.

Particulars	Associates	Joint Ventures	2022-23	2021-22
INCOME				
Lease Rental Income	4.91	0.09	5.00	1.39
Interest Income	0.00	–	0.00	–
Income from Services	0.18	5.90	6.07	5.80
Dividend	83.75	13.47	97.22	18.35
Rent Receipts	0.67	0.71	1.38	1.06
Income from other Financial Services	–	15.98	15.98	15.82
Other Non Operating Income	0.00	0.34	0.34	0.06
EXPENDITURE				
Interest	0.20	16.28	16.48	17.74
Insurance Premium	–	2.23	2.23	3.07
Professional Fees	0.71	–	0.71	–
ASSETS				
Purchase of equity Shares	23.88	–	23.88	53.67
Sale of equity Shares	–	–	–	4.53
Capital Reduction	–	–	–	19.72
Insurance Premium paid in advance	–	1.63	1.63	2.41
Loans and Advances Disbursed	0.30	–	0.30	–
Repayment of Loans and Advances	0.31	–	0.31	–
LIABILITIES				
Issue of Non Convertible Debentures	–	64.93	64.93	40.04
Other Liabilities	–	–	–	0.10
Redemption of Non Convertible Debentures	–	83.00	83.00	29.30
Deposits placed	6.00	–	6.00	–
Dividend Paid	6.44	–	6.44	0.04

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

(₹ in crores)

Compensation paid to Key Managerial Personnel	2022-23	2021-22
Short term benefits	15.80	13.44
Post retirement benefits	0.48	0.44
Share based payments	0.61	0.26

(₹ in crores)

Transactions with Key Managerial Personnel	2022-23	2021-22
Interest on deposits	0.92	0.71
Dividend Paid	11.57	8.40
Deposits Made	10.16	0.15
Dividend Paid to Enterprises over which KMP and his relatives is exercising significant influence	2.80	3.73

Disclosure Of Material Transactions With Related Parties

(₹ in crores)

Particulars	Related Parties	2022-2023	2021-2022
INCOME			
Lease Rental Income	Brakes India Private Limited	3.38	–
	Wheels India Limited	1.02	0.81
	Turbo Energy Private Ltd.	0.42	0.38
	Axles India Limited	0.08	0.13
	Royal Sundaram General Insurance Co. Ltd.	0.09	0.07
Interest Income	Brakes India Private Limited	0.00	–
Income from Services	Royal Sundaram General Insurance Co. Ltd.	5.90	5.71
	Wheels India Limited	0.17	0.09
	Brakes India Private Limited	0.01	–
	Turbo Energy Private Ltd.	0.00	0.00
Dividend	Turbo Energy Private Ltd.	34.56	16.38
	Brakes India Private Limited	31.49	–
	Royal Sundaram General Insurance Co. Ltd.	13.47	–
	Wheels India Limited	6.37	0.56
	Axles India Limited	3.96	–
	Indian Motor Parts and Accessories Limited	5.39	–
	Sundaram Dynacast Private Limited	1.87	1.40
	Transenergy Private Limited	0.12	–
Rent Receipts	Royal Sundaram General Insurance Co. Ltd.	0.71	0.69
	Turbo Energy Private Ltd.	0.38	0.38
	Brakes India Private Limited	0.29	–
Income from other Financial Services	Royal Sundaram General Insurance Co. Ltd.	15.98	15.82
Other Non Operating Income	Royal Sundaram General Insurance Co. Ltd.	0.34	0.06
	India Motor Parts and Accessories Limited	0.00	–

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

(₹ in crores)

Disclosure Of Material Transactions With Related Parties

(₹ in crores)

Particulars	Related Parties	2022-2023	2021-2022
EXPENDITURE			
Interest	Royal Sundaram General Insurance Co. Ltd.	16.28	17.74
	Sundaram Dynacast Private Ltd	0.20	–
Professional Fees	Brakes India Private Limited	0.71	–
Insurance Premium	Royal Sundaram General Insurance Co. Ltd.	2.23	3.07

(₹ in crores)

