

# Sundaram Finance Holdings Limited

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29th Annual Report

2022-23



***SUNDARAM FINANCE HOLDINGS***

<b>Board of Directors</b>	Harsha Viji R Venkatraman S Prasad Shobhana Ramachandhran Srivats Ram Ananth Ramanujam Priyamvada Ramkumar Sriram Viji	Chairman
<b>Audit Committee</b>	R. Venkatraman S Prasad Ananth Ramanujam (upto 16-05-2023) Shobhana Ramachandhran (w.e.f. 16-05-2023)	Chairman
<b>Stakeholders Relationship Committee</b>	R Venkatraman Srivats Ram Ananth Ramanujam	Chairman
<b>Nomination &amp; Remuneration Committee</b>	R Venkatraman S Prasad Harsha Viji	Chairman
<b>Corporate Social Responsibility Committee</b>	S Prasad Harsha Viji Srivats Ram	Chairman
<b>Investment Committee</b>	Harsha Viji R Venkatraman Srivats Ram Ananth Ramanujam Sriram Viji (w.e.f. 16-05-2023)	Chairman
<b>Risk Management Committee</b>	R Venkatraman Harsha Viji (upto 16-05-2023) Ananth Ramanujam (w.e.f. 16-05-2023) Suresh I.S.	Chairman
<b>Chief Executive Officer</b>	S. Ravi	
<b>Chief Financial Officer</b>	Suresh I.S.	
<b>Secretary &amp; Compliance Officer</b>	S Kalyanaraman	
<b>Registered Office</b>	21 , Patullos Road, Chennai - 600 002 Tel: 044 2852 1181, Fax: 044 2858 6641 Email: investorservices@sundaramholdings.in	
<b>Website</b>	www.sundaramholdings.in	
<b>CIN</b>	L65100TN1993PLC025996	
<b>Auditors</b>	M/s. R.G.N Price. & Co., Chartered Accountants Simpson's Building, 861 Anna Salai, Chennai – 600002	
<b>Subsidiary</b>	Sundaram Business Services Limited	
<b>Bankers</b>	ICICI Bank Limited State Bank of India	

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**SUNDARAM FINANCE HOLDINGS**

## Board's Report

Your directors have pleasure in presenting the 29<sup>th</sup> Annual Report together with audited accounts for the year ended 31<sup>st</sup> March 2023. The summarised financial results of the Company are presented hereunder:

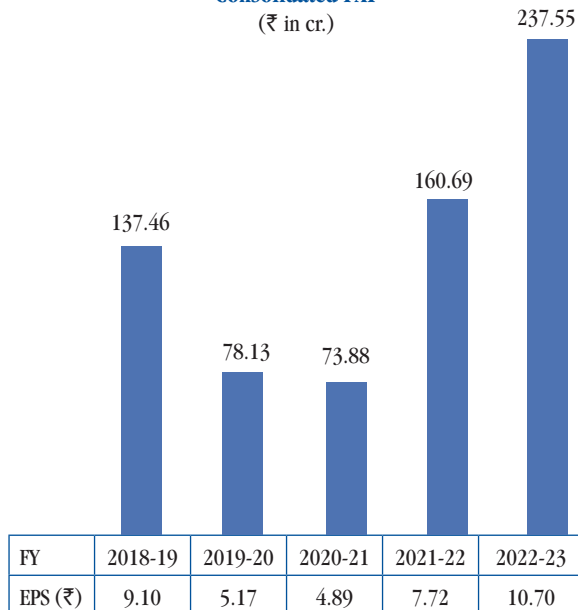
### OPERATING AND FINANCIAL PERFORMANCE:

(₹ in cr.)

Particulars		Year ended 31 March 2023	Year ended 31 March 2022
i	<b>Share of Profit from Associates (after tax)</b>	<b>206.04</b>	<b>143.40</b>
	Dividend from minority holdings	15.14	18.44
	Operating Revenue (Others)	78.82	69.59
	<b>Total Revenue</b>	<b>93.96</b>	<b>88.03</b>
	Profit before tax	46.68	21.86
ii	<b>Profit after Tax</b>	<b>31.51</b>	<b>17.29</b>
iii	<b>Consolidated Profit after Tax (i+ii)</b>	<b>237.55</b>	<b>160.69</b>
iv	<b>Standalone Profit after Tax</b>	<b>94.75</b>	<b>46.91</b>

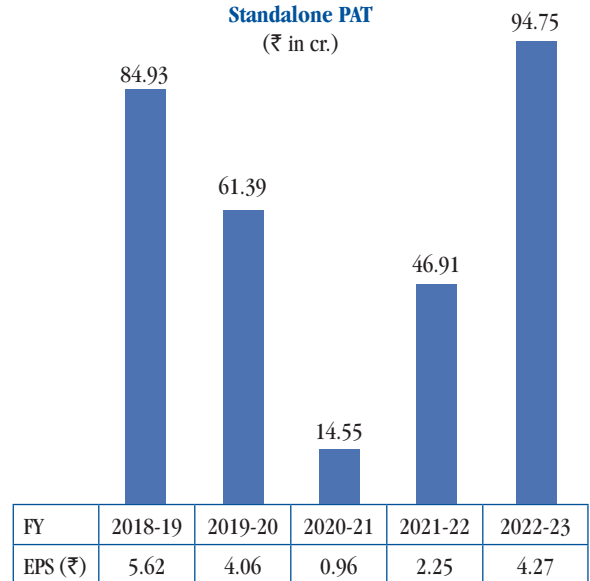
### Consolidated PAT

(₹ in cr.)



### Standalone PAT

(₹ in cr.)



### DIVIDEND

Your Company paid an interim special dividend of ₹1.50/- per share (30%) in February 2023.

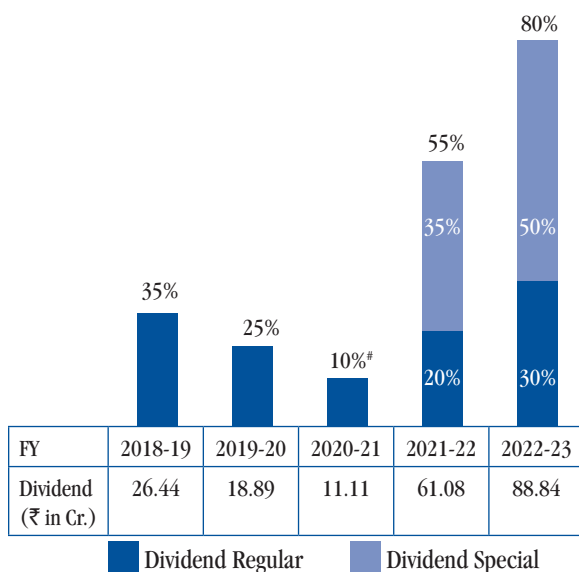
Your directors are pleased to recommend a final dividend of ₹1.50/- per share (30% on the face value of ₹5/-).

In addition, your directors are pleased to recommend a special dividend of ₹1.00/- per share (20% on the face value of ₹5/-), which, together with the interim special dividend of ₹1.50/- per share, paid during February 2023, and the final dividend of ₹1.50/- per share paid now, would aggregate to a total Dividend of ₹4.00/- per share (80% on the face value of ₹5/-) for the Financial Year 2022-23.

Special dividends are paid out of a portion of the proceeds received by Your Company from the dis-investments made during the year.

The Dividend Distribution Policy, formulated in accordance with the provisions of Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is available in the company's website <https://www.sundaramholdings.in/investorinfo/default.aspx>

### Dividend %



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

### Indian Economy

The Indian economy, appears to have moved on after its encounter with the pandemic, staging a recovery in FY22 ahead of many nations and positioning itself to ascend to the pre-pandemic growth path in FY23. Statistics place real domestic product (GDP) growth at 7% for FY 2023, which is higher than almost all major economies in the world. This growth was driven primarily by private consumption and investment.

As the Global Economy was recovering from the pandemic induced output contraction, the Russia-Ukraine conflict which broke out in February 2022, triggered a swing in commodity prices and, thus, accelerating existing inflationary pressures. This resulted in India's inflation increasing to 6.7% during FY 2023 as compared to 5.5% in FY2022.

As per the annual Economic Survey, industry is estimated to have grown by 4.1% in the last financial year. The services sector is estimated to have grown by 9.1% in FY23, as against 8.4% in FY22

while agriculture is estimated to have grown by 3.5% in the year under review, as against 3.0% in the previous year, making India one of the fastest growing economies in the world.

The fiscal deficit for the year 2022-23 is likely to hover around the projected target of 6.4%, due to an appreciable increase in tax collections during the year and prudent fiscal management by the Government.

The third and fourth quarters of FY23 witnessed a gradual pickup in most macro variables, with an improvement in consumption, investment, capacity utilisation, among many others. As a result, FY23 is likely to record a growth of about 7.2%, exceeding the 7% advance estimates released in February 2023.

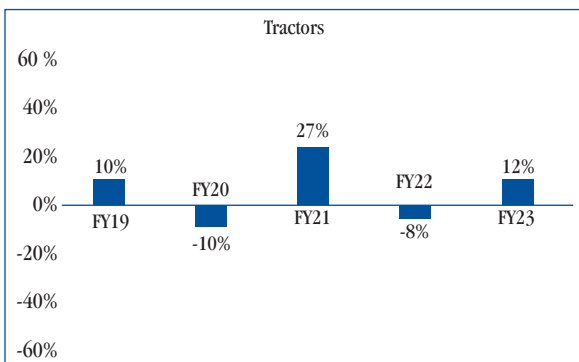
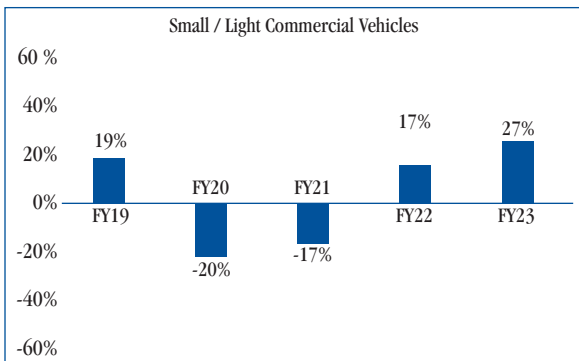
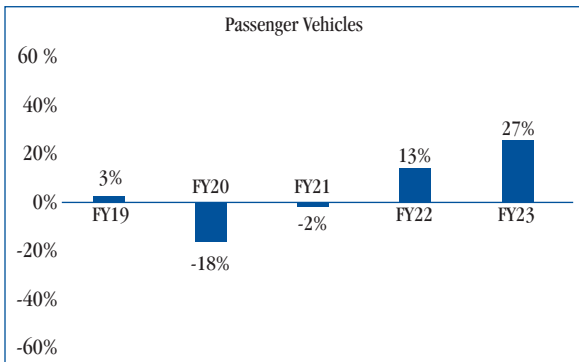
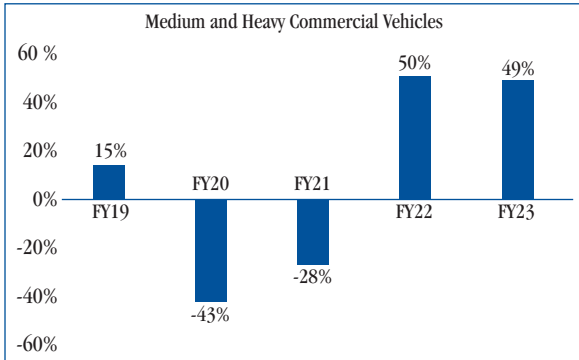
### Automotive sector outlook

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

After facing the challenges like disruption caused by the pandemic, semi-conductor chip shortages, supply chain disruptions, the automotive sector witnessed growth across all segments during FY 2023 as given in the below graphs.

During FY 2023, the domestic automotive industry continued to witness multiple trends at play across segments such as increased consumer confidence and recovery in demand, electrification of power train, increasing digitalisation, supply chain recalibration and moderation in exports. Escalating geopolitical tensions and rising inflation during early FY 2023 resulted in sharp commodity price increases and cast a shadow on the pace of global recovery. Nevertheless, the domestic automotive industry witnessed a healthy revival in demand, aided by a recovery in economic activity and increased mobility.

Despite rising interest rates during the year and the increased costs of vehicles owing to stricter emission norms and safety norms, the demand recovery continued for commercial vehicles with volumes rapidly approaching pre-pandemic peak levels.



Rising truck utilization has been crucial for firm freight rates and improved demand for the truck segment. Demand grew at 27 percent growth in LCVs and 49 percent in MHCVs driven by increased activity in roads, construction, housing as well as rising e-com penetration and increased focus on last-mile connectivity. Tractor sales hit a new peak in FY2023 driven by normal monsoons, improved farm incomes and higher construction activity. Passenger vehicles posted record sales in FY2023 with a 27 percent YoY growth and surpassed pre-pandemic peak levels despite lingering effects of supply chain constraints and semiconductor shortages. This growth in passenger vehicles was primarily driven by increased customer preference for UVs and a shift from compact cars to compact UVs.

The outlook for 2023-24 is of continued recovery in vehicle sales, primarily led by gradual easing of supply-side constraints, easing inflationary pressures viz., on industrial commodities. Domestic industry growth is estimated at mid-to high single digit levels in the incoming year across various automotive segments. The moderation in growth rates stem from a high base of the previous year as well as the lagged impact of rate hikes and vehicle price increases on demand.

Expected economic growth of ~6 percent, increased budget allocation towards infrastructure spending and improving truck operator profitability should support demand growth in CVs. Passenger vehicle segment, despite challenges of long delivery times, is expected to sustain growth rates viz., in the UV segment, with a slew of launches expected from various players.

**EXEMPTED CORE INVESTMENT COMPANY**

As at the date of the audited balance sheet for the financial year ended 31<sup>st</sup> March 2023, the Company has fulfilled the requisite criteria for being categorised as an exempted CIC under the Core Investment Companies (Reserve Bank) Directions, 2016.

