

Sundaram Finance Holdings Limited

28th Annual Report

2021-22



SUNDARAM FINANCE HOLDINGS

Board of Directors	T T Srinivasaraghavan R Venkatraman S Prasad Shobhana Ramachandhran Srivats Ram Harsha Viji	Chairman
Audit Committee	R Venkatraman S Prasad Harsha Viji	Chairman
Stakeholders Relationship Committee	R Venkatraman Srivats Ram T T Srinivasaraghavan	Chairman
Nomination & Remuneration Committee	R Venkatraman S Prasad Harsha Viji	Chairman
Corporate Social Responsibility Committee	S Prasad T T Srinivasaraghavan Harsha Viji	Chairman
Investment Committee	T T Srinivasaraghavan R Venkatraman Harsha Viji Srivats Ram	Chairman
Risk Management Committee	R Venkatraman Harsha Viji Suresh I S	Chairman
Chief Executive Officer	S Ravi	
Chief Financial Officer	Suresh I S	
Secretary & Compliance Officer	P N Srikant (Upto 31-05-2022) S Kalyanaraman (w.e.f. 01-06-2022)	
Registered Office	21, Patullos Road, Chennai - 600 002 Tel: 044 2852 1181, Fax: 044 2858 6641 Email: investorservices@sundaramholdings.in Website: www.sundaramholdings.in	
CIN	L65100TN1993PLC025996	
Auditors	M/s. R.G.N Price. & Co., Chartered Accountants Simpson's Building, 861 Anna Salai, Chennai – 600002	
Subsidiary	Sundaram Business Services Limited	
Bankers	ICICI Bank Limited State Bank of India	

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SUNDARAM FINANCE HOLDINGS

Board's Report

Your directors have pleasure in presenting the 28th Annual Report together with audited accounts for the year ended 31st March 2022. The summarised financial results of the Company are presented hereunder:

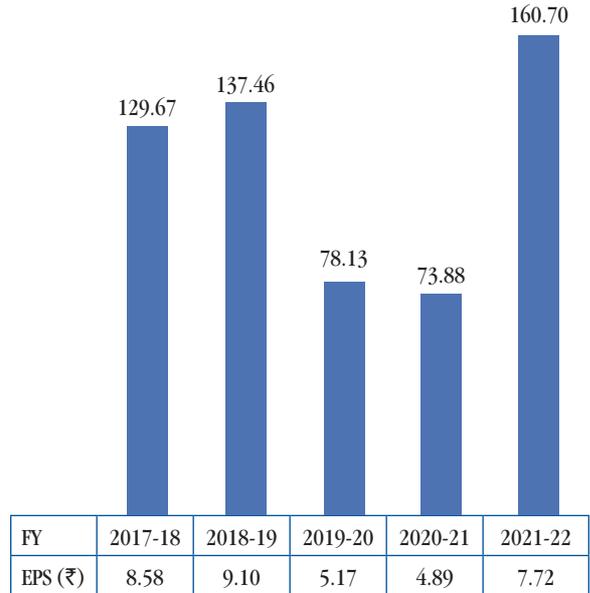
FINANCIAL RESULTS:

(₹ in cr.)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Revenue from Portfolio Companies	40.90	14.13
Operating Revenue	37.22	23.56
Other Income	1.96	2.07
Total Revenue	80.08	39.76
Less: Total Expenses	29.65	22.11
Profit before Tax	50.43	17.65
Profit after Tax	46.91	14.55
Consolidated PAT	160.70	73.88

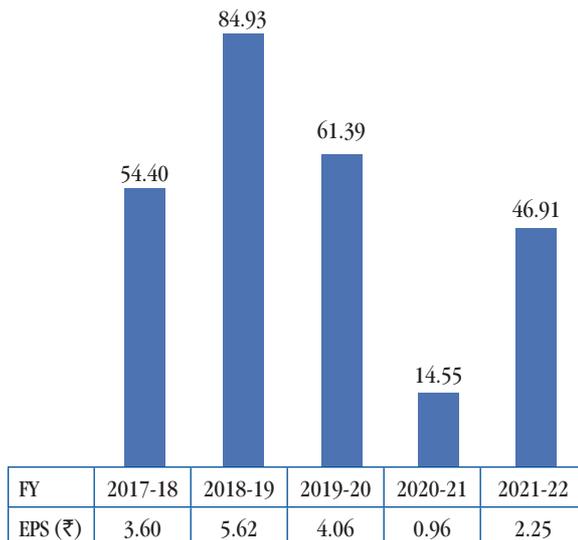
Consolidated PAT

(₹ in cr.)



Standalone PAT

(₹ in cr.)



DIVIDEND

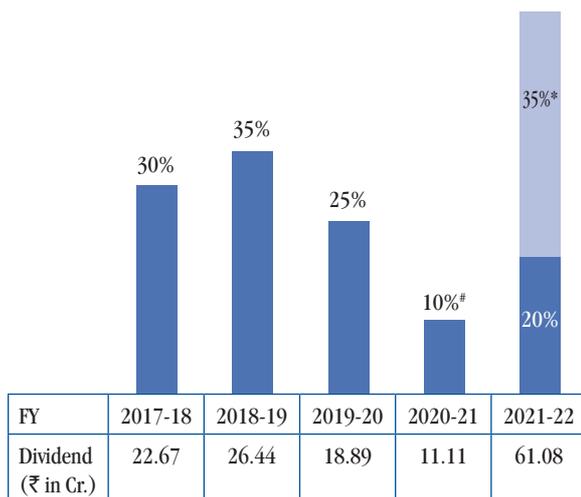
Your Company paid a Special Dividend of ₹1/- per share in February 2022.

Your directors are pleased to recommend a final dividend of ₹1/- per share (20% on the face value of ₹5/-).

In addition, your directors are pleased to recommend a special dividend of ₹0.75 per share (15% on the face value of ₹5/-), which, together with the Special Dividend paid during February 2022, would aggregate to a total Special Dividend of ₹1.75/- per share (35% on the face value of ₹5/-).

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

Dividend %



on the enhanced paid-up Capital of ₹111.05 cr.

* Special Dividend

Indian Economy

The early part of financial year 2021-22 saw the world battle the disruption caused by the Covid-19 virus, with widespread vaccinations across countries. Following a year where the global economy had been battered by the pandemic, global GDP is estimated to have grown by 6.1% in 2021. The sudden increase in demand caused shortages of industrial materials leading to a commodity based inflation across the world.

In India, the last financial year started with a strong second wave of the virus that affected economic activity. However, widespread vaccination and other timely Government initiatives enabled the economy to recover strongly and grow at 9.2%. The onset of the 3rd wave, which was seen much later in the year, was relatively brief and had a more muted impact on both the economy and health metrics than the earlier two waves.

As per the annual Economic Survey, industry is estimated to have grown by 11.8% in the last financial year, following a contraction of 7% in previous year. The services sector is estimated to have grown by 8.2% in FY22, following a 8.4% contraction in FY21 while agriculture is estimated to have grown by 3.9% in the year under review, as against 3.6% in the previous year, making India one of the fastest growing economies in the world.

The fiscal deficit for the year 2021-22 is likely to hover around the projected target of 6.8%, due to an appreciable increase in tax collections during the year, particularly direct taxes, thereby helping the government maintain the quality of spending towards capex.

The third and fourth quarters of FY22 witnessed a gradual pickup in most macro variables, with an improvement in consumption, investment, capacity utilisation, among many others. As a result, FY22 is likely to record a growth of about 8.4%, as compared to the previous year. The Centre announced a number of measures to support the economy, that included credit guarantee schemes, reform measures for power distribution and health sector outlays. The year also saw the government expand its PLI scheme and increase the scope of the Emergency Credit Line Guarantee Scheme (ECLGS) program. The RBI continued to remain supportive of growth and remained in accommodative mode throughout the year. However, Russia's invasion of Ukraine led to a deep shift in the global growth-inflation dynamics and the year ended with a significant disruption to both commodity and financial markets, raising inflationary expectations across countries.

This caused the RBI to shift its priority in early FY23, to taming inflation expectations, resulting in a surprise Repo rate and CRR hike, while still maintaining an accommodative stance. CPI inflation is yet to peak and is expected to average above 6% for

most of FY23. Markets, therefore, expect more rate hikes from the RBI, taking the Repo to above pre-COVID levels.

Automotive sector

After two consecutive years of sharp volume decline in FY20 and FY21, most segments of the auto, industry came back to growth in FY22.

Passenger Vehicle volumes grew 13% YoY in FY22. Growth would have been much higher, if not for impact of chip shortages starting Aug-21. Production was disrupted and waiting periods for new/popular models got extended. PV industry performance in FY22 was quite polarised, with the SUV category growing 40% and the overall industry ex-SUV, declining 4%.

Commercial Vehicles witnessed a good recovery from multi-year lows, with M&HCV and LCV registering growth of 50% and 17% respectively. Despite the 50% growth, absolute volumes of M&HCV in FY22 are 40% below the FY19 peak. The strong growth momentum is expected to continue in FY23 and beyond, with current average fleet-age at all-time highs.

Two-wheelers and tractors were the only segments to see YoY volume declines in FY22. Both were impacted by weakness in rural India, following the Covid 2nd wave. The 6% volume decline in tractors did not hurt much as it came off a high base of 27% growth in FY21. However, the two-wheeler segment saw its third consecutive year of decline. As a result, domestic two-wheeler volumes in FY22 were 36% lower than the FY19 peak. The fall in the two-wheeler volumes is largely attributed to the cumulative price increases of 40% over FY19-22, due to multiple regulatory and input cost-related reasons. The two-wheeler and tractor segments are now showing signs of revival, based on remunerative prices for farmers.

OUTLOOK

Your company generates a significant portion of its income from dividend flows from the portfolio companies that are engaged in the automotive sector.

Pursuant to the effective measures taken by the Government of India to control the spread of the COVID-19 pandemic during the early part of FY22, there has been reasonable recovery in the automotive sector, including the business operations of our portfolio companies, during the fiscal 2022. Thankfully, the disruption caused by the spread of the new COVID variant during the third quarter of FY22 had a relatively muted impact on the automotive sector and the economy as a whole.

While significant uncertainty continues to exist on the consistency in the performance of the automotive sector in 2022-23 due to factors such as the shortage in availability of semi-conductor chips and the developments in Europe, we remain positive on the automotive sector in the medium-term.

EXEMPTED CORE INVESTMENT COMPANY

As at the date of the audited balance sheet for the financial year ended 31st March 2022, the Company has fulfilled the requisite criteria for being categorised as an exempted CIC under the Core Investment Companies (Reserve Bank) Directions, 2016.

OPERATING AND FINANCIAL PERFORMANCE

Your Company earned a revenue of ₹80.08 cr., during the financial year 2021-22, as against ₹39.76 cr. in the previous year. The profit after tax for the year was ₹46.91 cr., as against ₹14.55 cr. in the previous year. The company's net-worth stood at ₹2,106.12 cr. as on 31.03.2022.

The significant changes in key financial ratios of the Company for FY 2021-22 as compared to FY 2020-21 are as follows:

Ratios	March 2022	March 2021	Variance	Reason for Change
Current Ratio	68.35	25.71	166%	Due to increase in closing balance of Mutual Fund investments
Operating Profit Margin (%)	63.02	43.67	44%	Due to increase in Net Profit and total revenue during FY 2021-22
Net Profit Margin (%)	58.58	36.59	60%	
ROCE (%)	2.31	1.10	109%	Due to increase in Net Profit and capital employed during FY 2021-22
ROE (%)	2.23	1.02	118%	Due to increase in Net Profit and networth during FY 2021-22.

The consolidated profit after tax and net worth for the year stood at ₹160.70 cr. and ₹3,002.05 cr. respectively.

BPO BUSINESS

The BPO business of the Company comprises the following:

Type of Business	Turnover (₹ in cr.)
Shared services business managed by the Company	13.52
Sundaram Business Services Limited - for managing outsourced business of domestic and overseas clients (Wholly-owned Subsidiary)	35.11
Total	48.63

- **Shared Services Business**

The shared services business of the Company encompasses services provided to Sundaram Finance Limited and its group and associate companies on an arm's length basis. Such services include transaction processing, accounts payable processing, tele-calling, training, learning and development. The revenue earned from the shared services business during the year was ₹13.52 cr. The business had 267 employees as on 31st March 2022.

- **Sundaram Business Services Limited**

Sundaram Business Services Limited (SBSL) is a global outsourcing company offering a wide range of services to domestic and overseas clients. The service offerings of SBSL include best in class outsourcing to 41 clients in India, Australia and the UK. During the year, SBSL earned a revenue of ₹36.33 cr. and reported a profit after tax of ₹7.80 cr.

INVESTMENTS MADE BY THE COMPANY

During the financial year 2021-22, your Company made portfolio investments in the following entities:

Name of the Entity	% Stake held before investment	Amount of Investment (₹ in cr.)	% Stake held after investment	Remarks
Brakes India Private Limited	6.67	350.00	14.37	Investment by way of an acquisition from the JV Partner, viz., ZF International UK Limited, as part of the Company's strategy to consolidate its holdings.
Sundaram Composite Structures Private Limited	-	19.60	49.00	Investment in Sundaram Composite Structures Private Limited to enter the Indian Carbon Fiber Market. Additionally, investment in Rights Issue was also made by the Company.
Mind S.r.l., Italy (Mind)	40.60	17.17	48.86	Additional investment made in Mind, in continuation of the strategy to focus on the global carbon fiber market.
Flometallic India Private Limited	40.00	12.50	46.84	Investment by way of an acquisition from the individual promoters of FIPL, as part of the Company's strategy to consolidate its holdings.
India Motor Parts & Accessories Limited	18.62	5.74	19.22	Investment in India Motor Parts & Accessories Limited, by way of acquisition from the market.

Further, during the financial year 2021-22, your Company made the following disinvestments:

Name of the Entity	% Stake held before dis-investment	Consideration (₹ in cr.)	% Stake held after dis-investment	Remarks
Sundaram Clayton Limited	11.24	126.89	9.74	0.54% sold to India Opportunities Growth Fund Limited – Pinewood Strategy, Mauritius and 0.96% sold to T.V. Sundram Iyengar & Sons Private Limited. The cost of acquisition for the said shares was ₹1.91 cr.
TVS Investments Private Limited	14.98	33.00	-	Sold to Geeyes Family Holdings Private Limited. The cost of acquisition for the said shares was ₹2.91 cr.

INVESTMENT PORTFOLIO

The Company holds investments in 19 portfolio companies as at 31.03.2022. The total cost of these investments is ₹686.25 cr. The performance of the key portfolio companies during 2021-22 was as follows:

(₹ in cr.)

Sl. No.	Portfolio Company	Holding Cost	Holding (%)	Networth	Share of Networth	PAT	Share of PAT
1	Turbo Energy Pvt. Limited	1.88	32.00	1,658.26	530.64	164.91	52.77
2	Brakes India Pvt. Limited	353.35	14.37	2,927.35	420.66	358.47	51.51
3	Sundaram Clayton Limited	12.38	9.74	2,900.36	282.50	2,276.69	221.75
4	India Motor Parts & Accessories Limited	12.12	19.22	1,432.62	275.35	36.54	7.02
5	Wheels India Limited	141.68	23.28	675.11	157.17	79.79	18.58
6	The Dunes Oman FZC (LLC)	17.25	43.69	199.21	87.03	25.52	11.15
7	Flometallic India Pvt Limited	50.50	46.84	161.46	75.63	(22.37)	(10.48)
8	Axles India Limited	10.16	38.81	175.40	68.07	33.83	13.13
9	Lucas-TVS Limited	0.27	5.32	1,094.99	58.25	36.65	1.95
10	Sundaram Composite Structures Pvt. Limited	19.60	49.00	39.34	19.28	-0.98	(0.48)
11	Mind S.r.l.	41.08	48.86	31.77	15.52	(14.19)	(6.93)
12	Delphi TVS Technologies Limited	0.18	3.19	410.92	13.11	22.30	0.71
13	Others	25.80	NA	108.17	31.55	26.45	8.37
	Total	686.25			2,034.76		369.05

Note: The figures relating to the companies mentioned under Sl. Nos. 9 and 12 are based on the audited financial results for the year ended 31st March 2021. The figures relating to the company mentioned under Sl. No. 4 is based on the unaudited financial results for the nine months ended 31st December 2021, which were subjected to Limited Review. The figures relating to the companies mentioned under Sl. Nos. 1,2,3,5,6,7,8,10 and 11 are based on the audited financial results for the year ended 31st March 2022.

Turbo Energy Private Limited

Turbo Energy Private Limited is the leading manufacturer of turbo chargers and turbo charger parts in the country. Your Company holds a 32% stake in Turbo Energy Private Limited and has been categorised as one of the promoters of that company. BorgWarner Turbo Systems (Germany) and Brakes India Private Limited are the other promoters of the company. During the year, the revenue

earned by the company stood at ₹1,734.34 cr. as against ₹1,333.64 cr. in the previous year. The profit after tax for the year was ₹164.91 cr. as against ₹102.14 cr. in the previous year, registering a growth of 61.45%. Your Company received a total dividend of ₹16.38 cr. from Turbo Energy Private Limited during the financial year 2021-22.

Brakes India Private Limited

Brakes India Private Limited is the market leader in the manufacture of braking systems for cars and commercial vehicles in the country. Your Company holds a 14.37% stake in Brakes India Private Limited and has been categorised as one of the promoters of that company. Trichur Sundaram Santhanam and Family Private Limited is the other promoter of the company. The revenue earned by the company for the year ended 31st March 2022 stood at ₹5,002.08 cr. as against ₹3,682.90 cr. The profit after tax for the year ended 31st March 2022 was ₹358.47 cr. as against ₹167.82 cr. in the previous year. Your Company received a total dividend of ₹2.87 cr. from Brakes India Private Limited during the financial year 2021-22.

Sundaram Clayton Limited

Sundaram Clayton Limited is engaged in the manufacture of precision aluminium cast products for both automotive and non-automotive applications. Your Company has been categorised as one of the promoters of that company. During the year, your Company sold 3,03,482 shares (1.50%) held in Sundaram Clayton Limited for a total consideration of ₹126.89 cr. Pursuant to the sale, your Company now holds 9.74% stake in Sundaram Clayton Limited. TVS Holdings Private Limited is the other promoter of the company. During the year, the revenue earned by the company stood at ₹1,836.86 cr. as against ₹1,288.08 cr. in the previous year. The profit after tax for the year was ₹2,276.69 cr. as against ₹75.84 cr. in the previous year. The market capitalisation of the company as on 31st March 2022 was ₹7,271.19 cr. The value of your Company's holding on that

basis, was ₹707.85 cr. as on 31st March 2022. Your Company received a total dividend of ₹11.17 cr. from Sundaram Clayton Limited during the financial year 2021-22.

India Motor Parts and Accessories Limited

India Motor Parts and Accessories Limited is the largest distributor of automotive spare parts and equipment in the country. Your Company holds a 19.22% stake in India Motor Parts and Accessories Limited. For the period ended 31st December 2021, the revenue earned by the company stood at ₹465.16 cr., as against ₹373.46 cr. for the corresponding period in the previous year. The profit after tax for the nine months ended 31st December 2021 stood at ₹36.54 cr. as against ₹31.64 cr., for the corresponding period in the previous year. The market capitalisation of the company as on 31st March 2022 was ₹942.36 cr. The value of your Company's holding on that basis, was ₹181.13 cr., as on 31st March 2022. Your Company received a total dividend of ₹2.32 cr. from India Motor Parts & Accessories Limited during the financial year 2021-22.

Wheels India Limited

Wheels India Limited is the leading manufacturer of wheels and air suspension components for cars and commercial vehicles in the country. Your Company holds a 23.28% stake and has been categorised as one of the promoters of Wheels India Limited. Trichur Sundaram Santhanam and Family Private Limited, and India Motor Parts & Accessories Limited are the other promoters of the company. During the year, the revenue earned by the company stood at ₹3,701.07 cr., as against ₹2,215.94 cr. in the previous year. The profit after tax for the year was ₹79.79 cr. as against ₹6.75 cr. in the previous year. The market capitalisation of the company as on 31st March 2022 was ₹1,232.47 cr. The value of your Company's holding on that basis, was ₹286.86 cr., as on 31st March 2022. Your Company received a total dividend of ₹0.56 cr. from Wheels India Limited during the financial year 2021-22.

Dunes Oman LLC (FZC)

Dunes Oman LLC (FZC), operating in Salalah, Sultanate of Oman, is engaged in the manufacture of iron castings for the automotive industry. Your Company holds a 43.69% stake in Dunes Oman LLC (FZC) and has been categorised as one of the promoters of that company. Dunes Oman was co-promoted with Brakes India Private Limited. The company's revenue for the year stood at ₹231.05 cr. as against ₹231.85 cr. in the previous year, while the profit after tax for the year was ₹25.52 cr. as against ₹19.79 cr. in the previous year.

Flometallic India Private Limited

Flometallic India Private Limited (FIPL) is engaged in the manufacture of iron castings for the automotive industry. Your Company holds a 46.84% stake in Flometallic India Private Limited. During the year, the revenue earned by the company stood at ₹332.29 cr. as against ₹274.51 cr. in the previous year. The loss after tax for the year was ₹22.37 cr. as against profit after tax of ₹24.13 cr. in the previous year.

FIPL have submitted a Scheme of Amalgamation of that company with Brakes India Private Limited (BIPL) with the Hon'ble National Company Law Tribunal (NCLT), Chennai, for taking advantage of greater economies of scale, and leveraging on the synergies of the combined competitive position and negotiating power. Upon the Scheme becoming effective after the approval of the same by the Hon'ble NCLT, your Company will be allotted shares in BIPL, for the shares held in FIPL, pursuant to which, your Company's shareholding in BIPL will increase from 14.37% to 23.57%.

Axles India Limited

Axles India Limited is a leading manufacturer of axle housings for medium and heavy commercial vehicles in the country. Your Company holds a 38.81% stake in Axles India Limited and has been categorised as one of the promoters of that company.

Dana Corporation (USA) and Wheels India Limited are the other promoters of the company. During the year, the revenue earned by the company stood at ₹572.37 cr. as against ₹312.02 cr. in the previous year. The profit after tax for the year was ₹33.83 cr. as against ₹2.96 cr. in the previous year.

Lucas-TVS Limited

Lucas-TVS Limited is engaged in the manufacture of auto electrical equipment. Your Company holds a 5.32% stake in Lucas-TVS Limited and has been categorised as one of the promoters of that company. SB TVS Industrial Ventures Private Limited is the other promoter of the company. The revenue earned by the company for the year ended 31st March 2021 stood at ₹1,872.93 cr. as against ₹2,119.51 cr. in the previous year. The profit after tax for the year ended 31st March 2021 was ₹36.65 cr. as against ₹147.50 cr. in the previous year. Your Company received a total dividend of ₹0.79 cr. from Lucas-TVS Limited during the financial year 2021-22.

Delphi-TVS Technologies Limited

Delphi-TVS Technologies Limited is engaged in the manufacture of diesel fuel injection equipment for passenger vehicles, commercial vehicles, and tractors. Your Company holds a 3.19% stake in Delphi-TVS Technologies Limited and has been categorised as one of the promoters of that company. Delphi Automotive Systems and Cheema TVS Industrial Ventures Private Limited are the other promoters of the company. The revenue earned by the company for the year ended 31st March 2021 stood at ₹1,269.15 cr. as against ₹1,101.95 cr. in the previous year. The profit after tax for the year ended 31st March 2021 was ₹22.30 cr. as against ₹32.68 cr. in the previous year. Your Company received a total dividend of ₹0.25 cr. from Delphi-TVS Technologies Limited during the financial year 2021-22.

INVESTMENTS IN COMPOSITE BUSINESS

Your Company entered into a strategic partnership with MIND S.r.l. (MIND), an automotive component manufacturer in the

composite materials space, based in Bologna, Italy and acquired a 48.86% stake in MIND, in order to support the expansion of MIND in the rapidly growing composite materials space.

Globally, as auto makers look for solutions to render their vehicles light weight, they are increasingly turning to high-strength materials such as composites. While the use of composites has been extensive in motorsport and luxury vehicles, there is an increasing trend to leverage these materials in automotive mass production and electric vehicles due to the benefits in light weighting of parts that helps them to be energy efficient. This strategic investment in MIND would enable SFHL to facilitate the sharing of the group's manufacturing excellence, systems and automation, together with MIND's composite manufacturing expertise.

MIND is a global supplier of components to the automotive and motorsport segments, with in house design and development capability. The parts are made from carbon fiber i.e., light weight aesthetic body parts or structural parts that are mostly internal & external parts going into high end vehicles. MIND was founded in 2006 and has since then established long-term relationships with marquee customers in the automotive industry along with a presence in aerospace and medical industries. MIND has unique expertise in structural and aesthetic composite design and part manufacturing: mold, prototypes (autoclave) and large volumes (press).

Additionally, your Company has invested in Sundaram Composite Structures Private Limited, an Indian green field carbon fiber composites manufacturing company promoted by Brakes India Private Limited, to support MIND in Italy, with a low-cost operational base.

CORPORATE GOVERNANCE

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 II.

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

RELATED PARTY TRANSACTIONS

All transactions entered into by the Company with related parties were in the ordinary course of business and on an arm's length basis.

The transactions entered into by the Company with Sundaram Finance Limited during the financial year 2021-22 were material in nature (as per the definition provided under Regulation 23(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015), for which, approval of the shareholders was obtained vide ordinary resolution dated 18th July 2018. The Company did not enter into any material transaction with other related parties, during the year.

Form AOC-2, as required under Section 134 (3) (h) of the Act, read with Rule 8 (2) of the Companies (Accounts) Rules 2014, is attached as part of this report, vide Annexure III (i). Further, the Company's policy on Related Party Transactions is attached as part of this report, vide Annexure III (ii), as required under Reg. 23(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

As required under Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the details of the related party transactions with Sundaram Finance Limited, Promoter, have been provided under Note 30 – Related Party Transactions, forming part of the notes to the accounts.

The Board of Directors of your Company has, based on the recommendations of the Audit Committee, recommended the following resolutions to the shareholders for approval:

- a) contracts or arrangements to be entered into with Sundaram Finance Limited upto a limit of ₹20 cr., and
- b) investments to be made in group companies that would be deemed to be related parties, upto an overall aggregate amount not exceeding ₹200 cr. and individual investment(s) in any one such group company not exceeding ₹100 cr., from the conclusion of the 28th Annual General Meeting to the conclusion of the 29th Annual General Meeting to be held in 2023.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Your Company has contributed towards education and healthcare, in consonance with its CSR policy.

The Annual Report on CSR Activities undertaken by the Company for the Financial Year 2021-22 is annexed with this report, vide Annexure IV.

BUSINESS RESPONSIBILITY REPORT

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

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

The Company has in place a Policy for prevention of Sexual Harassment, in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. An Internal Complaints Committee (ICC) has been set up to redress complaints. All employees (permanent, contractual, temporary, trainees) are covered under this policy. No complaints were received during the financial year. None was pending unresolved as on 31st March 2022.

SECRETARIAL AUDIT

In terms of Section 204 of the Companies Act, 2013 and the rules thereunder, the Company has appointed Mr. A. Kalyana

Subramaniam, Practicing Company Secretary, as the Secretarial Auditor of the Company. The Secretarial Audit Reports of the Company and the subsidiary, viz., Sundaram Business Services Limited, are annexed to this Report, vide Annexures VI(i) and VI (ii).

REMUNERATION TO DIRECTORS / KEY MANAGEMENT PERSONNEL

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

ANNUAL RETURN

As required under Section 92 (3) of the Companies Act, 2013 and Rule 12 (1) of the Companies (Management and Administration) Rules, 2014, the link for the copy of the annual return in E-form MGT-7 is <http://www.sundaramholdings.in/csa/csa.aspx>.

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 2021-22, foreign currency earnings amounted to ₹19.72 cr. and foreign currency expenditure /outflows amounted to ₹367.56 cr.

INTERNAL FINANCIAL CONTROLS

The Company has a well-established internal financial control and risk management framework, with appropriate policies and procedures, to ensure the highest standards of integrity and transparency in its operations and a strong corporate

governance structure, while maintaining excellence in services to all its stakeholders. 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 the accounting records and (e) timely preparation of reliable financial information.

RISK MANAGEMENT

Your Company has taken effective steps to build a robust risk management framework. Engaged, as it is, in the business of making investments and business process outsourcing services, the Company is required to manage various risks, including investment related risk, business and market risk, operational risk and technology related risk. The Risk Management Committee has established systems and procedures to ensure that these risks are identified, measured, and managed effectively.

Operational risks arising from inadequate or failed internal processes, people and systems or from external events are adequately addressed by the internal control systems. These systems are continuously reviewed, monitored, and modified, as necessary. A stable and experienced management team provides much needed continuity and expertise in managing the dynamic changes in the market environment. Process improvements and quality control are on-going imperatives and are built into the employees' training modules, as well. The Company has well documented Standard Operating Procedures for all processes to ensure better control over transaction processing and regulatory compliance.

INTERNAL AUDIT

As part of the efforts to evaluate the effectiveness of the internal control systems, your Company has employed the services of the Internal Audit Department (IAD) of Sundaram Finance Limited (SFL) to independently evaluate the adequacy of control

measures on a periodic basis and recommend improvements, wherever appropriate. The Internal Audit team plays a vital role in continuously monitoring the effectiveness of the Standard Operating Procedures, as a part of risk mitigation.

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

HUMAN RESOURCES

In an environment that is rapidly becoming technology and digital oriented, your Company believes in investing in long term people development, for organisational excellence. Part of the enduring tradition of the Sundaram Finance Group, over the decades, has been the handing down of wisdom to successive generations of employees, using the conventional methods of listening, observing and on the job training. Your Company proposes to continue the tradition along with appropriate technological support to meet the challenges of growth and scale.

Employee safety has been of prime importance to your Company during the pandemic. With a view to ensuring the safety of its employees alongside business continuity, the Company has put in place all the standard operating procedures notified by the Central and State Governments, and these are implemented in full measure, together with appropriate 'work from home' policies.

INFORMATION TECHNOLOGY

Your Company's operations are supported by a full-fledged Data Centre catering not only to its own needs, but also those of its subsidiary, with over 99.5% uptime. Your company has a well-planned Business Continuity Plan for all critical applications with near real-time data replication.

The delivery centres meet the Information Security Management System and CIA (Confidentiality, Integrity and Availability)

Standards. To cater to the ever-changing customer needs, the IT infrastructure is being constantly upgraded with new / enhanced features to facilitate smooth functioning of operations and deliver customer satisfaction.

CONSOLIDATED FINANCIAL STATEMENTS

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

The annual report of the subsidiary, Sundaram Business Services Limited, has been posted on your Company's website – www.sundaramholdings.in. Detailed information, including the annual accounts of the Subsidiary Company will be available for inspection by the members, at the registered office of the Company and will also be made available to the members upon request.

BOARD AND 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.

DIRECTORS

Sri Srivats Ram, Director, retires by rotation and being eligible, offers himself for re-election.

KEY MANAGERIAL PERSONNEL

Sri Suresh I.S., appointed as Chief Financial Officer of the Company with effect from 1st March 2022 in the place of Sri V. Vaasen, who has been transferred to Sundaram Finance Limited for fulfilling a higher responsibility.

DECLARATION BY INDEPENDENT DIRECTORS

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

ANNUAL EVALUATION BY THE BOARD

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

DIRECTORS' RESPONSIBILITY STATEMENT

Your directors confirm that:

1. In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
2. The Company has selected such accounting policies and applied them consistently and made judgements 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 R.G.N. Price & Co., Chartered Accountants, Chennai, have been appointed as Statutory Auditors of your Company, to hold office for a term of five (5) consecutive years from the conclusion of the 23rd Annual General Meeting until the conclusion of the 28th Annual General Meeting at such remuneration as may be mutually agreed between the Board of Directors of the Company and the Statutory Auditors. The first term of office of the Statutory Auditors of the Company is coming to a close at the conclusion of the 28th Annual General Meeting.

The Board of Directors of your Company has, based on the recommendations of the Audit Committee, recommended the re-appointment of M/s R.G.N. Price & Co., Chartered Accountants,

Chennai, as the Statutory Auditors of the Company for a further term of five (5) consecutive years, from the conclusion of 28th Annual General Meeting upto the conclusion of 33rd Annual General Meeting.

ACKNOWLEDGEMENT

Your directors gratefully acknowledge the support and co-operation extended to your Company by all its customers, shareholders, and bankers.

Your directors also place on record their special appreciation of the employees of the Company for their dedication and commitment in delivering the highest quality of service to every one of our valued customers during these trying times.