Particulars	Related Parties	2022-2023	2021-2022
ASSETS			
Purchase of Shares	Indian Motor Parts and Accessories Limited	7.50	–
	Wheels India Limited	8.30	–
	Transenergy Private Limited	8.09	–
	Mind S.r.l	–	17.17
	Flometallic India Private Limited	–	12.50
	Sundaram Composite Structures Private Limited	–	24.00
Loans and Advances Disbursed	Brakes India Private Limited	0.30	–
Repayment of Loans and Advances	Brakes India Private Limited	0.31	–
Sale of Shares	Sundaram Composite Structures Private Limited	–	4.53
Capital Reduction	Dunes Oman LLC	–	19.72
Insurance Pemium paid in advance	Royal Sundaram General Insurance Co. Ltd.	1.63	2.41
LIABILITIES			
Issue of Non Convertible Debentures	Royal Sundaram General Insurance Co. Ltd.	64.93	40.04
Redemption of Non Convertible Debentures	Royal Sundaram General Insurance Co. Ltd.	83.00	29.30
Other Liabilities	Royal Sundaram General Insurance Co. Ltd.	–	0.10
Deposits placed	Sundaram Dynacast Pvt Ltd	6.00	–

(₹ in crores)

Dividend Paid Details	2022-23	2021-2022
Turbo Energy Private Limited	0.06	0.04
India Motor Parts and Accessories Limited	6.38	–

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Balances With Related Parties as at 31st March 2023

(₹ in crores)

Balances Outstanding	Associates	Joint Venture	Key Management Personnel	Relatives of Key Management Personnel	Enterprises over which KMP and his relatives is exercising significant influence	31.03.2023	31.03.2022
ASSETS							
Investments	2,713.18	585.34			–	2,758.53	1,749.16
Loans and Advances	0.02	–	–	–	–	0.02	–
Other Assets	0.06	9.26	–	130.06	–	9.32	8.97
LIABILITIES							
Equity Holdings	2.93	–	1.74	3.52	2.33	10.52	7.58
Non Convertible Debentures	–	135.46	–	–	–	135.46	225.28
Deposits	8.00	–	0.80	13.02	–	21.82	3.56
Other Liabilities	–	0.46	–	–	–	0.46	0.46
Remuneration Payable	–	–	9.25	–	–	9.25	8.62

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Balances With Related Parties as at 31st March 2023

(₹ in crores)

Balances Outstanding	Associates	Joint Venture	31.03.2023	31.03.2022
ASSETS				
Investments in Equity Shares				
Royal Sundaram General Insurance Co. Ltd	–	585.34	585.34	585.27
Flometallic India Private Limited		–	–	130.06
The Dunes Oman LLC (FZC)	109.18	–	109.18	88.94
Sundaram Hydraulics Limited		–		
Axles India Limited	82.12	–	82.12	68.26
Turbo Energy Private Limited	569.82	–	569.82	531.66
Transenergy Limited	16.82	–	16.82	12.24
Sundaram Dynacast Private Limited	19.62	–	19.62	16.83
Wheels India Limited	282.05	–	282.05	266.54
Sundaram Composite Structures Private Ltd	16.57	–	16.57	20.10
-Mind S.r.l Italy	22.21	–	22.21	29.25
Brakes India Private Limited	840.29	–	840.29	–
India Motor Parts & Accessories Limited	214.51	–	214.51	–
Total	2,173.18	585.34	2,758.53	1,749.16

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Balances With Related Parties as at 31st March 2023

(₹ in crores)

Balances Outstanding	Associates	Joint Venture	Key Management Personnel	Relatives of Key Management Personnel	Enterprises over which KMP and his relatives is exercising significant influence	31.03.2023	31.03.2022
Other Assets							
Royal Sundaram General Insurance Co. Ltd.		9.26				9.26	8.96
Turbo Energy Private Ltd.	0.04						
Wheels India Limited	0.02					0.02	0.01
Indian Motor Parts and Accessories Limited	0.00					0.00	
Total	0.06	9.26				9.32	8.97
Hypothecation Loans							
Brakes India Private Limited	0.02					0.02	
LIABILITIES							
Equity Holdings	2.93		1.74	3.52	2.33	10.52	7.58
Non Convertible Debentures							
Royal Sundaram General Insurance Co. Ltd.		135.46				135.46	225.28
Deposits	8.00		0.80	13.02		21.82	3.56
Other Liabilities							
Royal Sundaram General Insurance Co. Ltd.		0.46				0.46	0.46
Remuneration payable			9.25			9.25	8.62
Total		0.46	9.25			9.71	9.08