## BUSINESS PERFORMANCE

### BPO BUSINESS

The BPO business of the Company comprises the following:

Type of Business	Turnover (₹ in cr.)
Shared services business managed by the Company	13.62
Sundaram Business Services Limited - for managing outsourced business of overseas and domestic clients (Wholly owned Subsidiary)	46.15
<b>Total</b>	<b>59.77</b>

- 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 ₹13.62 cr. The business had 282 employees as on 31<sup>st</sup> March 2023.

- 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 35 clients in India, Australia, and the UK. During the year, SBSL earned a revenue of ₹46.15 cr. and reported a profit after tax of ₹15.01 cr.

### INVESTMENTS MADE BY THE COMPANY

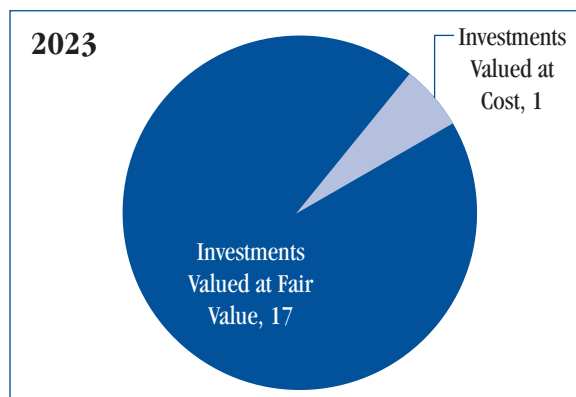
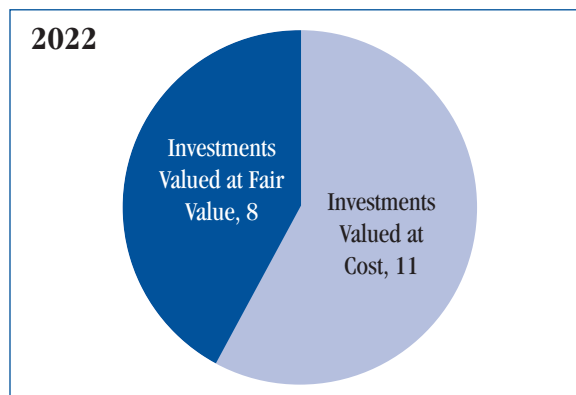
During the financial year 2022-23, your Company made portfolio investments to the tune of ₹22.03 Cr to increase its shareholding in India Motor Parts & Accessories Limited, Wheels India Limited, and Transenergy Private Limited.

Further, during the financial year 2022-23, your Company disinvested its stake in Sundaram Clayton Limited by 2.25% for a consideration of ₹235 Cr.

### Change in Accounting Policy of Valuation of Investments

During the year the Company has changed the accounting policy for valuation of investments in its Associate Companies from deemed cost basis to Fair Value Through Other Comprehensive Income (FVTOCI) basis

The Company believes that this change to FVTOCI will provide more reliable and relevant information to the users of financial statements about its value of investments on an on-going basis.



As significant assumptions and estimations are involved in the fair valuation of the investments coupled with the fact that from the years 2020 to 2022 were covid impacted periods due to which the economic and market conditions were not normal, the Company is unable to determine the fair value of these investments for prior periods using appropriate economic and market inputs. Therefore, the above-mentioned change in accounting policy is made effective on a prospective basis from the current year in accordance with Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors.

Following is the Impact i.e., increase / decrease of the said change in policy on statement of profit and loss for the year ended 31<sup>st</sup> March 2023.

(₹ in lakhs)

Particulars	Increase in Fair Value	Tax impact	Net Impact in Other Comprehensive Income
On account of change in accounting policy (as mentioned above)	2,05,912	38,164	1,67,748

## INVESTMENT PORTFOLIO

The Company holds investments in 19 portfolio companies as at 31.03.2023. The performance of the key portfolio companies during 2022-23 was as follows:

(₹ in cr.)

S. No.	Portfolio Company	Holding Cost	Values of associates post change in Accounting Policy	Holding (%)	Networth	Share of Networth	PAT	Share of PAT
<b>INVESTMENT IN ASSOCIATES</b>								
1	Brakes India Pvt. Limited	403.85	1,080.64	23.57	2,597.23	612.12	359.27	84.67
2	Turbo Energy Pvt. Limited	1.88	747.58	32.00	1,780.54	569.77	229.89	73.56
3	Axles India Limited	10.16	141.45	38.81	211.11	81.92	52.64	20.42
4	Wheels India Limited	149.98	327.28	23.85	764.17	182.27	54.15	13.67
5	The Dunes Oman FZC (LLC)	17.25	161.53	43.69	245.52	107.26	30.36	13.27
6	India Motor Parts & Accessories Limited	19.61	180.74	20.00	1,368.13	273.63	51.71	10.33
7	Sundaram Dynacast Private Limited	1.17	38.95	26.00	75.32	19.58	17.88	4.65
8	Transenergy Private Limited	8.09	16.46	42.41	39.44	16.72	6.53	-1.55
9	Sundaram Composite Structures Pvt. Limited	19.60	19.60	49.00	32.11	15.73	-7.22	-3.54
10	Mind S.r.l.	41.08	-	48.86	17.34	8.47	-15.86	-7.75
11	Sundaram Hydraulics Limited	1.06	1.91	25.71	6.90	1.77	-	-
	<b>Subtotal</b>	<b>673.73</b>	<b>2,716.14</b>		<b>7,137.81</b>	<b>1,889.24</b>	<b>779.35</b>	<b>207.73</b>



S. No.	Portfolio Company	Holding Cost	Values of associates post change in Accounting Policy	Holding (%)	Networth	Share of Networth	PAT	Share of PAT
<b>INVESTMENT IN OTHERS: MINORITY STAKE</b>								
12	Sundaram Clayton Limited	9.52	731.42	7.49	2,900.36	282.50	-	-
13	Lucas-TVS Limited	0.27	80.71	5.32	1,181.48	62.62	-	-
14	Delphi TVS Technologies Limited	0.18	15.29	3.19	479.06	15.33	-	-
15	Fettle Tone	23.45	101.95	2.71	-	-	-	-
16	Others	0.48	1.53	-	-	-	-	-1.69
	<b>Subtotal</b>	<b>33.90</b>	<b>930.90</b>		<b>4,560.90</b>	<b>360.45</b>	<b>-</b>	<b>-1.69</b>
	<b>Total</b>	<b>707.63</b>	<b>3,647.04</b>	<b>-</b>	<b>11,698.71</b>	<b>2,249.69</b>	<b>779.35</b>	<b>206.04</b>

**Note:** The figures relating to the companies mentioned under Sl. Nos. 13 and 14 are based on the audited financial results for the year ended 31<sup>st</sup> March 2022. The figures relating to the companies mentioned under Sl. Nos. 1 to 12 are based on the audited financial results for the year ended 31<sup>st</sup> March 2023.

Performance of our key investments are as given below,

#### **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. Consequent to the merger of Flometallic India Private Limited with Brakes India Private Limited, Your Company's stake in Brakes India has increased to 23.57% from 14.37%. 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 31<sup>st</sup> March 2023 stood at ₹6,685.51 cr. as against ₹5,161.46 cr. The profit after tax for the year was 465.63 cr. as against ₹322.88 cr. in the previous year. Your Company received a total dividend of ₹31.48 cr. from Brakes India Private Limited during the financial year 2022-23.

#### **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. Borg Warner 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 ₹2,443.41 cr as against ₹1,734.34 cr. in the previous year. The profit after tax for the year was ₹228.20 cr. as against ₹164.90 cr. in the previous year, registering a growth of 38.39%. Your Company received a total dividend of ₹ 34.56 cr. from Turbo Energy Private Limited during the financial year 2022-23.

#### **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 ₹745.93 cr. as against ₹572.37 cr. in

the previous year. The profit after tax for the year was ₹52.64 cr. as against ₹ 33.83 cr. in the previous year.

### **Wheels India Limited**

Wheels India Limited is the leading manufacturer of wheels and air suspension components for cars and commercial vehicles in the country. During the year, your Company acquired 139,000 shares (0.57%). Pursuant to the investment, your Company now holds 23.85% stake in Wheels India Limited 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 ₹4,355.56 cr., as against ₹3,701.07 cr. in the previous year. The profit after tax for the year was ₹65.17 cr. as against ₹79.79 cr. in the previous year. The market capitalisation of the company as on 31<sup>st</sup> March 2023 was ₹1,079.65 cr. The value of your Company's holding on that basis, was ₹286.86 cr., as on 31<sup>st</sup> March 2023. Your Company received a total dividend of ₹6.37 cr. from Wheels India Limited during the financial year 2022-23.

### **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 ₹293.18 cr. as against ₹231.05 cr. in the previous year, while the profit after tax for the year was ₹ 30.36 cr. as against ₹25.52 cr. in the previous year.

### **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. During the year, your Company acquired 100,719 shares (0.81%). Pursuant to the investment, your Company now holds

20% stake in India Motor Parts and Accessories Limited. For the yearended 31st Mar 2023, the revenue earned by the company stood at ₹ 737.97 cr., as against ₹643.07 cr. in the previous year. The profit after tax for the year stood at 73.67 cr. as against ₹56.81 cr., for the corresponding period in the previous year. The market capitalisation of the company as on 31<sup>st</sup> March 2023 was ₹741.56 cr. The value of your Company's holding on that basis, was ₹148.31 cr., as on 31<sup>st</sup> March 2023. Your Company received a total dividend of ₹5.38 cr. from India Motor Parts & Accessories Limited during the financial year 2022-23

### **Sundaram Dynacast Private Limited**

Sundaram Dynacast is a leading manufacturer of precision Zinc and Aluminium die-cast parts. Your Company holds a 26% stake in Sundaram Dynacast. The revenue earned by the company for the year ended 31<sup>st</sup> March 2023 stood at ₹ 150.19 cr. as against ₹116.72 cr. in the previous year. The profit after tax for the year ended 31<sup>st</sup> March 2023 was ₹17.88 cr. as against ₹13.71 cr. in the previous year. Your Company received a total dividend of ₹1.87 cr. from Sundaram Dynacast during the financial year 2022-23.

## **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 I.

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

## **RELATED PARTY TRANSACTIONS**

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

The transactions entered by the Company with Sundaram Finance Limited during the financial year 2022-23 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 II (i). Further, the Company's policy on Related Party Transactions is attached as part of this report, vide Annexure II (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 29<sup>th</sup> Annual General Meeting to the conclusion of the 30<sup>th</sup> Annual General Meeting to be held in 2024.

### **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 2022-23 is annexed with this report, vide Annexure III.

### **BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT**

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

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

The Company has in place a Policy for prevention of Sexual Harassment, in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. An Internal Complaints Committee (ICC) has been set up to redress complaints. All employees (permanent, contractual, temporary, trainees) are covered under this policy. No complaints were received during the financial year. None was pending unresolved as on 31<sup>st</sup> March 2023.

### **SECRETARIAL AUDIT**

In terms of Section 204 of the Companies Act, 2013 and the rules thereunder, the Company has appointed Mr. A. Kalyana Subramaniam, Practising 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 V(i) and V(ii).

### **REMUNERATION TO DIRECTORS / KEY MANAGERIAL PERSONNEL**

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

### **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 <https://www.sundaramholdings.in/investorinfo/default.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..

## 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 – <https://www.sundaramholdings.in/investorinfo/default.aspx>. 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 T T Srinivasaraghavan, a Non – Executive Director of your Company since inception, relinquished his office effective 03rd August 2022. Your directors place on record the significant contribution made by him to the deliberations of the Board.

Sri Ananth Ramanujam was appointed as a Non -executive Non Independent director, liable to retire by rotation, on the Board with effect from 03rd August 2022.

Ms. Priyamvada Ramkumar was appointed as a Non-executive Independent director on the Board and Sri. Sriram Viji was appointed as a Non-executive Non Independent director, liable to retire by rotation, on the Board with effect from 01st April 2023.

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

### **KEY MANAGERIAL PERSONNEL**

Sri S Kalyanaraman was appointed as Secretary and Compliance Officer of the Company with effect from 1st June 2022.

### **DECLARATION BY INDEPENDENT DIRECTORS**

The Company has received necessary declaration from each Independent Director of the Company under Section 149 (7) of the Companies Act, 2013 that 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 re-appointed as Statutory Auditors of your Company, to hold office for second term of 5 years term of a five (5) consecutive years from the conclusion of the 28th Annual General Meeting until the conclusion of the 33rd Annual General Meeting at such remuneration as may be mutually agreed between the Board of Directors of the Company and the Statutory Auditors.

## ACKNOWLEDGEMENT

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

For and on behalf of the Board

Chennai 600 002  
24.05.2023

**Harsha Viji**  
Chairman

## 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.

During the year, the shareholders through postal ballot /e-voting process have approved the appointment of Sri Ananth Ramanujam as Non Executive Non Independent Director liable to retire by rotation, with effect from 03rd August 2023 and Ms. Priyamvada Ramkumar as Independent Director and Sri Sriram Viji as Non Executive Non Independent Director liable to retire by rotation, with effect from 01st April 2023.

The Composition of the Board is in conformity with the listing requirements as on 31<sup>st</sup> March 2023.