Chennai 600 002
24.05.2022

For and on behalf of the Board
T.T. Srinivasaraghavan
Chairman

SFHL Policy for Distribution of Dividends

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

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

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

1. The Board of Directors may declare one or more interim dividends after considering various financial and other parameters. The Board may recommend final dividend after approval of the final audited accounts.
2. Dividends shall generally be declared out of the annual standalone Profit After Tax of the Company relating to the current financial year, subject to any other regulatory provisions that may be introduced from time to time.
3. The Board will generally endeavour to maintain a dividend payout ratio (including dividend distribution tax) of 25% – 50% of the annual standalone profit after tax for each financial year.
4. The factors, internal and external, to be considered by the Board, for determining the quantum of dividend, will include the following:
 - (a) Internal Factors
 - Growth in volume of business
 - Performance of portfolio companies
 - Profitability position
 - Stability of earnings
 - Carried forward balance in P & L account
 - Accumulated reserves
 - (b) External Factors
 - Macro-economic environment
 - Performance of the automotive sector
 - Changes in governmental policies
 - Regulatory changes
5. The retained earnings of the Company may be used, inter alia, for one or more of the following purposes:
 - (i) Growth plans;
 - (ii) Capital expenditure;
 - (iii) Working capital requirements;
 - (iv) Capitalisation;
 - (v) Investment in new lines of business and / or additional investment in existing lines of business;
 - (vi) Repayment of debt;
 - (vii) Meeting contingency plans; and
 - (viii) Any other purpose as may be permitted by law.

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

Report on Corporate Governance

Sundaram Finance Holdings Limited has been following robust governance practices since its inception. The strong edifice of the Company has been built on the foundations of high standards of integrity, dedicated customer service, fair business practices, efficient, safe and trusted financial policies of the Sundaram Finance Group. Your Company would strive to maintain the highest standards of integrity and transparency in operations, excellence in service to all stakeholders and strong Corporate Governance standards.

I. BOARD OF DIRECTORS

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

The composition of the Board is in conformity with the listing requirements as on 31st March 2022.

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				Committees in which Chairman/Member of other public limited companies*		Directorship in other listed company	
		Board Meetings	AGM	Chairman		Director		Chairman	Member	Name of the Company	Category of Directorship
				Listed	Unlisted	Listed	Unlisted				
Promoter Directors											
Sri T.T. Srinivasaraghavan Non-executive Chairman	00018247	13	Yes	-	2	1	3	-	1	Sundaram Finance Limited	Non-Executive Director
Sri Srivats Ram, Non-executive Director	00063415	13	Yes	-	2	3	1	-	1	Wheels India Limited	Executive Director
										India Motor Parts & Accessories Limited	Non-Executive Director
										Sundaram Finance Limited	
Sri Harsha Viji Non-executive Director	00602484	13	Yes	-	1	1	3	1	3	Sundaram Finance Limited	Executive Director
Independent Directors											
Sri R. Venkatraman	07119686	13	Yes	-	-	1	2	2	1	Goodricke Group Limited	Independent Director
Sri S. Prasad	00063667	13	Yes	-	-	3	3	7	1	Sundaram Finance Limited	Independent Director
										Wheels India Limited	
										India Motor Parts & Accessories Limited	
Ms Shobhana Ramachandhran	00273837	12	Yes	-	-	3	2	-	2	TVS Srichakra Limited	Executive Director
										Sundaram Finance Limited	Independent Director
										Sundaram Brake Linings Limited	Non-Executive Director

* Audit Committee and Stakeholders' Relationship Committee considered

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

Category	Expertise	Skills / Competencies
Non-Executive Non-Independent Directors 1. Sri T.T. Srinivasaraghavan 2. Sri Srivats Ram 3. Sri Harsha Viji	<ul style="list-style-type: none"> • In-depth Industry Knowledge • Wealth Management • Business Policies • Capital Markets • Audit and Financial Management • Legal and Regulatory Framework • Risk Assessment and Management • Strategic Management 	<ul style="list-style-type: none"> • Entrepreneurial • Governance • Leadership • Technical • Analytical • Organisational • Technological • Planning • Resource Management and Utilisation • People Management • Communication • Behavioural
Independent Directors 1. Sri R. Venkatraman 2. Sri S. Prasad 3. Ms. Shobhana Ramachandhran	<ul style="list-style-type: none"> • In-depth Industry Knowledge • Audit and Financial Management • Legal and Regulatory Framework • Risk Assessment and Management • Business Policies • Capital Markets 	<ul style="list-style-type: none"> • Technical/Professional • Analytical • Technological • 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, 13 meetings of the Board of Directors were held.

01.04.2021	02.11.2021
21.04.2021	12.11.2021
24.05.2021	22.11.2021
10.06.2021	03.02.2022
05.08.2021	16.02.2022
09.08.2021	29.03.2022
20.09.2021	

All the Directors and Chief Executive Officer have re-affirmed compliance with the Code of Conduct approved and adopted by the Board of Directors.

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

A Certificate issued by Sri A. Kalyana Subramaniam, Practicing Company Secretary, under Sch. V Para C.10(i) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is attached as part of this report vide Annexure II (i).

The Chief Executive Officer, 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 interacts with the statutory auditors, internal auditors. Key Managerial Personnel and other functional heads are invitees to the committee meetings. Besides, the terms of reference of the Audit Committee inter alia include the review of audit plans, interim and annual financial results, management discussion and analysis of financial condition and results of operations, related party transactions, observations of the management and internal/external auditors on internal control and follow-up reports of the management.

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

Name of the Member		No. of Meetings Attended	Meeting dates
Sri R. Venkatraman	Chairman	7	24.05.2021 05.08.2021 02.11.2021
Sri S. Prasad	Member	7	12.11.2021 22.11.2021
Sri Harsha Viji	Member	7	03.02.2022 29.03.2022

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 the redressal of grievances / complaints from shareholders on matters relating to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc., and
- iii) reviews the compliances with various statutory and regulatory requirements.

Composition of the Stakeholders Relationship Committee and attendance of the members at Committee meeting is as follows:

Name of the Member		No. of Meetings attended	Meeting dates
Sri R. Venkatraman	Chairman	1	29.03.2022
Sri Srivats Ram	Member	1	
Sri T.T. Srinivasaraghavan	Member	1	

Besides, the Committee also approved resolutions passed in circulation, on 13 occasions.

Sri P.N. Srikant, Secretary, is the Compliance Officer. Nineteen investor complaints was received during the year. None was pending unresolved as on 31st March 2022.

V. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

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

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

Name of the Member		No. of Meetings Attended	Meeting dates
Sri S. Prasad	Chairman	1	24.05.2021
Sri T.T. Srinivasaraghavan	Member	1	
Sri Harsha Viji	Member	1	

The Company Secretary is the Secretary to the Committee.

VI. NOMINATION & REMUNERATION COMMITTEE

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

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

Composition of the Nomination & Remuneration Committee and attendance of the members at Committee Meetings are as follows:

Name of the Member		No. of Meetings attended	Meeting dates
Sri R. Venkatraman	Chairman	4	24.05.2021
Sri S Prasad	Member	4	02.11.2021
Sri Harsha Viji	Member	4	03.02.2022
			29.03.2022

The Company Secretary is the Secretary to the Committee.

VII INVESTMENT COMMITTEE

The Investment Committee takes appropriate investment decisions based on the authority delegated by the Board. The Committee also evaluates various investment opportunities from time to time and submits its recommendations to the Board. The terms of reference of the Investment Committee inter alia include:

1. Evaluation of investment opportunities that meet the criteria set by the Committee in various sectors, including, auto ancillaries, financial services, Fintech and such other sectors as deemed appropriate by the Committee and investments in start-up entities.
2. Recommending the Board, various investment proposals which fall outside the investment limits of the Committee, after completing a thorough due-diligence of the same.
3. Reviewing the performance of the portfolio investments on a periodic basis and submitting a performance report to the Board.

Composition of the Investment Committee and attendance of the members at Committee Meetings are as follows:

Name of the Member		No. of Meetings attended	Meeting dates
Sri T.T. Srinivasaraghavan	Chairman	2	14.07.2021
Sri R. Venkatraman	Member	2	28.10.2021
Sri Srivats Ram	Member	2	
Sri Harsha Viji	Member	2	

VIII. RISK MANAGEMENT COMMITTEE

The Risk Management Committee (RMC) formed in accordance with the Regulation 21 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The RMC formulates policies and strategies for identification, measurement and reporting on market risks, credit risks and operational risks.

The terms of reference of the Risk Management Committee inter-alia include:

1. Formulation of a detailed risk management policy for identification of internal and external risks, risk mitigation measures and business continuity plan.
2. Ensuring availability of appropriate methodology, processes and systems to monitor and evaluate risks associated with the business of the Company; and
3. Monitoring and overseeing the implementation of the risk management policy, including evaluating the adequacy of risk management systems.

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
Sri R. Venkatraman	Chairman	2	02.08.2021
Sri Harsha Viji	Member	2	21.01.2022
Sri V. Vaasen*	Member	2	
Sri Suresh I S **	Member	-	

*Upto 28th February 2022.

** Sri Suresh I.S became Member of the Committee w.e.f 1st March 2022

IX. SEPARATE MEETING OF INDEPENDENT DIRECTORS

A Separate Meeting of Independent Directors was held on 17th March 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 the non-executivedirectors;
- (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.

X. 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 programs. Details of the familiarisation programmes have been disclosed on the company's website under the following web link: <http://www.sundaramholdings.in/csa/csa.aspx>

XI. REMUNERATION OF DIRECTORS

The sitting fee payable to Independent 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 and Remuneration Committee	
Investment Committee	
Risk Management Committee	
Stakeholders Relationship Committee	₹10,000/- for each meeting
Corporate Social Responsibility Committee	
Separate Meeting of Independent Directors	

The 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 recommended to the 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 31.03.2022)	Relationship with other Directors
Sri T.T. Srinivasaraghavan	-	5.00	— ^{(1)#}	—
Sri R. Venkatraman	7.20	6.00	—	—
Sri S. Prasad	6.20	5.00	— ⁽²⁾	—
Ms Shobhana Ramachandhran	3.10	5.00	5,06,527	—
Sri Srivats Ram	-	-	27,65,708 ⁽³⁾	—
Sri Harsha Viji	-	-	24,61,978 ⁽⁴⁾	—

Note:

- Number of shares held jointly with others: ⁽¹⁾4,90,520 ⁽²⁾25,200 ⁽⁴⁾4,637
- Number of shares held as Karta of HUF: ⁽¹⁾1,96,868 ⁽³⁾1,23,370
- #1,61,632 shares held as trustee

XII. GENERAL BODY MEETINGS

Details relating to last three Annual General Meetings:

Year	Date	Time	Location	No. of Special Resolutions Passed
2021	14th July 2021	10.00 A.M	Through video conferencing mode	Nil
2020	15th July 2020	10.00 A.M	Through video conferencing mode	Nil
2019	15th July 2019	10.00 A.M.	“Kasturi Srinivasan Building” (Mini Hall – The Music Academy), New No.168, Old No.306, TTKRoad, Chennai 600 014	One

Details of special resolution passed on 20th December 2021 through Postal Ballot during FY2021-22 are as follows

S. no	Details of Special Resolution	Total No. of votes in favour	Total No. of votes against	Voted in favour	Voted against
1.	Re-appointment of Sri S. Prasad, Independent Director for a term upto 15th February 2024	13,48,94,407	94,64,672	93.44%	6.56%
2.	Re-appointment of Ms. Shobhana Ramachandhran, Independent Director for a term upto 15th February 2026	13,43,90,391	94,64,674	93.42%	6.58%
3.	Re-appointment of Sri R. Venkatraman, Independent Director for a term upto 15th February 2027	14,43,45,935	38,344	99.97%	0.03%

The results of the postal ballots were announced by Sri. S Ravi, Chief Executive Officer, at the Registered Office of the Company and posted on the website.

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

XIII. VIGIL MECHANISM / WHISTLE BLOWER POLICY

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

The Whistle Blower Policy is available under the following web link: <http://www.sundaramholdings.in/csa/csa.aspx>

XIV. DISCLOSURES

- There were no materially significant related party transactions having potential conflict with the interests of the company at large.
- All the mandatory requirements specified in Regulations 17 to 27 and Regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 have been complied with.
- The Company will continue to adopt other non-mandatory requirements as appropriate.
- The Company has a record of unqualified financial statements since inception.

XV. POLICIES ON MATERIAL SUBSIDIARIES AND RELATED PARTY TRANSACTIONS

The Company's policies on Material Subsidiaries and Related Party Transactions are available on the website under the following web link: <http://www.sundaramholdings.in/csa/csa.aspx>

XVI. MEANS OF COMMUNICATION

- The un-audited financial results for first three quarters of the financial year 2021-22 and the audited financial results for the year ended 31st March 2022 have been published in "Financial Express" (English) and "Makkal Kural" (Tamil).
- The results have been displayed on the Company's website at www.sundaramholdings.in.
- Shareholders have been provided with an opportunity to provide their email id for receiving correspondence and annual report in electronic form.
- The Notice of the 28th Annual General Meeting, together with the Annual Report for the financial year 2021-22, has been sent only in electronic form, in accordance with the relaxation granted by the SEBI vide Circular dated 13th May 2022, to those shareholders who have registered their email id with the Company/Depositories.

XVII. GENERAL SHAREHOLDER INFORMATION

Annual General Meeting

Date	Time	Mode
14th July 2022	10.00 AM	Video Conference / Other Audio Visual Means

- Financial Year – 1st April 2021 to 31st March 2022
- Book Closure dates – 1st July 2022 to 14th July 2022 (both days inclusive)
- Dates of payment of dividend

Special Dividend	25th February 2022	₹1.00 per share (20%)
Special Dividend	15th July 2022 onwards	₹0.75 per share (15%)
Final Dividend		₹1.00 per share (20%)

- 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 2021-22 & 2022-23 to the above stock exchange.
- NSE Stock Code: SUNDARMHLD
- ISIN : INE202Z01029
- Details of outstanding shares in Sundaram Finance Holdings Unclaimed Suspense Account

Particulars	Aggregate Number of shareholders	Outstanding shares lying in Sundaram Finance Holdings Unclaimed Suspense Account
Opening Balance	82	18646
Less: Requests received for transfer / delivery during 2021-22 and shares transferred / delivered during 2021-22	1	2000
Balance as on 31st March 2022	81	16646

Status of unclaimed shares transferred to 'SFHL Rights Allotment Suspense Demat Account', as detailed below:

Particulars	Total no. of shareholders	No. of outstanding shares lying in unclaimed shares suspense account
Balance as on 10.06.2021	87	1,11,347
Less: Claims	70	1,06,390
Balance as on 31.03.2022	17	4,957

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

Nature of Dividend	Transferable to IEPF on
Dividend 2017-18	20 th August 2025
Dividend 2018-19	17 th August 2026
Interim Dividend 2019-20	7 th April 2027
Final Dividend 2019-20	17 th August 2027
Final Dividend 2020-21	13 th August 2028
Special Dividend 2021-22	7 th March 2029

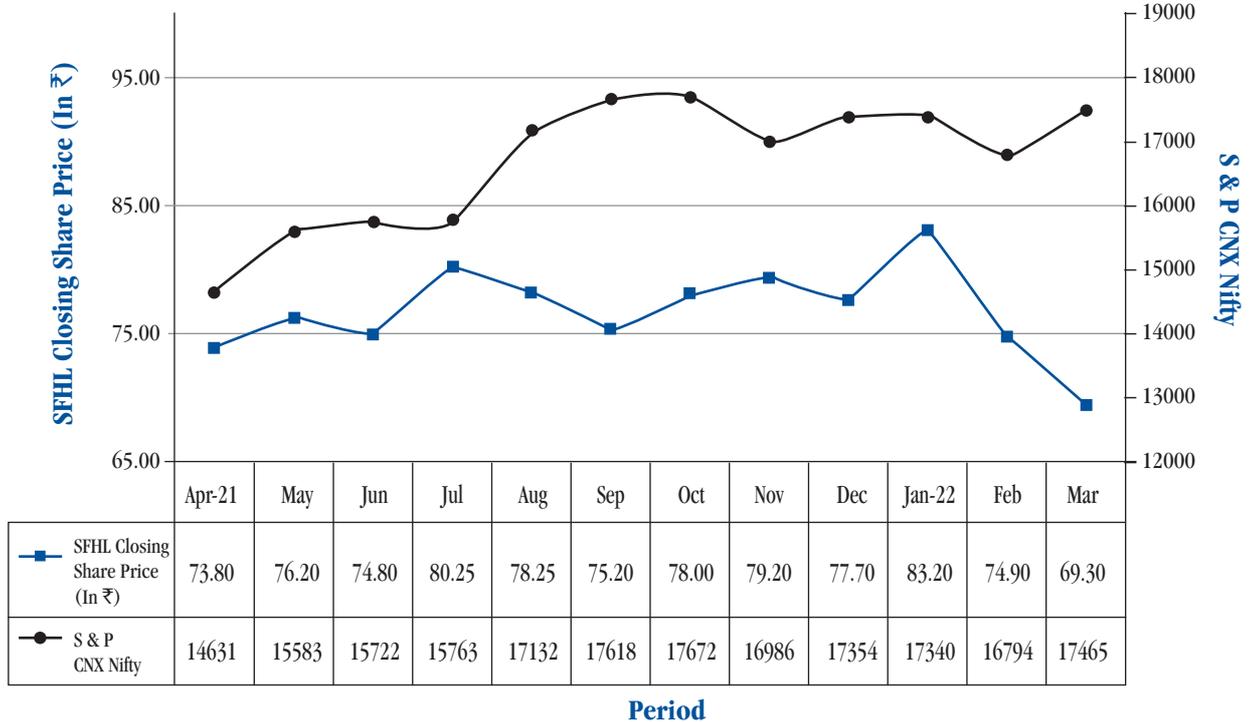
- For the financial year 2021-22, the aggregate amount paid/payable to the Statutory Auditors, M/s. R.G.N. Price & Co., Chartered Accountants, towards fees for all services rendered by them to the Company(excluding taxes and out of pocket expenses)is ₹18.50 lakhs. No fee has been paid by the subsidiary company to M/s. R.G.N. Price & Co.
- Disclosure in relation to Prevention of Sexual Harassment at Workplace forms part of the Board's Report.
- There are no Loans and advances made to firms/companies in which directors of Sundaram Finance Holdings Limited and Sundaram Business Services Limited are interested.

MARKET PRICE DATA ON THE NATIONAL STOCK EXCHANGE

(In ₹)

Month		Apr 21	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan 22	Feb	Mar
NSE	High	84.70	80.75	81.70	83.40	94.70	82.65	83.25	94.25	84.40	91.65	85.40	75.90
	Low	65.70	67.55	70.50	72.10	75.85	74.80	73.50	76.35	74.20	77.55	67.10	67.90

SHARE PRICE PERFORMANCE



- 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 Limited 'Subramanian Building', No 1 Club House Road, Chennai 600 002	
Phone	044 2846 0390 to 0395
Fax	044 2846 0129
Email	investor@cameoindia.com
Contact Persons	Mr. R.D. Ramasamy, Director Ms. R. Komalavalli, Senior Manager

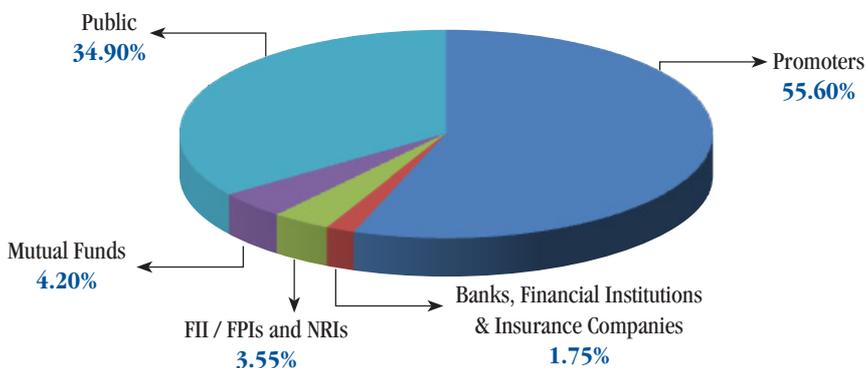
DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH 2022

No. of Equity Shares Held	Total Shareholders	Total Shares	Total % to Capital
Upto 250	20,071	13,50,794	0.61
251 to 500	3,917	15,37,660	0.69
501 to 1000	3,068	24,23,367	1.09
1001 to 5000	4,039	95,70,074	4.31
5001 to 10000	751	55,08,276	2.48
10001 to 50000	701	1,49,77,046	6.74
50001 to 100000	128	91,80,353	4.13
100001 and above	223	17,75,56,290	79.94
Total	32,898	22,21,03,860	100.00

Total shares held in dematerialised form 98.75%

Public shareholding in dematerialised form 97.18%

SHAREHOLDING PATTERN AS ON 31.03.2022



For your queries / grievances / complaints, please contact:

Secretary & Compliance Officer

Sundaram Finance Holdings Limited

21 Patullos Road, Chennai 600 002

Ph : 044-2888 1311

Fax : 044-2855 0290

E mail : investorservices@sundaramholdings.in

Sri S. Ravi
Chief Executive Officer

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 Holdings Limited
CIN-L65100TN1993PLC025996
21, Patullos Road,
Chennai – 600002.

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Sundaram Finance Holdings Limited having CIN L65100TN1993PLC025996 and having registered office at 21 Patullos Road, Chennai - 600 002 (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, 2022 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	Thiruvallur Thattai Srinivasaraghavan	00018247	16/02/2017
2	Ramachandran Venkatraman	07119686	16/02/2017
3	Sreenivasan Prasad	00063667	16/02/2017
4	Shobhana Ramachandhran	00273837	16/02/2017
5	Srivats Ram	00063415	27/08/2018
6	Harsha Viji	00602484	25/01/2017

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

Name : A Kalyana Subramaniam
Practicing Company Secretary

Membership No : 11142

CP No : 16345

UDIN : F011142C000364440

Place: Chennai

Date : 24th May 2022

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 SFHL 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 shareholder 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 Committees by the Board with reference to the respective terms of reference:
 1. Qualification & Experience of members
 2. Depth of review of various matters, including financial performance
 3. Review of regulatory compliance

SUNDARAM FINANCE HOLDINGS LIMITED
REMUNERATION POLICY
(as amended on 29th March 2019)

Sundaram Finance Holdings 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 there to provide that the Nomination and Remuneration Committee (NRC) shall identify persons who are qualified to become Directors and shall also recommend to the Board a policy, relating to the remuneration for Directors, Key Managerial Personnel, Senior Management and other employees.

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

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

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

I Definitions

- a) "Remuneration" means any monetary benefit or its equivalent extended to any person for services rendered by him/her and includes perquisites as defined under the Income-tax Act, 1961.
- b) "Key Managerial Personnel" means,
 - i) Managing Director, Chief Executive Officer or Manager;
 - ii) Whole-time Director;
 - iii) Chief Financial Officer;
 - iv) Company Secretary.
- c) "Senior Management" means all executives one level below the Chief Executive Officer, and shall include the Chief Financial Officer and Company Secretary.
- d) "Employee" will mean an employee who has been appointed on the rolls of Sundaram Finance Holdings Limited (hereinafter referred to as 'the Company') and has been issued an appointment order by the Company.

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 and accounting.

III Remuneration Pattern

The NRC lays down the following remuneration pattern for Non-executive Directors and Independent 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 may be 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 NRC;
 - (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.

The remuneration payable to Key Managerial Personnel, Senior Management and other employees of the company shall consist of salary, allowances, perquisites and variable components reflecting the short and long term performance objectives appropriate to the working of the Company, which are aligned to industry standards.

IV Implementation of the Remuneration Policy

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

The Remuneration payable to Key Managerial Personnel and Senior Management shall be determined by the NRC and recommended to the Board, 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 Chief Executive Officer.

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

Auditor's Certificate on Corporate Governance

The Members of SUNDARAM FINANCE HOLDINGS LIMITED, Chennai.

I have examined the compliance of the conditions of Corporate Governance by Sundaram Finance Holdings Limited, Chennai for the year ended on 31st March, 2022, 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 Listing Regulations and the above 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: 24th May 2022

A Kalyana Subramaniam

Practicing Company Secretary

FCS No. 11142

CP No. 16345

UDIN : F011142D000380632

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 on an arm's length basis with Sundaram Finance Limited, company having significant influence, aggregating to ₹12.76 cr., were material in nature in accordance with the definition as provided under Regulation 23(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Approval of the shareholders was obtained for the said transactions vide ordinary resolution dated 18th July 2018.

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

Chennai
24.05.2022

T.T. Srinivasaraghavan
Chairman

Annexure - III (ii)

SFHL Policy on Related Party Transactions

(as per Regulations 23 (1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)
(as amended on 29th March 2022)

The SFHL Policy on Related Party Transactions (the Policy) shall come into effect from the date it is approved by the Board of Directors.

The Policy is being framed in compliance with the requirement stipulated under Regulation 23(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations).

The Company shall enter into transactions with related parties only on an arm's length basis within 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 Companies Act, 2013 and / or the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations).

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 ₹1000 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.

"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 2021-22

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

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

<http://www.sundaramholdings.in/csa/csa.aspx>

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	Sri S. Prasad	Chairperson	1	1
2	Sri T.T. Srinivasaraghavan	Member	1	1
3	Sri Harsha Viji	Member	1	1

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:

<http://www.sundaramholdings.in/csa/csa.aspx>

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report).

Not applicable

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

Not applicable

6. Average net profit of the company as per section 135(5):

₹2089.51 lakhs

7.	a.	Two percent of average net profit of the company as per section 135(5)	₹41.79 lakhs
	b.	Surplus arising out of the CSR projects or programmes or activities of the previous financial years.	-
	c.	Amount required to be set off for the financial year, if any	₹1.48 lakhs
		Total CSR obligation for the financial year (7a+7b-7c).	₹40.31 lakhs

8. (a) 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
₹40.40 lakhs	-	-	-	-	-

(b) Details of CSR amount spent against ongoing projects for the financial year:

1	2	3	4	5		6	7	8	9	10	11	
Sl No.	Name of the Project	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No)	Location of the Project		Project Duration	Amount allocated for the project (₹ in lakhs)	Amount spent in the current financial year (₹ in lakhs)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹)	Mode of Implementation – Direct (Yes/No)	Mode of Implementation – Through Implementing Agency	
				State	District						Name	CSR Registration number
NIL												

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

1	2	3	4	5		6	7	8	
Sl No.	Name of the Project	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No)	Location of the Project		Amount spent for the project (₹ in lakhs)	Mode of implementation Direct (Yes/No)	Mode of Implementation – Through Implementing Agency	
				State	District			Name	CSR Registration number
1.	Promoting Education by providing financial assistance to deserving and meritorious students and also educational institutions which work for this cause	Promoting Education	Yes	Tamil Nadu	Chennai	25.00	No	Laxmi Charities	CSR00005940
4.	Promoting Health Care	Promoting health care including preventive health care	Yes	Tamil Nadu	Chennai	15.00	No	Hindu Mission Hospital	CSR00005035

- (d) Amount spent in Administrative Overheads : ₹0.40 lakhs
(e) Amount spent in Impact Assessment, if applicable: Not applicable
(f) Total amount spent for the financial year: (8b+8c+8d+8e): ₹40.40 lakhs
(g) Excess amount for set off, if any -

(g) Excess amount for set off, if any

Sl. No.	Particulars	Amount (₹ in lakhs)
(i)	Two percent of average net profit of the company as per section 135(5)*	40.31
(ii)	Total amount spent for the Financial Year	40.40
(iii)	Excess amount spent for the financial year [(ii)-(i)]	0.09
(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)]	0.09

* after setting-off excess amount of ₹1.48 lakhs spent during financial year 2020-21

9 (a) Details of Unspent CSR 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							

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

Sl. No.	Project ID	Name of the Project	Financial year in which the project was commenced	Project duration	Total amount allocated for the project (in ₹)	Amount spent on the project in the reporting Financial Year (in ₹)	Cumulative amount spent at the end of reporting Financial Year. (in ₹)	Status of the project - Completed /Ongoing
NIL								

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year

Not applicable

11. 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

Sri S. Ravi
Chief Executive Officer

Sri S. Prasad
Chairman - CSR Committee

Date : 24.05.2022

Place : Chennai

Business Responsibility Report for the Financial Year 2021-22

Section A: General Information about the Company

1. Corporate Identity Number (CIN) : L65100TN1993PLC025996
2. Name of the Company : Sundaram Finance Holdings Limited
3. Registered address : 21, Patullos Road, Chennai 600 002
4. Website : www.sundaramholdings.in
5. E-mail id : investorservices@sundaramholdings.in
6. Financial Year reported : 2021-22
7. Sector(s) that the Company is engaged in (industrial activity code-wise)

As per National Industrial Classification – 2008:

Section K - Financial Service Activities, except Insurance and Pension Funding

Division 64 – Other Financial Activities.

8. List three key products / services that the Company manufactures / provides (as in balance sheet)
 1. BPO Services
 2. Training Services
9. Total number of locations where business activity is undertaken by the Company
 - i. Number of International Locations (Provide details of major 5)

Nil
 - ii. Number of National Locations

3 locations
10. Markets served by the Company – Local / State / National / International

National

Section B: Financial Details of the Company (as on 31.03.2022)

1. Paid up Capital (INR) : ₹111.05 cr
2. Total Turnover (INR) : ₹80.08 cr.
3. Total profit after taxes (INR) : ₹46.91 cr.
4. Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)

The Company's total spending on CSR is 2% of the average profit after taxes in the previous three financial years.

5. List of activities in which expenditure in 4 above has been incurred:-

Education and Health Care

Section C: Other Details

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

Yes.

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

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

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

No.

Section D: BR Information

1. Details of Director / Directors responsible for BR

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

DIN Number	00018247
Name	Sri T.T. Srinivasaraghavan
Designation	Chairman

- b) Details of the BR head

S. No.	Particulars	Details
1.	DIN Number (if applicable)	-
2.	Name	Sri P.N. Srikant
3.	Designation	Secretary & Compliance Officer
4.	Telephone Number	044 2888 1311
5.	Email id	srikantpn@sundaramholdings.in

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

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

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

Sr. No.	Questions	Business Ethics	Product Responsibility	Wellbeing of Employees	Stakeholder Engagement	Human Rights	Environment	Public Policy	CSR	Customer Relations
		P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The company has not understood the Principles	-	-	-	-	-	-	-	-	-
2	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles	-	-	-	-	-	-	-	-	-
3	The company does not have financial or manpower resources available for the task	-	-	-	-	-	-	-	-	-
4	It is planned to be done within next 6 months	-	-	-	-	-	-	-	-	-
5	It is planned to be done within the next 1 year	-	-	-	-	-	-	-	-	-
6	Any other reason (please specify)	-	#	-	#	-	#	#	-	-

* <http://www.sundaramholdings.in/csa/csa.aspx>

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

3. Governance related to BR

- Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year

Annually.

- Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

Yes.

http://www.sundaramholdings.in/app_documents/companyinfo/investorinfo/03.%20Regulatory%20Compliance/01.%20Policies/08.%20Policy%20on%20BRR.pdf?v=ea909935-efeb-4cb0-a3f4-5ad82d101e22

Annually

Section E: Principle-wise performance

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

- Does the policy relating to ethics, bribery and corruption cover only the company? Yes / No. Does it extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?

Yes. The Policy covers the company and group.

- How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

From	Received and Resolved during the year 2021-22
Shareholders	19

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

- List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

Not Applicable

- For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):

- Reduction during sourcing / production / distribution achieved since the previous year throughout the value chain?
- Reduction during usage by consumers (energy, water) has been achieved since the previous year?

Not Applicable

- Does the company have procedures in place for sustainable sourcing (including transportation)?

- If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

Not Applicable

- Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?

If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

Yes, wherever possible.

- Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

Yes, wherever possible.

Principle 3: Businesses should promote the wellbeing of all employees

- Please indicate the Total number of employees.

287

- Please indicate the Total number of employees hired on temporary / contractual / casual basis.

26

3. Please indicate the Number of permanent women employees.

87

4. Please indicate the Number of permanent employees with disabilities

The Company does not specifically track the number of disabled employees. The Company gives equal opportunities and treats all employees at par. Based on the income-tax declarations which enable claiming income-tax deduction for self-disability, the Company has 3 employees.

5. Do you have an employee association that is recognized by management

No.

6. What percentage of your permanent employees is members of this recognized employee association?

Nil

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

Nil

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

8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?

- A. Permanent Employees
- B. Permanent Women Employees
- C. Casual / Temporary / Contractual Employees
- D. Employees with Disabilities

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

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

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

1. Has the company mapped its internal and external stakeholders? Yes/No

No.

2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders.

Not Applicable

3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.

Not Applicable

Principle 5: Businesses should respect and promote human rights

1. Does the policy of the company on human rights cover only the company or extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?

This is covered under our Policies on Business Responsibility Report.

Refer: <http://www.sundaramholdings.in/csa/csa.aspx>

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

Refer Serial no. 2 of Principle 1.

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

1. Does the policy related to Principle 6 cover only the company or extends to the Group / Joint Ventures / Suppliers / Contractors / NGOs / others.

Not Applicable

2. Does the company have strategies / initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.

Not Applicable

3. Does the company identify and assess potential environmental risks? Y / N

Not Applicable

4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?

No.

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

No.

6. Are the Emissions / Waste generated by the company within the permissible limits given by CPCB / SPCB for the financial year being reported?

Not Applicable.

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

Not Applicable.

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

1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:

No.