(₹ in crores)

Maximum amount outstanding in respect of Loans and Advances	2022-23	2021-2022
Brakes India Ltd	0.03	-

₹ 0.00 represents amount less than ₹50000

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

42.12 Additional information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary/Joint Control Entities

(₹ in Crores)

Name of the entity	Net Assets, i.e., Total assets minus total liabilities (Consolidated)		Share in Consolidated profit or loss		Share in the consolidated Other Comprehensive Income		Share in Consolidated Total Comprehensive Income					
	31.03.2023		2022-23		2021-22		2022-23		2021-22			
	As % of net assets	Amount	As % of profit or loss	Amount	As % of OCI	Amount	As % of OCI	Amount	As % of TCI	Amount	As % of TCI	
Sundaram Finance Ltd.	54.07	7,737.40	66.31	1,088.31	64.80	903.41	(0.85)	(2.39)	56.54	1,085.92	53.00	889.15
Subsidiaries:												
Sundaram Finance Holdings Ltd. (Consolidated)	5.86	838.65	3.40	55.80	2.71	37.80	27.88	77.85	6.96	133.66	6.57	110.18
Sundaram Asset Management Company Ltd. (Consolidated)	2.82	404.15	4.45	73.11	5.14	71.63	1.65	4.62	4.05	77.73	4.48	75.11
Sundaram Home Finance Ltd	12.61	1,805.03	13.12	215.41	12.03	167.70	0.03	0.09	11.22	215.50	9.95	166.94
Sundaram Fund Services Ltd	0.29	41.11	0.12	2.03	0.16	2.27	0.01	0.01	0.11	2.05	0.13	2.22
Sundaram Trustee Company Ltd.	0.03	3.58	0.08	1.26	0.07	0.97	-	-	0.07	1.26	0.06	0.97
IGF Services Ltd	0.02	3.48	0.00	0.03	0.01	0.12	-	-	0.00	0.03	0.01	0.12
Sundaram Finance Employee Welfare Trust	0.14	19.87	0.11	1.74	0.08	1.17	-	-	0.09	1.74	0.07	1.17
Minority Interests in Subsidiaries	19.11	2,734.56	11.07	181.75	8.81	122.90	92.93	259.51	22.98	441.26	22.21	372.68
Joint Control Entities												
Royal Sundaram General Insurance Co. Ltd	5.04	721.38	1.33	21.77	6.18	86.21	(21.65)	(60.45)	(2.01)	(38.68)	3.52	59.13
Adjustment arising out of Consolidation	100.00	14,309.20	100.00	1,641.23	100.00	1394.19	100.00	279.26	100.00	1,920.48	100.00	1,677.69
		(1,664.80)		(141.67)		(97.95)		-		(141.67)		(97.95)
		12,644.40		1,499.56		1,296.24		279.26		1,778.81		1,579.74

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

42.13 Disclosure under the MSME Act 2006

(₹ in crores)

Particulars	31.03.2023	31.03.2022
ia) Principal amount remaining unpaid*	2.58	1.41
ib) Interest amount remaining unpaid	NIL	NIL
ii) Interest and principal amount paid beyond appointed date	NIL	NIL
iii) Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointment day during the year) but without adding the interest specified under this Act.	NIL	NIL
iv) Interest accrued and remaining unpaid	NIL	NIL

* Subsequently liability is discharged

42.14 Based on the current assessment of the long-term contracts in the ordinary course of business, the Company has made adequate provision for losses where required. The derivative contracts have been entered into for hedging the foreign currency liability and interest liability. Derivative contracts being in the nature of hedge contracts, the Company does not anticipate any material losses from the same.

42.15 The Board of Directors have recommended a final dividend of ₹15/- per share (150%) for the year ended 31st March 2023 in May 2023. This together with interim dividend of ₹12 per share (120%) paid would aggregate to a total dividend of ₹27/- per share (270%).