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

Name of the Director	DIN	Attendance Particulars		Directorships in other public limited companies				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				
<b>Promoter Directors</b>											
Sri Harsha Viji Non-executive Chairman (Appointed as Chairman (w.e.f 04.08.2022))	00602484	7	Yes	–	1	1	3	1	2	Sundaram Finance Limited	Executive Director
Sri T.T. Srinivasaraghavan Non-executive Chairman (upto 03.08.2022)	00018247	3	Yes	–	2	1	3	–	1	Sundaram Finance Limited	Non-Executive Director
Sri Srivats Ram, Non-executive Director	00063415	7	Yes	–	2	3	1	–	1	Wheels India Limited	Executive Director
										India Motor Parts & Accessories Limited	Non-Executive Director
										Sundaram Finance Limited	
Sri Ananth Ramanujam (w.e.f. 03.08.2022) Non-executive Director	00061970	4	N.A	–	–	1	–	–	1	India Motor Parts & Accessories Limited	Non-Executive Director

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				
<b>Independent Directors</b>											
Sri R. Venkatraman	07119686	7	Yes	-	-	1	2	2	1	Goodricke Group Limited	Independent Director
Sri S. Prasad	00063667	7	Yes	-	-	3	3	7	1	Sundaram Finance Limited	Independent Director
										Wheels India Limited	
										India Motor Parts & Accessories Limited	
Ms Shobhana Ramachandran	00273837	7	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
<b>Non-Executive Non-Independent Directors</b> 1. Sri Harsha Viji 2. Sri Srivats Ram 3. Sri Ananth Ramanujam	<ul style="list-style-type: none"> <li>In-depth Industry Knowledge</li> <li>Wealth Management</li> <li>Business Policies</li> <li>Capital Markets</li> <li>Audit and Financial Management</li> <li>Legal and Regulatory Framework</li> <li>Risk Assessment and Management</li> <li>Strategic Management</li> <li>Automotive Components Industry</li> </ul>	<ul style="list-style-type: none"> <li>Entrepreneurial</li> <li>Governance</li> <li>Leadership</li> <li>Technical</li> <li>Analytical</li> <li>Organisational</li> <li>Technological</li> <li>Planning</li> <li>Resource Management and Utilisation</li> <li>People Management</li> <li>Communication</li> <li>Behavioural</li> </ul>
<b>Independent Directors</b> 1. Sri R. Venkatraman 2. Sri S. Prasad 3. Ms. Shobhana Ramachandran	<ul style="list-style-type: none"> <li>In-depth Industry Knowledge</li> <li>Audit and Financial Management</li> <li>Legal and Regulatory Framework</li> <li>Risk Assessment and Management</li> <li>Business Policies</li> <li>Capital Markets</li> </ul>	<ul style="list-style-type: none"> <li>Technical/Professional</li> <li>Analytical</li> <li>Technological</li> <li>Behavioural</li> </ul>



## II. BOARD MEETINGS

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

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

24.05.2022	06.12.2022
15.06.2022	02.02.2023
03.08.2022	21.03.2023
03.11.2022	

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. KalyanaSubramaniam, 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 I (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	6	24.05.2022
Sri S. Prasad	Member	6	03.08.2022
Sri Harsha Viji (Member upto 03.08.2022)	Member	2	03.11.2022
Sri Ananth Ramanujam (Became a Member w.e.f 03.08.2022)	Member	4	06.12.2022
			02.02.2023
			21.03.2023

The Company Secretary is the Secretary to the Committee.

#### IV. STAKEHOLDERS RELATIONSHIP COMMITTEE

The Stakeholders Relationship Committee.

- i) approves and monitors transfers, transmission, splits and consolidation of securities of the Company,
- ii) reviews 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	28.03.2023
Sri Srivats Ram	Member	1	
Sri T T Srinivasaraghavan (Member upto 03.08.2022)	Member	-	
Sri Ananth Ramanujam (Became a Member w.e.f 03.08.2022)	Member	1	

Besides, the Committee also approved resolutions passed in circulation, on 11 occasions.

Sri S Kalyanaraman, Secretary, is the Compliance Officer. No investor complaints were received during the financial year.

#### 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	24.05.2022
Sri T.T. Srinivasaraghavan (Member upto 03.08.2022)	Member	1	
Sri Harsha Viji	Member	1	
Sri Srivats Ram (Became a Member w.e.f 03.08.2022)	Member	-	

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 I (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	3	24.05.2022
Sri S Prasad	Member	3	03.08.2022
Sri Harsha Viji	Member	3	09.01.2023

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 to 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 (upto 03.08.2022)	Chairman	1	15.06.2022
Sri Harsha Viji	Chairman	4	16.11.2022
Sri R. Venkatraman	Member	4	06.12.2022
Sri Srivats Ram	Member	4	21.03.2023
Sri Ananth Ramanujam (Became a Member w.e.f 03.08.2022)	Member	3	

### 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	14.07.2022
Sri Harsha Viji	Member	2	09.01.2023
Sri Suresh I S	Member	2	

### IX. SEPARATE MEETING OF INDEPENDENT DIRECTORS

A Separate Meeting of Independent Directors was held on 18th January 2023 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-executive directors;
- (iii) assessed the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

### 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:

[https://www.sundaramholdings.in/investorinfo/familiarisation\\_programme.aspx](https://www.sundaramholdings.in/investorinfo/familiarisation_programme.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 will be 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 31.03.2023)	Relationship with other Directors
Sri T.T. Srinivasaraghavan (upto 03.08.2022)	1.10	-	— <sup>(1)#</sup>	—
Sri R. Venkatraman	5.70	8.00	—	—
Sri S. Prasad	4.20	6.00	— <sup>(2)</sup>	—
Ms Shobhana Ramachandhran	1.85	6.00	4,46,527	—
Sri Srivats Ram	—	—	27,65,708 <sup>(3)</sup>	—
Sri Harsha Viji	—	—	24,61,978 <sup>(4)</sup>	—
Sri Ananth Ramanujam (w.e.f 03.08.2022)	—	—	6,20,940	—

### Note:

- Number of shares held jointly with others: <sup>(1)</sup> 3,28,888 <sup>(2)</sup> 25,200 <sup>(4)</sup> 4,637
- Number of shares held as Karta of HUF: <sup>(1)</sup> 1,96,868 <sup>(3)</sup> 1,23,370
- #3,23,264 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
2022	14th July 2022	10.00 A.M	Through video conferencing mode	Nil
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

Details of special resolution passed on 13th March 2023 through Postal Ballot during FY 2022-23 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.	Appointment of Ms Priyamvada Ramkumar, Independent Director for a term of five consecutive years w.e.f 01.04.2023	13,85,78,637	4858	99.996%	0.004%

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: <https://www.sundaramholdings.in/investorinfo/default.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: <https://www.sundaramholdings.in/investorinfo/default.aspx>

## XVI. MEANS OF COMMUNICATION

- The un-audited financial results for first three quarters of the financial year 2022-23 and the audited financial results for the year ended 31<sup>st</sup> March 2023 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](http://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 29th Annual General Meeting, together with the Annual Report for the financial year 2022-23, has been sent only in electronic form, in accordance with the relaxation granted by the SEBI vide Circular no. SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated 05th January 2023, to those shareholders who have registered their email id with the Company/Depositories.

## **VII. GENERAL SHAREHOLDER INFORMATION**

### **Annual General Meeting**

Date	Time	Mode
14 <sup>th</sup> July 2023	10.00 AM	Video Conference / Other Audio Visual Means

- Financial Year – 01<sup>st</sup> April 2022 to 31<sup>st</sup> March 2023
- Book Closure dates – 04<sup>th</sup> July 2023 to 14<sup>th</sup> July 2023 (both days inclusive)
- Dates of payment of dividend

Interim Special Dividend	27 <sup>th</sup> February 2023	₹ 1.50 per share (30%)
Special Dividend	15 <sup>th</sup> July 2023	₹ 1.00 per share (20%)
Final Dividend		₹1.50 per share (30%)

- The company's shares are listed on:  
National Stock Exchange of India Limited  
Exchange Plaza, 5th Floor  
Plot No. C/1, G Block  
Bandra-Kurla Complex  
Bandra (E), Mumbai 400 051
- The Company has paid the listing fee for the financial year 2023-24 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	81	16,646
Less: Claim		Nil
Balance as on 31 <sup>st</sup> March 2023	81	16,646

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
Opening Balance	17	4,957
Less: Claims	13	4,874
Balance as on 31 <sup>st</sup> March 2023	4	83

- 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	20th August 2025
Dividend 2018-19	17th August 2026
Interim Dividend 2019-20	07th April 2027
Final Dividend 2019-20	17th August 2027
Final Dividend 2020-21	13th August 2028
Special Dividend 2020-21	07th March 2029
Final & Special Dividend 2021-22	16th August 2029
Interim Dividend 2021-22	08th March 2030

- For the financial year 2022-23, 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 ₹21.10 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.
- Details of material subsidiaries:

Name of the Company	Date of incorporation	Place of incorporation	Name and date of appointment of Auditor
SUNDARAM BUSINESS SERVICES LIMITED	12/08/2005	Chennai	M/s. Sundaram & Srinivasan, Dt:17.06.2022

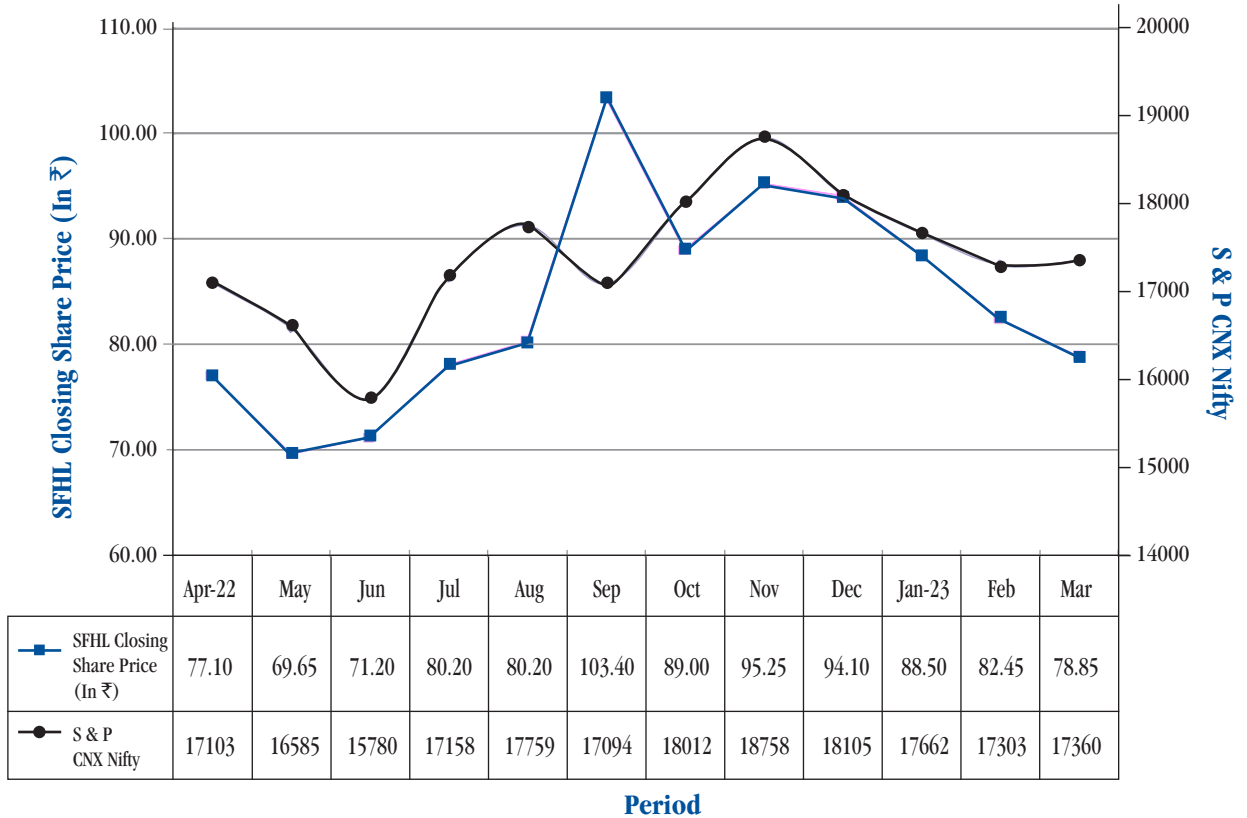
#### MARKET PRICE DATA ON THE NATIONAL STOCK EXCHANGE

(In ₹)

Month	Apr 22	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan 23	Feb	Mar	
NSE	High	84.50	78.25	74.00	79.15	80.95	107.30	105.90	100.65	105.00	96.00	90.00	88.00
	Low	70.10	65.80	63.00	69.65	75.00	77.25	87.30	84.90	85.25	84.30	80.75	74.00



## 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:

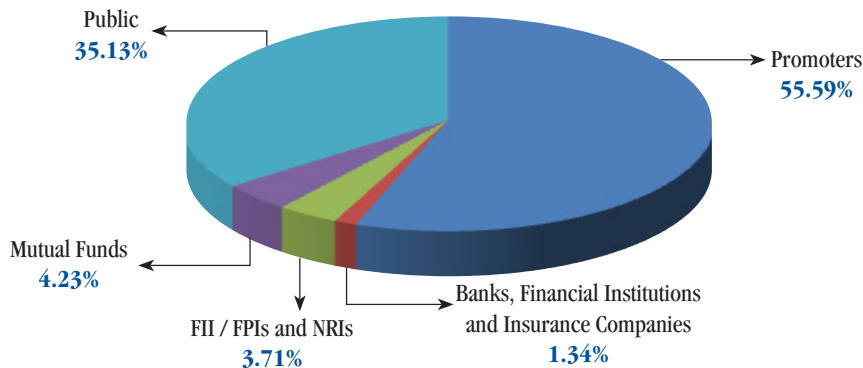
M/s Cameo Corporate Services Limited 'Subramanian Building', No 1 Club House Road, Chennai 600 002	
Phone	044 2846 0390 to 0395
Fax	044 2846 0129
Email	investor@cameoindia.com
Contact Persons	Mr. R.D. Ramasamy, Director Ms. R. Komalavalli, Senior Manager

**DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH 2023**

No. of Equity Shares Held	Total Shareholders	Total Shares	Total % to Capital
Upto 250	20138	1340539	0.60
251 to 500	3778	1479855	0.67
501 to 1000	2921	2293683	1.03
1001 to 5000	3941	9418323	4.24
5001 to 10000	780	5753251	2.60
10001 to 50000	704	14942960	6.73
50001 to 100000	123	8937859	4.02
100001 and above	221	177937390	80.11
<b>Total</b>	<b>32606</b>	<b>222103860</b>	<b>100.00</b>

Total shares held in dematerialised form 98.85%  
 Public shareholding in dematerialised form 97.38%

**SHAREHOLDING PATTERN AS ON 31.03.2022**



**For your queries / grievances / complaints, please contact:**

**Sri S. Kalyanaraman**

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](mailto: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 31<sup>st</sup> March, 2023 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority

Sr. No.	Name of Director	DIN	Date of appointment in Company
1	Thiruvallur Thattai Srinivasaraghavan **	00018247	16/02/2017
2	Harsha Viji	00602484	25/01/2017
3	Ramachandran Venkatraman	07119686	16/02/2017
4	Sreenivasan Prasad	00063667	16/02/2017
5	Shobhana Ramachandhran	00273837	16/02/2017
6	Srivats Ram	00063415	27/08/2018
7	Ananth Ramanujam	00061970	03/08/2022

\*\* Resigned on 03/08/2022

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 : F011142E000372074

Place: Chennai

Date : 24th May 2023

## **CRITERIA FOR EVALUATION**

(as amended on 29<sup>th</sup> 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 (here in after 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.