-
2. Have you advocated / lobbied through above associations for the advancement or improvement of public good? Yes / No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)

Yes. Representations had been submitted to the Government and regulatory authorities on various matters for the improvement of public good.

Principle 8: Businesses should support inclusive growth and equitable development

1. Does the company have specified programmes / initiatives / projects in pursuit of the policy related to Principle 8? If yes details thereof.

Not Applicable.

2. Are the programmes / projects undertaken through in-house team / own foundation / external NGO / government structures / any other organization?

Not Applicable.

3. Have you done any impact assessment of your initiative?

Not Applicable.

4. What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken.

Nil

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

Nil

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

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

Nil.

2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes / No / N.A. / Remarks (additional information)

Not Applicable.

3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and / or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.

No.

4. Did your company carry out any consumer survey / consumer satisfaction trends?

No.

Form No. MR-3**Secretarial Audit Report For the Financial Year Ended 31.03.2022**

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

To,

The Members

Sundaram Finance Holdings Limited

CIN-L65100TN1993PLC025996

21, Patullos Road, Chennai – 600002.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. Sundaram Finance Holdings 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. I have conducted online verification & examination of records, as facilitated by the Company, due to Covid 19 and subsequent lockdown situation for the purpose of issuing this Report.

Based on my verification of M/s. Sundaram Finance Holdings Limited's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period ended on 31.03.2022 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by M/s. Sundaram Finance Holdings Limited for the period ended on 31.03.2022 according to the provisions of:

- I. The Companies Act, 2013 (the Act) and the Rules made thereunder and the Applicable provisions of the Companies Act, 1956;
- II. The Companies (Amendment) Act, 2017;
- III. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- IV. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- V. 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;
- VI. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable to the Company :-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - e. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
 - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;
 - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
 - i. Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018
- VII. The Memorandum and Articles of Association of the company.

2. 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 as per the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as amended till date; and
- ii. Secretarial Standards issued by The Institute of Company Secretaries of India.

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

3. I further report that:

- i. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- ii. 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.
- iii. While majority decision is carried out, there are no dissenting directors / members' views as part of the minutes.
- iv. The Company has obtained all necessary approvals under the various provisions of the Act; and
- v. There was no prosecution initiated and no fines or penalties were imposed during the year under review under the Act, SEBI Act, SCRA, Depositories Act, Listing Agreement and Rules, Regulations and Guidelines framed under these Acts against / on the Company, its Directors and Officers.
- vi. The Directors have complied with the disclosure requirements in respect of their eligibility of appointment, their being independent and compliance with the Code of Business Conduct & Ethics for Directors and Management Personnel;
- vii. During February 2018, pursuant to the sanctioning of the Composite Scheme of Arrangement and Amalgamation, the Company had allotted 26,564 equity shares to IEPFA. However the Company has not been able to submit the break-up of this allotment in Form IEPF 4, due to non-availability of the relevant option in the E-form IEPF 4 on the MCA portal. As a result, the Company will not be in a position verify the claims, if any filed by shareholders. The Company has been making representations in this regard with the relevant authorities and a suitable solution is awaited.

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

I further report that:

- a. the Company has complied with the provisions of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 including the provisions with regard to disclosures and maintenance of records required under the said Regulations;
- b. the Company has complied with the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 including the provisions with regard to disclosures and maintenance of records required under the said Regulations;
- c. the year under review the company has Issued and allotted 7,10,00,000 Equity shares of ₹ 5/- each at a premium of ₹ 45.00 per share amounting to ₹ 355,00,00,000/- on rights basis.

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

A Kalyana Subramaniam
Practicing Company Secretary
(FCS No.11142)
(C.P No. 16345)
UDIN: F011142D000380566

Place: Chennai
Date: 24th May 2022

**ANNEXURE TO SECRETARIAL AUDIT REPORT ISSUED BY COMPANY SECRETARY IN PRACTICE
(QUALIFIED/NON-QUALIFIED)**

To,
The Members
Sundaram Finance Holdings Limited
CIN-L65100TN1993PLC025996
21, Patullos Road,
Chennai – 600002.

My 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, followed provide a reasonable basis for the 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: 24th May 2022

A Kalyana Subramaniam
Practicing Company Secretary
Membership Number : 11142
Certificate of Practice Number: 16345
UDIN: F011142D000380566

Form No. MR-3**Secretarial Audit Report For the Financial Year Ended 31.03.2022**

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

To,

The Members

Sundaram Business Services Limited

CIN-U74140TN2005PLC057179

21, Patullos Road,

Chennai – 600002.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. Sundaram Business Services Limited (hereinafter called the Company) with CIN-U74140TN2005PLC057179. 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. I have conducted online and offline verification & examination of records, as facilitated by the Company, due to Covid 19 and subsequent lockdown situation for the purpose of issuing this Report.

Based on my verification of M/s. Sundaram Business Services Limited's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period ended on 31.03.2022 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:

2. I have examined:

The books, papers, minute books, forms and returns filed and other records maintained by M/s. Sundaram Business Services Limited for the period ended on 31.03.2022 according to the provisions (to the extent applicable to the Company) of:

- I. The Companies Act, 2013 (the Act) and the Rules made thereunder and the applicable provisions of the Companies Act, 1956;
- II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- IV. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable to the Company :-
 - a. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - b. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, and
 - c. The Memorandum and Articles of Association.

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

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

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

3. I further report that:

- a. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There was no changes in the composition of the Board of Directors during the period under review.
- b. 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.
- c. Majority decision is carried through and there are no dissenting directors / members view as part of the minutes.
- d. The Company has obtained all necessary approvals under the various provisions of the Act; and
- e. There was no prosecution initiated and no fines or penalties were imposed during the year under review under the Act, SEBI Act, SCRA, Depositories Act, , Regulations and Guidelines framed under these Acts against / on the Company, its Directors and Officers.
- f. The Directors have complied with the disclosure requirements in respect of their eligibility of appointment, their being independent and compliance with the Code of Business Conduct & Ethics for Directors and Management Personnel;

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

I further report that:

- a. the Company has complied with the provisions of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 including the provisions with regard to disclosures and maintenance of records required under the said Regulations;
- b. the Company has complied with the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 including the provisions with regard to disclosures and maintenance of records required under the said Regulations;

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

A Kalyana Subramaniam
Practicing Company Secretary
(FCS No.11142)
(C.P No. 16345)
UDIN No: F011142D000304600

Place: Chennai

Date: 11th May 2022

**ANNEXURE TO SECRETARIAL AUDIT REPORT ISSUED BY COMPANY SECRETARY IN PRACTICE
(QUALIFIED/NON-QUALIFIED)**

To,

The Members

Sundaram Business Services Limited

CIN-U74140TN2005PLC057179

21, Patullos Road,

Chennai – 600002.

My 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, followed provide a reasonable basis for the 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.

A Kalyana Subramaniam

Practicing Company Secretary

Membership Number : 11142

Certificate of Practice Number: 16345

UDIN: F011142D000304600

Date: 11th May 2022

Place: Chennai

**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 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	Ratio to Median Remuneration (times)	Inc/Dec in Remuneration
T.T. Srinivasaraghavan, Chairman	2.26	100.00%
R. Venkatraman	5.98	26.32%
S. Prasad	5.07	53.42%
Shobhana Ramachandhran	3.67	67.01%
Srivats Ram	NA	NA
Harsha Viji	NA	NA
S. Ravi, Chief Executive Officer	32.18	8.10%
V. Vaasen, Chief Financial Officer (upto 28.02.2022)	16.46	6.80%
Suresh I.S. (w.e.f. 01.03.2022)	1.36	NA
P.N. Srikant, Secretary & Compliance Officer	18.47	28.05%

- (iii) The percentage increase in the median remuneration of employees in the financial year: 5.75%
- (iv) The number of permanent employees on the rolls of the Company: 287
- (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 2021-22 was 7.1%. Percentage increase in the managerial remuneration for the year was 6.63%.

- (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) The Company does not have any employee who has been in receipt of annual remuneration of not less than ₹1.02 cr. for the year or monthly remuneration of ₹8.50 lakhs. 31-03-2022
- (viii) The top ten employees in terms of remuneration drawn were appointed by the Company/transferred from the demerged company during the year. The details are as follows.

Sl. No.	Name of the Employee	Designation	Remuneration (₹ in lakhs)	Nature of Employment	Qualification and Experience	Date of Commencement of Employment	Age	Last employment	Relative of any director
1	Sri S. Ravi	Chief Executive Officer	71.03	Contractual	B.A., ML, MBA Has over 4 decades of experience in banking and financial services industry.	01-04-2020	60	Sundaram Fund Services Limited	–
2	Sri V. Narasimhan	General Manager & Head - Learning & Development	54.55	Others	B.A. (Eco) & Msc (Physics) Has over 3 decades experience in marketing and learning & development.	18-01-2018	61	Sundaram Finance Limited	–
3	Sri P.N. Srikant	Secretary & Compliance Officer	40.77	Others	B.Com(H), ACS & MBA Has over 2 decades of experience in financial services industry.	01-08-2017	50	Sundaram Finance Limited	–
4	Sri V. Vaasen (upto 28th February 2022)	Chief Financial Officer	36.34	Others	B.Com, ACA, PGDFM Has over 2 decades of post-qualification experience in finance, accounts, business process outsourcing and related areas.	22-11-2018	53	Matrimony.com Ltd Reliance BPO Private Ltd.	–
5	Ms. Anita M Rathnani	Sr. Assistant General Manager - Learning & Development	25.78	Others	BA (Corpt. Acc. & Co. Law), MDPM Has over a decade experience in Customer Relationship Management / HR, Training & Process Management	01-08-2019	50	Sundaram Fund Services Limited	–
6	Sri Seshanarayanan S	Assistant General Manager - Projects	21.63	Others	B.Sc.(Maths) , M.Sc. (IT) Has over a decade experience in delivery & management of IT Services	01-07-2019	45	Sundaram Infotech Solutions Limited	–
7	Ms Manooranjitha Sahoo	Assistant General Manager - Learning & Development	20.03	Others	MBA Has over a decade experience in Training and Development	19-04-2021	39	Flsmidh Private Limited	–
8	Sri T R Ramakrishnan	Assistant General Manager - Operations	18.87	Others	B.Sc. (Botany) Has over 3 decades of experience in financial services industry	18-01-2018	57	Sundaram Finance Limited	–
9	Ms. Kirthiga Anand	Senior Manager - Sundaram Learning	15.03	Others	M.Sc. Pharma Has over a decade experience in Training and Development	11-08-2021	37	Automotive Robotics India Private Limited	–
10	Sri J Ganesh	Senior Manager - Operations	14.77	Others	B.Com Has nearly 3 decades of experience in financial services industry.	18-01-2018	51	Sundaram Finance Limited	–

R.G.N. PRICE & CO.

CHARTERED ACCOUNTANTS

Phone : 28413633 /28583494

Telefax : 28544569

E-Mail : price@rgnprice.com

Offices at : Mumbai Ernakulam, Quilon, Bangalore and New Delhi

Simpson's Buildings,

861, Anna Salai

CHENNAI - 600 002.

24th May 2022

INDEPENDENT AUDITOR'S REPORT**Report on the Audit of the Standalone Financial Statements**

To the Members of Sundaram Finance Holdings Limited

Opinion

We have audited the accompanying standalone financial statements of Sundaram Finance Holdings Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2022, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with Indian Accounting Standards prescribed under Section 133 of the Act (Ind AS) and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, and profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our

responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the financial statements section of our report. We are independent of the Company in accordance with Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion 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 of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matter to be communicated in our report.

Key Audit Matter	Our audit procedures with regards to key audit matter
<p>Refer Note 2.2 “Fair value measurement” and Note 2.4 “Financial Assets” for relevant accounting policies and significant accounting estimates used by the Company.</p> <p>The investment portfolio is valued at ₹ 2,179 crores which represents almost 99% of the total assets, where unquoted equity investments fair valued through OCI amounts to ₹ 716 crores ("Investment") covering about 33% of investment value as at 31st March'22.</p> <p>As the above investment are not traded in the active market, fair value of these investments involved significant management judgments and estimate and were valued based on valuation recommendation provided by a Valuation Expert.</p> <p>Determination of Fair Value includes the market approach according to which the earnings and book value-based market multiples of peer companies in the same sectors have been considered after adjusting for illiquidity discount, if any.</p> <p>The above valuations are categorized as Level 2 or Level 3 type of valuation, as the case may be, in accordance of Ind AS 113 Fair Value Measurement based on the available observable/unobservable inputs. Accordingly, the valuation of unquoted investment was considered to be a Key Audit Matter, due to significant judgments associated with determining the fair value of investment and its materiality in the financial statements.</p>	<ul style="list-style-type: none"> (i) Reviewed the Accounting Policies used by the Company for accounting and disclosing Investments for compliance with the accounting framework. (ii) Evaluating valuation methodology recommended by Valuation Expert. (iii) Verified the correctness of market inputs used and mathematical accuracy of the valuation analysis. (iv) Assessed the adequacy of internal controls, evaluated the design and tested the operating effectiveness of such controls for initial recognition, subsequent measurement and disclosure of investments as on the reporting date as per applicable regulations. (v) Our team was supported by our in-house valuation specialist, especially in determining whether such valuation methodology is consistent with the market practice. (vi) We also assessed whether the disclosures in relation to investments are compliant with the relevant Indian accounting requirements and appropriately present the sensitivities in the valuations based on alternative outcome.

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

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

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained 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.

Management's Responsibility 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 financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. Their responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance

is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal 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 management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists,

we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Sub section (11) of Section 143 of the Companies

Act 2013, we give in the 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:
 - i) We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - ii) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - iii) The Balance Sheet, the Statement of Profit and Loss Account (including Other Comprehensive Income), Statement of Changes in Equity and the Statement of Cash Flow dealt with in this report are in agreement with the books of account.
 - iv) In our opinion, the financial statements comply with the Ind AS specified under section 133 of the Act.
 - v) On the basis of the written representations received from the directors as on 1st April 2022 taken on records by the Board of Directors, none of the directors is disqualified from being appointed as a director under sub-section (2) of section 164 of the Act.
 - vi) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our Separate report in ANNEXURE "B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - vii) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information

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

- viii) With respect to other matters to be included in the auditor's report in accordance with Rule 11 of the Companies (Audit and Auditors) Rule, 2020, in our opinion and to the best of our information and according to the explanations gives to us
- a. The Company has disclosed the pending litigations which would impact its financial position Refer Note 31(c) (ii) ;
 - b. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses;
 - c. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
 - d. (i) The Management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the financial statements, no funds have been advanced or loaned or invested (either from share premium or any other sources or kind of funds) by the Company or to in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediaries 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 Beneficiary") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiary;
 - (ii) The Management has represented, that, to the best of its knowledge and belief, other than as disclosed in the notes to the financial statements, 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
 - (iii) Based on our 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 (i) and (ii) as mentioned above, contain any material mis-statement.
 - e. The final dividend for the FY 2020-21 and interim dividend for the FY 2021-22 have been declared and paid by the Company are in compliance with Section 123 of the Companies Act, 2013.
- As stated in note 31b to the Financial Statements, the Board of Directors of the Company has proposed special and 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.

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

K. Venkatakrishnan
Partner

Place: Chennai
Date: 24th May 2022

Membership No.208591
UDIN: 22208591AJNGBJ1403

Annexure – “A” referred to in paragraph 1 under ‘Report on Other Legal and Regulatory Requirements’ section of our audit report of even date to the members of Sundaram Finance Holdings Limited (“the Company”) on the financial statements of the Company for the year ended 31st March, 2022

I	a.	i) The Company is maintaining proper records for its property plant and equipment (PPE) showing full particulars including quantitative details and situation of those property plant and equipment. ii) The Company is maintaining proper records for its intangible assets showing full particulars including appropriate classification.
	b.	The Company is having a policy of physical verification of PPE on regular interval of once in two years, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. The Company has conducted physical verification of PPE during the year and no material discrepancies were observed during such verification.
	c.	The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) as disclosed in the financial statements are held in the name of the Company.
	d.	The Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets during the year and hence reporting under Clause 3(I) (d) of the Order is not applicable.
	e.	No proceeding has been initiated or are pending against the Company as at 31st March, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder and hence reporting under Clause 3(I) (e) of the Order is not applicable.
II	Considering the nature of business of the Company, Clause 3(II) of the Order relating to inventories is not applicable.	
III	a)	According to information and explanations given to us, the Company has not granted any loan, or advances in nature of loans, or stood guarantee or provided security to any other entity.
	b)	According to information and explanations given to us, the Company has not made any investment, guarantees provided, security given which are prejudicial to the Company's interest.
	c)	Since the Company has not granted any loan, or advances in nature of loans, or stood guarantee or provided security to any other entity/person, Clauses 3(III) (c) to (f) of the Order are not applicable.

XI	a)	During the course of our examination of 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 observed any instances of fraud by the Company or any fraud on the Company nor have we been informed of such case by the Management during the year;
	b)	In continuation to above, we, as statutory auditors, are not required to file Form ADT-4 under sub-section (12) of section 143 of the Companies Act as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government;
	c)	According to the information and explanations given to us, and records of the Company examined by us, the Company has not received any whistle-blower complaints during the year and hence reporting under Clause 3(XI) (c) of the Order is not applicable.
XII	The Company is not a Nidhi Company and hence reporting under Clause 3(XII) of the Order is not applicable	
XIII	In our opinion and according to information and explanations given to us, all transactions with related parties are in compliance with Sections 177 and 188 of the Act and the details have been disclosed in the Financial Statements as required by the applicable Accounting Standards.	
XIV	a)	The Company has an internal audit system which commensurate with the size and nature of its business;
	b)	The reports of the Internal Auditor for the period under audit were considered for the purpose of statutory audit by us.
XV	According to the information and explanations given to us and based on our examination of records, the Company has not entered into any non- cash transactions with the directors or persons connected with them contravening Section 192 of the Act.	
XVI	a)	According to the information, explanation and representation given to us and based on our examination of records, the Company is not required to register under section 45-IA of the Reserve Bank of India Act, 1934;
	b)	According to the information and explanation given to us and based on our examination of records, the Company has not conducted any Non-Banking Financial or Housing Finance activities during the year under review;
	c)	According to the information, explanation and representation given to us and based on our examination of records, the Company is an exempted Core Investment Company (CIC) and it continues to fulfill such criteria;
	d)	According to the information and explanation given to us and based on our examination of records, the group does not have any other CIC.
XVII	According to the information and explanations given to us and based on our examination of records, the Company has not incurred any cash loss in the financial year and in the immediately preceding financial year and hence reporting under Clause 3(XVII) of the Order is not applicable.	
XVIII	There has been no resignation by the statutory auditors during the year and hence reporting under Clause 3(XVIII) of the Order is not applicable.	

XIX	According to the information and explanations given to us and based on our examination of records, on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, the auditor's knowledge of the Board of Directors and management plans, we are of the opinion that no material uncertainty exists as on the date of the audit report and 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.	
XX	a)	According to the information and explanations given to us and based on our examination of records, the Company has completely discharged its Corporate Social Responsibility (CSR) obligations and hence not required to transfer amount, to Fund specified in Schedule VII to the Act in compliance with second proviso to sub-section (5) of section 135 of the said Act for other than ongoing projects.
	b)	According to the information and explanations given to us and based on our examination of records, the Company neither undertakes nor contributes towards ongoing project and accordingly reporting under Clause 3(XX) (b) of the Order is not applicable.

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

K. Venkatakrishnan
Partner

Membership No.208591
UDIN: 22208591AJNGBJ1403

Place: Chennai
Date: 24th May 2022

Annexure – “B” referred to in paragraph 2 Clause (vi) under ‘Report on Other Legal and Regulatory Requirements’ section of our audit report of even date to the members of Sundaram Finance Holdings Limited (“the Company”) on the financial statements of the Company for the year ended 31st March, 2022

We have audited the internal financial controls over the financial reporting of Sundaram Finance Holdings Limited (“the Company”) as on March 31, 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering

the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over financial reporting issued by the Institute of Chartered Accountants of India. 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 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 (Act).

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit.

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

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

1. Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022 based on, the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial reporting issued by ICAI.

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

K. Venkatakrishnan
Partner

Place: Chennai
Date: 24th May 2022

Membership No.208591
UDIN: 22208591AJNGBJ1403

Balance Sheet

as at 31st March, 2022

(₹ in lakhs)

Particulars	Notes	March 31, 2022	March 31, 2021
ASSETS			
(1) Financial Assets			
(a) Cash and cash equivalents	1	55.79	55.65
(b) Receivables	2	1,60.27	1,83.23
(c) Loans	3	10.12	30.10
(d) Investments	4	2179,39.99	1518,46.97
(e) Other financial assets	5	7,99.36	17.50
(2) Non-financial Assets			
(a) Current tax assets (Net)	6	3.89	1,34.99
(b) Investment property	7	1,95.11	2,07.18
(c) Property, plant and equipment	8	1,47.77	1,58.71
(d) Other intangible assets	8	-	0.21
(e) Right of Use asset	24	90.75	1,12.75
(f) Other non-financial assets	9	58.92	1,08.93
Total Assets		<u>2194,61.97</u>	<u>1528,56.22</u>
LIABILITIES AND EQUITY			
LIABILITIES			
(1) Financial liabilities			
(a) Payables	10		
(I) Trade Payables			
(i) Total outstanding dues of micro enterprises and small enterprises		1.12	0.31
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		26.04	20.05
(b) Other financial liabilities	11	72.76	55.32
(c) Lease Liability	24	1,09.61	1,26.68
(2) Non-Financial Liabilities			
(a) Provisions	12	2,02.57	1,70.12
(b) Deferred tax liabilities (Net)	13	83,77.76	99,16.78
(c) Other non-financial liabilities	14	60.37	53.94
(3) Equity			
(a) Equity share capital	15	111,05.19	75,55.19
(b) Other equity	16	1,995,06.55	1349,57.83
Total Liabilities and Equity		<u>2194,61.97</u>	<u>1528,56.22</u>

This is the Balance sheet referred to in our report of even date attached.

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

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

Chartered Accountants

FR No: 002785S

K. Venkatakrishnan

Partner

M.No : 208591

Date : 24-05-2022

Place : Chennai

T.T. Srinivasaraghavan

Chairman

S.Ravi

Chief Executive Officer

Harsha Viji

Director

I S Suresh

Chief Financial Officer

R. Venkatraman

Director

P.N. Srikant

Secretary & Compliance Officer

Statement of Profit and Loss

for the Year Ended 31st March, 2022

(₹ in lakhs)

Particulars	Notes	For the year ended 31 March 2022	For the year ended 31 March 2021
Revenue from operations			
Interest Income	17	27.67	1.74
Dividend Income		40,90.16	14,12.91
Net gain on fair value changes	18	7,87.92	5,36.22
Gain on derecognition of financial instrument		15,54.06	-
Sale of services	28	13,52.43	18,17.59
Total Revenue from operations		78,12.24	37,68.46
Other Income	19	1,96.03	2,07.48
Total Income		80,08.27	39,75.94
Expenses			
Finance Cost	20	13.05	13.80
Impairment on Financial Instruments		11,31.35	-
Employee benefit expenses	21	12,85.61	15,64.73
Depreciation, Amortisation and Impairment		62.66	74.42
Other expenses	22	4,72.11	5,58.04
Total expenses		29,64.78	22,10.99
Profit before exceptional items and tax		50,43.49	17,64.95
Exceptional items		-	-
Profit before tax		50,43.49	17,64.95
Tax expense			
1. Current tax		2,31.71	3,09.25
2. Deferred tax	23	1,20.70	0.91
Total tax		3,52.41	3,10.16
Profit/(loss) for the period		46,91.08	14,54.79
Other Comprehensive Income			
A. Items that will not be reclassified to profit or loss			
Remeasurements of the defined benefit plans	30	(19.86)	7.01
Income Tax on above		(5.00)	2.04
Remeasurements of the defined benefit plans (Net of Income tax)		(14.86)	4.97
Change in Fair value of equity instruments		305,39.65	220,88.75
Income tax on above		(9,46.17)	43,35.80
Change in Fair value of equity instruments (Net of tax)		314,85.82	177,52.95
Other Comprehensive Income/(Loss) Net of Tax		314,70.96	177,57.92
Total Comprehensive Income/(Loss) for the period		361,62.04	192,12.71
Basic and Diluted Earnings per Equity Share of ₹5/- each	31a	2.25	0.96

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

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

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

Chartered Accountants

ER No: 002785S

K. Venkatakrisnan

Partner

M.No : 208591

Date : 24-05-2022

Place : Chennai

T.T. Srinivasaraghavan

Chairman

S.Ravi

Chief Executive Officer

Harsha Viji

Director

I S Suresh

Chief Financial Officer

R. Venkatraman

Director

P.N. Srikanth

Secretary & Compliance Officer

SUNDARAM FINANCE HOLDINGS LIMITED

Cash Flow Statement

(₹ in lakhs)

Particulars	March 31, 2022	March 31, 2021
Cash flow from operating activities		
Profit before tax	50,43.49	17,64.95
Adjustments to reconcile profit before tax to net cash used in operating activities		
Depreciation and impairment of property, plant and equipment	62.66	74.42
Impairment on Financial Instruments	11,31.35	-
Fair value change in financial instruments	(7,87.92)	(5,35.89)
Interest Income	(27.67)	(1.74)
(Gain)/loss on sale of property, plant and equipment	0.23	0.32
ESOP contribution scheme of Parent company	6.64	-
Finance costs paid	9.34	13.80
Dividend receivable	(7,79.96)	-
Gain on derecognition of financial instrument	(15,54.06)	-
Gain on Lease modification	-	(5.74)
Net Actuarial gain/(loss) on defined benefit plan	(19.86)	7.01
	30,84.24	13,17.13
Working capital adjustments		
(Increase)/ Decrease in trade and other receivables	22.96	92.61
(Increase)/ Decrease in Loans	19.98	6.05
(Increase)/ Decrease in Other financial assets	(1.90)	7.40
(Increase)/ Decrease in Other non-financial assets	50.01	(45.00)
Increase/ (Decrease) in trade and other payables	6.81	(19.17)
Increase/(Decrease) in financial liabilities	17.45	4.88
Increase/(Decrease) in other non-financial liabilities and provisions	38.88	(44.11)
	32,38.43	13,19.80
Income Tax paid	(8,09.19)	(2,99.22)
Net cash flows from operating activities	24,29.24	10,20.58
Cash flow from investing activities		
Purchase and construction of property, plant and equipment	(17.68)	(64.15)
(Purchase)/Sale of Mutual funds (Net)	(114,29.16)	129,77.89
(Purchase)/Sale of equity and other investments (Net)	(229,13.81)	(132,68.96)
Proceeds from sale of property, plant and equipment	-	11.90
Interest received	27.91	1.74
Net cash flows from investing activities	(343,32.74)	(3,41.58)
Cash flow from financing activities		
Dividend Paid	(33,31.60)	(7,55.55)
Proceeds from Rights Issue(net of expenses)	352,61.64	-
Lease Liability Principal paid	(17.06)	(20.29)
Lease Liability Interest paid	(9.34)	(13.80)
Net cash flows from financing activities	319,03.64	(7,89.64)
Net increase / (decrease) in cash and cash equivalents	0.14	(1,10.64)
Cash and cash equivalents at the beginning of the year	55.65	1,66.29
Cash and cash equivalents at the end of the year (Refer Note 1)	55.79	55.65

This is the Cash flow statement referred to in our report of even date attached.

For and on behalf of the Board of Directors of
Sundaram Finance Holdings LimitedFor **R.G.N. Price & Co.**

Chartered Accountants

F.R No: 002785S

K. Venkatakrishnan

Partner

M.No : 208591

Date : 24-05-2022

Place : Chennai

T.T. Srinivasaraghavan

Chairman

S.Ravi

Chief Executive Officer

Harsha Viji

Director

I S Suresh

Chief Financial Officer

R. Venkatraman

Director

P.N. Srikant

Secretary & Compliance Officer

STATEMENT OF CHANGES IN EQUITY

(a) Equity Share Capital

(₹ in lakhs)

Particulars	31-03-2022	31-03-2021
Balance at the beginning of the year (A)	75,55.19	75,55.19
Changes in Share Capital due to changes in Accounting Policies and prior period errors (B)	-	-
Restated balance at the beginning of the current reporting period (A) + (B)	75,55.19	75,55.19
Changes in Share Capital in the current reporting period	35,50.00	-
Balance at the end of the year	111,05.19	75,55.19

(b) Other equity

(₹ in lakhs)

Particulars	Reserves and Surplus					Gains / (losses) from equity investments through OCI	Total
	Capital Reserve	General Reserve	ESOP Reserve	Securities Premium	Retained Earnings		
Balance as at 01 April, 2020	18,74.68	131,08.02	-	-	174,58.09	840,59.88	1165,00.67
Add: Profit or loss for the period					14,54.79		14,54.79
Add: Other comprehensive income					4.97	177,52.95	177,57.92
Less: Final Dividend for FY 2019-20 paid					(7,55.55)		(7,55.55)
Balance as at 01 April 2021	18,74.68	131,08.02	-	-	181,62.30	1018,12.83	1349,57.83
Add: Profit or loss for the period					46,91.08		46,91.08
Add: Other comprehensive income					(14.86)	314,85.82	314,70.96
Add: Securities premium proceeds received on rights issue of equity shares				319,50.00			319,50.00
Transfer on account of Sale of Equity instruments measured at FVTOCI					154,74.66	(154,74.66)	-
Less: Rights issue expenses (net of tax)				(2,38.36)			(2,38.36)
Less: Final Dividend for FY 2020-21 paid					(11,10.56)		(11,10.56)
Less: Special Dividend for FY 2021-22 paid					(22,21.04)		(22,21.04)
Add: ESOP contribution scheme of Parent company			6.64				6.64
Balance as at 31 Mar 2022	18,74.68	131,08.02	6.64	317,11.64	349,81.58	1178,23.99	1995,06.55

As per our report of even date attached.

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

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

Chartered Accountants

FR No: 002785S

K. Venkatakrishnan

Partner

M.No : 208591

Date : 24-05-2022

Place : Chennai

T.T. Srinivasaraghavan

Chairman

S.Ravi

Chief Executive Officer

Harsha Viji

Director

I S Suresh

Chief Financial Officer

R. Venkatraman

Director

P.N. Srikant

Secretary & Compliance Officer

NOTES TO THE FINANCIAL STATEMENTS

1. COMPANY OVERVIEW

Sundaram Finance Holdings Limited ('the Company') is a Public Limited Company incorporated in India with its registered office located at No.21, Patullos Road, Chennai – 600002. The Company comes under the category of exempted Core Investment Company (CIC) and is not required to register with the Reserve Bank of India (RBI) as a Non-Banking Financial Company (NBFC). The Company is primarily engaged in the business of Investments, business processing and support services.

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

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Preparation

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

2.2 Measurement of fair values

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

The Company classifies the fair value of its financial instruments in the following hierarchy, based on the inputs used in their valuation:

Level 1 - The fair value of financial instruments traded in active markets is based on quoted (unadjusted) market prices at the end of the reporting period.

Level 2 - The fair valuation of instruments not traded in active markets is determined based on observable market data and by using valuation techniques.

Level 3 - Where one or more of the significant inputs are not from observable market data. Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data. An adjustment to a Level 2 input that is significant to the entire measurement results in a fair value measurement categorised within Level 3 of the fair value hierarchy if the adjustment uses significant unobservable inputs.

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

2.3 Revenue Recognition:

Revenue is recognised when control of services are transferred to the customer at an amount that reflects the consideration to which the Company is entitled in exchange for those services, regardless of when the payment is being made. Revenue

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment.

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

Dividends:

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

Interest Income:

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

Rental Income:

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

2.4. Financial Assets

Initial Recognition

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

Subsequent Measurement

Financial Asset measured at Amortised Cost (AC)

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

Investments in Subsidiary and Associates

The Company has accounted for its investments in Subsidiary and Associate Companies at cost.

All other equity instruments are measured at fair value, with value changes on these instruments, excluding dividends, are recognized in the Other Comprehensive Income (OCI).

De-Recognition

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset. For Instruments measured at fair value through OCI, there is no recycling of the amounts from OCI to profit and loss on sale of investment. However, the Company may transfer the cumulative realised gain or loss on sale of investment within equity.

2.5. Financial Liabilities

Initial Recognition

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

Subsequent Measurement

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

De-Recognition

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

Impairment of Financial Assets

The Company applies the Expected Credit Loss (ECL) model for recognizing impairment losses if any on financial assets. 12 months ECL represents the expected default events on the financial asset that are possible within 12 months after the reporting date.

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

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

Offsetting of financial instruments

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

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

2.6. Leases

The Company's lease asset classes primarily consist of leases for land and buildings for providing business processing and support services. 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.

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

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

For a lease modification that is not accounted for as a separate lease, the remeasurement of the lease liability is accounted for by decreasing the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease for lease modifications that decrease the scope of the lease and any gain or loss relating to the partial or full termination of the lease is recognised in statement of profit or loss.