42.16 Earnings per Share

Particulars	Year Ended 31.03.2023	Year Ended 31.03.2022
Profit/(Loss) attributable to equity shareholders (₹ in crores)	1317.81	1173.34
Weighted average number of equity shares	110197192	110189715
Earnings per share – Basic & Diluted (in ₹)	119.59	106.48
Face value of Share	10	10

42.17 Previous year's figures have been regrouped wherever necessary to conform to current year's classification.

As per our report of even date attached

For B. K. Khare & Co
Chartered Accountants
Firm Registration No. 105102W

Shirish Rahalkar
Partner
Membership No. 111212
Place : Mumbai

For N. C. Rajagopal & Co
Chartered Accountants
Firm Registration No. 003398S
V Chandrasekaran

Partner
Membership No. 024844
Place : Chennai
Date : May 26, 2023

S. Viji
Chairman

Rajiv C. Lochan
Managing Director

Harsha Viji
Executive Vice Chairman

A.N. Raju
Deputy Managing Director

S. Prasad
Director

M. Ramaswamy
Chief Financial Officer

P.N. Srikant
Secretary & Compliance Officer

FORM AOC-I

(Pursuant to first provision to sub-section (3) of section 129 of the Companies Act, 2013, read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of Subsidiaries/Associate companies/Joint Ventures

Part "A": Subsidiaries

1.	Sl. No.	1	2	3	4	5	6
2.	Name of the subsidiary	Sundaram Asset Management Company Limited and it's subsidiaries	Sundaram Finance Holdings Limited and it's subsidiaries	Sundaram Trustee Company Limited	LGF Services Limited	Sundaram Home Finance Ltd	Sundaram Fund Services Ltd
3.	Date since when the Subsidiary was acquired	26-02-1996	13-10-1993	02-12-2003	23-01-2004	02-07-1999	27-06-2008
4.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	NA	NA	NA	NA	NA	NA
5.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	NA	NA	NA	NA	NA	NA
6.	Share capital	23.95	111.05	0.05	0.25	101.25	45.00
7.	Other Equity	380.19	3458.99	3.53	3.23	1703.77	(3.89)
8.	Total assets	599.32	3634.55	3.85	3.52	11735.45	41.85
9.	Total Liabilities	195.17	64.51	0.27	0.04	9930.43	0.74
10.	Investments	184.70	3553.27	3.45	2.19	648.88	10.28
11.	Turnover	372.30	93.96	2.27	0.08	1140.19	4.55
12.	Profit/(Loss) before taxation	97.44	46.69	1.69	0.05	281.70	2.51
13.	Tax Expense	24.33	15.18	0.43	0.01	66.29	0.48
14.	Profit/(Loss) after taxation*	73.11	237.56	1.26	0.03	215.41	2.03
15.	Other Comprehensive Income	4.62	331.44	-	-	0.09	0.01
16.	Total Comprehensive Income	77.73	569.00	1.26	0.03	215.50	2.05
17.	Proposed Dividend	50.00	55.53	1.26	7.00	101.25	-
18.	% of shareholding	100.00%	23.49%	100.00%	100.00%	100.00%	100.00%

Subsidiaries yet to commence operations : NIL

Subsidiaries liquidated or sold during the period : NIL

* Includes Share of profit from Associates-₹ 206.04 Crores

Part “B”: Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

(₹ in crores)

Name of Associates / Joint Ventures		Royal Sundaram General Insurance Company Ltd
1.	Latest audited Balance Sheet Date	31-03-2023
2.	Date on which the associate/JV was acquired	22-08-2000
3.	Shares of Associate/Joint Venture held by the company on the year end	
	Number	22,45,00,000
	Amount of Investment in Joint Venture	585.27
	Extend of Holding %	50.00%
4.	Description of how there is significant influence	Joint Venture
5.	Reason why the Associate/Joint Venture is not consolidated	NA
6.	Networth attributable to Shareholding as per latest audited Balance Sheet	1442.76
7.	Total Comprehensive Income for the year	
	i. Considered in Consolidation	(38.68)
	ii. Not Considered in Consolidation	(38.68)

Associates / Joint ventures yet to commence operations : NIL

Associates / Joint ventures liquidated or sold during the period : NIL

S. Viji
Chairman

Harsha Viji
Executive Vice Chairman

S. Prasad
Director

Rajiv C. Lochan
Managing Director

A.N. Raju
Deputy Managing Director

M. Ramaswamy
Chief Financial Officer

P.N. Srikant
Secretary & Compliance Officer

Sundaram Finance Branch Network – 670 Branches