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## 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 31<sup>st</sup> March, 2023, as stipulated in Regulations 17 to 27 of Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

In my opinion and to the best of my information and according to the explanations given to me, I certify that the company has complied with the conditions of Corporate Governance stipulated in the above mentioned 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 2023

A Kalyana Subramaniam

Practicing Company Secretary

FCS No. 11142

CP No. 16345

UDIN : F011142E000372085

## **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 ₹12.68 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 and 14th July 2022.

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  
24.05.2023

**Harsha Viji**  
Chairman

## **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 2022-23

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

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

<https://www.sundaramholdings.in/investorinfo/default.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 – Independent Director	1	1
2	Sri T.T. Srinivasaraghavan*	Member - Non Executive Director	1	1
3	Sri Harsha Viji	Member - Non Executive Director	1	1
4	Sri Srivats Ram#	Member - Non Executive Director	-	-

\* Resigned on 03.08.2022, # Became a member with effect from 03.08.2022

### 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:

<https://www.sundaramholdings.in/investorinfo/default.aspx>

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

Not applicable

S. No	Particulars	₹ in lakhs
a.	Average net profit of the company as per section 135(5)	757.00
b.	Two percent of average net profit of the company as per sub-section (5) of section 135	15.14
c.	Surplus arising out of the CSR Projects or programmes or activities of the previous financial years.	0.09
d.	Amount required to be set-off for the financial year, if any	-
e.	Total CSR obligation for the financial year [(b)+(c)-(d)]	15.05

S. No	Particulars	₹ in lakhs
a.	Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project).	15.00
b.	Amount spent in Administrative Overheads.	0.23
c.	Amount spent on Impact Assessment, if applicable.	-
d.	Total amount spent for the Financial Year [(a)+(b)+(c)].	15.23

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

Total Amount Spent for the Financial Year (₹ in lakhs.)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per subsection (6) of section 135.		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135.		
	Amount. (₹ in lakhs.)	Date of Transfer	Name of the Fund	Amount. (₹ in lakhs.)	Date of Transfer
15.23	-	-	-	-	-

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

S. No	Particulars	₹ in lakhs
(i)	Two percent of average net profit of the company as per section 135(5)	15.05
(ii)	Total amount spent for the Financial Year	15.23
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	0.18
(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)]	0.18

7. **Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years:**

S. No	Preceding Financial	Amount transferred to Unspent CSR Account under subsection (6) of section 135 (in ₹)	Balance Amount in Unspent CSR Account under subsection (6) of section 135 (in lakhs)	Amount Spent in the Financial Year (in lakhs)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to subsection (5) of section 135, if any		Amount remaining to be spent in succeeding Financial Years (in lakhs)	Deficiency, if any
					Amount (In Lakhs)	Date of Transfer		
1.	FY-1	Nil						
2.	FY-2	Nil						
3.	FY-3	Nil						

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

Yes  No

If yes, enter the number of Capital assets created/acquired

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

Sl. No	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/ Authority/ beneficiary of the registered owner		
					CSR Registration Number, if applicable	Name	Registered address
NOT APPLICABLE							

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

Not Applicable

**Sri S. Ravi**  
Chief Executive Officer

**Sri S. Prasad**  
Chairman - CSR Committee

Date : 24.05.2023

Place : Chennai

## BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

### Section A: GENERAL DISCLOSURES

#### I. Details of the listed entity

1. Corporate Identity Number (CIN) : L65100TN1993PLC025996
2. Name of the Listed Entity : Sundaram Finance Holdings Limited
3. Year of Incorporation : 1993
4. Registered Office address : 21, Patullos Road, Chennai 600 002
5. Corporate Address : 21, Patullos Road, Chennai 600 002
6. E-mail id : [investorservices@sundaramholdings.in](mailto:investorservices@sundaramholdings.in)
7. Telephone : 044-28521181
8. Website : [www.sundaramholdings.in](http://www.sundaramholdings.in)
9. Financial Year reported : April 1, 2022 to March 31, 2023
10. Name of the Stock Exchange(s) where shares are listed : National Stock Exchange of India Limited (NSE)
11. Paid up capital : ₹111.05 Cr.
12. Name and contact details of the person who may be contacted in case of any queries on the BRSR report : S. Kalyanaraman, Secretary & Compliance Officer  
Tel: 044 28521181  
Email Id: [kalyanaraman.s@sundaramholdings.in](mailto:kalyanaraman.s@sundaramholdings.in)
13. Reporting boundary : Disclosures made in this report are on a standalone basis.

#### II. Products / Services

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

S. No.	Description of Main Activity	Description of Business Activity	%of Turn over of the entity
1	Core Investment Company	Investment in Group Companies and other investments	90%

15. Products/services sold by the entity.

S. No.	Product/Service	NIC Code	%of total Turn over contributed
1	BPO Services	7499	10%

### III. Operations

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

Location	Number of plants	Number of offices	Total
National	Not Applicable*	2	2
International	Not applicable		

\* The Company is a Core Investment Company and hence does not undertake any manufacturing activity.

17. Markets served by the entity:

a. No of locations:

Locations	Total
National(No of states)	1
International(No of countries)	Nil

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

Not applicable

c. A brief on types of customers

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.

### IV. Employees

18. Details as at the end of Financial Year:

a. Employees and workers (including differently abled):

Sl. No	Particulars	Total	Male		Female	
		(A)	No.(B)	%(B / A)	No.C	%(C/ A)
<b>Employees</b>						
1.	Permanent(D)	282	197	70%	85	30%
2.	Other than Permanent(E)	30	26	87%	4	13%
3.	Total(D+E)	312	223	71%	89	29%
<b>Workers</b>						
4.	Permanent(F)	–	–	–	–	–
5.	Other than Permanent(G)	–	–	–	–	–
6.	Total(F+G)	–	–	–	–	–

b. Differently abled Employees and workers:

Sl. No	Particulars	Total	Male		Female	
		(A)	No.(B)	%(B / A)	No.C	%(C/ A)
<b>Differently abled Employees</b>						
1.	Permanent(D)	3	3	100%	-	-
2.	Other than Permanent(E)	-	-	-	-	-
3.	Total (D+E)	3	3	100%	-	-
<b>Differently abled workers:</b>						
4.	Permanent(F)	-	-	-	-	-
5.	OtherthanPermanent(G)	-	-	-	-	-
6.	Total (F+G)	-	-	-	-	-

19. Participation / Inclusion / Representation of women:

	Total(A)	No. and percentage of Females	
		No.(B)	%(B/A)
Board of Directors	6	1	17%
Key Management Personnel	3	0	-

20. Turnover rate for permanent employees and workers:

	FY 2022-23			FY 2021-22			FY 2020-21		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	197	85	282	200	85	285	217	85	302
Permanent Workers	Not Applicable								

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

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

Sl. No.	Name of the holding / subsidiary / associate companies / joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	SUNDARAM BUSINESS SERVICES LIMITED	Subsidiary	100.00 %	No
2	SUNDARAM FINANCE LIMITED	Holding	23.49%	No
3	AXLES INDIA LIMITED	Associate	38.81%	No
4	SUNDARAM HYDRAULICS LIMITED	Associate	25.71%	No
5	TURBO ENERGY PRIVATE LIMITED	Associate	32.00%	No
6	TRANSENERGY PRIVATE LIMITED	Associate	42.41%	No
7	SUNDARAM DYNACAST PRIVATE LIMITED	Associate	26.00%	No
8	WHEELS INDIA LIMITED	Associate	23.85%	No
9	THE DUNES OMAN LLC (FZC)	Associate	43.69%	No
10	MIND S.r.l., Italy	Associate	48.86%	No
11	SUNDARAM COMPOSITE STRUCTURES PRIVATE LIMITED	Associate	49.00%	No
12	INDIA MOTOR PARTS & ACCESSORIES LIMITED	Associate	20.00%	No
13	BRAKES INDIA PRIVATE LIMITED	Associate	23.57%	No

## VI. CSR Details

22.	(i) Whether CSR is applicable as per section 135 of Companies Act, 2013	Yes
	(ii) Turnover (₹ In Cr.)	128.38
	(iii) Net worth (₹ In Cr.)	3,707.35

## VII. Transparency and Disclosures Compliances

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

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)	FY 2022-23			FY 2021-22		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	No	Nil	Nil	-	Nil	Nil	-
Investors (other than shareholders)	Yes	Nil	Nil	-	Nil	Nil	-
Shareholders	Yes	Nil	Nil	-	19	Nil	-
Employees and workers	Yes	Nil	Nil	-	Nil	Nil	-
Customers	Yes	Nil	Nil	-	Nil	Nil	-
Value Chain Partners	No	Nil	Nil	-	Nil	Nil	-
Others (please specify)	NA	NA	NA	-	NA	NA	-

web-link for grievance redressal policy <https://www.sundaramholdings.in/investorinfo/default.aspx>



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

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

Sl. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Employee Well Being	O	The Company has taken a number of steps to ensure that its strong and loyal employee workforce is consistently provided with opportunities for empowerment, growth and an environment of well-being.		Positive Implication
2	Data Security / Privacy	R	All the services being rendered by the Company are fully dependent on technology, which exposes the Company to a high degree of cyber / information security risk.	The company has set up a robust cyber security management framework which is monitored by the IT Team. All IT security related matters are subjected to periodic Information and Internal Audit. All employees of the Company are regularly sensitised and educated on matters relating to cyber security, data privacy etc.	Negative Implication

### SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

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

#	Disclosure Questions	Ethics & Transparency	Product Responsibility	Human Resources	Responsiveness to Stakeholders	Respect for Human Rights	Environment Protection	Public Policy Advocacy	Inclusive Growth	Customer Engagement
		P1	P2	P3	P4	P5	P6	P7	P8	P9
<b>Policy and management processes</b>										
1.	a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Y	N	Y	N	Y	N	N	N	Y
	b. Has the policy been approved by the Board? (Yes/No)	Yes (to the extent applicable)								
	c. Web Link of the Policies, if available	<a href="https://www.sundaramholdings.in/investorinfo/default.aspx">https://www.sundaramholdings.in/investorinfo/default.aspx</a> Some policies being internal documents are available to the employees through the company's intranet.								
2.	Whether the entity has translated the policy into procedures. (Yes / No)	Yes (to the extent applicable)								
3.	Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes (to the extent applicable)								
4.	Name of the national and international codes/certifications/labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle	Not applicable								
5.	Specific commitments, goals and targets set by the entity with defined timelines, if any.	The Company recognises its role in creating a positive impact in the lives of communities by identifying the core focus areas and achieving these commitments and goals through corporate social responsibility activities								

#	Disclosure Questions	Ethics & Transparency	Product Responsibility	Human Resources	Responsiveness to Stakeholders	Respect for Human Rights	Environment Protection	Public Policy Advocacy	Inclusive Growth	Customer Engagement
		P1	P2	P3	P4	P5	P6	P7	P8	P9
6.	Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	<ul style="list-style-type: none"> <li>Recognising its role towards all stakeholders at large, the Company conducts:               <ol style="list-style-type: none"> <li>regular training and awareness programs for employees to educate them on the importance of a healthy customer relationship</li> <li>follow up with shareholders at regular intervals in connection with unclaimed dividends, unclaimed shares, dematerialisation, nomination, electronic transfer option for receipt of dividends etc.,</li> </ol> </li> <li>As part of its Corporate Social Responsibility initiatives, the Company has actively contributed towards the healthcare, education through its CSR activities.</li> </ul>								
<b>Governance, leadership, and oversight</b>										
7.	<p>Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets, and achievements (listed entity has flexibility regarding the placement of this disclosure)</p> <p>Sundaram Finance Holdings Limited (SF Holdings), promoted by the TSF group is developed from the demerged investment arm of Sundaram Finance Ltd.</p> <p>SF Holdings is an exempted core investment company listed on the National Stock Exchange of India and is involved in making investments, primarily in automotive companies. Significant investment includes Sundaram Clayton, Wheels India, IMPAL, Brakes India, Turbo Energy, Axles India – most of them leaders in their respective markets. Through its 100% subsidiary, Sundaram Business Services Limited and its own operations, SF Holdings also provides outsourced business processing and support services.</p> <p>With its heritage dating back to 1936,TSF group’s interests span the automotive and financial services sectors. Companies promoted by the TSF group have combined revenue of more than ₹21,000 crore, 42,000 employees, 1,200 branches, and 36 factories.</p> <p>In the automotive industry, the TSF group operates across segments from component manufacturing, parts distribution, vehicle dealership and vehicle financing. The group serves marquee customers across the globe and is known for high quality design-led manufacturing. The TSF group companies are market leaders in their segments and include Brakes India, Wheels India, Axles India, Turbo Energy, IMPAL, Madras Auto Service, and Sundaram Motors.</p> <p>The Company has a long history of adhering to the highest standards of governance and transparency, often leading the industry in adopting regulatory and policy dispensations well ahead of timelines set by respective authorities.</p> <p>Sustainability objectives are an integral part of its core purpose. The Company believes that high standards of governance are a necessary imperative for serving all its stakeholders responsibly and to promote sustainability.</p>									
8.	Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	<b>Sri S Ravi,</b> Chief Executive Officer								