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

2.7. Employee Benefits

SHORT TERM EMPLOYEE BENEFITS

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

POST EMPLOYMENT BENEFITS

a. Defined Contribution plans

i. Superannuation

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

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

ii. Provident Fund

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

b. Defined benefit plans

i. Gratuity

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

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

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

Changes in present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in the Statement of Profit and Loss.

c. Other Long Term Employee Benefits

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

ii) Leave Encashment

The Company contributes to a staff leave encashment scheme managed by SBI Life Insurance Company Limited. The Company accounts its liability based on an actuarial valuation, as at the Balance Sheet date, using the Projected Unit Credit method.

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

2.8 Share Based Payments:

Employee Stock Options

Sundaram Finance Limited, the holding company, has an employee stock option scheme in accordance with SEBI guidelines 1999 for extending the scheme to eligible employees of the Company being a subsidiary Company. The Company recognises the compensation expense relating to share based payments in accordance with IND AS 102 - Share based payments.

2.9 Income Taxes

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

Current tax

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

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

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

Deferred Tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities in the 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 recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences can be utilized.

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

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

Deferred tax assets and liabilities are offset only if the 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.

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

Current and Deferred tax for the year - OCI

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

2.10 Property, plant and equipment

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

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

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

Freehold land is not depreciated.

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

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

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

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 to the Act, are as follows:

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

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

2.11 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.

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

Though the Company measures investment property using cost-based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined by property valuer, having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued.

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

2.12 Intangible assets

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

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

Intangible assets are recognised in books only when it is probable that future economic benefits associated with the asset will flow to the 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.

2.13 Impairment of Assets

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

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

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

2.14 Cash and Cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily Convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

2.15 Trade receivables

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

2.16 Foreign Currency Transactions

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

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

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

2.17 Dividend

The final Dividend on shares is recorded as a liability on the date of approval by the Shareholders and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

2.18 Cash Flow Statement

Statement of cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

2.19 Provisions and Contingent Liabilities

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

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

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

Contingent liabilities are disclosed when

- (i) there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company (or)
- (ii) 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.

2.20 Earnings Per Share

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

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

3. 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 recognised prospectively in the current and future periods.

Useful lives of Property Plant and Equipment / Intangible Assets

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

Impairment of Financial Assets

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

NOTES TO THE ACCOUNTS

Note 1: Cash and cash equivalents

(₹ in lakhs)

Particulars	March 31, 2022	March 31, 2021
Cash on hand	0.03	0.06
Balances with Banks in Current Accounts	28.76	35.38
Earmarked balances with banks (For Unpaid dividend)	27.00	20.21
TOTAL	<u>55.79</u>	<u>55.65</u>

Note 2: Receivables

(₹ in lakhs)

Particulars	March 31, 2021	March 31, 2020
Trade receivables		
- Secured, considered good		
- Unsecured, considered good *	1,60.27	1,83.23
- Considered Doubtful	-	-
Less		
Impairment for Trade Receivable under Expected credit loss method	-	-
TOTAL	<u>1,60.27</u>	<u>1,83.23</u>

* Refer Note 29 for related party transaction

31 March 2022	Outstanding for following periods from due date of payment						
	Not due	< 6 months	6 months -1 year	1-2 years	2-3 years	> 3 years	Total
(i) Undisputed Trade receivables – considered good	150.71	9.56	-	-	-	-	160.27
(ii) Undisputed Trade receivable which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables credit Impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables considered doubtful	-	-	-	-	-	-	-

31 March 2021	Outstanding for following periods from due date of payment						
Particulars	Not due	< 6 months	6 months -1 year	1-2 years	2-3 years	> 3 years	Total
(i) Undisputed Trade receivables – considered good	182.43	0.80	-	-	-	-	183.23
(ii) Undisputed Trade receivable which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables credit Impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables considered doubtful	-	-	-	-	-	-	-

Note 3: Loans

(₹ in lakhs)

Loans	31st March 2022				31st March 2021			
	Amortised cost	At Fair value		Total	Amortised cost	At Fair value		Total
		Through other comprehensive income	Through profit or loss			Through other comprehensive income	Through profit or loss	
Loans (Unsecured)								
Staff advance	15.75	-	-	15.75	30.10	-	-	30.10
Gross Loans	15.75	-	-	15.75	30.10	-	-	30.10
Less: Impairment Loss allowance	5.63	-	-	5.63	-	-	-	-
Net Loans	10.12	-	-	10.12	30.10	-	-	30.10

NOTES TO THE ACCOUNTS (Contd.)
Note 4: Investments

(₹ in lakhs)

Particulars	Face Value (₹)	As at 31.03.2022		As at 31.03.2021	
		Holding (Number)	Carrying Amount	Holding (Number)	Carrying Amount
At Cost:					
Equity Instruments					
- Subsidiary					
-Sundaram business services Limited	10	2,23,67,291	29,12.79	2,23,67,291	29,12.79
			29,12.79		29,12.79
- Associates					
-Flometallic India Private Limited	1,00,000	4,450	50,49.75	3,800	38,00.00
-The Dunes Oman LLC (FZC)	1 *	18,34,980	17,24.71	22,93,725	21,55.89
-Sundaram Hydraulics Limited	10	1,12,50,000	1,05.77	1,12,50,000	1,05.77
-Axles India Limited	10	98,91,754	10,15.70	98,91,754	10,15.70
-Turbo Energy Private Limited	10	25,60,000	1,88.41	25,60,000	1,88.41
-Transenergy Private Limited	100	1,20,000	1,87.50	1,20,000	1,87.50
-Sundaram Dynacast Private Limited	10	11,70,000	1,17.00	11,70,000	1,17.00
-Wheels India Limited	10	56,01,117	141,68.39	56,01,117	141,68.38
-Sundaram Composite Structures Private Limited	10	1,96,00,000	19,60.00	-	-
-Mind S.R.I	1#	7,34,675	41,08.30	3,05,838	23,71.35
			286,25.53		241,10.00
Total - A			315,38.32		270,22.79
At fair value through other comprehensive income:					
- Equity Instruments					
-Brakes India Private Limited	100	3,43,832	529,80.17	1,59,460	302,70.87
-India Motor Parts & Accessories Limited	10	23,98,814	185,67.08	23,23,705	137,49.79
-Sundaram Clayton Limited	5	19,69,600	769,57.42	22,73,081	585,40.93
-TVS Investments Private Limited	5	-	-	22,73,085	33,00.00
-Lucas-TVS Limited	100	63,224	74,79.82	63,224	73,12.50
-Delphi TVS Technologies Limited	10	2,52,896	13,12.13	2,52,896	12,44.13
-Techtran Polylenes Limited	10	2,50,000	-	2,50,000	-
-Vishnu Forge Industries Limited	10	2,97,110	1,35.89	2,97,110	1,25.20
-D2C Consulting Services Private Limited	10	100	4.03	100	1.75
-Fettle tone LLP**			97,10.00		20,87.00
Total - B			1671,46.54		1166,32.17

NOTES TO THE ACCOUNTS (Contd.)

(₹ in lakhs)

Particulars	Face Value (₹)	As at 31.03.2022		As at 31.03.2021	
		Holding (Number)	Carrying Amount	Holding (Number)	Carrying Amount
At Fair Value Through Profit and Loss:					
- Mutual Funds					
Sundaram Liquid Fund		24,596	4,62.17	-	-
Sundaram Money Fund		-	-	5,15,346	2,23.65
Sundaram Ultra Short term Fund		-	-	1,50,34,552	16,64.01
Sundaram Ultra Short duration Fund		4,45,784	104,47.88	-	-
Sundaram Corporate Bond fund		75,51,785	25,27.58	-	-
Sundaram Low Duration fund		1,28,275	37,94.39	-	-
HDFC Short Term Fund		-	-	20,79,495	5,18.77
ICICI Prudential Short Term Fund		-	-	10,70,399	5,20.42
HDFC Corporate Bond Fund		-	-	39,91,402	10,05.17
IDFC Banking PSU & Debt fund		-	-	51,50,664	10,06.46
IDFC Corporate Bond Fund		-	-	65,67,126	10,02.65
- Alternative Investment Fund					
JM Financial Yield Enhancer (Distressed Opportunity) Fund I - Series I	1,00,000	968.20	9,68.20	430.00	4,30.00
- Preference Shares					
- D2C Consulting Services Private Limited -0.1% Cumulative Convertible Preference Shares	100	17,014	6,86.26	17,014	2,98.26
Total - C			188,86.48		66,69.39
At amortised cost:					
- Preference Shares					
Sundaram Asset Management Company -6.75% Redeemable Cumulative Non-Convertible Preference Shares	100	15,00,000	15,00.00	15,00,000	1,500.00
- Government securities					
- IRFC tax free bonds	1,000	-	-	2,175	22.62
Total - D			15,00.00		1,522.62
Total Investments	A+B+C+D		2190,71.34		1,51,846.97
Less: Allowance for Impairment loss			11,31.35		-
Total Net Investments			2179,39.99		1,51,846.97

* Face value in Omani Riyal

Face value in Euro

** Investment is made for the specific purpose of reinvesting in Nivabupa Life Insurance Company Limited as per the agreement entered into with Fettle Tone LLP

NOTES TO THE ACCOUNTS (Contd.)

(₹ in lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
Investment outside India	58,33.01	45,27.24
Investment in India	2132,38.33	1473,19.73

Investments - Categorywise

(₹ in lakhs)

Particulars	As at 31-03-2022	As at 31-03-2021
Aggregate amount of Quoted Investments	1096,92.89	864,81.72
Aggregate amount of Unquoted Investments	1093,78.45	653,65.25
Total	2190,71.34	1518,46.97

Dividends recognised during the period from Investments in equity instruments designated at fair value through OCI

(₹ in lakhs)

-Investments held during/at the end of reporting period	2021-22	2020-21
- Brakes India Private Limited	2,87.03	-
- Lucas TVS Limited	79.03	1,04.32
- Delphi TVS Technologies Limited	25.29	-
- Sundaram Clayton Limited	(*) 11,16.66	3,40.96
- India Motor Parts & Accessories Limited	2,32.37	-
- Vishnu Forge Industries Limited	2.38	2.38
Total Dividend	17,42.76	4,47.66

* Includes ₹ 33.38 lakhs towards shares derecognised during the year 2021-22.

Investments derecognised during the year that was measured at fair value through OCI

(₹ in lakhs)

Company	Fair value at the date of derecognition	Cumulative gain on disposal	Tax Impact (Refer Note 23)
Sundaram Clayton Limited	126,56.24	124,65.54	-
TVS Investments Private Limited	33,00.00	30,09.12	649.43

Equity Investment impaired during the year

Investment impaired	Mind Sr I Italy
Amount of impairment loss recognised (₹ in Lakhs)	11,31.35
Reportable segment	Investment
Whether the recoverable amount of the asset is its fair value less costs to sell or its value in use	Value in use
Reason for Impairment	Decrease in Networth
Discount rate used in the estimate	8.02%

NOTES TO THE ACCOUNTS (Contd.)

Note 5 : Other Financial assets (Unsecured)

(₹ in lakhs)

Particulars	March 31, 2022	March 31, 2021
Security Deposits	18.88	17.10
Income receivable	7,80.48	0.40
TOTAL	7,99.36	17.50

Note 6 : Current Tax Assets

(₹ in lakhs)

Particulars	March 31, 2021	March 31, 2020
Advance Income Tax and Tax Deducted at source (Net)	3.89	134.99
TOTAL	3.89	134.99

Note 7 : Investment Property

(₹ in lakhs)

Particulars	Land	Building	Total
As at 01-04-2021	1,28.75	99.23	2,27.98
Additions	-	-	-
Sub-total	1,28.75	99.23	2,27.98
(-) Sales / deletion	-	-	-
Total	1,28.75	99.23	2,27.98
Depreciation			
Upto 31-03-2021	-	20.80	20.80
For the year	-	12.07	12.07
Sub-total	-	32.87	32.87
(-) Withdrawn on assets sold / deleted	-	-	-
Total	-	32.87	32.87
Net Carrying amount			
As at 31-03-2022	1,28.75	66.36	1,95.11

NOTES TO THE ACCOUNTS (Contd.)

(₹ in lakhs)

Particulars	Land	Building	Total
As at 01-04-2020	1,28.75	54.28	1,83.03
Additions	-	44.95	44.95
Sub-total	1,28.75	99.23	2,27.98
(-) Sales / deletion	-	-	-
Total	1,28.75	99.23	2,27.98
Depreciation			
Upto 31-03-2020	-	11.77	11.77
For the year	-	9.03	9.03
Sub-total	-	20.80	20.80
(-) Withdrawn on assets sold / deleted	-	-	-
Total	-	20.80	20.80
Net Carrying amount			
As at 31-03-2021	1,28.75	78.43	2,07.18

Fair Value of Investment Property:

(₹ in lakhs)

Particulars	Land	Building	Total
At 31 March 2022	436,81.60	2,91.76	439,73.36
At 31 March 2021	445,83.81	2,93.10	448,76.91

Measurement of Fair Value
Fair Value Hierarchy

The fair value of investment property has been determined by the registered valuer as defined under rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017 having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued.

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

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

NOTES TO THE ACCOUNTS (Contd.)

Information regarding income and expenditure of Investment property

(₹ in lakhs)

Particulars	31.03.22	31.03.21
Rental Income derived from Investment Properties	1,87.10	1,82.17
Direct Operating Expenses (including repairs and maintenance)	(7.41)	(20.59)
Profit arising from Investment Properties before Depreciation and Indirect Expenses	1,79.69	1,61.58
Depreciation	(12.07)	(9.03)
Profit arising from Investment Properties before Indirect Expenses	1,67.62	1,52.55

Note 8 : Property, Plant & Equipment And Intangible Assets

(₹ in lakhs)

Description	Property, Plant & Equipment							Intangible	Total (tangible and intangible)
	Free hold land	Buildings	Plant & equipment	Furniture & fixtures	Office equipment	Vehicles	Total	Software-Bought out	
Cost of assets									
As at 01-04-2021	31.86	3.61	1,29.62	40.19	16.25	0.67	2,22.20	35.52	2,57.72
Additions	-	6.23	0.17	6.81	4.47	-	17.68	-	17.68
Sub-total	31.86	9.84	1,29.79	47.00	20.72	0.67	2,39.88	35.52	2,75.40
(-) Sales / deletion	-	-	0.07	-	0.19	0.03	0.29	-	0.29
Total	31.86	9.84	1,29.72	47.00	20.53	0.64	2,39.59	35.52	2,75.11
Depreciation									
Upto 31-03-2021	-	0.02	37.70	17.62	7.78	0.37	63.49	35.31	98.80
For the year	-	0.35	18.81	6.55	2.61	0.07	28.39	0.21	28.60
Sub-total	-	0.37	56.51	24.17	10.39	0.44	91.88	35.52	1,27.40
(-) Withdrawn on assets sold / deleted/other adjustments	-	-	(0.02)	-	0.06	0.02	0.06	-	0.06
Total	-	0.37	56.53	24.17	10.33	0.42	91.82	35.52	1,27.34
Net Carrying amount									
As at 31-03-2022	31.86	9.47	73.19	22.83	10.20	0.22	1,47.77	-	1,47.77

NOTES TO THE ACCOUNTS (Contd.)

(₹ in lakhs)

Description	Property, Plant & Equipment							Intangible	Total (tangible and intangible)
	Free hold land	Buildings	Plant & equipment	Furniture & fixtures	Office equipment	Vehicles	Total	Software-Bought out	
Cost of assets									
As at 01-04-2020	31.86	3.08	1,36.05	33.89	17.15	14.13	2,36.16	35.52	2,71.68
Additions	-	0.53	4.69	12.08	1.90	-	19.20	-	19.20
Sub-total	31.86	3.61	1,40.74	45.97	19.05	14.13	2,55.36	35.52	2,90.88
(-) Sales / deletion	-	-	11.12	5.78	2.80	13.46	33.16	-	33.16
Total	31.86	3.61	1,29.62	40.19	16.25	0.67	2,22.20	35.52	2,57.72
Depreciation									
Upto 31-03-2020	-	-	23.63	15.55	7.52	5.68	52.38	30.38	82.76
For the year		0.02	24.28	4.70	2.42	0.63	32.05	4.93	36.98
Sub-total	-	0.02	47.91	20.25	9.94	6.31	84.43	35.31	1,19.74
(-) Withdrawn on assets sold / deleted	-	-	10.21	2.63	2.16	5.94	20.94	-	20.94
Total	-	0.02	37.70	17.62	7.78	0.37	63.49	35.31	98.80
Net Carrying amount									
As at 31-03-2021	31.86	3.59	91.92	22.57	8.47	0.30	1,58.71	0.21	1,58.92

Note 9 : Other Non-Financial Assets

(₹ in lakhs)

Particulars	March 31, 2022	March 31, 2021
Prepaid expenses	27.33	18.24
Other advances	19.20	86.75
GST Input Credit	12.39	3.94
TOTAL	58.92	1,08.93

NOTES TO THE ACCOUNTS (Contd.)

Note 10 : Trade payables

(₹ in lakhs)

Particulars	March 31, 2022	March 31, 2021
(i) Total outstanding due to micro and small enterprises (Note 31e)	1.12	0.31
(ii) Total outstanding due to creditors other than micro and small enterprises		
- For Expenses *	26.04	20.05
- For Others		
TOTAL	<u>27.16</u>	<u>20.36</u>

* Refer Note 29 for related party transaction

Trade Payables ageing schedule - 31 March 2022

(₹ in lakhs)

Particulars	Outstanding for following periods from due date of payment					
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	1.12	-	-	-	1.12
(ii) Others	-	26.04	-	-	-	26.04
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-

Trade Payables ageing schedule - 31 March 2021

(₹ in lakhs)

Particulars	Outstanding for following periods from due date of payment					
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	0.31	-	-	-	0.31
(ii) Others	-	20.05	-	-	-	20.05
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-

Note 11 : Other Financial Liabilities

(₹ in lakhs)

Particulars	March 31, 2022	March 31, 2021
Accrued expenses	33.36	27.16
Other Liabilities	39.40	28.16
TOTAL	<u>72.76</u>	<u>55.32</u>

NOTES TO THE ACCOUNTS (Contd.)
Note 12 : Provisions

(₹ in lakhs)

Particulars	March 31, 2022	March 31, 2021
Provision for Employee Benefits	178.73	155.64
Provision for expenses	23.84	14.48
TOTAL	202.57	170.12

Note 13 : Deferred tax liabilities (net)

(₹ in lakhs)

Particulars	March 31, 2022	March 31, 2021
Deferred tax liabilities		
On Investments.	87,35.82	102,19.69
Deferred tax assets		
On Investments	(2,58.85)	(1,32.72)
On Employee Benefits	(24.11)	(14.50)
On Property, Plant & Equipment	(10.56)	(10.18)
On Security Deposits	(0.41)	(0.48)
On Others	(64.13)	-
Minimum Alternate Tax (MAT) Credit	-	(1,45.03)
TOTAL	83,77.76	99,16.78

Note 14 : Other non-financial liabilities

(₹ in lakhs)

Particulars	March 31, 2022	March 31, 2021
Statutory Liabilities	60.37	53.94
TOTAL	60.37	53.94

Note 15: Equity Share Capital

(₹ in lakhs)

Particulars	31.03.2022	31.03.2021
Authorised:		
32,00,00,000 Equity shares of face value of ₹5/- each	160,00.00	160,00.00
	160,00.00	160,00.00
Issued, Subscribed and fully paid up:		
22,21,03,860 Equity shares of face value of ₹5/- each (15,11,03,860 Equity shares of face value of ₹5/- each during FY 2020-21)	111,05.19	75,55.19
	111,05.19	75,55.19

NOTES TO THE ACCOUNTS (Contd.)

(a) Reconciliation of Equity Share Capital

	As at 31st March 2022		As at 31st March 2021	
	No. of Shares	₹ in lakhs	No. of Shares	₹ in lakhs
Balance at the beginning of the year	15,11,03,860	75,55.19	15,11,03,860	75,55.19
Changes in equity share capital during the year	–	–	–	–
Changes in Share Capital due to changes in Accounting Policies and prior period errors	–	–	–	–
Restated balance at the beginning of the current reporting period	15,11,03,860	75,55.19	15,11,03,860	75,55.19
Changes in Share Capital in the current reporting period	7,10,00,000	35,50.00	–	–
Balance at the end of the year	22,21,03,860	111,05.19	15,11,03,860	75,55.19

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

Name	Status	No. of Shares	% held as at 31.03.2022	No. of Shares	% held as at 31.03.2021
Sundaram Finance Limited	Promoter	5,21,76,605	23.49%	3,26,50,000	21.61%

Shares held by promoters at the end of the year

S. No	Promoter Name	No of Shares	% of Total Shares	% change during the year
1	Sundaram Finance Limited	5,21,76,605	23.49%	1.88%
2	Mr S Viji	50,08,334	2.25%	0.03%
3	Mr S Ram	44,03,473	1.98%	0.03%
4	Mr Srikanth Ramanujam	27,20,536	1.22%	0.62%
5	Mr R Ramanujam	26,47,864	1.19%	-0.70%
6	Mr Srivats Ram	26,42,338	1.19%	0.06%
7	Mrs Nivedita Ram	25,70,111	1.16%	0.07%
8	Mr Harsha Viji	24,57,341	1.11%	0.00%
9	Mr Sriram Viji	19,47,888	0.88%	0.03%
10	Mrs Gita Ram	17,92,389	0.81%	0.05%
11	Mr Arjun Rangarajan	15,57,420	0.70%	-0.16%
12	Mr Sumanth Ramanujam	13,82,948	0.62%	0.55%
13	Mrs Chitra Viji	13,20,016	0.59%	0.04%
14	Mrs Vijaya Rangarajan	12,09,854	0.54%	-0.26%

NOTES TO THE ACCOUNTS (Contd.)

S. No	Promoter Name	No of Shares	% of Total Shares	% change during the year
15	Ms S Hema	11,22,646	0.51%	-0.18%
16	Mrs Thanjam Ravindran	8,44,119	0.38%	0.00%
17	Mr Jaideep Chakravarthy	6,85,198	0.31%	0.06%
18	Mrs Prema Ramanujam	6,74,391	0.30%	-0.12%
19	Mr Pradeep Chakravarthy	6,67,986	0.30%	0.06%
20	Mrs Lily Vijayaraghavan	6,35,436	0.29%	-0.13%
21	Mr Ananth Ramanujam	6,20,940	0.28%	-0.13%
22	Mrs Vijaya Rangarajan & Mr S Ram	6,09,896	0.27%	-0.13%
23	Mrs Usha Raghavan	5,89,992	0.27%	-0.12%
24	Mr S Viji (HUF-1)	5,84,769	0.26%	0.02%
25	Mrs Choodamani Narayanan	5,38,494	0.24%	-0.09%
26	Mr K Vasudevan	4,22,437	0.19%	0.00%
27	Mrs Lakshmi Vasudevan	4,03,811	0.18%	0.00%
28	Miss Tulsi S Ramanujam	3,97,367	0.18%	0.00%
29	Mrs Anuradha Raghavan	3,97,264	0.18%	-0.08%
30	Mr S Ravindran (HUF)	3,69,815	0.17%	0.17%
31	Mr Sharath Vijayaraghavan	3,68,844	0.17%	0.05%
32	Mr S Kishore & Mr Am Srinivasan	3,66,940	0.17%	0.09%
33	Mr Daya Ambirajan	3,54,365	0.16%	0.01%
34	Mrs Lily Vijayaraghavan & Mrs Sashi Parthasarathy	3,53,312	0.16%	-0.07%
35	Mr S Ravindran	3,52,182	0.16%	-0.17%
36	Mr Sharath Vijayaraghavan (HUF)	3,15,000	0.14%	0.00%
37	Mr Aditya S Ramanujam	3,00,646	0.14%	-0.05%
38	Mr T T Narendran, Mrs Vimala Rangaswamy & Mrs Padmini Narendran	2,39,492	0.11%	0.00%
39	Mr Shreyas Ravindran And Mr Srinivasan Ravindran	2,00,339	0.09%	0.00%
40	Mr Ananth Krishnan	2,00,300	0.09%	-0.04%
41	Mr Akshay Krishnan	2,00,300	0.09%	-0.04%
42	Mrs Lily Vijayaraghavan & Mr Badri Vijayaraghavan	1,97,776	0.09%	-0.04%
43	Mrs Lily Vijayaraghavan & Mr Sharath Vijayaraghavan	1,97,776	0.09%	-0.04%
44	Mr T T Srinivasa Raghavan (HUF)	1,96,868	0.09%	0.01%
45	Mr S Viji (HUF-2)	1,82,160	0.08%	0.01%
46	Miss Tarika Ram (Minor)	1,69,840	0.08%	0.00%
47	Mrs Bagyam Raghavan & Mr T T Venkatraghavan	1,66,493	0.07%	0.00%

NOTES TO THE ACCOUNTS (Contd.)

S. No	Promoter Name	No of Shares	% of Total Shares	% change during the year
48	Mr N Krishnan	1,64,853	0.07%	0.00%
49	Mrs Indira Krishnaswami	1,62,180	0.07%	-0.03%
50	Mr T T Srinivasaraghavan & Mr T T Narendran	1,61,632	0.07%	0.00%
51	Mr T T Srinivasaraghavan & Mrs Bagyam Raghavan	1,61,632	0.07%	0.00%
52	Master Ranjan Ambirajan	1,59,929	0.07%	0.00%
53	Mrs Padmini Narendran & Mr T T Hayagreevan	1,55,819	0.07%	0.00%
54	Mr Shriram Vijayaraghavan (HUF)	1,55,000	0.07%	0.00%
55	Mr N Krishnan (HUF)	1,49,278	0.07%	0.00%
56	Mr Narayanan Ramji	1,42,148	0.06%	-0.01%
57	Mr Shreen Raghavan	1,41,833	0.06%	0.00%
58	Mr T T Narendran (HUF)	1,39,691	0.06%	0.00%
59	Mrs Vimala Rangaswamy, Mr T T Narendran & Mrs Padmini Narendran	1,39,627	0.06%	0.00%
60	Mr Narayanan Ramji (HUF)	1,36,160	0.06%	-0.03%
61	Mr T T Srinivasaraghavan, Mrs Vimala Rangaswamy & Mrs Bagyam Raghavan	1,35,970	0.06%	0.00%
62	Mr T T Narendran & Mrs Padmini Narendran	1,32,244	0.06%	0.01%
63	Mr Srivats Ram (HUF)	1,23,370	0.06%	0.00%
64	Mrs Vimala Rangaswamy, Mr T T Srinivasaraghavan & Mr T T Venkatraghavan	1,21,465	0.05%	0.00%
65	Mr T T Narendran & Mrs Padmini Narendran	1,17,551	0.05%	-0.01%
66	Mr Vishnu Vijayaraghavan	1,11,649	0.05%	0.00%
67	Ms Sanjana Tara Ramanujam	1,09,034	0.05%	0.00%
68	Mr S Raghavan	1,03,492	0.05%	-0.02%
69	Mrs Rupa Srikanth	1,03,133	0.05%	0.00%
70	Mr Badri Vijayaraghavan	1,00,000	0.05%	0.05%
71	Mrs Lakshmi Vijayaraghavan	91,155	0.04%	0.01%
72	Mrs Rama Sridharan	85,920	0.04%	0.00%
73	Mrs Aruna Sankaranarayanan	83,520	0.04%	0.00%
74	Mr T T Rangaswamy (HUF-1)	72,476	0.03%	0.00%
75	Mr TT Rangaswamy, Mr TT Narendran & Mr TT Hayagreevan	72,293	0.03%	0.00%
76	Mr TT Rangaswamy, Mr TT Venkatraghavan & Mr TT Srinivasaraghavan	71,453	0.03%	0.00%
77	Mr K Vasudevan & Mrs Lakshmi Vasudevan	68,167	0.03%	0.00%

NOTES TO THE ACCOUNTS (Contd.)

S. No	Promoter Name	No of Shares	% of Total Shares	% change during the year
78	Mr Srinivas Raghavan	39,732	0.02%	0.00%
79	Mrs Dangety Krishnakumari	34,271	0.02%	0.00%
80	Mr T T Rangaswamy (HUF-2)	28,459	0.01%	0.00%
81	Miss Gitanjali Jeevan Jose, Rep By M/G Mrs Divya Jeevan Jose	14,693	0.01%	0.00%
82	Master P Siddhartha Jeevan, Rep By M/G Mrs Divya Jeevan Jose	14,693	0.01%	0.00%
83	Kavitha Gorur Keshav & Mr T T Hayagreevan	14,693	0.01%	0.00%
84	Nakshatra Hayagreevan (Minor)	14,693	0.01%	0.00%
85	Master T T Samitinjayan Rep By F/G Mr T T Hayagreevan	14,693	0.01%	0.00%
86	Mr R Ramanujam (HUF)	14,682	0.01%	0.00%
87	Mr C B Srinivasan	14,106	0.01%	0.00%
88	Mr S Viji & Mrs Chitra Viji	12,760	0.01%	0.00%
89	Mr Srikanth Ramanujam (HUF)	11,755	0.01%	0.00%
90	Mr Shreen Raghavan (HUF)	5,115	0.00%	0.00%
91	Mr Sriram Viji & Mrs Chitra Viji	4,637	0.00%	0.00%
92	Mr Harsha Viji & Mrs Chitra Viji	4,637	0.00%	0.00%
93	Mr Srikanth Ramanujam & Mrs Rupa Srikanth	4,472	0.00%	0.00%
94	Mr S Sundaram	4,000	0.00%	0.00%
95	Mr A M Srinivasan & Mr S Kishore	664	0.00%	0.00%
96	Mr A M Srinivasan	176	0.00%	0.00%
97	Mr Srikanth Ramanujam & Mr Ananth Ramanujam	-	-	-0.55%
98	Mr S Chakravarthy	-	-	-0.40%
99	Mr R Ramanujam & Mr Ananth Ramanujam	-	-	-0.02%
100	Mr R Ramanujam & Mrs Prema Ramanujam	-	-	-0.01%
101	Mr Dangety Satyanarayanamurty	-	-	0.00%
102	M/s Raghuvamsa Holdings Private Limited	45,01,306	2.03%	0.80%
103	M/s Uthirattadhi Sriram Holdings Private Limited	27,93,522	1.26%	0.28%
104	M/s Allegro Holdings Private Limited	27,60,934	1.24%	0.42%
105	M/s Silver Oak Holdings Private Limited	27,44,080	1.24%	0.28%
106	M/s Padmalakshmi Holdings Private Limited	24,23,561	1.09%	0.24%
107	M/s Rohini Holdings Private Limited	21,72,948	0.98%	0.12%
108	M/s Revathi Holdings Private Limited	19,34,516	0.87%	0.06%
109	M/s Azorious Holdings Private Limited	14,74,811	0.66%	0.10%
110	M/s Maham Holdings Limited	9,70,435	0.44%	0.10%
	Total	12,34,66,029	55.59%	2.67%

NOTES TO THE ACCOUNTS (Contd.)

Note 16: Other equity

(₹ in lakhs)

Particulars	Reserves and Surplus					Gains / (losses) from equity investments through OCI *	Total
	Capital Reserve	General Reserve [#]	ESOP Reserve	Securities Premium	Retained Earnings		
Balance as at 01 April, 2020	18,74.68	131,08.02	-	-	174,58.09	840,59.88	1165,00.67
Add: Profit or loss for the period					14,54.79		14,54.79
Add: Other comprehensive income					4.97	177,52.95	177,57.92
Less: Final Dividend for FY 2019-20 paid					(7,55.55)		(7,55.55)
Balance as at 01 April 2021	18,74.68	131,08.02	-	-	181,62.30	1018,12.83	1349,57.83
Add: Profit or loss for the period					46,91.08		46,91.08
Add: Other comprehensive income					(14.86)	314,85.82	314,70.96
Add: Securities premium proceeds received on rights issue of equity shares				319,50.00			319,50.00
Transfer on account of Sale of Equity instruments measured at FVTOCI (net of tax)					154,74.66	(154,74.66)	-
Less: Rights issue expenses (net of tax)				(2,38.36)			(2,38.36)
Less: Final Dividend for FY 2020-21 paid					(11,10.56)		(11,10.56)
Less: Special Dividend for FY 2021-22 paid					(22,21.04)		(22,21.04)
Add: ESOP contribution scheme of Parent company			6.64				6.64
Balance as at 31 March 2022	18,74.68	131,08.02	6.64	317,11.64	349,81.58	1178,23.99	1995,06.55

* **FVOCI** - The Company has elected to recognise changes in the FV of certain equity instruments in the OCI. These changes are accumulated within FVOCI Reserve within equity. The Company transfers amounts from this reserve to retained earnings when the relevant equity instruments are derecognised.

General Reserve - General Reserve is a part of retained earnings. This is available for distribution to shareholders as dividend and capitalisation.

NOTES TO THE ACCOUNTS (Contd.)
Profit & Loss Account
Note 17: Interest Income

(₹ in lakhs)

Particulars	For the year ended 31 March 2022			For the year ended 31st March 2021		
	On financial assets measured at			On financial assets measured at		
	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost	FVTPL
Interest income from investments	-	21.97	5.70	-	1.74	-
Total	-	21.97	5.70	-	1.74	-

Note 18 : Net gain/(loss) on Fair Value Changes

(₹ in lakhs)

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
Net gain/(Loss) on financial instruments at FVTPL		
- Investments	7,87.92	5,36.22
Fair Value changes:		
- Realised	2,03.34	4,67.92
- Unrealised	5,84.58	68.30
TOTAL	<u>7,87.92</u>	<u>5,36.22</u>

Note 19 : Other Income

(₹ in lakhs)

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
Interest Receipts	5.05	1.50
Rent Receipts	1,87.10	1,82.17
Other Non-Operating Income	3.88	23.81
TOTAL	<u>1,96.03</u>	<u>2,07.48</u>

Note 20 : Finance Costs

(₹ in lakhs)

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
Interest on income tax	3.71	-
Interest-others	9.34	13.80
TOTAL	<u>13.05</u>	<u>13.80</u>

NOTES TO THE ACCOUNTS (Contd.)

Note 21 : Employee Benefit Expense

(₹ in lakhs)

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
Salaries, bonus and commission	11,60.39	14,16.37
Contribution to Provident and Other Funds (Refer Note 30)	95.24	1,09.89
Staff welfare expenses	28.96	36.57
Staff Recruitment and Training Expenses	1.02	1.90
TOTAL	12,85.61	15,64.73

Note 22 : Administrative and Other Expenses

(₹ in lakhs)

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
Rent	7.17	45.61
Rates and taxes	9.32	9.21
Electricity expenses	24.92	17.50
Communication expenses	16.41	33.96
Outsourcing cost	65.50	94.77
Audit fees (Note 31f)	20.40	18.50
Repairs and Maintenance	34.36	58.77
Professional fees	1,41.76	72.65
Commission to KMP and Directors	21.00	11.00
Director sitting fee	16.50	11.60
Filing fee	0.04	0.13
Listing fee	5.71	67.09
CSR Expenditure (Note 31d)	40.00	56.50
Miscellaneous expenses	69.02	60.75
TOTAL	4,72.11	5,58.04

NOTES TO THE ACCOUNTS (Contd.)
Note 23 : Income Tax
A. Reconciliation of Effective Tax Rate

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

(₹ in lakhs)

Particulars	31 March 2022	31 March 2021
Income tax expenses recognized in the Statement of Profit and Loss	2,31.71	4,45.39
Tax recognised in OCI on account of derecognition	6,49.43	
MAT credit utilisation		(1,36.13)
Income tax expenses pertaining to current year	8,81.14	3,09.26

(₹ in lakhs)

Particulars	31 March 2022	31 March 2021
Profit before tax	50,43.49	17,64.95
Enacted income tax rate in India	25.17%	29.12%
Tax using the Company's domestic tax rate :	12,69.34	5,13.95
Effect of:		
Allowance of deduction under section 80M	(8,38.50)	(2,20.02)
Set-off of carried forward loss	(2,19.97)	-
Effect of differential overseas tax rate	(2,02.52)	-
Other allowance	(1,43.91)	1,01.40
Disallowance of impairment loss	2,84.74	-
Expenses disallowed	22.90	50.56
Exempted / Non taxable income	(0.38)	(0.51)
Prior period tax	60.01	-
Income tax expenses recognised in the statement of Profit and Loss	2,31.71	4,45.39

NOTES TO THE ACCOUNTS (Contd.)

B. Recognised Deferred Tax Assets and Liabilities

Deferred tax assets / liabilities as at 31st March 2022:

(₹ in lakhs)

Particulars	As at 1st April 2021	Recognized in Statement of Profit or Loss	Recognized in Other Com- prehensive Income *	Recognized in Other Equity	As at 31st March 2022
Deferred tax Assets					
Property, plant and Equipment	10.18	0.38	-	-	10.56
Impairment on investment valued at cost	-	2,58.85	-	-	2,58.85
Carry forwarded loss	1,32.72	(1,32.72)	-	-	-
Minimum Alternate Tax (MAT) Credit	1,45.03	(1,45.03)	-	-	-
Provisions - employee benefits	14.50	9.61	-	-	24.11
Other items	0.48	(0.07)	-	64.13	64.54
	3,02.90	(8.96)	-	64.13	3,58.06
Deferred tax Liabilities					
Investments at fair value through profit or loss	19.88	1,11.74	-	-	1,31.62
Investments at fair value through OCI	101,99.80	-	(9,46.17)	*(6,49.43)	86,04.20
	102,19.68	1,11.74	(9,46.17)	(6,49.43)	87,35.82
Net deferred tax (Assets) / Liabilities	99,16.78	1,20.70	(9,46.17)	(7,13.56)	83,77.76

* Excludes impact of income tax on remeasurement of employee benefit

Transfer to income tax provision on account of Sale of Equity instruments measured at FVTOCI

Deferred tax assets / liabilities as at 31st March 2021:

(₹ in lakhs)

Particulars	As at 1st April 2020	Recognized in Statement of Profit or Loss	Recognized in Other Comprehensive Income *	As at 31st March 2021
Deferred tax Assets				
Property, plant and Equipment	8.37	1.81	-	10.18
Carry forwarded loss	1,32.72	-	-	1,32.72
Minimum Alternate Tax (MAT) Credit	2,81.16	(1,36.13)	-	1,45.03
Provisions - employee benefits	16.96	(2.46)	-	14.50
Other items	0.58	(0.10)	-	0.48
	4,39.79	(1,36.88)	-	3,02.90
Deferred tax Liabilities				
Investments at fair value through profit or loss	1,55.84	(1,35.96)	-	19.88
Investments at fair value through OCI	58,64.00	-	43,35.80	101,99.80
	60,19.84	(1,35.96)	43,35.80	102,19.68
Net deferred tax (Assets) / Liabilities	55,80.05	0.92	43,35.80	99,16.78

* Excludes impact of income tax on remeasurement of employee benefit.

The Company intends to exercise the option permitted under section 115BAA of the Income Tax Act, 1961, to compute Income Tax at reduced rate (i.e, 25.17%) from current financial year and accordingly, has re-measured current /deferred tax, and the accumulated MAT credit of ₹1,45.03 lakhs has been fully reversed during the current year.

NOTES TO THE ACCOUNTS (Contd.)
Note 24: Leases
(i) Company as Lessee
Movement of Right of Use asset

(₹ in Lakhs)

Particulars	31st March 2022	31st March 2021
Opening Balance	1,12.75	2,02.12
Less : Modifications	-	(60.95)
Less : Depreciation on Right of Use Assets	(22.00)	(28.42)
Closing balance	90.75	1,12.75

Movement of Lease Liability

(₹ in Lakhs)

Particulars	31st March 2022	31st March 2021
Opening Balance	1,26.68	2,13.68
Less : Modifications	-	(66.70)
Add : Finance cost	9.34	13.80
Less : Repayments	(26.41)	(34.10)
Closing balance	1,09.61	1,26.68

Details regarding the contractual maturities of lease liabilities as at March 31, 2022 on an undiscounted basis

(₹ in Lakhs)

Future minimum lease payable	31st March 2022	31st March 2021
Not later than 1 year	29.87	26.40
Later than 1 year and not later than 5 years	99.43	1,24.93
Later than 5 years	-	4.36

Other Rental expenses categorised as short term and low value

(₹ in Lakhs)

Particulars	31st March 2022	31st March 2021
Equipment Rent (Low value)	1.40	16.51
Immovable Property Rent (Short term)	8.88	31.17

(ii) Company as Lessor

Undiscounted lease payments to be received on annual basis for first 5 years ₹1,89.24 lakhs (Previous year ₹1,87.09 Lakhs)

NOTES TO THE ACCOUNTS (Contd.)

Note 25 : Capital Management

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

Note 26 : Financial instruments – Fair values and risk management

A. Accounting Classification and Fair Values

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

(₹ in Lakhs)

As at 31 March 2022	Carrying amount	Level 1	Level 2	Level 3
Financial assets measured at				
Amortized cost				
Preference securities	15,00.00	-	15,00.00	-
Trade receivables	1,60.27	-	-	-
Cash and cash equivalents	55.79	-	-	-
Other Financial Assets	7,99.36	7,79.96	13.03	6.37
Loans	10.12	-	10.12	-
FVTPL				
Mutual Fund	1,82,00.23	172,32.03	9,68.20	-
Preference securities	6,86.26	-	6,86.26	-
FVTOCI				
Equity instruments*	1671,46.54	955,24.50	-	716,22.04
Financial Liabilities measured at Amortized cost				
Trade and other payables	27.16	-	-	-
Lease Liability	1,09.61	-	1,09.61	-
Other Financial Liabilities	72.76	-	-	-

* Excluding Investment in Subsidiary and Associates as given in Note 4

NOTES TO THE ACCOUNTS (Contd.)

(₹ in Lakhs)

As at 31 March 2021	Carrying amount	Level 1	Level 2	Level 3
Financial assets measured at				
Amortized cost				
Preference securities	15,00.00	-	15,00.00	-
Bonds	22.62	-	22.62	-
Trade receivables	1,83.23	-	-	-
Cash and cash equivalents	55.65	-	-	-
Other Financial Assets	17.50	-	17.50	-
Loans	30.10	-	30.10	-
FVTPL				
Mutual Fund	63,71.13	59,41.13	-	4,30.00
Preference securities	2,98.26	-	-	2,98.26
FVTOCI				
Equity instruments*	1166,32.17	722,90.72	335,70.87	107,70.58
Financial Liabilities measured at Amortized cost				
Trade and other payables	20.36	-	-	-
Lease Liability	1,26.68	-	1,26.68	-
Other Financial Liabilities	55.32	-	-	-

* Excluding Investment in Subsidiary and Associates as given in Note 4

Fair Value Hierarchy

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

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

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

Level 3 hierarchy - Inputs are not based on observable market data. Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data. An adjustment to a Level 2 input that is significant to the entire measurement results in a fair value measurement categorised within Level 3 of the fair value hierarchy if the adjustment uses significant unobservable inputs.

B. Measurement of fair values

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

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

There are no transfer between level 1 and Level 2 during the year.

NOTES TO THE ACCOUNTS (Contd.)

Note 27 : Financial Risk Management

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

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

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

(a) Liquidity Risk

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

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

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

(₹ in Lakhs)

Particulars	31 March 2022	31 March 2021
Trade payables	27.16	20.36
Other financial Liabilities	72.76	55.32

(b) Credit Risk

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

(i) Trade Receivables:

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

NOTES TO THE ACCOUNTS (Contd.)

The following table sets out the information about the credit quality of financial assets measured at amortised cost.
(₹ in Lakhs)

Particulars	31 March 2022	31 March 2021
Trade receivables	1,60.27	1,83.23
Loss allowance	-	-
Carrying amount	1,60.27	1,83.23

(ii) Other Financial Assets:

The Company has exposure in Cash and cash equivalents, employee loans and investment carried at amortised cost. The Company's maximum exposure to credit risk as at 31st March, 2022 is the carrying value of each class of financial assets as on that date.

Cash and Cash Equivalents

The Company held cash and cash equivalents of INR 55.79 lakhs as on March 31, 2022 (March 31, 2021 : INR 55.65 lakhs). The cash and cash equivalents are held in hand and with bank. (Refer Note 1).

(c) Market Risk

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

Company is having certain investments in unlisted companies where the valuation takes place based on certain market multiples of similar companies after duly adjusted for discounts to the same if any.

Sensitivity Analysis

(₹ in Lakhs)

Sensitivity analysis	Change in assumption		Impact on carrying value of investments			
			Increase in assumption		Decrease in assumption	
Details	31 March 2022	31 March 2021	31 March 2022	31 March 2021	31 March 2022	31 March 2021
Quoted Equity investments	1%	1%	9,55.24	7,22.91	(9,55.24)	(7,22.91)
Unquoted Equity investments	1%	1%	7,01.70	73.12	(7,01.70)	(73.12)
Mutual Fund investments	1%	1%	1,82.00	59.41	(1,82.00)	(59.41)

Risk Management Structure

Risk is an inherent and integral part of the business of investments and business process outsourcing. The Company aims to achieve an appropriate balance between risk and returns by establishing an efficient risk mitigation system. In order to mitigate risks, the Company has instituted a risk management framework, wherein, the Audit Committee under the supervision of the Board is tasked with regular assessment and laying down of policies for management of risks. In respect of certain investments, the Company has established systems to conduct due diligence of proposals received and to ensure that investments are in line with the overall objectives of the Company.

NOTES TO THE ACCOUNTS (Contd.)

Note 28: Revenue Recognition

Sale of Services:

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

When the terms of the agreement specify service level parameters that must be met, the Company monitors such service level parameters and determine if there are any service credits or penalties that needs to be accounted for. The Company's revenue is significantly only from group companies, hence it is believed that there is no significant credit risk.

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

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

Contracts with customers

There are no other revenue under Contract with Customers other than those which are accounted in Profit and Loss Account as revenue which comprises of Service income and Learning income. Refer Note 28.a for the details of income earned from contracts with customers.

Contract Balances

The Company classifies the right to consideration in exchange for deliverables as either a receivable or as unbilled revenue. Refer Note 28.a for the Trade Receivable balances.

Revenue from sale of services and the trade receivable for the year ended March 31, 2022 and March 31, 2021 is as follows:

Note 28.a

(₹ in Lakhs)

Particulars	31st March 2022	31st March 2021
Sale of Services		
- Support Services	12,20.54	16,65.29
- Learning Income	1,31.89	1,52.30
Trade Receivables	1,60.27	1,83.23

NOTES TO THE ACCOUNTS (Contd.)

Note 29: Related Party Transactions

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

Related Parties:

Holding Company

Sundaram Finance Limited

Subsidiary

Sundaram Business Services Limited

Fellow Subsidiaries

Sundaram Asset Management Company Limited

Principal Asset Management Private Limited (w.e.f. 31-12-2021)

Principal Trustee Company Private Limited (w.e.f. 31-12-2021)

Principal Retirement Advisors Private Limited (w.e.f. 31-12-2021)

Sundaram Fund Services Limited

Sundaram Home Finance Limited

Sundaram Asset Management Singapore Pte Limited.

LGF Services Limited

Sundaram Alternate Assets Limited

Sundaram Trustee Company Limited

Joint Venture of Holding Company

Royal Sundaram General Insurance Co. Ltd

Associate Companies

Flometallic India Private Limited

Dunes Oman LLC (FZC)

Sundaram Hydraulics Limited

Axles India Limited

Turbo Energy Private Limited

Transenergy Private Limited

Sundaram Dynacast Private Limited

Wheels India Limited

Mind Sri *

Sundaram Composite Structures Private Limited*

Key Management Personnel (KMP):

Sri. T.T.Srinivasaraghavan-Chairman

Sri. Harsha Viji - Director

Sri. S.Ravi-Chief Executive Officer

Sri V.Vaasen-Chief Financial Officer (Till 28-Feb-2022)

Sri I S Suresh - Chief Financial Officer (w.e.f. 01-Mar-2022)

Others

Sundaram Finance Holdings Gratuity Trust#

NOTES TO THE ACCOUNTS (Contd.)

Related Party Transactions:

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

(₹ in lakhs)

Nature of Transactions	Holding Company	Subsidiary	Associates	Fellow Subsidiaries	Joint Venture of Holding Company	KMP	2021-22	2020-21
Income								
Dividend Income								
Sundaram Dynacast Private Limited	—	—	1,40.40	—	—	—	1,40.40	1,87.20
Turbo Energy Private Limited	—	—	16,38.40	—	—	—	16,38.40	—
Axles India Limited	—	—	—	—	—	—	—	1,48.38
Sundaram Business Services Limited	—	4,11.34	—	—	—	—	4,11.34	—
Flometallic India Private Limited	—	—	—	—	—	—	—	3,80.00
Sundaram Asset Management Company Ltd	—	—	—	1,01.25	—	—	1,01.25	1,01.25
Wheels India Limited	—	—	56.01	—	—	—	56.01	1,48.43
Income from Services								
Sundaram Finance Limited	11,64.47	—	—	—	—	—	1164.47	1230.09
Sundaram Asset Management Company Ltd	—	—	—	28.92	—	—	28.92	23.88
Sundaram Fund Services Ltd	—	—	—	0.60	—	—	0.60	0.19
Sundaram Home Finance Ltd	—	—	—	53.93	—	—	53.93	41.97
Royal Sundaram General Insurance Co. Ltd	—	—	—	—	69.70	—	69.70	4,90.23
Sundaram Alternate Assets Limited	—	—	—	3.84	—	—	3.84	2.88
Wheels India Limited	—	—	9.11	—	—	—	9.11	7.66
Other Income								
Rental Income								
Sundaram Finance Limited	96.80	—	—	—	—	—	96.80	96.76
Turbo Energy Private Limited	—	—	37.53	—	—	—	37.53	34.49
Sale of Assets								
Sundaram Finance Limited	—	—	—	—	—	—	—	0.42
Royal Sundaram General Insurance Co. Ltd	—	—	—	—	—	—	—	3.64

NOTES TO THE ACCOUNTS (Contd.)

(₹ in lakhs)

Nature of Transactions	Holding Company	Subsidiary	Associates	Fellow Subsidiaries	Joint Venture of Holding Company	KMP	2021-22	2020-21
Expenses								
Sundaram Finance Limited								
Rent & other Amenities	8.88	—	—	—	—	—	8.88	31.17
Internal Audit fees	6.00	—	—	—	—	—	6.00	4.00
Reimbursement Expenses	0.15	—	—	—	—	—	0.15	—
Employees Stock Options	6.64	—	—	—	—	—	6.64	—
Employee Benefit Transfers	6.22	—	—	—	—	—	6.22	0.50
Sundaram Business Services Limited								
Outsourcing Cost	—	48.64	—	—	—	—	48.64	76.18
Amenities Reimbursement	—	9.58	—	—	—	—	9.58	15.88
Sundaram Home Finance Limited								
Amenities Reimbursement	—	—	—	0.21	—	—	0.21	—
Royal Sundaram General Insurance Co. Limited								
Insurance	—	—	—	—	8.69	—	8.69	3.00
Remuneration paid to KMP**	—	—	—	—	—	1,15.68	1,15.68	1,07.55
Employee benefit transfers								
Sundaram Finance Limited	7.40	—	—	—	—	—	7.40	—
Sundaram Business Services Limited	—	3.90	—	—	—	—	3.90	—
Other Transactions - Investments								
Purchase of Equity Shares - Wheels India Limited	—	—	—	—	—	—	—	99,99.94
Purchase of Equity Shares - Mind S.r.l.	—	—	17,17.42	—	—	—	17,17.42	23,71.35
Capital Reduction - Dunes Oman LLC	—	—	19,72.04	—	—	—	19,72.04	—
Payment of Call money-Flometallic India	—	—	—	—	—	—	—	5,50.00
Purchase of Equity Shares - Flometallic India	—	—	12,49.56	—	—	—	12,49.56	—

NOTES TO THE ACCOUNTS (Contd.)

Nature of Transactions	Holding Company	Subsidiary	Associates	Fellow Subsidiaries	Joint Venture of Holding Company	KMP	2021-22	2020-21
Purchase of Equity Shares - Sundaram Composite	—	—	24,00.00	—	—	—	24,00.00	—
Sale of Equity Shares - Sundaram Composites	—	—	4,53.20	—	—	—	4,53.20	—
Closing Balance of Investment in Equity Shares								
Sundaram Business Services Limited	—	29,12.79	—	—	—	—	29,12.79	29,12.79
Flometallic India Private Limited	—	—	50,49.74	—	—	—	50,49.74	38,00.00
Dunes Oman LLC (FZC)	—	—	17,24.71	—	—	—	17,24.71	21,55.89
Sundaram Hydraulics Limited	—	—	1,05.77	—	—	—	1,05.77	1,05.77
Axles India Limited	—	—	10,15.70	—	—	—	10,15.70	10,15.70
Turbo Energy Private Limited	—	—	1,88.41	—	—	—	1,88.41	1,88.41
Transenergy Private Limited	—	—	1,87.50	—	—	—	1,87.50	1,87.50
Sundaram Dynacast Private Limited	—	—	1,17.00	—	—	—	1,17.00	1,17.00
Wheels India Limited	—	—	141,68.39	—	—	—	141,68.39	141,68.39
Mind S.r.l.	—	—	29,76.95	—	—	—	29,76.95	23,71.35
Sundaram Composites Structures Private Limited	—	—	19,60.00	—	—	—	19,60.00	—
Closing Balance of Investment in Preference Shares								
Sundaram Asset Management Company Ltd	—	—	—	15,00.00	—	—	15,00.00	15,00.00
Insurance Deposit								
Royal Sundaram General Insurance Co. Ltd	—	—	—	—	0.72	—	0.72	0.43
Receivables:								
Sundaram Finance Limited	1,33.99	—	—	—	—	—	1,33.99	1,10.17
Sundaram Asset Management Company Ltd	—	—	—	2.84	—	—	2.84	2.60
Sundaram Fund Services Ltd	—	—	—	0.06	—	—	0.06	—
Sundaram Home Finance Ltd	—	—	—	—	—	—	—	0.06

NOTES TO THE ACCOUNTS (Contd.)

(₹ in lakhs)

Nature of Transactions	Holding Company	Subsidiary	Associates	Fellow Subsidiaries	Joint Venture of Holding Company	KMP	2021-22	2020-21
Royal Sundaram General Insurance Co. Ltd	—	—	—	—	7.03	—	7.03	6.80
Sundaram Alternate Assets Limited	—	—	—	0.38	—	—	0.38	0.28
Turbo Energy Private Limited	—	—	—	—	—	—	—	0.11
Wheels India Limited	—	—	0.86	—	—	—	0.86	0.91
Sundaram Business Services Ltd	—	4.57	—	—	—	—	4.57	—
Payables:								
Sundaram Finance Limited	0.51	—	—	—	—	—	0.51	1.92
Sundaram Asset Management Company Ltd	—	—	—	0.01	—	—	0.01	—
Sundaram Business Services Ltd	—	4.66	—	—	—	—	4.66	2.98

* These Companies were classified as subsidiaries during the period Oct'21-Dec'21. However based on subsequent disposal of shareholding / change in control over investee, the same has been classified into associates as at 31st March, 2022.

Transactions with respect to contribution to the gratuity trust is mentioned in Note 30b.

**** Remuneration to KMP**

(₹ in Lakhs)

Particulars	2021-22	2020-21
Short term Employee benefits	1,10.68	1,07.55
Post Employment benefits	-	-
Other long term employee benefits	-	-
Termination benefits	-	-
Others (Commission)	5.00	-
TOTAL	1,15.68	1,07.55

Note 30 : Employee Benefits: Defined Contribution Plan

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

NOTES TO THE ACCOUNTS (Contd.)

Note 30a : Contribution to PF & Other Funds

(₹ in lakhs)

Particulars	2021-22	2020-21
Contribution to Provident Fund	61.76	73.85
Contribution to Superannuation Fund	4.17	4.06
Contribution to Labour Welfare Fund	0.05	0.06

Note 30b : Employee Benefits: Defined Benefit Plan - Gratuity

(i) A. Reconciliation of opening and closing balances of the present value of the defined benefit obligation

(₹ in lakhs)

Particulars	31st March 2022	31st March 2021
Present Value of Defined Benefit Obligation at the beginning of the Period	1,79.26	1,86.01
Service Cost		
a. Current Service Cost	28.90	31.71
b. Past Service Cost	-	-
c. (Gain)/Loss on Curtailments	-	-
d. (Gain)/Loss on Settlements	-	-
Interest Expense	11.81	11.33
Remeasurements		
a. Effect of Changes in Demographic Assumptions	-	-
b. Effect of Changes in Financial Assumptions	(3.02)	1.44
c. Effect of Experience Adjustments	19.19	(9.57)
Cashflows		
a. Benefit Payments		
(i) From the Plan	(25.80)	(41.65)
(ii) Directly from the Employer	-	-
b. Settlement Payments from the Plan	-	-
c. Participant Contributions	-	-
Effect of Business Combinations / Disposals	-	-
Present Value of Defined Benefit Obligation at the end of the Period	2,10.34	1,79.26

NOTES TO THE ACCOUNTS (Contd.)
B. Reconciliation of opening and closing balances of the fair value of plan assets

(₹ in lakhs)

Particulars	31st March 2022	31st March 2021
Fair value of plan assets as at the beginning of the period	1,85.17	1,81.42
Interest Income on Plan Assets	11.45	11.11
Cash Flows		
a. Benefit Payments		
(i) From the Plan	(25.80)	(41.65)
(ii) Directly from the Employer	-	-
b. Settlement Payments from the Plan	-	-
c. Participant Contributions	-	-
d. Total Employer Contributions		
(i) Employer Contributions	26.05	35.41
(ii) Employer Direct Benefit Payments	-	-
Remeasurements		
a. Actual Return on Plan Assets	(3.69)	(1.12)
Effect of Business Combinations / Disposals	-	-
Effect of Changes in Foreign Exchange Rates	-	-
Fair value of plan assets as at the end of the period*	1,93.19	1,85.17

*All the plan assets are funded with LIC

C. The amounts to be recognized in the Balance Sheet and related analysis

(₹ in lakhs)

Particulars	31st March 2022	31st March 2021
Present Value of Defined Benefit Obligation	2,10.34	1,79.26
Fair value of plan assets	1,93.19	1,85.17
Net Assets (Liability) recognized in the Balance Sheet	(17.15)	5.91
Effect of Asset Ceiling	-	-
Net Assets (Liability)	(17.15)	5.91

NOTES TO THE ACCOUNTS (Contd.)

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

(₹ in lakhs)

Particulars	31st March 2022	31st March 2021
Service Cost		
a. Current Service Cost	28.90	31.71
b. Past Service Cost	-	-
c. (Gain)/Loss on Curtailments	-	-
d. (Gain)/Loss on Settlements	-	-
e. Total Service Cost	28.90	31.71
Net Interest Expense		
a. Interest Expense on DBO	11.81	11.33
b. Interest Income on Plan Assets	(11.45)	(11.11)
c. Interest Income on Reimbursement Rights	-	-
d. Interest Income on Asset Ceiling	-	-
e. Total Net Interest Cost	0.36	0.22
Remeasurements		
a. Effect of Changes in Demographic Assumptions	-	-
b. Effect of Changes in Financial Assumptions	(3.02)	1.44
c. Effect of Experience Adjustments	19.19	(9.57)
d. Actual Return on Plan Assets	3.69	1.12
e. Actual Return on Reimbursement Rights	-	-
f. Actual Change in Asset Ceiling	-	-
g. Total Remeasurements	19.85	(7.01)
Defined Benefit Cost included in P&L Account	29.26	31.92
Defined Benefit Cost included in OCI	19.85	(7.01)

E. Principal Actuarial Assumptions (Expressed as weighted averages)

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

Particulars	31st March 2022	31st March 2021
Discount Rate	6.65%	6.34%
Salary Escalation	5.00%	5.00%
Attrition	10.00%	10.00%

NOTES TO THE ACCOUNTS (Contd.)

(ii) Sensitivity Analysis

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

(₹ in lakhs)

Gratuity	Change in assumption		Impact on defined benefit obligation			
			Increase in assumption		Decrease in assumption	
Details	31st March 2022	31st March 2021	31st March 2022	31st March 2021	31st March 2022	31st March 2021
Discount rate	0.50%	0.50%	(4.65)	(4.32)	4.89	4.54
Salary growth rate	0.50%	0.50%	4.94	4.58	(4.74)	(4.39)
Attrition rate	5.00%	5.00%	0.34	0.22	(0.35)	(0.24)
Mortality rate	5.00%	5.00%	0.02	0.01	(0.01)	(0.01)

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

(iii) Maturity Profile of Defined Benefit Obligation

(₹ in lakhs)

Particulars	FUNDED	
	Gratuity	
	31.03.2022	31.03.2021
Year 1	45.33	36.78
Year 2	38.96	17.97
Year 3	26.69	30.39
Year 4	21.88	21.05
Year 5	17.51	17.13
Next 5 years	80.61	72.60

(iv) Risk Exposure

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

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

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

NOTES TO THE ACCOUNTS (Contd.)

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

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

- (v) The expected contribution to the plan for the next year amounts to ₹32 lakhs

Note 30c : Other Employee Benefits

The Company's liability towards other long - term benefits are provided based on actuarial valuation as at 31st March 2022. The details are given below:

Particulars	(₹ in lakhs)	
	2021-22	2020-21
Leave encashment	78.10	55.73
Employee Assured Bonus Scheme	26.14	36.30

Note 31

31a : Earnings Per Share

Basic and Diluted Earnings Per Share

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

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

Particulars	(₹ in lakhs)	
	Year ended	
	March 31, 2022	March 31, 2021
Profit/ (Loss) for the year, attributable to the equity holders	46,91.08	14,54.79

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

Particulars	As at March 31	
	2022	2021
Opening balance	15,11,03,860	15,11,03,860
Effect of fresh issue of shares for cash (Proportionate from date of issue)	5,71,89,041	-
Weighted average number of equity shares for the year	20,82,92,901	15,11,03,860

iii. Weighted average number of Equity Shares (Basic and Diluted)

Earnings Per Share	March 31, 2022	March 31, 2021
Basic Earnings Per Share (in ₹)	2.25	0.96
Diluted Earnings Per Share (in ₹)	2.25	0.96

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

NOTES TO THE ACCOUNTS (Contd.)

31b: Dividend

The Board of Directors has recommended a final dividend of ₹1/- per share (20%). In addition, the Board of Directors has recommended a Special Dividend of ₹0.75 per share (15%), which, together with the Special Dividend of ₹1/- per share (20%) paid during the year will make a total Special Dividend of ₹1.75 per share (35%).

31c: Contingent Liabilities and Commitments

- (i) Estimated amount of investment to be made in JM Financial yield enhancer (Distressed Opportunity) Fund I - Series I for Capital Commitment - ₹31.39 Lakhs.
- (ii) The Company has received demand notice for AY 2018-19 to make a payment of ₹418.90 lakhs and an appeal has been filed against the Assessment Order with the Commissioner of Income-tax (Appeals).

31d : Details of Corporate Social Responsibility (CSR)

(₹ in lakhs)

(a)	Amount required to be spent by the company during the year,	40.00
(b)	Amount of expenditure incurred,	40.00
(c)	Shortfall at the end of the year,	-
(d)	Total of previous years shortfall,	-
(e)	Reason for shortfall,	-
(f)	Nature of CSR activities	Education and Healthcare
(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.	-

31e : Disclosure under the MSME Act 2006, (As per the intimation received form the vendor)

(₹ in lakhs)

Particulars	31.03.2022	31.03.2021
Principal amount remaining unpaid	1.12	0.31
Interest amount remaining unpaid	-	-
Interest and principal amount paid beyond appointed date	-	-
Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointment day during the year) but without adding the interest specified under this Act	-	-
Interest accrued and remaining unpaid	-	-
Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise	-	-

NOTES TO THE ACCOUNTS (Contd.)

31f : Audit Fees

(₹ in lakhs)

Particulars	31.03.2022	31.03.2021
As Statutory auditors	14.50	14.50
Taxation matters	2.75	2.75
Certification matters	3.15	1.25
Total	20.40	18.50
Certification fees in relation to Rights Issue	20.40	-
Total	40.80	18.50

31g: Other Regulatory Disclosure as required under Schedule III of Companies Act, 2013

- The Company does not have any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- The Company is not declared as a willful defaulter by any bank or financial Institution or other lender.
- The Company does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.
- The company does not have any charges or satisfaction to be registered with ROC beyond stipulated statutory period.
- The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- The company has not granted any loans or advances in nature of loans to promoters, directors, KMPs and the related parties (as defined under the Companies Act, 2013) either severally or jointly with any other persons. Hence disclosure under clause (v) of Schedule III of The Companies Act 2013, is not applicable.
- There are no scheme of arrangements approved. Hence disclosure under clause (xv) of Schedule III of The Companies Act 2013, is not applicable.
- There are no transactions in the nature of undisclosed income or income surrendered which needs to be accounted in the books of accounts during the year in the tax assessments under the Income Tax Act, 1961.

31h: Rights Issue

During the year, the Company has allotted 7,10,00,000 equity shares of face value of ₹5/- each ("Rights Equity Shares") at a premium of ₹45/- per share aggregating up to ₹35,500 lakhs through the fast track mode in accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements), 2018, as amended, and various applicable circulars that have been issued by the Securities and Exchange Board of India ("SEBI") from time to time.

The above funds has been raised for the purpose of acquisition of shares in Brakes India Private Limited and the same has been utilised for the said purpose.

The total expenses on rights issue ₹318.53 lakhs has been adjusted against securities Premium.

31i: Adoption of Financial Statements

The Board has adopted the financial statements at its meeting held on 24th May 2022.

As per our report of even date attached.

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

Chartered Accountants

FR No: 002785S

K. Venkatakrishnan

Partner

M.No : 208591

Date : 24-05-2022

Place : Chennai

T.T. Srinivasaraghavan

Chairman

S.Ravi

Chief Executive Officer

Harsha Viji

Director

I S Suresh

Chief Financial Officer

R. Venkatraman

Director

P.N. Srikant

Secretary & Compliance Officer

*Consolidated Financial
Statements
2021-22*

R.G.N. PRICE & CO.