#	Disclosure Questions	Ethics & Transparency	Product Responsibility	Human Resources	Responsiveness to Stakeholders	Respect for Human Rights	Environment Protection	Public Policy Advocacy	Inclusive Growth	Customer Engagement
		P1	P2	P3	P4	P5	P6	P7	P8	P9
9.	Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	The Chief Executive Officer as stated above is in charge of the decision making on sustainability related issues.								
10.	<b>Details of Review of NGRBCs by the Company</b>									
	<b>Subject for review</b>	Review of Principles Undertaken and their Frequency								
	Performance against above policies and follow up action.	Relevant policies of the Company are reviewed periodically or on a need basis. The necessary changes to policies and procedures are implemented accordingly.								
	Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances	The Company is in compliance with the extant regulations as applicable.								
11.	Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No).  If yes, provide name of the agency.	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
		No. However, the policies and processes are reviewed on a periodic basis by the internal audit team, risk management team, compliance team and Senior Management on a regular basis. Wherever applicable, the policies are also assessed and evaluated by the Board of Directors, and its committees.								
12.	If answer to question (1) above is “No” i.e. not all Principles are covered by a policy, reasons to be stated:									
	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
	1. The entity does not consider the principles material to its business (Yes/No)	–	–	–	–	–	–	–	–	–
	2. The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)	–	–	–	–	–	–	–	–	–
	3. The entity does not have the financial or/human and technical resources available for the task (Yes/No)	–	–	–	–	–	–	–	–	–
	4. It is planned to be done in the next financial year (Yes/No)	–	–	–	–	–	–	–	–	–
	5. Any other reason (please specify)	–	–	–	–	–	#	#	#	

# 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.

## SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

**Principle 1: Businesses should conduct and govern themselves with integrity, and in a manner that is ethical, transparent, and accountable.**

### ESSENTIAL INDICATORS

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

Category	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
Board of Directors	The Company conducts familiarisation Programmes to the Board of Directors in investment opportunities available to the Company, on valuation of investments and other accounting policies and practices adopted under the Indian Accounting Standard (IndAS), risk management practices, automotive industry , regulatory changes/ development		100%
Key Managerial Personnel	The Company has a Code of Conduct for KMP which for adherence to ethical conduct, conflict of interest, transparency, safety & health of employees, etc.		100%
Employees other than BoD and KMPs	Employees are put through various training programmes relating to domain knowledge and soft skills on a periodic or need basis.		100%
Workers	NA		

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

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

Non-Monetary				
	NGRBC Principle	Name of the regulatory/ enforcement	Brief of the Case	Has an appeal been agencies/ judicial institutions
Imprisonment				
Punishment			Nil	

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

Brief of the Case	Has an appeal been agencies/ judicial institutions
Not Applicable	

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

No

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

NIL

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

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

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

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

Nil

### Leadership Indicators

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

Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	% of value chain programmes partners covered (by value of business done with such partners) under the awareness programmes
Nil		

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

Yes.

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

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

#### ESSENTIAL INDICATORS

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

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

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

Not applicable

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

Not applicable.

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

Not applicable. We don't manufacture any products. We are a Core Investment Company.

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

Not applicable

### Leadership Indicators

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

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

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

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

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

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

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

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

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

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



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

**Essential Indicators**

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

% of employees covered by										
Category	Total	Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care Facilities Number & %
	(A)	Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	
Male	197	197	100%	197	100%	-	-	-	-	-
Female	85	85	100%	85	100%	85	100%	-	-	-
Total	282	282	100%	282	100%	85	100%	-	-	-
Other than permanent employees										
Male	25	-	-	-	-	-	-	-	-	-
Female	5	-	-	-	-	-	-	-	-	-
Total	30	-	-	-	-	-	-	-	-	-

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

% of employees covered by										
Category	Total	Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		
	(A)	Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	
Male	Not Applicable									
Female										
Total										
Other than permanent employees										
Male	Not Applicable									
Female										
Total										

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

Benefits	2022-23			2021-22		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100%	Not Applicable	Y	100%	Not Applicable	Y
Gratuity	100%		Y	100%		Y
ESI	100%		Y	100%		Y
Others - please specify	-	-	-	-	-	-

### 3. Accessibility of workplaces

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

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

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

Yes

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

Gender	Permanent Employees		Permanent Workers	
	Return to work rate	Retention Rate	Return to work rate	Retention rate
Male	Nil		Not Applicable	
Female				
Total				

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

	Yes/No (If yes, then give details of the mechanism in brief)
Permanent Workers	Not Applicable
Other than Permanent Workers	
Permanent employees	Yes, The employees of the Company have been provided with the facility to raise their grievances through a Help desk Portal on the Human Resources Management System. The redressal process is monitored by the management and subjected to Internal Audit.
Other than Permanent Employees	Not Applicable

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

Category	2022-23		2021-22	
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)
<b>Total Permanent Employees</b>	Nil			
- Male				
- Female				
<b>Total Permanent Workers</b>				
- Male				
- Female				

**8. Details of training given to employees and workers**

Category	2022-23					Total (D)	2021-22			
	Total (A)	On health and safety measures		On skill upgradation			On health and safety measures		On skill upgradation	
		No.(B)	% (B/A)	No.(C)	% (C/A)		No.(E)	% (E/D)	No.(F)	% (F/D)
Male	197	197	100%	197	100%	200	200	100%	200	100%
Female	85	85	100%	85	100%	85	85	100%	85	100%
<b>Total</b>	<b>282</b>	<b>282</b>	<b>100%</b>	<b>282</b>	<b>100%</b>	<b>285</b>	<b>285</b>	<b>100%</b>	<b>285</b>	<b>100%</b>
<b>Other than permanent employees</b>										
Male	25	25	100%	-	-	25	25	100%	-	-
Female	5	5	100%	-	-	1	1	100%	-	-
<b>Total</b>	<b>30</b>	<b>30</b>	<b>100%</b>	<b>-</b>	<b>-</b>	<b>26</b>	<b>26</b>	<b>100%</b>	<b>-</b>	<b>-</b>

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

Category	2022-23			2021-22		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
<b>Employees</b>						
Male	197	197	100%	200	200	100%
Female	85	85	100%	85	85	100%
<b>Total</b>	<b>282</b>	<b>282</b>	<b>100%</b>	<b>285</b>	<b>285</b>	<b>100%</b>
<b>Workers</b>						
Male	-	-	-	-	-	-
Female	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## 10. Health and safety management system:

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

There are no occupational health and safety risks considering the nature of business. Periodic Trainings on fire safety and fire-fighting equipment are provided along with the evacuation drills. During the Covid 19 pandemic the company had periodically educated the employees and value chain partners working on its premises on hygiene matter including advising on benefits of the vaccination. The Company also provided work from home facilities on need basis to its employees.

- b) What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity? – Not Applicable
- c) Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks? - Not Applicable
- d) Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)

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

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

Safety Incident/Number	Category	2022-23	2021-22
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	Nil	Nil
	Workers	Not Applicable	Not Applicable
Total recordable work-related injuries	Employees	Nil	Nil
	Workers	Not Applicable	Not Applicable
No. of fatalities	Employees	Nil	Nil
	Workers	Not Applicable	Not Applicable
High consequence work-related injury or ill-health (excluding fatalities)	Employees	Nil	Nil
	Workers	Not Applicable	Not Applicable

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

Refer response to point No. 10

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

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

**14. Assessments for the year:**

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

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

Refer response to point no .10

**Leadership Indicators**

- Does the entity extend any life insurance or any compensatory package in the event of death of Employees (Y/N)- YES  
Workers (Y/N) – Not Applicable
- Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.  
  
The Company while making payment to vendors ensures that the statutory dues of the contract employees are deducted and remitted.
- Provide the number of employees / workers having suffered high consequence work-related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

Category	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2022-23	FY2021-22	FY 2022-23	FY2021-22
Employees	Nil	Nil	Nil	Nil
Workers	Not Applicable	Not Applicable	Not Applicable	Not Applicable

- Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No).  
Not Applicable
- Details on assessment of value chain partners

Benefits	% of value chain partners (by value of business done with such partners) that were assessed
Working conditions	These Parameters are not measured
Health & Safety Practices	

- Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners. Not Applicable

## PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders

### Essential Indicators

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

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

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

Stakeholder Group	Whether identified as Vulnerable & Marginalised Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Others	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Employees	No	Direct, email, team meetings.	Ongoing and need based	Performance appraisal and rewards.
Shareholders	No	Emails, SMS, newspaper, advertisement, notices, website, Annual General Meeting, intimation to stock exchanges, annual /quarterly financials, press release annual reports.	At least quarterly and need based	To stay abreast of developments in the Company, Performance of the Company and address concerns/grievances
Regulatory Bodies	No	Emails,websites	Need based	Discussions with regard to various approvals, circulars, guidelines, suggestions, amendments, etc.
Registrar and Transfer Agent	No	Emails, physical meetings, website, and other digital platforms.	Ongoing and need based	Ensure seamless operations, data and integrity, compliance.
Vendors & Bankers	No	Emails, physical meetings, website, and other digital platforms.	Ongoing and need based	Service quality and support, contract commercial and technical terms & conditions, custodial services, statutory compliances

### Leadership Indicators

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

Nil

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

No.

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

Refer to CSR Policy

### PRINCIPLE 5 Businesses should respect and promote human rights

#### Essential Indicators

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

Category	FY 2022-23			FY 2021-22		
	Total (A)	No. of employees covered (B)	% (B/A)	Total (C)	No. of employees covered (D)	% (D/C)
<b>EMPLOYEES</b>						
Permanent	282	282	100%	285	285	100%
Other than Permanent	30	30	100%	26	26	100%
<b>Total Employees</b>	<b>312</b>	<b>312</b>	<b>100%</b>	<b>311</b>	<b>311</b>	<b>100%</b>
<b>WORKERS</b>						
Not Applicable						

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

Category	FY 2022-23					FY 2021-22				
	Total	Equal to Minimum Wage		More than Minimum Wage		Total	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
<b>EMPLOYEES</b>										
<b>Permanent</b>	-	-	-	-	-	-	-	-	-	-
Male	197	-	-	197	100%	200	-	-	200	100%
Female	85	-	-	85	100%	85	-	-	85	100%
<b>Other than Permanent</b>										
Male	25	-	-	25	100%	25			25	100%
Female	5	-	-	5	100%	1			1	100%

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

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category (₹)	Number	Median remuneration/ salary/ wages of respective category (₹)
Board of Directors (BoD) (Whole-time directors)	Nil	Nil	Nil	Nil
Key Managerial Personnel (other than BoD)	3	4793267	-	-
Employees other than BoD and KMP*	200	238164	79	194676

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

Yes, The Company has in place a Policy for prevention of Sexual Harassment. 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

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

Respect for human rights is considered as one of the fundamental and core values of the Company. The Company strives to support, protect, and promote human rights to ensure fair and ethical business and employment practices are followed. There are committees and policies formed to handle grievances and complaints related to human rights issues. The Company has zero tolerance towards and prohibits all forms of child labour, slavery, forced labour, physical, sexual, psychological, or verbal abuse.

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

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

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

The Company ensures that complainant, are adequately protection from the victimization

### 8. Do human rights requirements form part of your business agreements and contracts?

No



## 9. Assessments for the year

Particulars	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Sexual Harassment	100%
Discrimination at workplace	100%
Child Labour	100%
Forced Labour/Involuntary Labour	100%
Wages	100%
Others – please specify	No Applicable

## 10. Provide details of any corrective actions taken or underway to address significant risks / concerns arising

Not Applicable

### Leadership Indicators

1. Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints.  
No
2. Details of the scope and coverage of any Human rights due diligence conducted.  
No
3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?  
Yes
4. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Sexual Harassment	parameters are currently not explicitly assessed or measured
Discrimination at workplace	
Child Labour	
Forced Labour/ Involuntary Labour	
Wages	
others - Please specify	

5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.  
Not Applicable

**PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment**
**Essential Indicators**

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

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Total electricity consumption (A)	1624822	1144240
Total fuel consumption (B)	72864	94846
Energy consumption through other sources (C)	0	0
Total energy consumption (A+B+C)	1697686	1239086
Energy intensity per rupee of turnover (Total energy consumption/ turnover in rupees)		
Energy intensity (optional) – the relevant metric may be selected by the entity		

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

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

Not applicable

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

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Water withdrawal by source (in kilolitres)		
(i) Surface water		
(ii) Groundwater	5	5
(iii) Third party water		
(iv) Seawater / desalinated water		
(v) Others		
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	5	5
Total volume of water consumption (in kilolitres)	5	5
Water intensity per rupee of turnover (Water consumed / turnover)		
Water intensity (optional)–the relevant metric may be selected by the entity		

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

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

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

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

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

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

Parameter	Unit	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
<b>Total Scope 1 emissions</b> (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	Not applicable	
<b>Total Scope 2 emissions</b> (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent		
<b>Total Scope 1 and Scope 2 emissions per rupee of turnover</b>			
<b>Total Scope 1 and Scope 2 emission intensity</b> (optional) – the relevant metric may be selected by the entity			

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

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

Not Applicable

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

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

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

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

The Company is into financial services, the Company does not require any hazardous and toxic chemicals.

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

The Company does not have any offices in/around ecologically sensitive areas

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

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

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

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

### Leadership Indicators

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

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
<b>From renewable sources</b>		
Total electricity consumption (A)	–	–
Total fuel consumption (B)	–	–
Energy consumption through other sources (C.)	–	–
<b>Total energy consumed from renewable sources (A+B+C)</b>	–	–
<b>From non-renewable sources</b>		
Total electricity consumption (D)	–	–
Total fuel consumption (E)	–	–
Energy consumption through other sources (F)	–	–
<b>Total energy consumed from non-renewable sources (D+E+F)</b>	–	–

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

**2. Provide the following details related to water discharged:**

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

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

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

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

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

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
<b>Water withdrawal by source (in kilolitres)</b>	–	–
(i) Surface water	–	–
(ii) Groundwater	–	–
(iii) Third party water	–	–
(iv) Seawater / desalinated water	–	–
(v) Others	–	–
<b>Total volume of water withdrawal (in kilolitres)</b>	–	–
<b>Total volume of water consumption (in kilolitres)</b>	–	–

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Water intensity per rupee of turnover (Water consumed / turnover)	–	–
Water discharge by destination and level of treatment (in kilolitres)	–	–
(i) To Surface water	–	–
- No treatment	–	–
- With treatment – please specify level of treatment	–	–
(ii) To Groundwater	–	–
- No treatment	–	–
- With treatment – please specify level of treatment	–	–
(iii) To Seawater	–	–
- No treatment	–	–
- With treatment – please specify level of treatment	–	–
(iv) Sent to third-parties	–	–
- No treatment	–	–
- With treatment – please specify level of treatment	–	–
(v) Others	–	–
- No treatment	–	–
- With treatment – please specify level of treatment	–	–
<b>Total water discharged (in kilolitres)</b>	–	–

**Note:** Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. - **NO**

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

Parameter	Unit	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Total Scope 3 emissions (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	Metric tonnes of CO <sub>2</sub> equivalent	Not Applicable	Not Applicable
Total Scope 3 emissions per rupee of turnover		Not Applicable	Not Applicable
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity		Not Applicable	Not Applicable

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

5. With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.
6. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

Sr. No	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
Not Applicable			

7. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.  
- Not Applicable
8. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.  
- Not Applicable
9. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts  
- Not Applicable

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

**Essential Indicators**

1. Number of affiliations with trade and industry chambers/ associations. – Nil

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

S. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers / associations (State/National)
Nil		

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

Name of authority	Brief of the case	Corrective action plan
Nil		



### Leadership Indicators

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

S. No.	Public Policy advocated	Method resorted for such advocacy	Whether information available in public domain ? (Yes/No)	Frequency of Review by Board (Annually / Half Yearly/ Quarterly/ Others - please specify)	Web link, if available
Not Applicable					

### PRINCIPLE 8 : Businesses should promote inclusive growth and equitable development.

#### Essential Indicators

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

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

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

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

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

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

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

	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Directly sourced from MSMEs/small producers	Not Applicable	
Sourced directly from within the district and neighbouring districts		

### Leadership Indicators

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

Details of negative social impact identified	Corrective action taken
Not Applicable	

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

S. No	State	Aspirational District	Amount spent (In INR)
	Nil		

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

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

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

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

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

6. Details of beneficiaries of CSR Projects:

S. No	CSR Project	No of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
1	Laxmi Charities	55	70%

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

**Essential Indicators**

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

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

Not Applicable

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

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

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

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

**4. Details of instances of product recalls on account of safety issues:**

Not applicable

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

NA

**6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.**

Not applicable

### Leadership Indicators

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

## Form No. MR-3

### Secretarial Audit Report For the Financial Year Ended 31.03.2023

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

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 and offline verification & examination of records, as facilitated by the Company 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 31.03.2023 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 31.03.2023 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 (share based employee benefits, sweat equity Regulations) 2021;
  - 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, 2018;
  - 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 to verify the claims, if any, filed by the 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;

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: F011142E000372041

Place: Chennai  
 Date: 24th May 2023

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**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 2023

**A Kalyana Subramaniam**  
Practicing Company Secretary  
(FCS No.11142)  
(C.P No. 16345)  
UDIN: F011142E000372041

**Form No. MR-3****Secretarial Audit Report For the Financial Year Ended 31.03.2023**

[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 there on. I have conducted online and offline verification & examination of records, as facilitated by the Company 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 31.03.2023 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 31.03.2023 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.



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**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. 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.
- 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 a 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: F011142E000286516

Place: Chennai

Date: 10th May 2023

**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: F011142E000286516

Date: 10th May 2023

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
Harsha Viji, Chairman	NA	NA
T T Srinivasaraghavan (Resigned on 03.08.2022)	0.52	NA
R. Venkatraman	6.50	3.79
S. Prasad	4.84	-8.93
Shobhana Ramachandhran	3.73	-3.18
Srivats Ram	NA	NA
Ananth Ramanujam	NA	NA
S. Ravi, Chief Executive Officer	36.67	8.92
Suresh I.S., Chief Financial Officer	20.35	NA
S Kalyanaraman, Secretary & Compliance Officer (w.e.f 01.06.2022)	9.28	NA

- (iii) The percentage increase/(decrease) in the median remuneration of employees in the financial year: (4.71%)
- (iii) The number of permanent employees on the rolls of the Company: 282
- (iv) 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/(decrease) in salaries of employees other than managerial personnel in 2022-23 was (6.48%). Percentage increase/(decrease) in the managerial remuneration for the year was (2.95%).

- (v) 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.

- (vi) 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.
- (vii) 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	Ravi S	Chief Executive Officer	77.37	Contractual	B.Com Has over 3 decades of experience in banking and financial services industry.	01-04-2020	61	Sundaram Fund Services	Nil
2	Narasimhan V	Sr. General Manager	49.24	Others	B.A. (Eco) & M.Sc (Physics) Has over 3 decades experience in marketing and learning & development.	18-01-2018	62	Sundaram Finance Limited	Nil
3	Suresh I S	Chief Financial Officer	42.93	Others	M. Com., ACA, Has over 18 years of post-qualification experience in finance, accounts, operations and related areas	01-03-2022	44	Sundaram Business Services Limited	Nil
4	S Kalyanaraman	Secretary & Compliance Officer	23.50	Others	B.Com., ACS, Has an overall experience of 39 years, had been associated with the Sundaram Finance Group for 28 years, which included 21 years in the Secretarial Function and 7 years in the Internal Audit Function	01-06-2022	57	India Motor Parts & Accessories Limited	Nil
5	Ramakrishnan T R	Assistant General Manager	20.16	Others	B.Sc. (Botany) Has over 3 decades of experience in financial services industry	18-01-2018	58	Sundaram Finance Limited	Nil
6	Gayathri P	Senior Manager	16.95	Others	B.com,ACA.,Has over 5 years of experience in finance, accounts and related areas	01-02-2018	28	Sundaram Finance Limited	Nil
7	Ganesh J	Senior Manager	16.18	Others	B.Com Has nearly 3 decades of experience in financial services industry.	18-01-2018	52	Sundaram Finance Limited	Nil
8	Ramakrishnan S	Senior Manager	15.90	Others	B.Com (CS) Has nearly 18 years of experience in financial services industry.	18-01-2018	56	Sundaram Finance Limited	Nil
9	Venkateswaran S	Senior Manager	15.08	Others	B.COM., Has nearly 20 years of experience in financial services industry.	18-01-2018	57	Sundaram Finance Limited	Nil
10	Sajikumar S	Senior Assistant General Manager	14.91	Others	B.Sc Maths., Has over 12 years experience in BPO industry	18-01-2018	43	Sundaram BPO Limited	Nil

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## R.G.N. PRICE & CO.

CHARTERED ACCOUNTANTS

Simpson's Building, 861 Anna Salai, Chennai- 600 002

Phone: 044-2841 3633 / 2858 3494 Email: price@rgnprice.com

24th May 2023

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### 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 31<sup>st</sup> March 2023, 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, 2023, 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.

#### Emphasis of matter

We draw your attention to Note 30 of the standalone financial statements wherein the Company has changed its accounting policy for valuation of its investments in associates from Deemed Cost basis to Fair Value through Other Comprehensive Income (FVTOCI) basis during the year. As stated in the said note, the Company is of the opinion that the above-mentioned change would provide more reliable and relevant information to the users of financial statements about Company's value of investments on an ongoing basis and the abovementioned change in accounting policy is made effective on a prospective basis from the current year for the reasons stated in the said note. The above change in accounting policy has resulted in an increase of ₹ 2,05,912 lakhs in the carrying value of investments, ₹ 38,164 lakhs in deferred tax liabilities and ₹ 1,67,748 lakhs in Other Comprehensive Income and Equity.

Our opinion is not modified in respect of this matter.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the 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 ₹ 4,106 crores which represents almost 99% of the total assets, where unquoted equity investments fair valued through OCI amounts to ₹2,371 crores (“Investment”) covering about 58% of investment value as at 31<sup>st</sup> March'23.</p> <p>As the above investments 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 following approach :</p> <ul style="list-style-type: none"> <li>• 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;</li> <li>• Fair value based on agreements to buy/ sell an asset between the market participants;</li> <li>• Fair value determined as per discounted cash flow method based on projections of the investee Companies.</li> </ul> <p>The above valuations are categorized as Level 2 or Level 3 type of valuation, as the case may be, in accordance with 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"> <li>(i) Reviewed the Accounting Policies used by the Company for accounting and disclosing Investments for compliance with the accounting framework.</li> <li>(ii) Evaluating valuation methodology recommended by Valuation Expert.</li> <li>(iii) Verified the correctness of market inputs used and mathematical accuracy of the valuation analysis.</li> <li>(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.</li> <li>(v) Our team was supported by our in-house valuation specialist, especially in determining whether such valuation methodology is consistent with the market practice.</li> <li>(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.</li> </ul>

### 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.

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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 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.
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 2023 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) ;



- 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 2021-22 and interim dividend for the FY 2022-23 have been declared and paid by the Company are in compliance with Section 123 of the Act.
- As stated in Note 31b to the Financial Statements, the Board of Directors of the Company has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.
- f. Provisio to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of accounts using accounting software which has a feature of recording audit trail facility is applicable to the Company with effect from 1st April’ 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended 31<sup>st</sup> March, 2023.

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

Chartered Accountants

FR No. 002785S

**K. Venkatakrishnan**

Partner

Place: Chennai

Membership No.208591

Date: 24th May 2023

UDIN: 23208591BGYOKO2966

**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 31<sup>st</sup> March, 2023**

I	a.	<p>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.</p> <p>ii) The Company is maintaining proper records for its intangible assets showing full particulars including appropriate classification.</p>
	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 not conducted physical verification of PPE during the year
	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 31 <sup>st</sup> March, 2023 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.
IV	The Company has complied with the provisions of Sections 185 and 186 of the Act in respect of investments made during the year. According to information and explanations given to us, all the investments made are not prejudicial to the interest of the Company and the Company has not granted any loans or guarantees or securities during the year as envisaged under Section 185 and 186 of the Act.	
V	The Company has not accepted any deposits or any other amounts which are deemed to be deposits; Hence the provisions of Section 73 to 76 or any other relevant provisions of the Act and the rules framed there under are not applicable to the Company.	

VI	The Central Government has not prescribed maintenance of cost records under Section 148(1) of the Act.					
VII	a.	According to the information and explanations given to us, and records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees' State Insurance, Income Tax, Cess and any other statutory dues applicable to it with appropriate authorities. There are no arrears of undisputed statutory dues outstanding as at 31 <sup>st</sup> March 2023 for a period of more than six months from the date they became payable.				
	b.	According to the information and explanations given to us, and records of the Company examined by us, in our opinion, there are no dues of Goods and Service Tax, Provident Fund, Employees' State Insurance, Income Tax, Cess and any other statutory dues applicable pending on account of any dispute as at 31 <sup>st</sup> March 2023 except the following:				
		Name of the Statute	Nature of Dues	Amount (₹ in Lakhs)	Financial Year	Forum where the dispute is pending
		Income Tax Act, 1961	Income Tax	557.33	2016-17	Commissioner of Income-tax (Appeals)
		Income Tax Act, 1961	Income Tax	418.90	2017-18	Commissioner of Income-tax (Appeals)
		Income Tax Act, 1961	Income Tax	17.48	2018-19	Assessing Officer
		Income Tax Act, 1961	Income Tax	6.22	2020-21	Assessing Officer
		Income Tax Act, 1961	Income Tax	315.52	2021-22	Assessing Officer
	Goods and Service Tax Act	Goods and Service Tax	8.87	2019-20	Assessing Officer	
VIII	According to the information and explanations given to us, and records of the Company examined by us, 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 (43 of 1961) and hence reporting under Clause 3(viii) of the Order is not applicable.					
IX	According to the information and explanations given to us, and records of the Company examined by us, the Company has not obtained any loans or borrowings from any person/entity during the year or balance carried forward from prior periods. Accordingly, reporting under Clause 3(IX) of the Order is not applicable					
X	a)	According to the information and explanations given to us, and records of the Company examined by us, the Company has not raised any money through further public offer of equity shares during the year under review and hence reporting under Clause (X) (a) of the Order is not applicable.				
	b)	The Company has not made any preferential allotment or private placement of shares or fully convertible or partly convertible debentures during the year under review and hence reporting under Clause (X) (b) of the Order is 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: 23208591BGYOKO2966

Place: Chennai

Date: 24th May 2023

**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 31<sup>st</sup> March, 2023**

We have audited the internal financial controls over the financial reporting of Sundaram Finance Holdings Limited (“the Company”) as on March 31, 2023 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, 2023 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 2023

Membership No.208591  
UDIN: 23208591BGYOKO2966

# Balance Sheet

as at 31<sup>st</sup> March, 2023

(₹ in lakhs)