CHARTERED ACCOUNTANTS

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Simpson's Buildings,

861, Anna Salai

CHENNAI - 600 002.

24th May 2022

INDEPENDENT AUDITOR'S REPORT

Report on the Audit of the Consolidated Financial Statements

To the Members of Sundaram Finance Holdings Limited

Opinion

We have audited the accompanying consolidated financial statements of Sundaram Finance Holdings Limited (hereinafter referred to as the 'Holding Company') and its subsidiary (Holding Company and its subsidiary together referred to as "the Group") and its associates, which comprise the consolidated Balance Sheet as at March 31, 2022, the Consolidated Statement of Profit and Loss, the Consolidated Statement of Changes in Equity and the Consolidated Cash Flows Statement for the year then ended, and notes to the Consolidated Financial Statements, including a summary of Significant Accounting Policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with Indian Accounting Standards prescribed under section 133 of the Act (Ind AS) and the other accounting principles generally accepted in India, of their Consolidated state of affairs of the Group and its associates as at March 31, 2022, of Consolidated Profit and total comprehensive income, Consolidated Changes in Equity and its Consolidated Cash Flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the financial statements section of our report. We are independent of the Company in accordance with Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion 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 of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matter to be communicated in our report.

Key Audit Matter	Our audit procedures with regards to key audit matter
<p>Refer Note 2.2 “Fair value measurement” and Note 2.4 “Financial Assets” for relevant accounting policies and significant accounting estimates used by the Group.</p> <p>The investment portfolio is valued at ₹ 3,053 crores which represents almost 99% of the total assets, where unquoted equity investments fair valued through OCI amounts to ₹ 716 crores ("Investment") covering about 23% of investment value as at 31st March'22.</p> <p>As the above investment are not traded in the active market, fair value of these investments involved significant management judgments and estimate and were valued based on valuation recommendation provided by a Valuation Expert.</p> <p>Determination of Fair Value includes the market approach according to which the earnings and book value-based market multiples of peer companies in the same sectors have been considered after adjusting for illiquidity discount, if any.</p> <p>The above valuations are categorized as Level 2 or Level 3 type of valuation, as the case may be, in accordance of Ind AS 113 Fair Value Measurement based on the available observable/unobservable inputs. Accordingly, the valuation of unquoted investment was considered to be a Key Audit Matter, due to significant judgments associated with determining the fair value of investment and its materiality in the financial statements</p>	<ul style="list-style-type: none"> (i) Reviewed the Accounting Policies used by the Holding Company for accounting and disclosing Investments for compliance with the accounting framework. (ii) Evaluating valuation methodology recommended by Valuation Expert in the Group. (iii) Verified the correctness of market inputs used and mathematical accuracy of the valuation analysis. (iv) Assessed the adequacy of internal controls, evaluated the design and tested the operating effectiveness of such controls for initial recognition, subsequent measurement and disclosure of investments as on the reporting date as per applicable regulations. (v) Our team was supported by our in-house valuation specialist, especially in determining whether such valuation methodology is consistent with the market practice. (vi) We also assessed whether the disclosures in relation to investments are compliant with the relevant Indian accounting requirements and appropriately present the sensitivities in the valuations based on alternative outcome.

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

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

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

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

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

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

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

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

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

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

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

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

- (i) Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (ii) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Group and its associates which are companies incorporated in India, has adequate internal financial controls system in place and the operating effectiveness of such controls.

- (iii) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- (iv) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates to cease to continue as a going concern.
- (v) Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- (vi) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associates to express an opinion on the Consolidated Financial Statements. For the other entities included in the Consolidated Financial Statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

We also provide those charged with governance with a statement

that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

Other Matters

- a) We did not audit the financial statements of the subsidiary, whose financial statements reflect Group's share of total assets of ₹ 3,999.20 lakhs as at 31st March 2022, Group's share of total revenue of ₹ 3,549.21 lakhs and Group's share of total net profit after tax of ₹ 779.72 lakhs and Group's share of total comprehensive income/(loss) of ₹ 971.05 lakhs for the year ended 31st March 2022, and net cash inflows of ₹ 315.31 Lakhs for the year ended on that date, as considered in the Consolidated Financial Statements, which have been audited by other auditor. The Consolidated Financial Statements also includes the share of net profit after tax of ₹ 14,340.84 lakhs and total comprehensive income of ₹ 14,893.02 lakhs for the year ended 31st March 2022 respectively, as considered in the Consolidated Financial Statements, in respect of ten Associates, which have been audited by other auditors.
- b) The accompanying Consolidated Financial Statements also includes the financial statements of two companies, i.e. Mind S.r.l and Sundaram Composite Structures Private Limited, whose financial statements reflect Group's share of total revenue of ₹ 865.14 lakhs and Group's share of total net profit/(loss) after tax and total comprehensive income/(loss) of ₹ (-) 568.21 lakhs for the year ended 31st

March 2022 respectively, as considered in the Consolidated Financial Statements, which have been audited by other auditors. These companies have been considered as subsidiaries in the Consolidated Financial Statements till the date of loss of control and subsequently were classified as Associates, whose share of net profit/(loss) after tax and total comprehensive income have been included in the Consolidated Financial Statements as mentioned in the above paragraph.

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

Report on Other Legal and Regulatory Requirements

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, we give in the ANNEXURE "A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable to the Group and Associates included in the Consolidated Financial Statements to whom the Order is applicable.
2. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements.
 - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
 - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive Income), Consolidated Statement of

Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

- (d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors of the Holding Company as on 1st April, 2022 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary and associate companies, none of the Directors of the Group companies, and associate companies incorporated in India are disqualified as on 31st March, 2022 from being appointed as a Director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in Annexure B. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Group's internal financial controls over financial reporting.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Holding Company to its Directors during the year is in accordance with the provisions of Section 197 of the Act.
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Group has disclosed the impact of pending litigations on the consolidated financial position of the Group and its associates in Note 33c.
- ii. The Group and its associates entities did not have any material foreseeable losses on long-term contracts including derivative contracts.
- iii. There has been no delays in transferring amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, its subsidiary and associates companies incorporated in India.
- iv. (i) The respective Managements of the Group and Associates, which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiary and associates respectively that, to the best of its knowledge and belief, other than as disclosed in the notes to the Consolidated Financial Statements, no funds have been advanced or loaned or invested (either from borrowed funds share premium or any other sources or kind of funds) by the Group and Associates or to in any other persons or entities, including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediaries shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group and Associates (“Ultimate Beneficiary”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiary;
- (ii) The respective Managements of the Group and Associates, which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiary and associates respectively that, to the best of its knowledge and belief, other than as disclosed in the notes to the Consolidated Financial Statements, 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 Group and Associates 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
- (iii) Based on our audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiary and associates which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor’s notice that has caused us or other auditor’s to believe that the representations under sub-clause (i) and (ii) as mentioned above, contain any material mis-statement.
- v. The dividends declared and paid by the Group and Associates during the FY 2021-22 are in compliance with Section 123 of the Companies Act, 2013.

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

K. Venkatakrishnan
Partner

Place: Chennai
Date: 24th May 2022

Membership No.208591
UDIN: 22208591AJNGBJ1403

Annexure – “A” referred to in paragraph 1 under ‘Report on Other Legal and Regulatory Requirements’ section of our audit report of even date to the members of Sundaram Finance Holdings Limited (“the Holding Company”) on the Consolidated Financial Statements of the Company for the year ended 31st March, 2022

Details of the companies and the paragraph numbers of the CARO report containing the qualifications or adverse remarks

S.No	Name	CIN	Holding / Subsidiary /Associate	Clause number of the CARO report which is qualified or adverse
1	Flometallic India Private Limited	U28113TN2010PTC075244	Associate	3(xvii)
2	Sundaram Composite Structures Private Limited	U36100TN2010PTC076378	Associate	3(xvii)

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

K. Venkatakrishnan
Partner

Membership No.208591

UDIN: 22208591AJNGBJ1403

Place: Chennai

Date: 24th May 2022

Annexure – “B” referred to in Clause (f) under ‘Report on Other Legal and Regulatory Requirements’ section of our audit report of even date to the members of Sundaram Finance Holdings Limited (“the Holding Company”) on the Consolidated Financial Statements of the Company for the year ended 31st March, 2022

In conjunction with our audit of the Consolidated Financial Statements of the Holding Company as of and for the year ended 31st March 2022, we have audited the internal financial controls over the financial reporting of Sundaram Finance Holdings Limited (“the Holding Company”) and its subsidiary and associate companies, which are companies incorporated in India as of that date.

Management’s Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding company, its subsidiary and associate companies which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by these entities considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over financial reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include

the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective Company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor’s Responsibility

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

We conducted our audit in accordance with the Guidance Note and the Standards on Auditing prescribed under sections 143(10) of the Act to the extent applicable to an audit of internal financial controls. The Guidance Note and those standards require that we comply with ethical

requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

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

Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us the Holding Company, its subsidiary and associate companies, which are incorporated in India, have in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022 based on, the internal control over financial reporting criteria established by these entities considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial reporting issued by the ICAI.

Other Matters

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

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

K. Venkatakrishnan
Partner

Place: Chennai
Date: 24th May 2022

Membership No. 208591
UDIN: 22208591AJNGBJ1403

Consolidated Balance Sheet

as at 31st March, 2022

(₹ in lakhs)

Particulars	Notes	March 31, 2022	March 31, 2021
ASSETS			
(1) Financial Assets			
(a) Cash and cash equivalents	1	14,49.78	11,34.33
(b) Receivables	2	5,04.81	5,36.78
(c) Loans	3	12.79	33.55
(d) Investments	4	3052,91.32	22,69,22.55
(e) Other financial assets	5	8,49.99	1,84.50
(2) Non-financial Assets			
(a) Current tax assets (Net)	6	3,33.68	4,57.31
(b) Investment property	7	1,95.11	2,07.18
(c) Property, plant and equipment	8	2,41.81	2,75.29
(d) Other intangible assets	8	15.82	31.31
(e) Goodwill		1,56.08	1,56.08
(f) Right of Use asset	26	2,89.07	3,45.16
(g) Other non-financial assets	9	2,10.69	3,27.81
Total Assets		<u>3095,50.95</u>	<u>2306,11.85</u>
LIABILITIES AND EQUITY			
LIABILITIES			
(1) Financial liabilities			
(a) Payables	10		
Trade Payables			
(i) Total outstanding dues of micro enterprises and small enterprises		3.74	2.36
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		46.50	67.80
(b) Other financial liabilities	11	1,48.94	1,12.18
(c) Derivative financial instruments	12	51.09	3,44.12
(d) Lease Liability	26	3,18.74	3,60.00
(2) Non-Financial liabilities			
(a) Provisions	13	3,42.63	3,49.72
(b) Deferred tax liabilities (Net)	14	83,38.60	97,81.63
(c) Other non-financial liabilities	15	95.40	91.08
(3) Equity			
(a) Equity share capital	16	111,05.19	75,55.19
(b) Other equity	17	2891,00.12	2119,47.77
Total Liabilities and Equity		<u>3095,50.95</u>	<u>2306,11.85</u>

This is the Consolidated Balance sheet referred to in our report of even date attached.

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

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

Chartered Accountants

FR No: 002785S

K. Venkatakrishnan

Partner

M.No : 208591

Date : 24-05-2022

Place : Chennai

T.T. Srinivasaraghavan

Chairman

S.Ravi

Chief Executive Officer

Harsha Viji

Director

I S Suresh

Chief Financial Officer

R. Venkatraman

Director

P.N. Srikant

Secretary & Compliance Officer

Consolidated Statement of Profit and Loss

for the Year Ended 31st March, 2022

(₹ in lakhs)

Particulars	Notes	For the year ended 31 March 2022	For the year ended 31 March 2021
Revenue from operations			
Interest Income	18	37.64	1.74
Dividend Income		18,44.01	5,48.91
Net gain on fair value changes	19	8,29.89	5,64.68
Gain on derecognition of financial instrument		13.20	-
Sale of services	30	48,14.90	48,25.76
Sale of goods	30	8,50.80	-
Total Revenue from operations		83,90.44	59,41.09
Other Income	20	4,13.07	4,88.31
Total Income		88,03.51	64,29.40
Expenses			
Cost of material consumed		3,70.74	-
Finance cost	21	84.34	15.35
Loss on fair value of previously held interest of equity investment (net)		5,05.15	-
Employee benefit expenses	22	34,65.67	34,38.55
Depreciation and Amortisation		4,39.98	1,49.54
Administrative and Other Expenses	23	17,51.36	14,03.19
Total expenses		66,17.24	50,06.63
Profit before exceptional items and tax		21,86.27	14,22.77
Exceptional items		-	-
Profit Before Tax		21,86.27	14,22.77
Tax expense	24		
1. Current tax		5,60.67	4,44.65
2. Deferred tax		(1,03.38)	12.07
Total tax		4,57.29	4,56.72
Profit for the period		17,28.98	9,66.05
Share of net profits from associates		143,40.84	64,21.83
Profit After Tax		160,69.82	73,87.88

Particulars	Notes	For the year ended 31 March 2022	For the year ended 31 March 2021
Other Comprehensive Income			
A. Items that will not be reclassified to profit or loss			
Remeasurements of the defined benefit plans	32	(41.74)	15.33
Income tax on above		(11.37)	4.35
Remeasurements of the defined benefit plans (Net of tax)		(30.37)	10.98
Change in Fair value of equity instruments		305,39.65	220,88.75
Income tax on above		(9,46.17)	43,35.80
Change in Fair value of equity instruments (Net of tax)		314,85.82	177,52.95
Share of other comprehensive income from associates using equity method (Net of tax)		(66.96)	1,70.30
B (i) Items that will be reclassified to profit or loss			
Change in fair value of derivative instrument		2,85.97	(8,40.19)
Income tax on above		79.13	(2,33.74)
Change in fair value of derivative instrument (Net of tax)		2,06.84	(6,06.45)
Share of other comprehensive income from associates using equity method (Net of tax)		3,38.58	(60.50)
Foreign currency Translation Reserve		2,80.57	(2,47.40)
Other Comprehensive Income/(Loss) Net of Tax		322,14.48	170,19.88
Total Comprehensive Income/(Loss) for the period		482,84.30	244,07.76
Net Profit/(Loss) for the period attributable to the owners of the entity		163,18.78	73,87.88
Non controlling interest	25	(2,48.96)	-
Other Comprehensive Income/(Loss) for the period attributable to the owners of the entity		322,14.48	170,19.88
Non controlling interest		-	-
Total Comprehensive Income/(Loss) for the period attributable to the owners of the entity		485,33.26	244,07.76
Non controlling interest	25	(2,48.96)	-
Basic and Diluted Earnings per Equity Share of ₹5 each	33a	7.72	4.89

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

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

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

Chartered Accountants
F.R No: 002785S

T.T. Srinivasaraghavan
Chairman

Harsha Viji
Director

R. Venkatraman
Director

K. Venkatakrishnan

Partner

M.No : 208591
Date : 24-05-2022
Place : Chennai

S.Ravi
Chief Executive Officer

I S Suresh
Chief Financial Officer

P.N. Srikant
Secretary & Compliance Officer

Cash Flow Statement

(₹ in lakhs)

Particulars	March 31, 2022	March 31, 2021
Cash flow from operating activities		
Profit before tax	21,86.27	14,22.77
Adjustments to reconcile profit before tax to net cash used in operating activities		
Depreciation and Amortisation	4,39.98	1,49.54
Fair value change in financial instruments	(8,29.89)	(5,64.35)
Loss on fair value of previously held interest of equity investment (net)	5,05.15	-
Interest Income	(37.64)	(1.74)
ESOP contribution scheme of Parent company	6.64	-
(Gain)/loss on sale of property, plant and equipment	0.87	1.54
Finance costs paid	36.91	15.35
(Gain)/Loss on derecognition of financial instrument	(13.20)	-
Gain on lease modification	-	(5.74)
Profit or loss recognised and reversed on account of loss of control	4,97.95	-
Dividend receivable	(7,79.96)	-
Net Actuarial gain/(loss) on defined benefit plan	(41.74)	15.33
Add: Dividend received from associates	18,34.81	8,64.01
	38,06.15	18,96.71
Working capital adjustments		
(Increase)/ Decrease in trade and other receivables	31.97	2,37.32
(Increase)/ Decrease in Loans	20.76	10.91
(Increase)/ Decrease in Other financial assets	1,14.47	57.36
(Increase)/ Decrease in Other non-financial assets	1,17.13	1,07.26
Increase/ (Decrease) in trade and other payables	(19.92)	(16.76)
Increase/(Decrease) in financial liabilities	29.71	(15.72)
Increase/(Decrease) in other non-financial liabilities and provisions	(2.77)	2.81
	40,97.49	22,79.90
Income Tax paid	(11,11.81)	(3,87.28)
Net cash flows from operating activities	29,85.68	18,92.61
Cash flow from investing activities		
Purchase and construction of property, plant and equipment and intangible assets	(36.12)	(1,18.12)
(Purchase)/Sale of Mutual funds (net)	(116,22.87)	124,09.69
(Purchase)/Sale of Equity and other investments (net)	(229,01.01)	(132,68.96)
Proceeds from sale of property, plant and equipment and intangible assets	-	11.90
Interest received	37.89	1.74
Net cash flows from investing activities	(345,22.11)	(9,63.75)
Cash flow from financing activities		
Dividend Paid	(33,31.60)	(7,55.55)
Proceeds from Rights Issue(net of expenses)	352,61.64	-
Lease Liability Principal	(41.25)	(22.24)
Lease Liability Interest	(36.91)	(15.35)
Net cash flows from financing activities	318,51.88	(7,93.14)
Net increase / (decrease) in cash and cash equivalents	3,15.45	1,35.73
Cash and cash equivalents at the beginning of the year	11,34.33	9,98.60
Cash and cash equivalents at the end of the year (Note 1)	14,49.78	11,34.33

This is the Cash flow statement referred to in our report of even date attached.

For and on behalf of the Board of Directors of
Sundaram Finance Holdings LimitedFor **R.G.N. Price & Co.**

Chartered Accountants

F.R No: 002785S

K. Venkatakrishnan

Partner

M.No : 208591

Date : 24-05-2022

Place : Chennai

T.T. Srinivasaraghavan

Chairman

S.Ravi

Chief Executive Officer

Harsha Viji

Director

I S Suresh

Chief Financial Officer

R. Venkatraman

Director

P.N. Srikant

Secretary & Compliance Officer

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(a) Equity Share Capital

(₹ in lakhs)

Particulars	31-03-2022	31-03-2021
Balance at the beginning of the year (A)	75,55.19	75,55.19
Changes in Share Capital due to changes in Accounting Policies and prior period errors (B)	-	-
Restated balance at the beginning of the current reporting period (A) + (B)	75,55.19	75,55.19
Changes in Share Capital in the current reporting period	35,50.00	-
Balance at the end of the year	111,05.19	75,55.19

(b) Other equity

(₹ in lakhs)

Particulars	Reserves and Surplus						Gains / (losses) from equity investments through OCI	Total
	Capital Reserve	General Reserve	Securities premium	ESOP reserve	FCTR	Retained Earnings		
Balance as at 01 April, 2020	25,69.62	131,35.01	-	-	17,47.39	761,53.05	845,66.00	1781,71.08
Add: Profit or (loss) for the period						73,87.88		73,87.88
Add: Other comprehensive income / (loss)						(4,85.67)	177,52.95	170,19.88
Adjustment on account of acquisition of Wheels India Limited					(2,47.40)	98,49.76		98,49.76
Add: Equity adjustment	23.92					2,50.80		2,74.72
Less: Final Dividend for FY 2019-20 paid						(7,55.55)		(7,55.55)
Balance as at 01 April, 2021	25,93.54	131,35.01	-	-	14,99.99	924,00.28	1023,18.95	2119,47.77
Add: Profit or loss for the period						163,18.78		163,18.78
Add: Other comprehensive income / (loss)					2,80.57	4,48.09	314,85.82	322,14.48
Transfer on account of Sale of Equity instruments measured at FVOCI						154,74.66	(154,74.66)	-
Add: Premium received on rights issue of equity shares			319,50.00					319,50.00
Less: Rights issue expenses (net of tax)			(2,38.36)					(2,38.36)
Add: Contribution from parent company				6.64				6.64
Less: Final Dividend for FY 2020-21 paid						(11,10.56)		(11,10.56)
Less: Special Dividend for FY 2021-22 paid						(22,21.04)		(22,21.04)
Add: Adjustment*	14.75					2,17.66		2,32.41
Balance as at 31 Mar 2022	26,08.29	131,35.01	317,11.64	6.64	17,80.56	1215,27.87	1183,30.11	2891,00.12

* Capital Reserve of ₹14.75 lakhs is on account of additional acquisition in Flometallic India Private Limited made during April 2021.

As per our report of even date attached.

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

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

Chartered Accountants

F.R No: 002785S

K. Venkatakrishnan

Partner

M.No : 208591

Date : 24-05-2022

Place : Chennai

T.T. Srinivasaraghavan

Chairman

S.Ravi

Chief Executive Officer

Harsha Viji

Director

I S Suresh

Chief Financial Officer

R. Venkatraman

Director

P.N. Srikant

Secretary & Compliance Officer

SUNDARAM FINANCE HOLDINGS LIMITED

Notes to the Consolidated Financial Statements

1. COMPANY OVERVIEW

Sundaram Finance Holdings Limited ('the Parent Company') is a Public Limited Company domiciled in India and incorporated under the provisions of Companies Act 1956. The equity shares of the Company are listed on the National Stock Exchange of India Limited. The Company comes under the category of exempted Core Investment Company (CIC) and is not required to register with the Reserve Bank of India (RBI) as a Non Banking Financial Company (NBFC). The Company is primarily engaged in the business of Investments, business processing and support services and having a 100% subsidiary which is an outsourcing company offering various support services to large and mid-sized firms in and outside India. The Company's registered office is at No.21, Patullos Road, Chennai – 600002.

2. SIGNIFICANT ACCOUNTING POLICIES

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

2.1 Basis of Preparation

The Consolidated financial statements of the group comply in all material aspects with the Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

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

Consolidated financial statements are prepared in Indian Rupees (₹), which is also its functional currency.

Principles of Consolidation: The consolidated financial statements comprise the financial statements of the parent company and its subsidiaries which are controlled by the parent company.

Subsidiaries: Subsidiaries are all entities over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. The group reassesses whether or not it controls an entity, if facts and circumstances indicate that there are changes in any of the elements as mentioned above. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Non-Controlling Interest in the Net Assets of the Consolidated Subsidiaries consists of:

The amount of Equity attributable to holders of non-controlling interest at the date on which the investment in the Subsidiary is made; and

The Non-Controlling Interests' share of movements in Equity since the date the Parent Subsidiary relationship came into existence.

Non-Controlling Interest (NCI) share in the Net Profit / (Loss) for the year of the Consolidated Subsidiaries is identified and adjusted against the Profit After Tax of the Group even if this results in the NCI having a deficit balance.

When the group loses control of a subsidiary, the assets and liabilities of the former subsidiary are derecognized from the consolidated balance sheet and recognises the gain or loss associated with the loss of control attributable to the former controlling interest in the statement of profit and loss. The group recognizes any investment retained in the former subsidiary at its fair value when control is lost.

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

Name of the Subsidiary	Country of Incorporation	Proportion of Ownership Interest (%)
Sundaram Business Services Limited	India	100.00

Associates:

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

Name of the Associates	Country of Incorporation	Proportion of Ownership Interest (%)
Axles India Limited	India	38.81
Turbo Energy Private Limited	India	32.00
Wheels India Limited	India	23.28
Transenergy Private Limited	India	43.74
Sundaram Dynacast Private Limited	India	26.00
Sundaram Hydraulics Limited	India	25.71
Flometallic India Private Limited	India	46.84
Sundaram Composite Structures Private Limited	India	49.00
Mind S.r.l,	Italy	48.86
Dunes Oman LLC (FZC)	Sultanate of Oman	43.69

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Under the equity method of accounting, the investments are initially recognized at cost and adjusted thereafter to recognize the group's share of the post-acquisition profits or losses of the investee in profit and loss, and the group's share of other comprehensive income of the investee in other comprehensive income. Dividends received from associates are recognized as a reduction in the carrying amount of the investment.

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

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

2.2 Measurement of fair values

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

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

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

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

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

Level 3 - Valuation techniques for one or more significant inputs to the fair value measurement is unobservable. 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. An adjustment to a Level 2 input that is significant to the entire measurement results in a fair value measurement categorised within Level 3 of the fair value hierarchy if the adjustment uses significant unobservable inputs.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

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

2.3 Revenue Recognition:

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

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

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

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

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

2.4. Financial Assets

Classification

The Group classifies its financial assets in the following categories:

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

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

Initial Measurement

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)**Subsequent Measurement****Financial Asset measured at Amortised Cost (AC)**

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

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

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

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

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

Investments in equity instruments:

All equity instruments other than investment in Subsidiary and Associates are measured at fair value, with value changes on these instruments, excluding dividends, are recognized in the Other Comprehensive Income (OCI).

De-Recognition

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset. For Instruments measured at fair value through OCI, there is no recycling of the amounts from OCI to profit and loss on sale of investment. However, the Company may transfer the cumulative realised gain or loss within equity.

Impairment of Financial Assets

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

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

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

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

2.5. Financial Liabilities

Initial Recognition

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

Subsequent Measurement

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

De-Recognition

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

Offsetting of financial instruments

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

Derivative financial instruments

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

To mitigate the risk of changes in foreign exchange rates on forecasted cash flows denominated in foreign currencies, the Group holds derivative financial instruments such as foreign exchange forward contracts. The counterparty for these contracts is generally a bank.

Derivatives are recognized and measured at fair value. Attributable transaction costs are recognized in the Statement of Profit and Loss.

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)**2.6. Leases**

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

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

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

For a lease modification that is not accounted for as a separate lease, the remeasurement of the lease liability is accounted by decreasing the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease for lease modifications that decrease the scope of the lease and any gain or loss relating to the partial or full termination of the lease is recognised in statement of profit or loss.

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

2.7. Employee Benefits**SHORT TERM EMPLOYEE BENEFITS**

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

POST EMPLOYMENT BENEFITS**a. Defined Contribution plans****i. Superannuation**

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

ii. Provident Fund

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

b. Defined benefit plans

i. Gratuity

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

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

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

Changes in present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in the Statement of Profit and Loss.

c. Other Long Term Employee Benefits

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

ii) Leave Encashment:

The Group contributes to a staff leave encashment scheme managed by SBI Life Insurance Company Limited. The Group accounts its liability based on an actuarial valuation, as at the Balance Sheet date, using the Projected Unit Credit method.

2.8 Share Based Payments:

Employee Stock Options

Sundaram Finance Limited, the holding company, has an employee stock option scheme in accordance with SEBI guidelines 1999 for extending the scheme to eligible employees of the Company, being a subsidiary company. The Company recognises the compensation expense relating to share based payments in accordance with IND AS 102 - Share based payments.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

2.9 Income Taxes

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

Current tax

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

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

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

Deferred Tax

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

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

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

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

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

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

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

Current and Deferred tax for the year- OCI

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

2.10 Property, plant and equipment

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

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

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

Freehold land is not depreciated.

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

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

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

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

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

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

(in years)

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

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

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

2.11 Investment Property

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

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

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

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

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

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

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

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

2.12 Intangible assets

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

Intangible assets with finite useful lives that are acquired separately are capitalised and carried at cost less accumulated

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over the estimated useful life of the asset.

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

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

2.13 Impairment of Assets

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

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

2.14 Cash and Cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily Convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

2.15 Trade receivables

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

2.16 Foreign Currency Transactions

Functional and Presentation Currency:

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

Foreign Currency Transactions and balances:

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

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

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

2.17 Cash Flow Statement

Statement of cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Group are segregated.

2.18 Provisions and Contingent Liabilities

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

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

A Contingent liability is

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

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

2.19 Earnings Per Share

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

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

3. Critical accounting judgments and key sources of estimation uncertainty

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

Useful lives of Property Plant and Equipment / Intangible Assets

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

Impairment of Financial Assets

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Note 1: Cash and Cash Equivalents

(₹ in lakhs)

Particulars	March 31, 2022	March 31, 2021
Cash on hand	0.04	0.13
Balances with Banks in Current Accounts	14,22.74	11,13.99
Earmarked balances with banks (for unpaid dividend)	27.00	20.21
	<u>14,49.78</u>	<u>11,34.33</u>

Note 2: Receivables

(₹ in lakhs)

Particulars	March 31, 2022	March 31, 2021
Trade receivables		
- Secured, considered good		
- Unsecured, considered good *	5,04.81	5,36.78
- Receivables having significant increase in credit risk"	4.10	16.02
Less: Allowance for impairment loss	(4.10)	(16.02)
- Credit Impaired		10.80
Less: Allowance for impairment loss		(10.80)
Debts due by Directors and others	-	-
* Refer Note 31 for related party transactions		
	<u>5,04.81</u>	<u>5,36.78</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

(₹ in lakhs)

March 31, 2022	Outstanding for following periods from due date of payment						
Particulars	Not due	< 6 months	6 months - 1 year	1-2 years	2-3 years	> 3 years	Total
(i) Undisputed Trade receivables – considered good	4,75.43	29.33	0.05	-	-	-	5,04.81
(ii) Undisputed Trade receivable which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables credit Impaired	1.95	1.69	0.46	-	-	-	4.10
(iv) Disputed Trade Receivables considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables considered doubtful	-	-	-	-	-	-	-

(₹ in lakhs)

March 31, 2021	Outstanding for following periods from due date of payment						
Particulars	Not due	< 6 months	6 months - 1 year	1-2 years	2-3 years	> 3 years	Total
(i) Undisputed Trade receivables – considered good	5,07.20	29.54	-	-	0.04	-	5,36.78
(ii) Undisputed Trade receivable which have significant increase in credit risk	-	2.07	2.90	5.83	-	-	10.80
(iii) Undisputed Trade Receivables credit Impaired	4.08	2.84	-	9.10	-	-	16.02
(iv) Disputed Trade Receivables considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables considered doubtful	-	-	-	-	-	-	-

Note 3 : Loans

(₹ in lakhs)

Loans	31st March 2022				31st March 2021			
	Amortised cost	At Fair value		Total	Amortised cost	At Fair value		Total
		Through other comprehensive income	Through profit or loss			Through other comprehensive income	Through profit or loss	
Loans (Unsecured)								
Staff advance	20.91	-	-	20.91	36.04	-	-	36.04
Gross Loans	20.91	-	-	20.91	36.04	-	-	36.04
Less: Impairment Loss allowance	8.12	-	-	8.12	2.49	-	-	2.49
Net Loans	12.79	-	-	12.79	33.55	-	-	33.55

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Note 4: Investments

(₹ in lakhs)

Particulars	Face Value (₹)	As at 31.03.2022		As at 31.03.2021	
		Holding (Number)	Carrying Amount	Holding (Number)	Carrying Amount
At Carrying amount					
- Associates					
-Flometallic India Private Limited	1,00,000	4,450	130,06.14	3,800	73,96.24
-The Dunes Oman LLC (FZC)	1 *	18,34,980	88,94.34	22,93,725	95,28.38
-Sundaram Hydraulics Limited	10	1,12,50,000	-	1,12,50,000	-
- Axles India Limited	10	98,91,754	68,25.79	98,91,754	52,78.04
- Turbo Energy Private Limited	10	25,60,000	531,65.64	25,60,000	493,94.38
- Transenergy Private Limited	100	1,20,000	12,23.92	1,20,000	9,13.73
- Sundaram Dynacast Private Limited	10	11,70,000	16,83.42	11,70,000	14,67.87
- Wheels India Limited	10	56,01,117	266,54.09	56,01,117	249,54.99
- Mind S.r.l	1 #	7,34,675	29,25.35	3,05,838	20,27.39
- Sundaram Composite Structures Private Ltd	10	1,96,00,000	20,10.41	-	-
Total - A			1163,89.10		1009,61.02
At Fair Value through Other Comprehensive Income					
- Equity Instruments					
- Brakes India Private Limited	100	3,43,832	529,80.17	1,59,460	302,70.87
- India Motor Parts & Accessories Limited	10	23,98,814	185,67.08	23,23,705	137,49.79
- Sundaram Clayton Limited	5	19,69,600	769,57.42	22,73,081	585,40.93
- TVS Investments Private Limited	5	-	-	22,73,085	33,00.00
- Lucas-TVS Limited	100	63,224	74,79.82	63,224	73,12.50
- Delphi TVS Technologies Limited	10	2,52,896	13,12.13	2,52,896	12,44.13
- Techtran Polylenes Limited	10	2,50,000	-	2,50,000	-
- Vishnu Forge Industries Limited	10	2,97,110	1,35.89	2,97,110	1,25.20
- D2C Consulting Services Private Limited	10	100	4.03	100	1.75
- Fettle tone LLP**			97,10.00		20,87.00
Total - B			1671,46.54		1166,32.17
At fair value through profit or loss:					
- Mutual Funds					
- Sundaram Liquid Fund		38,807	7,29.22	-	-
- Sundaram Ultra Short Duration Fund		4,83,504	113,31.94	-	-
- Sundaram Money Fund		-	-	24,29,699	10,54.43
- Sundaram Ultra Short term Fund		-	-	1,78,04,607	19,70.59

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Particulars	Face Value (₹)	As at 31.03.2022		As at 31.03.2021	
		Holding (Number)	Carrying Amount	Holding (Number)	Carrying Amount
- Sundaram Corporate Bond Fund		75,51,785	25,27.58	-	-
- Sundaram Low Duration fund		1,28,275	37,94.39	-	-
- HDFC Short Term Fund		-	-	20,79,495	5,18.77
- ICICI Prudential Short Term Fund		-	-	10,70,399	5,20.42
- HDFC Corporate Bond Fund		-	-	39,91,402	10,05.17
- IDFC Banking & PSU Debt fund		-	-	51,50,664	10,06.46
- IDFC Corporate Bond Fund		-	-	65,67,126	10,02.65
- HDFC Low Duration Fund		4,38,016	2,18.09	-	-
- Alternative Investment Fund					
- JM Financial yield enhancer (Distressed Opportunity) Fund I- Series I	1,00,000	968.20	9,68.20	430	4,30.00
- Preference Shares					
- D2C Consulting Services Private Limited - 0.1% Cumulative Convertible Preference Shares	100	17,014	6,86.26	17,014	2,98.26
Total - C			202,55.68		78,06.74
At amortised cost:					
- Preference Shares					
Sundaram Asset Management Company - 6.75% Redeemable Cumulative Non-Convertible Preference Shares	100	15,00,000	15,00.00	15,00,000	15,00.00
- Government securities					
- IRFC tax free bonds	1,000	-	-	2,175	22.62
Total - D			15,00.00		15,22.62
Total Investments A+B+C+D			3052,91.32		2269,22.55
Less: Allowance for Impairment loss			-		-
Total Investments			3052,91.32		2269,22.55

* Face value in Omani Riyal

Face value in Euro

** Investment is made for the specific purpose of reinvesting in Nivabupa Life Insurance Company Limited as per the agreement entered into with Fettle Tone LLP

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

(₹ in lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
Investment outside India	118,19.69	115,55.77
Investment in India	2934,71.63	2153,66.78

Investments - Categorywise

(₹ in lakhs)

Particulars	As at 31-03-2022	As at 31-03-2021
Aggregate amount of Quoted Investments	1221,78.59	972,68.33
Aggregate amount of Unquoted Investments	1831,12.73	129654.22
Total	3052,91.32	2269,22.55

Dividends recognised during the period from Investments in equity instruments designated at fair value through OCI

(₹ in lakhs)

-Investments held during/at the end of reporting period	2021-22	2020-21
- Brakes India Private Limited	2,87.03	-
- Lucas TVS Limited	79.03	1,04.32
- Delphi TVS Technologies Limited	25.29	-
- Sundaram Clayton Limited	(*) 11,16.66	3,40.96
- India Motor Parts & Accessories Limited	2,32.37	-
- Vishnu Forge Industries Limited	2.38	2.38
Total Dividend	17,42.76	4,47.66

* Includes ₹ 33.38 lakhs towards shares derecognised during the year 2021-22.