Particulars	Notes	March 31, 2023	March 31, 2022
<b>ASSETS</b>			
<b>(1) Financial Assets</b>			
(a) Cash and cash equivalents	1	57.72	55.79
(b) Receivables	2	1,65.60	1,60.27
(c) Loans	3	4.03	10.12
(d) Investments	4	4105,59.32	2179,39.99
(e) Other financial assets	5	39.37	7,99.36
<b>(2) Non-financial Assets</b>			
(a) Current tax assets (Net)	6	4,07.23	3.89
(b) Investment property	7	19,29.93	1,95.11
(c) Property, plant and equipment	7	1,76.19	1,47.77
(d) Other intangible assets	7	-	-
(e) Right of Use asset	23	30.08	90.75
(f) Other non-financial assets	8	59.50	58.92
<b>Total Assets</b>		<b><u>4134,28.97</u></b>	<b><u>2194,61.97</u></b>
<b>LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
<b>(1) Financial liabilities</b>			
(a) Payables	9		
(I) Trade Payables			
(i) Total outstanding dues of micro enterprises and small enterprises		1.81	1.12
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		23.28	26.04
(b) Other financial liabilities	10	77.36	72.76
(c) Lease Liability	23	38.32	1,09.61
<b>(2) Non-Financial Liabilities</b>			
(a) Provisions	11	1,31.49	2,02.57
(b) Deferred tax liabilities (Net)	12	423,65.65	83,77.76
(c) Other non-financial liabilities	13	55.79	60.37
<b>(3) Equity</b>			
(a) Equity share capital	14	111,05.19	111,05.19
(b) Other equity	15	3596,30.07	1995,06.55
<b>Total Liabilities and Equity</b>		<b><u>4134,28.97</u></b>	<b><u>2194,61.97</u></b>

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

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

Chartered Accountants

ER No: 002785S

**K. Venkatakrishnan**

Partner

M.No : 208591

Date : 24-05-2023

Place : Chennai

**S.Ravi**

Chief Executive Officer

**Harsha Viji**

Chairman

**I S Suresh**

Chief Financial Officer

**R. Venkatraman**

Director

**S Kalyanaraman**

Secretary & Compliance Officer

SUNDARAM FINANCE HOLDINGS LIMITED

# Statement of Profit and Loss

for the Year Ended 31<sup>st</sup> March, 2023

(₹ in lakhs)

Particulars	Notes	For the year ended 31 March 2023	For the year ended 31 March 2022
<b>Revenue from operations</b>			
Interest Income	16	1,13.70	27.67
Dividend Income		97,43.51	40,90.16
Net gain on fair value changes	17	15,82.05	7,87.92
Gain on derecognition of financial instrument		-	15,54.06
Sale of services	27	13,99.08	13,52.43
<b>Revenue from operations</b>		<b>128,38.34</b>	<b>78,12.24</b>
Other Income	18	2,22.73	1,96.03
<b>Total Income</b>		<b>130,61.07</b>	<b>80,08.27</b>
<b>Expenses</b>			
Finance Cost	19	11.04	13.05
Impairment on Financial Instruments		5,40.00	11,31.35
Employee benefit expenses	20	12,07.64	12,85.61
Depreciation, Amortisation and Impairment		54.91	62.66
Other expenses	21	5,23.36	4,72.11
<b>Total expenses</b>		<b>23,36.95</b>	<b>29,64.78</b>
Profit before exceptional items and tax		107,24.12	50,43.49
Exceptional items		-	-
<b>Profit before tax</b>		<b>107,24.12</b>	<b>50,43.49</b>
Current tax	22	6,90.65	2,31.71
Deferred tax	22	5,58.40	1,20.70
<b>Total tax expense</b>		<b>12,49.05</b>	<b>3,52.41</b>
<b>Profit/(loss) for the period</b>		<b>94,75.07</b>	<b>46,91.08</b>
<b>Other Comprehensive Income</b>			
<b>A. Items that will not be reclassified to profit or loss</b>			
Remeasurements of the defined benefit plans	29	(9.29)	(19.86)
Income Tax on above		(2.34)	(5.00)
Remeasurements of the defined benefit plans (Net of tax)		(6.95)	(14.86)
Change in Fair value of equity instruments	30	2391,00.06	305,39.65
Income tax on above	30	408,08.92	(9,46.17)
Change in Fair value of equity instruments (Net of tax)		1982,91.14	314,85.82
<b>Other Comprehensive Income Net of Tax</b>		<b>1982,84.19</b>	<b>314,70.96</b>
<b>Total Comprehensive Income for the period</b>		<b>2077,59.26</b>	<b>361,62.04</b>
<b>Basic and Diluted Earnings per Equity Share of ₹5/- each</b>	31a	4.27	2.25

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

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

Chartered Accountants

FR No: 002785S

**K. Venkatakrishnan**

Partner

M.No : 208591

Date : 24-05-2023

Place : Chennai

**S. Ravi**

Chief Executive Officer

**Harsha Viji**

Chairman

**I S Suresh**

Chief Financial Officer

**R. Venkatraman**

Director

**S. Kalyanaraman**

Secretary & Compliance Officer

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



# Cash Flow Statement

(₹ in lakhs)

Particulars	March 31, 2023	March 31, 2022
<b>Cash flow from operating activities</b>		
<b>Profit before tax</b>	107,24.12	50,43.50
<b>Adjustments to reconcile profit before tax to net cash used in operating activities</b>		
(a) Depreciation and impairment of property, plant and equipment	54.91	62.66
(b) Impairment on Financial Instruments	5,40.00	11,31.35
(c) Fair value change in financial instruments	(15,82.05)	(7,87.92)
(d) Interest income from Investments	(1,13.70)	(27.67)
(e) (Gain)/loss on sale/scarp of property, plant and equipment	-	0.23
(f) ESOP contribution scheme of Parent company	4.89	6.64
(g) Finance costs paid	6.07	9.34
(h) Dividend received / (receivable)	7,79.96	(7,79.96)
(i) (Gain)/Loss on derecognition of financial instrument	-	(15,54.06)
(j) Net Actuarial gain/(loss) on defined benefit plan	(9.29)	(19.86)
(k) Gain on Lease modification	(10.84)	-
	<u>103,94.07</u>	<u>30,84.25</u>
<b>Working capital adjustments</b>		
(a) (Increase)/Decrease in		
Trade and other receivables	(5.32)	22.96
Loans	6.09	19.98
Other financial assets	(4.13)	(1.90)
Other non-financial assets	(0.58)	50.01
(b) Increase/(Decrease) in		
Trade and other payables	(2.07)	6.81
Financial liabilities	4.59	17.45
Non-financial liabilities and provisions	(75.67)	38.88
	<u>103,16.98</u>	<u>1,54.19</u>
Income Tax paid	(12,06.85)	(8,09.19)
<b>Net cash flows from operating activities</b>	<u>91,10.13</u>	<u>24,29.25</u>
<b>Cash flow from investing activities</b>		
Purchase and construction of property, plant and equipment	(18,01.43)	(17.68)
(Purchase)/Sale of Mutual funds (net)	(224,74.26)	(114,29.16)
(Purchase)/Sale of other investments (net)	223,10.63	(229,13.81)
Interest received	97.86	27.91
<b>Net cash flows from investing activities</b>	<u>(18,67.20)</u>	<u>(343,32.74)</u>
<b>Cash flow from financing activities</b>		
Dividend Paid	(72,18.42)	(33,31.60)
Proceeds from Rights Issue (net of expenses)	-	352,61.64
Lease Liability Principal paid	(16.51)	(17.06)
Lease Liability Interest paid	(6.07)	(9.34)
<b>Net cash flows from financing activities</b>	<u>(72,41.00)</u>	<u>319,03.64</u>
Net increase / (decrease) in cash and cash equivalents	1.93	0.14
Cash and cash equivalents at the beginning of the year	55.79	55.65
<b>Cash and cash equivalents at the end of the year (Refer Note 1)</b>	<u>57.72</u>	<u>55.79</u>

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 Limited**

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

Chartered Accountants

ER No: 002785S

**K. Venkatakrishnan**

Partner

M.No : 208591

Date : 24-05-2023

Place : Chennai

**S. Ravi**

Chief Executive Officer

**Harsha Viji**

Chairman

**I S Suresh**

Chief Financial Officer

**R. Venkatraman**

Director

**S. Kalyanaraman**

Secretary & Compliance Officer

**STATEMENT OF CHANGES IN EQUITY**
**(a) Equity Share Capital**

Particulars	31 March 2023		31 March 2022	
	No. of Shares	Amount ₹ in lakhs	No. of Shares	Amount ₹ in lakhs
<b>Balance at Beginning (A)</b>	22,21,03,860	111,05.19	15,11,03,860	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)	22,21,03,860	111,05.19	15,11,03,860	75,55.19
Changes in Share Capital in the current reporting period	-	-	7,10,00,000	35,50.00
	<b>22,21,03,860</b>	<b>111,05.19</b>	<b>22,21,03,860</b>	<b>111,05.19</b>

**(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		
<b>Balance as at 01 April, 2021</b>	1874.68	13108.02	-	-	101812.83	134957.83
Add:						
(a) Profit or loss for the period					4691.08	4691.08
(b) Other comprehensive income					(14.86)	31470.96
(c) Securities premium proceeds received on rights issue of equity shares				31950.00		31950.00
(d) ESOP contribution scheme of Parent company			6.64			6.64
Less:						
(e) Rights issue expenses (net of taxes)				(238.36)		(238.36)

Particulars	Reserves and Surplus					Gains / (losses) from equity investments through OCI	Total
	Capital Reserve	General Reserve	ESOP Reserve	Securities Premium	Retained Earnings		
(f) Final Dividend for FY 20-21					(1110.56)	(1110.56)	
(g) Special Dividend for FY 21-22					(2221.04)	(2221.04)	
Transfer on account of Sale of Equity instruments measured at FVTOCI (net of tax)					15474.66	(15474.66)	-
<b>Balance as at 01 April 2022</b>	1874.68	13108.02	6.64	31711.64	34981.58	117823.99	199506.55
Add:							
(a) Profit or loss for the period					9475.07		9475.07
(b) Other comprehensive income					(6.95)		198284.19
(c) ESOP contribution scheme of Parent company			4.89				4.89
Less:							
(d) Adjustment on account of reclassification of Equity instruments measured at FVTOCI (net of tax)						(40422.21)	(40422.21)
(e) Final and Special Dividend for FY 21-22					(3886.86)		(3886.86)
(f) Special Dividend FY 22-23					(3331.56)		(3331.56)
Transfer on account of Sale of Equity instruments measured at FVTOCI (net of tax)					23054.72	(23054.72)	-
<b>Balance as at 31 March 2023</b>	<b>1874.68</b>	<b>13108.02</b>	<b>11.53</b>	<b>31711.64</b>	<b>60286.00</b>	<b>252638.20</b>	<b>359630.07</b>

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 : 24-05-2023

Place : Chennai

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

**Harsha Viji**  
Chairman

**R. Venkatraman**  
Director

**S.Ravi**  
Chief Executive Officer

**I S Suresh**  
Chief Financial Officer

**S Kalyanaraman**  
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, Patullus 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.

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## NOTES TO THE FINANCIAL STATEMENTS (Contd.)

### 2.3 Revenue Recognition:

Revenue is recognised when control of services is 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 is measured at the fair value of the consideration received or receivable, considering contractually defined terms of payment.

Revenue from rendering of services is recognised with reference to the stage of completion determined based on an 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 shareholders approve the dividend.

Interest Income: For all debt instruments measured at amortised cost, interest income is recognised on a time proportion basis, considering 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 to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method.

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

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

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

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

## NOTES TO THE FINANCIAL STATEMENTS (Contd.)

### Investments in Subsidiary and Associates

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

All other equity instruments, including investment in 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 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 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.

## 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,

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## NOTES TO THE FINANCIAL STATEMENTS (Contd.)

a lease if the contract conveys the right to control the use of an identified asset for a period 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 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 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 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 assets 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**

Defined Contribution plans.

#### **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.

#### **Provident Fund**

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

## NOTES TO THE FINANCIAL STATEMENTS (Contd.)

### Defined benefit plans

#### 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 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.

#### Other Long Term Employee Benefits

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

#### Leave Encashment

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

## 2.8 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. Accordingly, the Company recognizes 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 in equity or in the Other Comprehensive Income.



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## NOTES TO THE FINANCIAL STATEMENTS (Contd.)

### **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: has a legally enforceable right to set off the recognized amounts; and 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 way 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.

### **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 costs of bringing the asset to its working condition for the intended use.

Freehold land is not depreciated.

## NOTES TO THE FINANCIAL STATEMENTS (Contd.)

An item is recognised as property of 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 a 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 equipment 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.

An item of the property plant equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of asset. Any gain or loss arising from 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.

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## NOTES TO THE FINANCIAL STATEMENTS (Contd.)

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 a property valuer, having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued.

Investment properties are derecognized 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 the prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

### **2.14 Cash and Cash equivalents**

For 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, that do not contain a significant financing component, are recognised at transaction price.

### **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.

## NOTES TO THE 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 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.

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, considering 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

- a) 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)
- b) 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 have been computed by dividing the net income attributable to equity shareholders by weighted average number of shares outstanding during the year.

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## NOTES TO THE FINANCIAL STATEMENTS (Contd.)