Investments derecognised during the year that was measured at fair value through OCI

(₹ in lakhs)

Company	Fair value at the date of derecognition	Cumulative gain on disposal	Tax Impact (Refer Note 23)
Sundaram Clayton Limited	126,56.24	124,65.54	-
TVS Investments Private Limited	33,00.00	30,09.12	6,49.43

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Note 5 : Other Financial assets (Unsecured)

(₹ in lakhs)

Particulars	March 31, 2022	March 31, 2021
Security Deposits	44.93	1,60.02
Unbilled Revenue	24.58	24.08
Other Assets	7,80.48	0.40
	8,49.99	1,84.50

Note 6 : Current Tax Assets

(₹ in lakhs)

Particulars	March 31, 2021	March 31, 2020
Advance Income Tax and Tax Deducted at source (Net of Provision for tax)	3,33.68	4,57.31
	3,33.68	4,57.31

Note 7 : Investment Property

(₹ in lakhs)

Particulars	Land	Building	Total
As at 01-04-2021	1,28.75	99.23	2,27.98
Additions	-	-	-
Sub-total	1,28.75	99.23	2,27.98
Sales / deletion	-	-	-
Total	1,28.75	99.23	2,27.98
Depreciation			
Upto 31-03-2021	-	20.80	20.80
For the year	-	12.07	12.07
Sub-total	-	32.87	32.87
Withdrawn on assets sold / deleted	-	-	-
Total	-	32.87	32.87
Net Carrying amount			
As at 31-03-2022	1,28.75	66.36	1,95.11

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

(₹ in lakhs)

Particulars	Land	Building	Total
As at 01-04-2020	1,28.75	54.28	1,83.03
Additions	-	44.95	44.95
Sub-total	1,28.75	99.23	2,27.98
Sales / deletion	-	-	-
Total	1,28.75	99.23	2,27.98
Depreciation			
Upto 31-03-2020	-	11.77	11.77
For the year	-	9.03	9.03
Sub-total	-	20.80	20.80
Withdrawn on assets sold / deleted	-	-	-
Total	-	20.80	20.80
Net Carrying amount			
As at 31-03-2021	1,28.75	78.43	2,07.18

Fair Value of Investment Property

(₹ in lakhs)

Particulars	Land	Building	Total
At 31 March 2022	436,81.60	2,91.76	439,73.36
At 31 March 2021	445,83.81	2,93.10	448,76.91

Measurement of Fair Value**Fair Value Hierarchy**

The fair value of investment property has been determined by the registered valuer as defined under rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017 having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued.

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

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

Information regarding income and expenditure of Investment property

(₹ in lakhs)

Particulars	31.03.2022	31.03.2021
Rental Income derived from Investment Properties	1,87.10	1,82.17
Direct Operating Expenses (including repairs and maintenance)	(7.41)	(20.59)
Profit arising from Investment Properties before Depreciation and Indirect Expenses	1,79.69	1,61.58
Depreciation	(12.07)	(9.03)
Profit arising from Investment Properties before Indirect Expenses	1,67.62	1,52.55

Note 8 : Property, Plant & Equipment And Intangible Assets

(₹ in lakhs)

Description	Property, Plant & Equipment								Intangible	Total (tangible and intangible)
	Free hold land	Buildings	Plant & equipment	Furniture & fixtures	Office equipment	Electrical Equipment	Vehicles	Total	Software- Bought out	
As at 01-04-2021	31.86	3.61	3,43.77	50.94	43.26	20.21	0.67	4,94.30	168.15	6,62.45
Additions	-	6.23	15.10	6.97	8.00	-	-	36.30	-	36.30
Sub-total	31.86	9.84	3,58.87	57.91	51.26	20.21	0.67	5,30.60	168.15	6,98.75
(-) Sales / deletion	-	-	23.60	-	0.46	-	0.03	24.09	-	24.09
Total	31.86	9.84	3,35.27	57.91	50.80	20.21	0.64	5,06.51	1,68.15	6,74.66
Depreciation Upto 31-03-2021	-	0.02	1,65.35	23.31	21.38	8.58	0.37	2,19.01	1,36.84	3,55.85
For the year	-	0.35	52.93	7.86	5.97	1.60	0.07	68.78	15.49	84.27
Sub-total	-	0.37	2,18.28	31.17	27.35	10.18	0.44	2,87.79	1,52.33	4,40.12
(-) Withdrawn on assets sold / deleted	-	-	22.92	-	0.17	-	-	23.09	-	23.09
Total	-	0.37	1,95.36	31.17	27.18	10.18	0.44	2,64.70	1,52.33	4,17.03
Net Carrying amount As at 31-03-2022	31.86	9.47	1,39.91	26.74	23.62	10.03	0.20	2,41.81	15.82	2,57.63

(₹ in lakhs)

Description	Property, Plant & Equipment								Intangible	Total (tangible and intangible)
	Free hold land	Buildings	Plant & equipment	Furniture & fixtures	Office equipment	Electrical Equipment	Vehicles	Total	Software- Bought out	
As at 01-04-2020	31.86	3.08	3,44.05	43.46	48.36	20.21	14.13	5,05.13	1,37.82	6,42.95
Additions	-	0.53	26.97	13.26	2.08	-	-	42.84	30.33	73.17
Sub-total	31.86	3.61	3,71.02	56.72	50.44	20.21	14.13	5,47.97	1,68.15	7,16.12
(-) Sales / deletion	-	-	27.25	5.78	7.18	-	13.46	53.67	-	53.67
Total	31.86	3.61	3,43.77	50.94	43.26	20.21	0.67	4,94.30	1,68.15	6,62.45
Depreciation Upto 31-03-2020	-	-	1,20.69	19.74	20.38	6.72	5.68	1,73.21	1,13.61	2,86.82
For the year	-	0.02	70.47	6.20	6.85	1.86	0.63	86.03	23.23	1,09.26
Sub-total	-	0.02	1,91.16	25.94	27.23	8.58	6.31	2,59.24	1,36.84	3,96.08
(-) Withdrawn on assets sold / deleted	-	-	25.81	2.63	5.85	-	5.94	40.23	-	40.23
Total	-	0.02	1,65.35	23.31	21.38	8.58	0.37	2,19.01	1,36.84	3,55.85
Net Carrying amount As at 31-03-2021	31.86	3.59	1,78.42	27.63	21.88	11.63	0.30	2,75.29	31.31	3,06.60

Note 9 : Other Non-Financial Assets

(₹ in lakhs)

Particulars	March 31, 2022	March 31, 2021
Prepaid expenses	69.33	70.39
Other advances	20.54	95.49
GST Input Credit	1,20.82	1,61.93
	2,10.69	3,27.81

Note 10 : Trade payables

(₹ in lakhs)

Particulars	March 31, 2022	March 31, 2021
(i) Total outstanding due to micro and small enterprises	3.74	2.36
(ii) Total outstanding due of creditors other than micro and small enterprises		
- For Expenses	46.50	67.80
- For Others	-	-
TOTAL	50.24	70.16

* Refer Note 31 for related party transactions

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Trade Payables ageing schedule 31 March 2022

(₹ in lakhs)

Particulars	Not due	Outstanding for following periods from due date of payment				
		< 1 year	1-2 years	2-3 years	> 3 years	Total
(i) MSME	-	3.74	-	-	-	3.74
(ii) Others	-	46.13	0.37	-	-	46.50
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Total	-	49.87	0.37	-	-	50.24

Trade Payables ageing schedule 31 March 2021

(₹ in lakhs)

Particulars	Not due	Outstanding for following periods from due date of payment				
		< 1 year	1-2 years	2-3 years	> 3 years	Total
(i) MSME	-	2.36	-	-	-	2.36
(ii) Others	-	67.80	-	-	-	67.80
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Total	-	70.16	-	-	-	70.16

Note 11 : Other Financial Liabilities

(₹ in lakhs)

Particulars	March 31, 2022	March 31, 2021
Accrued expenses	1,07.12	82.91
Other Liabilities	41.82	29.27
	1,48.94	1,12.18

Note 12 : Derivative Financial instruments

(₹ in lakhs)

Particulars	March 31, 2022			March 31, 2021		
	Notional amounts	Fair value assets	Fair value liabilities	Notional amounts	Fair value assets	Fair value liabilities
Part I						
(i) Currency Derivatives						
- Spot and forwards	-	-	51.09	-	-	3,44.12
Total Derivatives Financial instruments	-	-	51.09	-	-	3,44.12
Part II						
Included in above (Part I) are derivatives held for hedging and risk management purpose as follows						
(i) Cash flow hedging						
- Currency derivatives	-	-	51.09	-	-	3,44.12
	-	-	51.09	-	-	3,44.12

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Note 13 : Provisions

(₹ in lakhs)

Particulars	March 31, 2022	March 31, 2021
Provision for Employee Benefits	318.79	335.24
Provision for expenses	23.84	14.48
	342.63	349.72

Note 14 : Deferred taxes (Net)

(₹ in lakhs)

Particulars	March 31, 2022	March 31, 2021
Deferred tax liabilities		
On Investments	87,34.49	102,19.77
Others	10.88	10.06
Deferred tax assets		
On Investments	(2,58.85)	(1,32.72)
On Employee Benefits	(44.17)	(19.65)
On Provision for doubtful debts	(1.92)	(8.15)
On Property, Plant & Equipment	(27.76)	(23.85)
On Security Deposits	(0.41)	(0.48)
On Derivatives	(9.53)	(88.66)
On others	(64.13)	(2.16)
Minimum Alternate Tax (MAT) credit	-	(172.53)
Net Deferred tax liabilities	83,38.60	97,81.63

Note 15 : Other non-financial liabilities

(₹ in lakhs)

Particulars	March 31, 2022	March 31, 2021
Statutory Liabilities	95.40	91.08
	95.40	91.08

Note 16: Equity Share Capital

(₹ in lakhs)

Particulars	31.03.2022	31.03.2021
Authorised:		
32,00,00,000 Equity shares of face value of ₹5/- each	160,00.00	160,00.00
	160,00.00	160,00.00
Issued, Subscribed and fully paid up:		
22,21,03,860 Equity shares of face value of ₹5/- each (15,11,03,860 Equity shares of face value of ₹5/- each as on 31.03.2021)	111,05.19	75,55.19
	111,05.19	75,55.19

(a) Equity share capital

	As at 31st March 2022		As at 31st March 2021	
	No. of Shares	₹ in lakhs	No. of Shares	₹ in lakhs
Balance at the beginning of the year	15,11,03,860	75,55.19	15,11,03,860	75,55.19
Changes in Share Capital due to changes in Accounting Policies and prior period errors	-	-	-	-
Restated balance at the beginning of the current reporting period	15,11,03,860	75,55.19	15,11,03,860	75,55.19
Changes in Share Capital in the current reporting period	7,10,00,000	35,50.00	-	-
Balance at the end of the year	22,21,03,860	111,05.19	15,11,03,860	75,55.19

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

Name	Status	No. of Shares	% held as at 31.03.22	No. of Shares	% held as at 31.03.21
Sundaram Finance Limited	Promoter	5,21,76,605	23.49%	3,26,50,000	21.61%

Shares held by promoters at the end of the year

S. No.	Promoter Name	No of Shares	% of Total Shares	% change during the year
1	Sundaram Finance Limited	5,21,76,605	23.49%	1.88%
2	Mr S Viji	50,08,334	2.25%	0.03%
3	Mr S Ram	44,03,473	1.98%	0.03%
4	Mr Srikanth Ramanujam	27,20,536	1.22%	0.62%
5	Mr R Ramanujam	26,47,864	1.19%	-0.70%
6	Mr Srivats Ram	26,42,338	1.19%	0.06%
7	Mrs Nivedita Ram	25,70,111	1.16%	0.07%
8	Mr Harsha Viji	24,57,341	1.11%	0.00%
9	Mr Sriram Viji	19,47,888	0.88%	0.03%
10	Mrs Gita Ram	17,92,389	0.81%	0.05%
11	Mr Arjun Rangarajan	15,57,420	0.70%	-0.16%
12	Mr Sumanth Ramanujam	13,82,948	0.62%	0.55%
13	Mrs Chitra Viji	13,20,016	0.59%	0.04%
14	Mrs Vijaya Rangarajan	12,09,854	0.54%	-0.26%
15	Ms S Hema	11,22,646	0.51%	-0.18%
16	Mrs Thanjam Ravindran	8,44,119	0.38%	0.00%
17	Mr Jaideep Chakravarthy	6,85,198	0.31%	0.06%
18	Mrs Prema Ramanujam	6,74,391	0.30%	-0.12%
19	Mr Pradeep Chakravarthy	6,67,986	0.30%	0.06%
20	Mrs Lily Vijayaraghavan	6,35,436	0.29%	-0.13%
21	Mr Ananth Ramanujam	6,20,940	0.28%	-0.13%
22	Mrs Vijaya Rangarajan & Mr S Ram	6,09,896	0.27%	-0.13%
23	Mrs Usha Raghavan	5,89,992	0.27%	-0.12%
24	Mr S Viji (HUF-1)	5,84,769	0.26%	0.02%
25	Mrs Choodamani Narayanan	5,38,494	0.24%	-0.09%
26	Mr K Vasudevan	4,22,437	0.19%	0.00%
27	Mrs Lakshmi Vasudevan	4,03,811	0.18%	0.00%
28	Miss Tulsi S Ramanujam	3,97,367	0.18%	0.00%
29	Mrs Anuradha Raghavan	3,97,264	0.18%	-0.08%
30	Mr S Ravindran (HUF)	3,69,815	0.17%	0.17%
31	Mr Sharath Vijayaraghavan	3,68,844	0.17%	0.05%
32	Mr S Kishore & Mr Am Srinivasan	3,66,940	0.17%	0.09%

S. No.	Promoter Name	No of Shares	% of Total Shares	% change during the year
33	Mr Daya Ambirajan	3,54,365	0.16%	0.01%
34	Mrs Lily Vijayaraghavan & Mrs Sashi Parthasarathy	3,53,312	0.16%	-0.07%
35	Mr S Ravindran	3,52,182	0.16%	-0.17%
36	Mr Sharath Vijayaraghavan (HUF)	3,15,000	0.14%	0.00%
37	Mr Aditya S Ramanujam	3,00,646	0.14%	-0.05%
38	Mr T T Narendran, Mrs Vimala Rangaswamy & Mrs Padmini Narendran	2,39,492	0.11%	0.00%
39	Mr Shreyas Ravindran and Mr Srinivasan Ravindran	2,00,339	0.09%	0.00%
40	Mr Ananth Krishnan	2,00,300	0.09%	-0.04%
41	Mr Akshay Krishnan	2,00,300	0.09%	-0.04%
42	Mrs Lily Vijayaraghavan & Mr Badri Vijayaraghavan	1,97,776	0.09%	-0.04%
43	Mrs Lily Vijayaraghavan & Mr Sharath Vijayaraghavan	1,97,776	0.09%	-0.04%
44	Mr T T Srinivasa Raghavan (HUF)	1,96,868	0.09%	0.01%
45	Mr S Viji (HUF-2)	1,82,160	0.08%	0.01%
46	Miss Tarika Ram (Minor)	1,69,840	0.08%	0.00%
47	Mrs Bagyam Raghavan & Mr T T Venkatraghavan	1,66,493	0.07%	0.00%
48	Mr N Krishnan	1,64,853	0.07%	0.00%
49	Mrs Indira Krishnaswami	1,62,180	0.07%	-0.03%
50	Mr T T Srinivasaraghavan & Mr T T Narendran	1,61,632	0.07%	0.00%
51	Mr T T Srinivasaraghavan & Mrs Bagyam Raghavan	1,61,632	0.07%	0.00%
52	Master Ranjan Ambirajan	1,59,929	0.07%	0.00%
53	Mrs Padmini Narendran & Mr T T Hayagreevan	1,55,819	0.07%	0.00%
54	Mr Shriram Vijayaraghavan (HUF)	1,55,000	0.07%	0.00%
55	Mr N Krishnan (HUF)	1,49,278	0.07%	0.00%
56	Mr Narayanan Ramji	1,42,148	0.06%	-0.01%
57	Mr Shreen Raghavan	1,41,833	0.06%	0.00%
58	Mr T T Narendran (HUF)	1,39,691	0.06%	0.00%
59	Mrs Vimala Rangaswamy, Mr T T Narendran & Mrs Padmini Narendran	1,39,627	0.06%	0.00%
60	Mr Narayanan Ramji (HUF)	1,36,160	0.06%	-0.03%
61	Mr T T Srinivasaraghavan, Mrs Vimala Rangaswamy & Mrs Bagyam Raghavan	1,35,970	0.06%	0.00%
62	Mr T T Narendran & Mrs Padmini Narendran	1,32,244	0.06%	0.01%

S. No.	Promoter Name	No of Shares	% of Total Shares	% change during the year
63	Mr Srivats Ram (HUF)	1,23,370	0.06%	0.00%
64	Mrs Vimala Rangaswamy, Mr T T Srinivasaraghavan & Mr T T Venkatraghavan	1,21,465	0.05%	0.00%
65	Mr T T Narendran & Mrs Padmini Narendran	1,17,551	0.05%	-0.01%
66	Mr Vishnu Vijayaraghavan	1,11,649	0.05%	0.00%
67	Ms Sanjana Tara Ramanujam	1,09,034	0.05%	0.00%
68	Mr S Raghavan	1,03,492	0.05%	-0.02%
69	Mrs Rupa Srikanth	1,03,133	0.05%	0.00%
70	Mr Badri Vijayaraghavan	1,00,000	0.05%	0.05%
71	Mrs Lakshmi Vijayaraghavan	91,155	0.04%	0.01%
72	Mrs Rama Sridharan	85,920	0.04%	0.00%
73	Mrs Aruna Sankaranarayanan	83,520	0.04%	0.00%
74	Mr T T Rangaswamy (HUF-1)	72,476	0.03%	0.00%
75	Mr TT Rangaswamy, Mr TT Narendran & Mr TT Hayagreevan	72,293	0.03%	0.00%
76	Mr TT Rangaswamy, Mr TT Venkatraghavan & Mr TT Srinivasaraghavan	71,453	0.03%	0.00%
77	Mr K Vasudevan & Mrs Lakshmi Vasudevan	68,167	0.03%	0.00%
78	Mr Srinivas Raghavan	39,732	0.02%	0.00%
79	Mrs Dangety Krishnakumari	34,271	0.02%	0.00%
80	Mr T T Rangaswamy (HUF-2)	28,459	0.01%	0.00%
81	Miss Gitanjali Jeevan Jose, Rep By M/G Mrs Divya Jeevan Jose	14,693	0.01%	0.00%
82	Master P Siddhartha Jeevan, Rep By M/G Mrs Divya Jeevan Jose	14,693	0.01%	0.00%
83	Kavitha Gorur Keshav & Mr T T Hayagreevan	14,693	0.01%	0.00%
84	Nakshatra Hayagreevan (Minor)	14,693	0.01%	0.00%
85	Master T T Samitinjayan Rep By F/G Mr T T Hayagreevan	14,693	0.01%	0.00%
86	Mr R Ramanujam (HUF)	14,682	0.01%	0.00%
87	Mr C B Srinivasan	14,106	0.01%	0.00%
88	Mr S Viji & Mrs Chitra Viji	12,760	0.01%	0.00%
89	Mr Srikanth Ramanujam (HUF)	11,755	0.01%	0.00%
90	Mr Shreen Raghavan (HUF)	5,115	0.00%	0.00%

S. No.	Promoter Name	No of Shares	% of Total Shares	% change during the year
91	Mr Sriram Viji & Mrs Chitra Viji	4,637	0.00%	0.00%
92	Mr Harsha Viji & Mrs Chitra Viji	4,637	0.00%	0.00%
93	Mr Srikanth Ramanujam & Mrs Rupa Srikanth	4,472	0.00%	0.00%
94	Mr S Sundaram	4,000	0.00%	0.00%
95	Mr A M Srinivasan & Mr S Kishore	664	0.00%	0.00%
96	Mr A M Srinivasan	176	0.00%	0.00%
97	Mr Srikanth Ramanujam & Mr Ananth Ramanujam	-	-	-0.55%
98	Mr S Chakravarthy	-	-	-0.40%
99	Mr R Ramanujam & Mr Ananth Ramanujam	-	-	-0.02%
100	Mr R Ramanujam & Mrs Prema Ramanujam	-	-	-0.01%
101	Mr Dangety Satyanarayanamurty	-	-	0.00%
102	M/s Raghuvamsa Holdings Private Limited	45,01,306	2.03%	0.80%
103	M/s Uthirattadhi Sriram Holdings Private Limited	27,93,522	1.26%	0.28%
104	M/s Allegro Holdings Private Limited	27,60,934	1.24%	0.42%
105	M/s Silver Oak Holdings Private Limited	27,44,080	1.24%	0.28%
106	M/s Padmalakshmi Holdings Private Limited	24,23,561	1.09%	0.24%
107	M/s Rohini Holdings Private Limited	21,72,948	0.98%	0.12%
108	M/s Revathi Holdings Private Limited	19,34,516	0.87%	0.06%
109	M/s Azorious Holdings Private Limited	14,74,811	0.66%	0.10%
110	M/s Maham Holdings Limited	9,70,435	0.44%	0.10%
	Total	12,34,66,029	55.59%	2.67%

Note 17:

(₹ in lakhs)

Particulars	Reserves and Surplus						Gains / (losses) from equity investments through OCI	Total
	Capital Reserve	General Reserve	Securities premium	ESOP reserve	FCTR	Retained Earnings		
Balance as at 01 April, 2020	25,69.62	131,35.01	-	-	17,47.39	761,53.05	845,66.00	1781,71.08
Add: Profit or (loss) for the period						73,87.88		73,87.88
Add: Other comprehensive income / (loss)					(2,47.40)	(4,85.67)	177,52.95	170,19.88
Adjustment on account of acquisition of Wheels India Limited						98,49.76		98,49.76
Add: Equity adjustment	23.92					2,50.80		2,74.72
Less: Final Dividend for FY 2019-20 paid						(7,55.55)		(7,55.55)
Balance as at 01 April, 2021	25,93.54	131,35.01	-	-	14,99.99	924,00.28	1023,18.95	2119,47.77
Add: Profit or loss for the period						163,18.78		163,18.78
Add: Other comprehensive income / (loss)					2,80.57	4,48.09	314,85.82	322,14.48
Transfer on account of Sale of Equity instruments measured at FVTOCI						154,74.66	(154,74.66)	-
Add: Premium received on rights issue of equity shares			319,50.00					319,50.00
Less: Rights issue expenses (net of tax)			(2,38.36)					(2,38.36)
Add: Contribution from parent company				6.64				6.64
Less: Final Dividend for FY 2020-21 paid						(11,10.56)		(11,10.56)
Less: Special Dividend for FY 2021-22 paid						(22,21.04)		(22,21.04)
Add: Adjustment*	14.75					2,17.66		2,32.41
Balance as at 31 Mar, 2022	26,08.29	131,35.01	317,11.64	6.64	17,80.56	1215,27.87	1183,30.11	2891,00.12

* Capital reserve of ₹ 14.75 lakhs is on account of additional acquisition in Flometallic India Private Limited made during April'21.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

PROFIT & LOSS ACCOUNT

Note 18 : Interest Income

(₹ in lakhs)

Particulars	For the year ended 31 March 2022			For the year ended 31 March 2021		
	On financial assets measured at			On financial assets measured at		
	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost	FVTPL
Interest income from investments	-	31.94	5.70	-	1.74	-
Total	-	31.94	5.70	-	1.74	-

Note 19 : Net gain/(Loss) on Fair Value Changes

(₹ in lakhs)

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
Net gain/(Loss) on financial instruments at FVTPL	8,29.89	5,64.68
- Investments		
Fair Value changes:		
- Realised	2,40.21	4,70.55
- Unrealised	5,89.68	94.13
	8,29.89	5,64.68

Note 20 : Other Income

(₹ in lakhs)

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
Interest Receipts	68.39	13.35
Rent Receipts	1,87.10	1,82.17
Other Non-Operating Income	1,38.70	26.46
Net gain on Exchange Fluctuation	-	2,60.63
Excess provisions/liabilities written back	11.83	-
Export Incentive SEIS	-	85.37
Derivative income/(loss)	7.05	(79.67)
	4,13.07	4,88.31

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Note 21 : Finance Costs

(₹ in lakhs)

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
Interest on Income Tax	47.43	-
Interest-others	36.91	15.35
TOTAL	84.34	15.35

Note 22 : Employee Benefit Expense

(₹ in lakhs)

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Salaries, bonus and commission	31,90.93	31,42.64
Contribution to Provident and Other Funds (Refer Note 32)	2,03.76	2,27.93
Staff welfare expenses	64.15	67.98
Staff Recruitment and Training Expenses	6.83	-
	34,65.67	34,38.55

Note 23 : Administrative and Other Expenses

(₹ in lakhs)

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Rent	1,31.85	3,14.08
Rates and taxes	18.82	14.59
Electricity expenses	69.30	90.30
Sales and Marketing expenses	2,84.48	1,24.67
Communication expenses	42.42	75.22
Outsourcing cost	79.91	1,54.50
Audit Fees	20.40	18.50
Repairs and Maintenance - others	48.37	1,07.25
Professional fees	1,94.61	1,19.77
Commission to KMP and Directors	21.00	11.00
Director sitting fees	16.50	13.50
Filing Fees	0.04	0.13
Travelling and Conveyance	11.54	4.54
Allowance for doubtful debts (Net)	-	(6.59)
CSR Expenditure	50.00	66.50
Miscellaneous expenses	7,62.12	2,95.23
	17,51.36	14,03.19

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Note 24 : Income Tax

A. Reconciliation of Effective Tax Rate

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

(₹ in lakhs)

Particulars	31st March 2022	31st March 2021
Income tax expenses recognized in the Statement of Profit and Loss	5,60.67	5,80.78
Tax recognised in OCI on account of derecognition	6,49.43	-
MAT credit utilisation	-	(1,36.13)
Income tax expenses pertaining to current year	12,10.10	4,44.65

(₹ in lakhs)

Particulars	31st March 2022	31st March 2021
Profit before tax	21,86.27	14,22.77
Enacted income tax rate in India	25.17%	29.12%
Tax using the Company's domestic tax rate :	5,50.24	4,14.31
Effect of:		
Allowance of deduction under section 80M	(8,38.50)	-
Set-off of carried forward loss	(2,19.97)	-
Effect of differential tax rate	(2,02.52)	-
Disallowance of impairment loss	2,84.74	-
Exempted / Non taxable income	(0.38)	(0.51)
Expenses disallowed	81.00	51.94
Additional allowance / adjustments	(1,47.41)	1,15.04
Consolidation Adjustments	9,95.46	-
Prior Period	58.01	-
Income tax expenses recognized in the Statement of Profit and Loss	5,60.67	5,80.78

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

(₹ in lakhs)

B. Recognised Deferred Tax Assets and Liabilities**Deferred tax assets / liabilities as at 31st March 2022:**

Particulars	As at 1 April 2021	Recognized in Statement of Profit or Loss ⁽¹⁾	Recognized in Other Comprehensive Income ⁽²⁾	Recognized in Other Equity	As at 31st March 2022
Deferred tax Assets					
Property, plant and Equipment	23.85	3.91	-	-	27.76
Carry forwarded loss	1,32.72	(1,32.72)	-	-	-
Impairment on investment valued at cost	-	2,58.85	-	-	2,58.85
Minimum Alternate Tax (MAT) Credit	1,72.53	(1,45.03)	-	(27.50)	-
Provisions - employee benefits	19.65	24.52	-	-	44.17
Provision for doubtful debts	8.15	(6.23)	-	-	1.92
Change in fair value of derivative instrument	88.66	-	(79.13)	-	9.53
Others	2.64	(2.23)	-	64.13	64.54
	4,48.20	1.07	(79.13)	36.63	4,06.77
Deferred tax Liabilities					
Investments at fair value through profit or loss	19.97	1,10.32	-	-	1,30.29
Investments at fair value through OCI	101,99.80	-	(9,46.17)	⁽³⁾ (6,49.43)	86,04.20
Others	10.06	0.82	-	-	10.88
	102,29.83	1,11.14	(9,46.17)	(6,49.43)	87,45.37
Net deferred tax (Assets) / Liabilities	97,81.63	1,10.07	(8,67.04)	(6,86.06)	83,38.60

- (1) Excludes ₹2,13.45 lakhs pertaining to deferred tax gain of Companies consolidated as subsidiaries till the date of loss of control.
- (2) Excludes impact of income tax on remeasurement of employee benefit
- (3) Transfer to income tax provision on account of Sale of Equity instruments measured at FVTOCI

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Deferred tax assets / liabilities as at 31st March 2021:

(₹ in lakhs)

Particulars	As at 1 April 2020	Recognized in Statement of Profit or Loss ⁽¹⁾	Recognized in Other Comprehensive Income ⁽²⁾	As at 31st March 2021
Deferred tax Assets				
Property, plant and Equipment	21.88	1.97	-	23.85
Carry forwarded loss	1,32.72	-	-	1,32.72
Minimum Alternate Tax (MAT) Credit	3,60.01	(1,87.48)	-	1,72.53
Provisions - employee benefits	22.11	(2.46)	-	19.65
Provision for doubtful debts	11.50	(3.35)	-	8.15
Others	3.53	(0.89)	-	2.64
	5,51.75	(1,92.21)	-	3,59.54
Deferred tax Liabilities				
Investments at fair value through profit or loss	1,55.92	(1,35.96)	-	19.96
Investments at fair value through OCI	58,64.00	-	4335.80	101,99.80
Change in fair value of derivative instrument	1,45.08	-	(233.74)	(88.66)
Others	2.88	7.18	-	10.06
	61,67.88	(1,28.78)	4102.06	101,41.16
Net deferred tax (Assets) / Liabilities	56,16.13	63.44	4102.06	97,81.63

(1) Includes MAT movement

(2) Excludes impact of income tax on remeasurement of employee benefit

Note 25 : Non Controlling Interest (NCI)

(₹ in lakhs)

Particulars	31 March 2022
Opening balance	-
Addition on account of acquisition of subsidiaries	27,94.20
Total Comprehensive Income attributable to NCI	(2,48.96)
Reversal on account of loss of control	(25,45.24)
Closing balance	-

Gain/Loss on fair value of previously held interest of equity investment

(₹ in lakhs)

Particulars	31 March 2022
- Mind S.r.l	(7,75.22)
- Sundaram Composite	2,70.07
Total	(5,05.15)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Note 26: Leases

(i) Group as a lessee

Movement of Right of Use asset

(₹ in Lakhs)

Particulars	31st March 2022	31st March 2021
Opening balance	3,45.16	2,02.12
Add : Additions	-	2,35.25
Less : Modifications	-	(60.95)
Less : Depreciation on Right of Use Assets	(56.09)	(31.26)
Closing balance	2,89.07	3,45.16

Movement of Lease Liability

(₹ in Lakhs)

Particulars	31st March 2022	31st March 2021
Opening balance	3,60.00	2,13.68
Add : Additions	-	2,35.25
Less : Modifications	-	(66.70)
Less : Repayments	(41.26)	(22.23)
Closing balance	3,18.74	3,60.00

Details regarding the contractual maturities of lease liabilities as at March 31, 2022 on an undiscounted basis.

(₹ in Lakhs)

Future minimum lease payable	31st March 2022	31st March 2021
Not later than 1 year	71.60	68.13
Later than 1 year and not later than 5 years	2,52.39	2,96.30
Later than 5 years	77.26	1,04.95

Other Rental expenses categorised as short term and low value

(₹ in Lakhs)

Particulars	31st March 2022	31st March 2021
Equipment Rent (Low value)	10.52	28.73
Immovable Property Rent (Short term)	1,23.23	2,77.94

(ii) Company as Lessor

Undiscounted lease payments to be received on annual basis for first 5 years - ₹189.24 lakhs (Previous year - ₹187.09 Lakhs)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Note 27 : Capital Management

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

Note 28 : Financial Instruments – Fair Values and Risk Management

A. Accounting Classification and Fair Values

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

(₹ in Lakhs)

As at 31 March 2022	Carrying amount	Level 1	Level 2	Level 3
Financial assets measured at				
Amortized cost				
Preference securities	15,00.00	-	15,00.00	-
Trade receivables	5,04.81	-	-	-
Cash and cash equivalents	14,49.78	-	-	-
Other Financial Assets	8,49.99	7,79.96	35.74	34.29
Loans	12.79	-	12.79	-
FVTPL				
Mutual Fund	195,69.43	186,01.23	9,68.20	-
Preference securities	6,86.26	-	6,86.26	-
FVTOCI				
Equity instruments *	1671,46.54	955,24.50	-	716,22.04
Financial Liabilities measured at				
Amortized cost				
Trade and other payables	50.24	-	-	-
Lease Liability	3,18.74	-	3,18.74	-
Other Financial Liabilities	1,48.94	-	-	-
FVTPL				
Derivatives	18.37	18.37	-	-
FVTOCI				
Derivatives	32.72	32.72	-	-

* Excludes Investments in Associates (Refer Note 4)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

(₹ in Lakhs)

As at 31 March 2021	Carrying amount	Level 1	Level 2	Level 3
Financial assets measured at				
Amortized cost				
Preference securities	15,00.00	-	15,00.00	-
Bonds	22.62	-	22.62	-
Trade receivables	5,36.78	-	-	-
Cash and cash equivalents	11,34.33	-	-	-
Other Financial Assets	1,84.50	-	1,60.42	24.08
Loans	33.55	-	33.55	-
FVTPL				
Mutual Fund	75,08.51	70,78.51	-	4,30.00
Preference securities	2,98.26	-	-	2,98.26
FVTOCI				
Equity instruments *	1166,32.17	722,90.72	335,70.87	107,70.58
Financial Liabilities measured at				
Amortized cost				
Trade and other payables	70.16	-	-	-
Lease Liability	3,60.00	-	3,60.00	-
Other Financial Liabilities	1,12.18	-	-	-
FVTPL				
Derivatives	25.42	25.42	-	-
FVTOCI				
Derivatives	3,18.69	3,18.69	-	-

* Excluding Investment in Associates as given in Note 4

Fair Value hierarchy

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

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

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

Level 3 hierarchy - Inputs are not based on observable market data. Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data. An adjustment to a Level 2 input that is significant to the entire measurement results in a fair value measurement categorised within Level 3 of the fair value hierarchy if the adjustment uses significant unobservable inputs.

B. Measurement of fair values

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Note 29: Financial Risk Management

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

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

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

(a) Liquidity Risk

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

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

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

(₹ in Lakhs)

Particulars	31st March 2022	31st March 2021
Trade payables	50.24	70.16
Derivative financial instruments	51.09	3,44.12
Other financial Liabilities	1,48.94	1,12.18

(b) Credit Risk

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

(i) Trade Receivables:

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

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

(₹ in Lakhs)

Particulars	31st March 2022	31st March 2021
Trade receivables	508.91	563.60
Loss allowance	(4.10)	(26.82)
Carrying amount	504.81	536.78

(ii) Other Financial Assets:

The Group has exposure in Cash and cash equivalents, employee loans and investment carried at amortised cost. The Group's maximum exposure to credit risk as at 31st March, 2022 is the carrying value of each class of financial assets as on that date.

Cash and Cash Equivalents

The Group held cash and cash equivalents of INR 1449.78 lakhs as on March 31, 2022 (March 31, 2021 : INR 1134.33 lakhs). The cash and cash equivalents are held in hand and with bank. (Refer Note 1)

(c) Market Risk

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

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

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

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

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

Particulars	31st March 2022		31st March 2021	
	AUD (A\$'000)	₹ Lakhs	AUD (A\$'000)	₹ Lakhs
Monetary Assets				
Cash and Cash Equivalents	2374.00	13,47.07	1864.64	10,26.91
Trade Receivables	597.50	3,39.04	606.38	3,33.95
Monetary Liabilities				
Trade Payables	11.84	6.72	25.06	13.80

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

(b) Sensitivity Analysis

(₹ in Lakhs)

Sensitivity Analysis	Change in assumption		Impact on Carrying Value of investments			
			Increase in assumption		Decrease in assumption	
Details	31st March 2022	31st March 2021	31st March 2022	31st March 2021	31st March 2022	31st March 2021
Quoted Equity investments	1%	1%	9,55.24	7,22.91	(9,55.24)	(7,22.91)
Unquoted Equity investments	1%	1%	7,01.70	73.12	(7,01.70)	(73.12)
Mutual Fund investments	1%	1%	1,95.69	70.78	(1,95.69)	(70.78)

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

(₹ in Lakhs)

Particulars	31st March 2022		31st March 2021	
	Buy	Sell	Buy	Sell
Forward Contract: Cashflow Hedge				
AUD/INR (in A\$ '000)	-	10500.00	-	11550.00
AUD/INR (in ₹ Lakhs)	-	62,10.88	-	65,50.27

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

Particulars	GBP	NZD	Equivalent in INR
Unhedged	1680.00	6000.00	476299

Risk Management Structure

Risk is an inherent and integral part of the business of investments and business process outsourcing. The Group aims to achieve an appropriate balance between risk and returns by establishing an efficient risk mitigation system. In order to mitigate risks, the Group has instituted a risk management framework, wherein, the Audit Committee under the supervision of the Board is tasked with regular assessment and laying down of policies for management of risks. In respect of certain investments, the Group has established systems to conduct due diligence of proposals received and to ensure that investments are in line with the overall objectives of the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Note 30 : Revenue Recognition**Sale of Services:**

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

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

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

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

Contracts with customers

There are no other revenue under Contract with Customers other than those which are accounted in Profit and Loss Account as revenue which comprises of Service income and Learning income. Refer Note 30.a for the details of income earned from contracts with customers.

Contract Balances

The Group classifies the right to consideration in exchange for deliverables as either a receivable or as unbilled revenue. Refer Note 30.a for the Trade Receivable balances.

Sale of Goods

Revenue from sale of goods is recognized at the time of the transfer of ownership, net of returns, discounts, rebates and premiums of competence

Revenue from sale of goods, sale of services and the trade receivable for the year ended March 31, 2022 and March 31, 2021 is as follows:

Note 30.a

(₹ in Lakhs)

Particulars	31st March 2022	31st March 2021
Sale of Goods	8,50.80	-
Sale of Services		
- Support Services	46,83.01	46,73.45
- Learning Income	1,31.89	1,52.31
Trade Receivables	5,04.81	5,36.78

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Note 31

Related Party Transactions

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

Related Parties:

Holding Company

Sundaram Finance Limited

Associate Companies

Flometallic India Private Limited

Dunes Oman LLC (FZC)

Fellow Subsidiaries

Sundaram Hydraulics Limited

Sundaram Asset Management Company Limited

Axles India Limited

Principal Asset Management Private Limited (w.e.f. 31-12-2021)

Turbo Energy Private Limited

Principal Trustee Company Private Limited (w.e.f. 31-12-2021)

Transenergy Private Limited

Principal Retirement Advisors Private Limited (w.e.f. 31-12-2021)

Sundaram Dynacast Private Limited

Sundaram Fund Services Limited

Wheels India Limited

Sundaram Home Finance Limited

Mind Sri *

Sundaram Asset Management Singapore Pte Limited.

Sundaram Composite Structures Private Limited*

LGF Services Limited

Sundaram Alternate Assets Limited

Key Management Personnel (KMP):

Sundaram Trustee Company Limited

Sri. T.T.Srinivasaraghavan-Chairman

Sri. Harsha Viji - Director

Joint Venture of Holding Company

Sri. S.Ravi-Chief Executive Officer

Royal Sundaram General Insurance Co. Limited

Sri V.Vaasen-Chief Financial Officer (Till 28-Feb-2022)

Sri I S Suresh - Chief Financial Officer (w.e.f. 01-Mar-2022)

Others

Sundaram Finance Holdings Gratuity Trust #

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Related Party Transactions:

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

(₹ in lakhs)

Nature of Transactions	Holding Company	Associates	Fellow Subsidiaries	Joint Venture of Holding Company	KMP	2021-22	2020-21
Income							
Dividend Income							
Sundaram Dynacast Private Limited	–	1,40.40	–	–	–	1,40.40	1,87.20
Turbo Energy Private Limited	–	16,38.40	–	–	–	16,38.40	–
Axles India Limited	–	–	–	–	–	–	1,48.38
Flometallic India Private Limited	–	–	–	–	–	–	3,80.00
Sundaram Asset Management Company Ltd	–	–	1,01.25	–	–	1,01.25	1,01.25
Wheels India Limited	–	56.01	–	–	–	56.01	1,48.43
Income from Services							
Sundaram Finance Limited	11,64.47	–	–	–	–	11,64.47	12,30.09
Sundaram Asset Management Company Ltd	–	–	28.92	–	–	28.92	23.88
Sundaram Fund Services Ltd	–	–	0.60	–	–	0.60	0.19
Sundaram Home Finance Ltd	–	–	53.90	–	–	53.93	41.97
Royal Sundaram General Insurance Co. Ltd	–	–	–	69.70	–	69.70	4,90.23
Sundaram Alternate Assets Limited	–	–	3.84	–	–	3.84	2.88
Wheels India Limited	–	9.11	–	–	–	9.11	7.66
Other Income							
Rental Income							
Sundaram Finance Limited	96.80	–	–	–	–	96.80	94.38
Turbo Energy Private Limited	–	37.53	–	–	–	37.53	34.40
Sale of Assets							
Sundaram Finance Limited	–	–	–	–	–	–	0.42
Royal Sundaram General Insurance Co. Ltd	–	–	–	–	–	–	3.64
Expenses							
Sundaram Finance Limited							
Rent & other Amenities	1,62.56	–	–	–	–	1,62.56	1,45.25
Internal Audit fees	16.00	–	–	–	–	16.00	12.00
ITVO Charges	0.32	–	–	–	–	0.32	1.61
Website Maintenance	–	–	–	–	–	–	0.51
Fuel Expenses	–	–	–	–	–	–	8.76
Employees Stock Options	6.64	–	–	–	–	6.64	–
Employee benefit transfers	6.22	–	–	–	–	6.22	–
Reimbursement Expenses	0.15	–	–	–	–	0.15	–
Sundaram Finance Limited							
Purchase of License	–	–	–	–	–	–	19.18

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

(₹ in lakhs)

Nature of Transactions	Holding Company	Associates	Fellow Subsidiaries	Joint Venture of Holding Company	KMP	2021-22	2020-21
Sundaram Home Finance Limited							
Amenities Reimbursement	—	—	0.21	—	—	0.21	—
Royal Sundaram General Insurance Co. Limited							
Insurance	—	—	—	8.69	—	8.69	3.00
Remuneration paid to KMP **	—	—	—	—	115.68	1,15.68	1,07.55
Employee benefit transfers							
Sundaram Finance Limited	7.40	—	—	—	—	7.40	—
Other Transactions - Investments							
Purchase of Equity Shares - Wheels India Limited	—	—	—	—	—	—	99,99.94
Purchase of Equity Shares - Mind S.r.l.	—	17,17.42	—	—	—	17,17.42	23,71.35
Payment of Call money-Flometallic India	—	—	—	—	—	—	5,50.00
Purchase of Equity Shares - Flometallic India	—	12,49.56	—	—	—	12,49.56	—
Purchase of Equity Shares - Sundaram Composite	—	24,00.00	—	—	—	24,00.00	—
Capital Reduction - Dunes Oman LLC	—	19,72.04	—	—	—	19,72.04	—
Sale of Equity Shares - Sundaram Composites	—	4,53.20	—	—	—	4,53.20	—
Closing Balance of Investment in Equity Shares							
Flometallic India Private Limited	—	130,06.14	—	—	—	130,06.14	73,96.24
Dunes Oman LLC (FZC)	—	88,94.34	—	—	—	88,94.34	95,28.38
Sundaram Hydraulics Limited	—	—	—	—	—	—	—
Axles India Limited	—	68,25.79	—	—	—	68,25.79	52,78.04
Turbo Energy Private Limited	—	531,65.64	—	—	—	531,65.64	493,94.38
Transenergy Private Limited	—	12,23.92	—	—	—	12,23.92	9,13.73
Sundaram Dynacast Private Limited	—	16,83.42	—	—	—	16,83.42	14,67.87
Wheels India Limited	—	266,54.09	—	—	—	266,54.09	249,54.99
Mind S.r.l	—	29,25.35	—	—	—	29,25.35	20,27.39
Sundaram Composite Structures Private Ltd	—	20,10.41	—	—	—	20,10.41	—

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

(₹ in lakhs)

Nature of Transactions	Holding Company	Associates	Fellow Subsidiaries	Joint Venture of Holding Company	KMP	2021-22	2020-21
Closing Balance of Investment in Preference Shares							
Sundaram Asset Management Company Ltd	—	—	15,00.00	—	—	15,00.00	15,00.00
Insurance Deposit							
Royal Sundaram General Insurance Co. Ltd	—	—	—	0.72	—	0.72	—
Receivables:							
Sundaram Finance Limited	1,34.23	—	—	—	—	1,34.23	1,11.40
Sundaram Asset Management Company Ltd	—	—	2.84	—	—	2.84	2.60
Sundaram Fund Services Ltd	—	—	0.06	—	—	0.06	-
Sundaram Home Finance Ltd	—	—	—	—	—	-	0.06
Royal Sundaram General Insurance Co. Ltd	—	—	—	7.03	—	7.03	6.80
Sundaram Alternate Assets Limited	—	—	0.38	—	—	0.38	0.28
Turbo Energy Private Limited	—	—	—	—	—	-	0.11
Wheels India Limited	—	0.86	—	—	—	0.86	0.91
Payables:							
Sundaram Finance Limited	0.51	—	—	—	—	0.51	7.21
Sundaram Asset Management Company Ltd	—	—	0.01	—	—	0.01	—

* These Companies were classified as subsidiaries during the period Oct'21-Dec'21. However based on subsequent disposal of shareholding/change in control over investee,the same has been classified into associates as at 31st March,2022.

Transactions with respect to contribution to the gratuity trust is mentioned in Note 32b.

** Remuneration to KMP

(₹ in Lakhs)

Particulars	2021-22	2020-21
Short term Employee benefits	1,10.68	1,07.55
Post Employment benefits	—	—
Other long term employee benefits	—	—
Termination benefits	—	—
Others(Commission)	5.00	—
TOTAL	1,15.68	1,07.55

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Note 32: Employee Benefits: Defined Contribution Plan

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

Note 32a : Contribution to PF & Other Funds

(₹ in Lakhs)

Particulars	31st March 2022	31st March 2021
Contribution to Provident Fund	1,36.71	1,57.06
Contribution to Superannuation Fund	4.63	4.29
Contribution to Labour Welfare Fund	0.14	0.13

Note 32b : Employee Benefits: Defined Benefit Plan - Gratuity

(i) A. Reconciliation of opening and closing balances of the present value of the defined benefit obligation.

(₹ in Lakhs)

Particulars	31st March 2021	31st March 2020
Present Value of Defined Benefit Obligation at the beginning of the Period	2,71.60	2,70.05
Service Cost		
a. Current Service Cost	62.03	64.59
b. Past Service Cost	-	-
c. (Gain)/Loss on Curtailments	-	-
d. (Gain)/Loss on Settlements	-	-
Interest Expense	15.63	15.79
Remeasurements		
a. Effect of Changes in Demographic Assumptions	-	-
b. Effect of Changes in Financial Assumptions	(4.06)	2.63
c. Effect of Experience Adjustments	40.88	(28.84)
Cashflows		
a. Benefit Payments		
(i) From the Plan	(63.65)	(52.62)
(ii) Directly from the Employer	-	-
b. Settlement Payments from the Plan	-	-
c. Participant Contributions	-	-
Effect of Business Combinations / Disposals	-	-
Present Value of Defined Benefit Obligation at the end of the Period	3,22.43	2,71.60

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

B. Reconciliation of Opening and Closing Balances of the Fair Value of Plan Assets

(₹ in Lakhs)

Particulars	31st March 2022	31st March 2021
Fair value of plan assets as at the beginning of the period	2,53.81	2,48.25
Interest Income on Plan Assets	14.88	15.12
Cash Flows		
a. Benefit Payments		
(i) From the Plan	(63.65)	(52.62)
(ii) Directly from the Employer	-	-
b. Settlement Payments from the Plan	-	-
c. Participant Contributions	-	-
d. Total Employer Contributions		
(i) Employer Contributions	26.05	35.41
(ii) Employer Direct Benefit Payments	32.27	18.53
Remeasurements		
a. Actual Return on Plan Assets	(4.91)	(10.89)
Effect of Business Combinations / Disposals	-	-
Effect of Changes in Foreign Exchange Rates	-	-
Fair value of plan assets as at the end of the period*	2,58.45	2,53.81

* All the plan assets are funded with LIC

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

(₹ in Lakhs)

Particulars	31st March 2022	31st March 2021
Present Value of Defined Benefit Obligation	3,22.43	2,71.60
Fair value of plan assets	2,58.45	2,53.81
Net Assets (Liability) recognized in the Balance Sheet	(63.98)	(17.79)
Effect of Asset Ceiling	-	-
Net Assets (Liability)	(63.98)	(17.79)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

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

(₹ in Lakhs)

Particulars	31st March 2022	31st March 2021
Service Cost		
a. Current Service Cost	62.03	64.59
b. Past Service Cost	-	-
c. (Gain)/Loss on Curtailments	-	-
d. (Gain)/Loss on Settlements	-	-
e. Total Service Cost	62.03	64.59
Net Interest Expense		
a. Interest Expense on DBO	15.63	15.79
b. Interest Income on Plan Assets	(14.88)	(15.12)
c. Interest Income on Reimbursement Rights	-	-
d. Interest Income on Asset Ceiling	-	-
e. Total Net Interest Cost	0.75	0.67
Remeasurements		
a. Effect of Changes in Demographic Assumptions	-	-
b. Effect of Changes in Financial Assumptions	(4.06)	2.63
c. Effect of Experience Adjustments	40.88	(28.84)
d. Actual Return on Plan Assets	4.91	10.89
e. Actual Return on Reimbursement Rights	-	-
f. Actual Change in Asset Ceiling	-	-
g. Total Remeasurements	41.73	(15.32)
Defined Benefit Cost included in Profit & Loss Account	62.78	65.26
Defined Benefit Cost included in Other Comprehensive Income	41.73	(15.32)

E. Principal Actuarial Assumptions (Expressed as weighted averages)

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

Particulars	31st March 2022	31st March 2021
Discount Rate	6.65%	6.47%
Salary Escalation	5.00%	5.00%
Attrition	10.00%	10.00%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

(ii) Sensitivity Analysis

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

(₹ in Lakhs)

Gratuity	Change in assumption		Impact on defined benefit obligation			
			Increase in assumption		Decrease in assumption	
Details	31st March 2022	31st March 2021	31st March 2022	31st March 2021	31st March 2022	31st March 2021
Discount rate	0.50%	0.50%	(6.13)	(5.58)	6.44	5.85
Salary growth rate	0.50%	0.50%	6.49	5.88	(6.24)	(5.66)
Attrition rate	5.00%	5.00%	0.15	(0.25)	(0.14)	0.24
Mortality rate	5.00%	5.00%	0.03	0.01	0.00	(0.01)

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

(iii) Maturity Profile of Defined Benefit Obligation

(₹ in Lakhs)

Particulars	31.03.2022	31.03.2021
Year 1	77.60	61.64
Year 2	65.06	40.54
Year 3	46.57	46.00
Year 4	36.74	33.29
Year 5	28.00	26.25
Next 5 years	1,03.47	91.48

(iv) Risk Exposure

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

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

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

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

- (v) The expected contribution to the plan for the next year amounts to ₹69 lakhs

Note 32c : Other Long Term Employee Benefits

The Group's liability towards other long - term benefits are provided based on actuarial valuation as at 31st March 2022. The details are given below:

Particulars	(₹ in Lakhs)	
	2021-22	2020-21
Leave encashment	1,16.80	87.82
Employee Assured Bonus Scheme	26.14	36.30

Note 33

33a : Earnings Per Share

Basic and Diluted Earnings Per Share

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

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

Particulars	(₹ in Lakhs)	
	Year ended 31st March 2022	Year ended 31st March 2021
Profit/ (Loss) for the year, attributable to the equity holders	160,69.82	73,87.88

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

Particulars	As at	
	31st March 2022	31st March 2021
Opening balance	1511038,60	1511038,60
Effect of fresh issue of shares for cash (Proportionate from date of issue)	571890,41	-
Weighted average number of equity shares for the year	2082929,01	1511038,60

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Earnings Per Share

(₹ in Lakhs)

Particulars	31st March 2022	31st March 2021
Basic earnings per share (in ₹)	7.72	4.89
Diluted earnings per share (in ₹)	7.72	4.89

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

33b : Dividend

The Board of Directors of parent company has recommended a final dividend of ₹1/- per share (20%). In addition, the Board of Directors has recommended a Special Dividend of ₹0.75 per share (15%), which, together with the Special Dividend of ₹1/- per share (20%) paid during the year will make a total Special Dividend of ₹1.75 per share (35%).

33c : Contingent liabilities and commitments

Particulars	Amount (₹ In Lakhs)
(A) Claims against the Group/ disputed liabilities not acknowledged as debts	
(i) in respect of Group	4,20.15
(ii) in respect of Associates *	9,06.17
(B) Bank Guarantee and Bills discounted	
(i) in respect of Associates *	8,73.99
(C) Estimated amount of contracts remaining to be executed on capital account and not provided for	
(i) in respect of Group	31.39
(ii) in respect of Associates *	28,26.40

* To the extent of Group's share in Associates

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

33d Other Regulatory Disclosure as required under Schedule III of Companies Act,2013

- (a) The group does not have any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- (b) The group is not declared as a willful defaulter by any bank or financial Institution or other lender.
- (c) The group does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.
- (d) The group does not have any charges or satisfaction to be registered with ROC beyond stipulated statutory period.
- (e) The group has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (f) The group has not granted any loans or advances in nature of loans to promoters, directors, KMPs and the related parties (as defined under the Companies Act, 2013) either severally or jointly with any other persons. Hence disclosure under clause (v) of Schedule III of The Companies Act 2013, is not applicable.
- (g) There are no scheme of arrangements approved. Hence disclosure under clause (xv) of Schedule III of The Companies Act 2013, is not applicable.
- (h) There are no transactions in the nature of undisclosed income or income surrendered which needs to be accounted in the books of accounts during the year in the tax assessments under the Income Tax Act, 1961.

33e: Rights Issue

During the year, the Parent Company has allotted 7,10,00,000 equity shares of face value of ₹5/- each ("Rights Equity Shares") at a premium of ₹45/- per share aggregating up to ₹35,500 lakhs through the fast track mode in accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements), 2018, as amended, and various applicable circulars that have been issued by the Securities and Exchange Board of India ("SEBI") from time to time.

The above funds has been raised for the purpose of acquisition of shares in Brakes India Private Limited and the same has been utilised for the said purpose.

The total expenses on rights issue ₹318.53 lakhs has been adjusted against securities premium.

33f: Adoption of Financial Statements

The Board has adopted the financial statements at its meeting held on 24th May 2022.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Note 34 : Segment Reporting

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

(₹ in Lakhs)

Business Segments	Investments		Manufacturing	Support services				Eliminations		Total	
	2021-22	2020-21		Domestic		Overseas		2021-22	2020-21	2021-22	2020-21
			2021-22	2020-21	2021-22	2020-21					
REVENUE											
Segment Revenue	27,10.90	11,15.33	8,64.64	15,56.24	22,35.75	33,07.26	26,38.61	(48.60)	(48.60)	83,90.45	59,41.09
RESULT											
Segment Result	20,56.68	10,70.95	(7,81.64)	1,45.91	53.52	8,97.71	3,54.81	-	-	23,18.66	14,79.28
Unallocated income / (expenses) (Net)	-	-	-	-	-	-	-	-	-	(1,32.40)	(56.51)
Profit before tax	-	-	-	-	-	-	-	-	-	21,86.27	14,22.77
Less: Income tax	-	-	-	-	-	-	-	-	-	4,57.29	4,56.72
Profit after tax before share of profits from associates	-	-	-	-	-	-	-	-	-	17,28.98	9,66.05
Add: Share of profit from Associates	-	-	-	-	-	-	-	-	-	143,40.84	64,21.83
Profit after tax	-	-	-	-	-	-	-	-	-	160,69.82	73,87.88
OTHER INFORMATION											
Segment Assets	3062,41.25	2272,25.74		10,77.98	11,59.54	19,52.50	18,57.59	-	-	3092,71.73	2302,42.87
Unallocated Assets	-	-	-	-	-	-	-	-	-	2,79.22	3,68.98
Total Assets	-	-	-	-	-	-	-	-	-	3095,50.95	2306,11.85
Segment Liabilities	169,80.90	100,87.04	-	8,92.15	6,55.55	2,17.95	1,29.62	-	-	180,91.01	108,72.21
Unallocated Liabilities	-	-	-	-	-	-	-	-	-	44.48	2,36.68
Total Liabilities	-	-	-	-	-	-	-	-	-	181,35.49	111,08.89
Capital Expenditure	-	-	-	-	-	-	-	-	-	36.30	1,18.12
Depreciation	-	-	-	-	-	-	-	-	-	4,39.98	1,49.54

- (ii) The Group is generating 14% of the total revenue from a single customer

Entity wide disclosures:

- (i) Revenue from overseas is already disclosed as above
(ii) The group is not holding any non current assets outside India

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Note 35: Additional information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary / Associates as at March 2022.

(₹ in Lakhs)

Name of the entity	Net Assets, i.e., total assets minus total liabilities		Share in Total Profit or Loss		Share in other comprehensive income		Share in Total Comprehensive Income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated Total Comprehensive Income	Amount
Sundaram Finance Holdings Ltd.	62.47	1995,06.55	23.68	46,91.08	97.69	314,70.96	69.51	361,62.04
Subsidiary:								
Indian:								
Sundaram Business Services Ltd.	1.08	34,55.38	3.94	7,79.72	0.59	1,91.33	1.87	9,71.05
Associates:								
Indian:								
Axles India Ltd.	2.14	68,25.79	6.63	13,12.95	0.73	2,34.81	2.97	15,47.76
Turbo Energy Private Ltd.	16.65	531,65.64	26.93	53,34.42	0.25	80.74	10.41	54,15.16
Transenergy Private Ltd.	0.38	12,23.92	2.04	4,05.03	0.08	26.56	0.83	4,31.59
Sundaram Dynacast Private Ltd.	0.53	16,83.42	1.80	3,56.37	0.00	(0.41)	0.68	3,55.96
Sundaram Hydraulics Ltd.	-	-	-	-	-	-	-	-
Flometallic India Private Ltd.	4.07	130,06.14	21.87	43,32.93	0.04	12.46	8.35	43,45.39
Wheels India Limited	8.35	266,54.09	8.98	17,79.87	-0.08	(24.67)	3.37	17,55.20
Sundaram Composite Structures Pvt Ltd	0.63	20,10.41	(0.04)	(8.39)	0.00	-	(0.02)	(8.39)
Foreign:								
Dunes Oman LLC (FZC)	2.79	88,94.34	5.63	11,14.82	0.69	2,23.19	2.57	13,38.01
Mind S.r.l Italy	0.92	29,25.35	(1.45)	(2,87.16)	0.00	(0.49)	(0.55)	(2,87.65)
	1,00.00	3193,51.05	1,00.00	198,11.64	1,00.00	322,14.48	1,00.00	520,26.12
Adjustments arising out of consolidation		(302,50.93)		(37,41.82)	-	-	-	(37,41.82)
Total		2891,00.12		160,69.82		322,14.48		482,84.30

As per our report of even date attached.

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

Chartered Accountants

F.R No: 002785S

K. Venkatakrishnan

Partner

M.No : 208591

Date : 24-05-2022

Place : Chennai

T.T. Srinivasaraghavan

Chairman

S.Ravi

Chief Executive Officer

Harsha Viji

Director

I S Suresh

Chief Financial Officer

R. Venkatraman

Director

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

(₹ in lakhs)

1	Sl. No.	1
2	Name of the subsidiary	Sundaram Business Services Limited
3	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	NA
4	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	NA
5	Share capital	2236.73
6	Reserves & surplus	1218.65
7	Total assets	3999.20
8	Total Liabilities	543.82
9	Investments	1369.19
10	Turnover	3511.11
11	Profit/(Loss) before taxation	1098.04
12	Provision for taxation	318.32
13	Profit/(Loss) after taxation	779.72
14	Proposed Dividend	166.19
15	% of shareholding	100.00%

Subsidiaries which have been liquidated or sold during the year

1. Sundaram Composite Structures Private Limited
2. Mind S.r.l

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

(₹ in lakhs)

Name of Associates / Joint Ventures	Axles India Limited	Turbo Energy Private Limited	Transenergy Private Limited	Sundaram Dynacast Private Limited	Sundaram Hydraulics Limited	Flometallic India Private Limited	Dunes Oman LLC (FZC)	Wheels India Limited	Sundaram Composite Structures Private Limited	Mind S.r.l
1. Latest audited Balance Sheet Date	31-03-2022	31-03-2022	31-03-2022	31-03-2022	31-03-2022	31-03-2022	31-03-2022	31-03-2022	31-03-2022	31-03-2022
2. Shares of Associate held by the company on the year end										
Number	98,91,754	25,60,000	1,20,000	11,70,000	1,12,50,000	4,450	18,34,980	56,01,117	196,00,000	734,675
Amount of Investment in Associates	10,15.70	1,88.41	1,87.50	1,17.00	11,25.00	50,49.75	17,24.71	141,68.39	19,60.00	41,08.30
Extent of Holding %	38.81%	32.00%	43.74%	26.00%	25.71%	46.84%	43.69%	23.28%	49.00%	48.86%
3. Description of how there is significant influence										
By Virtue of Holdings being 20% or more										
4. Reason why the Associate/joint Venture is not consolidated	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
5. Networth attributable to Shareholding as per latest audited Balance Sheet	68,07.10	531,61.00	12,14.51	16,79.91	1,24.99	129,84.58	87,03.33	170,76.93	19,27.68	15,52.16
6. Profit / Loss for the year										
i. Considered in Consolidation	13,12.95	53,34.42	4,05.03	3,56.37	-	43,32.93	11,14.82	17,79.87	(8.39)	(2,87.16)
ii. Not Considered in Consolidation	20,70.21	113,35.65	5,20.96	10,14.29	2,42.53	48,95.32	14,36.85	58,67.13	(89.57)	(11,31.71)

As per our report of even date attached.

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

Chartered Accountants

FR No: 002785S

K. Venkatakrisnan

Partner

M.No : 208591

Date : 24-05-2022

Place : Chennai

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

T.T. Srinivasaraghavan

Chairman

Harsha Viji

Director

R. Venkatraman

Director

S.Ravi

Chief Executive Officer

I S Suresh

Chief Financial Officer

P.N. Srikant

Secretary & Compliance Officer