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

### **2.21 CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

The preparation of financial statements in accordance with Ind AS requires the 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 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, 2023	March 31, 2022
Cash on hand	0.06	0.03
Balances with Banks in Current Accounts	20.28	28.76
Earmarked balances with banks (For Unpaid dividend)	37.38	27.00
<b>Total</b>	<b><u>57.72</u></b>	<b><u>55.79</u></b>

### Note 2: Receivables

(₹ in lakhs)

Particulars	March 31, 2023	March 31, 2022
Trade receivables (*)		
- Secured, considered good	-	-
- Unsecured, considered good	165.60	160.27
- Considered Doubtful	-	-
Less		
Impairment for Trade Receivable under Expected credit loss method	-	-
<b>TOTAL</b>	<b><u>165.60</u></b>	<b><u>160.27</u></b>

\* Refer Note 28 for related party transaction

### Receivables ageing schedule - 31 March 2023

(₹ in lakhs)

Particulars	Outstanding for following periods from due date of payment			
	Not Due	Less than 6 months	> 6 months	Total
(i) Undisputed Trade receivables – considered good	160.08	5.52	-	165.60
(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	-	-	-	-

**Receivables ageing schedule - 31 March 2022**

(₹ in lakhs)

Particulars	Outstanding for following periods from due date of payment			
	Not Due	Less than 6 months	> 6 months	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	-	-	-	-

**Note 3: Loans**

(₹ in lakhs)

Particulars	March 31, 2023	March 31, 2022
Staff Advance	9.66	15.75
Less: Impairment Loss allowance	(5.63)	(5.63)
<b>TOTAL</b>	<b>4.03</b>	<b>10.12</b>

Loans measured at	Staff Advance	Gross Loan	Impairment Loss allowance	Net Loan
<b>As at 31-03-2023</b>				
- Amortised Cost	9.66	9.66	(5.63)	4.03
- FVTOCI	-	-	-	-
- FVTPL	-	-	-	-
<b>As at 31-03-2022</b>				
- Amortised Cost	15.75	15.75	(5.63)	10.12
- FVTOCI	-	-	-	-
- FVTPL	-	-	-	-

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

Particulars	Face Value (₹)	As at 31.03.2023		As at 31.03.2022	
		Holding (Number)	Carrying Amount (₹ in lakhs)	Holding (Number)	Carrying Amount (₹ in lakhs)
<b>Equity Instruments</b>					
<b>(1) Subsidiary: At Cost</b>					
Sundaram Business Services	10	2,23,67,291	2912.79	2,23,67,291	2912.79
<b>(2) Associates: At FVTOCI (Refer Note 30)</b>					
Flometallic	1,00,000		-	4,450	5049.75
Brakes India	100	4,11,606	108064.51	-	-
Wheels India	10	57,40,117	32727.61	56,01,117	14168.39
Turbo Energy	10	25,60,000	74757.58	25,60,000	188.41
Axles India	10	98,91,754	14145.43	98,91,754	1015.70
IMPAL	10	24,96,033	18073.85	-	-
Dunes Oman	1(1)	18,34,980	16152.70	18,34,980	1724.71
Sundaram Dynacast	10	11,70,000	3894.93	11,70,000	117.00
Transenergy	100	1,92,713	1646.54	1,20,000	187.50
Sundaram Composite	10	1,96,00,000	1960.00	1,96,00,000	1960.00
Mind S.R.L	1(2)	7,34,675	-	7,34,675	4108.30
Sundaram Hydraulics	10	1,12,50,000	190.23	1,12,50,000	105.77
<b>Subtotal (a)</b>			<b>274526.17</b>		<b>31538.32</b>
<b>Equity Instruments: At FVTOCI</b>					
Brakes India	100	-	-	3,43,832	52980.17
IMPAL	10	-	-	23,98,814	18567.08
Sundaram Clayton	5	15,14,378	73141.60	19,69,600	76957.42
Lucas TVS	100	63,224	8070.58	63,224	7479.82
Delphi TVS	10	2,52,896	1529.73	2,52,896	1312.13
Techtran Polylenses	10	2,50,000	-	2,50,000	-
Vishnu Forge Industries	10	2,97,110	149.66	2,97,110	135.89
D2C Consulting (Renew Buy)	10	100	4.03	100	4.03
Fettle tone (Max Niva Bupa)	(3)	-	10194.76		9710.00
<b>Subtotal (b)</b>			<b>93090.37</b>		<b>167146.54</b>



NOTES TO THE ACCOUNTS (Contd.)

(₹ in lakhs)

Particulars	Face Value (₹)	As at 31.03.2023		As at 31.03.2022	
		Holding (Number)	Carrying Amount (₹ in lakhs)	Holding (Number)	Carrying Amount (₹ in lakhs)
<b>Mutual Funds: At FVTPL</b>					
Sundaram Liquid Fund		38,405	763.45	24,596	462.17
Sundaram Ultra Short duration Fund		12,31,209	30532.68	4,45,784	10447.88
Sundaram Corporate Bond fund		75,51,785	2642.82	75,51,785	2527.58
Sundaram Low Duration fund		2,07,286	6481.79	1,28,275	3794.39
Sundaram Money Market Fund		79,23,681	1013.63	-	-
<b>AIF: At FVTPL</b>					
JM DO Fund	1,00,000	769.53	822.05	968.20	968.20
<b>Pref Shares : At FVTPL</b>					
D2C Consulting	100	17,014	686.37	17,014	686.26
<b>Subtotal (c)</b>			<b>42942.77</b>		<b>18886.48</b>
<b>Pref Shares : At amortised cost</b>					
Sundaram AMC	100	-	-	15,00,000	1500.00
<b>Subtotal (d)</b>			<b>-</b>		<b>1500.00</b>
<b>Total Investments (a+b+c+d)</b>			<b>410559.32</b>		<b>219071.34</b>
Less: Allowance for Impairment loss			-		(1131.35)
<b>Net Investments</b>			<b>410559.32</b>		<b>217939.99</b>
<b>Total Investments by Geography</b>					
Investment outside India			16152.70		5833.01
Investment in India			394406.62		213238.33
<b>Total Investments by Category</b>					
Quoted Investments			123943.06		109692.89
UnQuoted Investments			286616.26		109378.45
<b>Total</b>			<b>410559.32</b>		<b>219071.34</b>

(\* ) For FY 2021-22 equity instruments in Associates were valued at cost

(1) Face value in Omani Riyal

(2) Face value in Euro

(3) 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.)**
**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	2022-23	2021-22
Lucas TVS Limited	142.25	79.03
Delphi TVS Technologies Limited	60.69	25.29
Sundaram Clayton Limited	893.48	1,116.66*
Turbo Energy Private Limited	3,456.00	-
Brakes India Private Limited	3,148.79	287.03
Wheels India Limited	637.10	-
India Motor Parts & Accessories Limited	538.65	232.37
Axles India Limited	395.67	-
Sundaram Dynacast Private Limited	187.20	-
Transenergy	12.00	-
Vishnu Forge Industries Limited	2.67	2.38
<b>Total Dividend</b>	<b>9,474.50</b>	<b>1,742.76</b>

\* Include ₹ 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 22)
Sundaram Clayton Limited	23,521.09	23,169.92	115.20

**Equity Investment impaired during the year**

(₹ in lakhs)

Investment Impaired	Mind Sr I Italy
Amount of Impairment loss recognised (₹ in lakhs)	540.00
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 network
Discount rate used in the estimate	11.00%

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**NOTES TO THE ACCOUNTS (Contd.)****Note 5 : Other Financial assets (Unsecured)**

(₹ in lakhs)

Particulars	March 31, 2023	March 31, 2022
Security Deposits	25.26	18.88
Income receivable	14.11	780.48
<b>Total</b>	<b>39.37</b>	<b>799.36</b>

**Note 6 : Current Tax Assets**

(₹ in lakhs)

Particulars	March 31, 2023	March 31, 2022
Advance Income Tax and Tax Deducted at source (Net)	407.23	3.89
<b>TOTAL</b>	<b>407.23</b>	<b>3.89</b>

**NOTES TO THE ACCOUNTS (Contd.)**

(₹ in lakhs)

Description	Investment Property (IP)			Property, Plant and Equipment (PPE)							Intangible Software-Bought out	Total PPE and Intangible	
	Land	Building	Total IP	Freehold land	Buildings	Plant & Equipment	Furniture & fixtures	Office Equipment	Vehicles	Total PPE			
<b>Cost of Assets</b>													
As at 01 Apr 22	128.75	99.23	227.98	31.86	9.83	129.72	46.99	20.53	0.64	239.58	35.52	275.10	
(+) Additions	1,743.45	-	1,743.45	-	19.92	30.77	6.55	0.74	-	57.98	-	57.98	
<b>Subtotal</b>	1,872.20	99.23	1,971.43	31.86	29.76	160.49	53.54	21.27	0.64	297.56	35.52	333.07	
(-) Sale/deletion													
<b>Total</b>	1,872.20	99.23	1,971.43	31.86	29.76	160.49	53.54	21.27	0.64	297.56	35.52	333.07	
<b>Depreciation</b>													
Upto 31 Mar 22	-	32.87	32.87	-	0.37	56.53	24.17	10.33	0.42	91.82	35.52	127.34	
(+) For the Year	-	8.63	8.63	-	2.00	18.54	6.46	2.50	0.06	29.55	-	29.55	
<b>Subtotal</b>	-	41.50	41.50	-	2.37	75.07	30.62	12.83	0.48	121.37	35.52	156.89	
(-) Withdrawn	-	-	-	-	-	-	-	-	-	-	-	-	
<b>Total</b>	-	41.50	41.50	-	2.37	75.07	30.62	12.83	0.48	121.37	35.52	156.89	
<b>Net Carrying amount As at 31 March 2023</b>	1,872.20	57.72	1,929.93	31.86	27.38	85.42	22.92	8.44	0.16	176.19	-	176.19	
<b>Cost of Assets</b>													
As at 01 April 2021	128.75	99.23	227.98	31.86	3.60	129.62	40.18	16.25	0.67	222.18	35.52	257.70	
(+) Additions	-	-	-	-	6.23	0.17	6.81	4.47	-	17.68	-	17.68	
<b>Subtotal</b>	128.75	99.23	227.98	31.86	9.83	129.79	46.99	20.72	0.67	239.87	35.52	275.39	
(-) Sale/deletion				-	-	-0.07	-	-0.19	-0.03	-0.29	-	-0.29	
<b>Total</b>	128.75	99.23	227.98	31.86	9.83	129.72	46.99	20.53	0.64	239.59	35.52	275.10	
<b>Depreciation</b>													
Upto 31 March 2021	-	20.80	20.80	-	0.02	37.70	17.62	7.78	0.37	63.49	35.31	98.79	
(+) For the Year	-	12.07	12.07	-	0.35	18.81	6.55	2.61	0.07	28.39	0.21	28.60	
<b>Subtotal</b>	-	32.87	32.87	-	0.36	56.51	24.17	10.39	0.44	91.87	35.52	127.39	
(-) Withdrawn	-	-	-	-	-	0.02	-	-0.06	-0.02	-0.06	-	-0.06	
<b>Total</b>	-	32.87	32.87	-	0.36	56.53	24.17	10.33	0.43	91.82	35.52	127.33	
<b>Net Carrying amount As at 31 March 2022</b>	128.75	66.35	195.11	31.86	9.47	73.19	22.83	10.20	0.22	147.77	0.00	147.76	

## NOTES TO THE ACCOUNTS (Contd.)

### Fair Value of Investment Property

(₹ in lakhs)

	Land	Building	Total
At 31 March 2023	49,899.83	262.76	50,162.59
At 31 March 2022	43,681.60	291.76	43,973.36

### 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)

	31.03.23	31.03.22
Rental Income derived from Investment Properties	192.87	187.10
Direct Operating Expenses (including repairs and maintenance)	(18.65)	(7.41)
Profit arising from Investment Properties before Depreciation	174.22	179.69
Depreciation	(8.63)	(12.07)
Profit arising from Investment Properties	165.59	167.62

### NOTE 8 : Other Non-Financial Assets

(₹ in lakhs)

Particulars	March 31, 2023	March 31, 2022
Prepaid expenses	8.11	27.33
Other advances	38.50	19.20
GST Input Credit	12.90	12.39
Total	59.50	58.92

**NOTES TO THE ACCOUNTS (Contd.)**
**Note 9: Payables**

(₹ in lakhs)

Particulars	March 31, 2023	March 31, 2022
Trade payables		
(i) Total outstanding due to micro and small enterprises 31e	1.81	1.12
(ii) Total outstanding due to creditors other than micro and small enterprises		
- For Expenses *	23.28	26.04
- For Others		
<b>Total</b>	<b>25.09</b>	<b>27.16</b>

\* Refer Note 29 for related party transaction

**Trade Payables ageing schedule - 31 March 2023**

(₹ in lakhs)

Particulars	Outstanding for following periods from due date of payment			
	Not Due	Less than 1 year	> 1 year	Total
(i) MSME	-	1.81	-	1.81
(ii) Others	-	23.28	-	23.28
(iii) Disputed dues – MSME	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-

**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 year	Total
(i) MSME	-	1.12	-	1.12
(ii) Others	-	26.04	-	26.04
(iii) Disputed dues – MSME	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-

**Note 10 : Other Financial Liabilities**

(₹ in lakhs)

Particulars	March 31, 2023	March 31, 2022
Accrued expenses	35.50	33.36
Other Liabilities	41.86	39.40
<b>TOTAL</b>	<b>77.36</b>	<b>72.76</b>

## NOTES TO THE ACCOUNTS (Contd.)

### Note 11 : Provisions

(₹ in lakhs)

Particulars	March 31, 2023	March 31, 2022
Provision for Employee Benefits	111.49	178.73
Provision for expenses	20.00	23.84
<b>TOTAL</b>	<b>131.49</b>	<b>202.57</b>

### Note 12 : Deferred Tax Liabilities (NET)

(₹ in lakhs)

Particulars	March 31, 2023	March 31, 2022
<b>Deferred tax liabilities</b>		
On Investments	44,014.47	8,735.83
<b>Deferred tax assets</b>		
On Investments	(1,577.08)	(258.85)
On Employee Benefits	(14.84)	(24.11)
On Property, Plant & Equipment	(8.63)	(10.56)
On Security Deposits	(0.17)	(0.41)
On others	(48.10)	(64.13)
<b>Total</b>	<b>42,365.65</b>	<b>8,377.76</b>

### Note 13 : Other Non-Financial Liabilities

(₹ in lakhs)

Particulars	March 31, 2023	March 31, 2022
Statutory Liabilities	55.79	60.37
<b>TOTAL</b>	<b>55.79</b>	<b>60.37</b>

**NOTES TO THE ACCOUNTS (Contd.)**
**Note 14: Equity Share Capital**

	As at 31 <sup>st</sup> March 2023		As at 31 <sup>st</sup> March 2022	
	No. of Shares	₹ in lakhs	No. of Shares	₹ in lakhs
<b>Authorised</b>				
32,00,00,000 Equity shares of face value of ₹5/- each	320000000	16,000.00	320000000	16,000.00
Issued, Subscribed and fully paid up:				
22,21,03,860 Equity shares of face value of ₹5/- each	222103860	11,105.19	151103860	7,555.19
Changes in Share Capital due to changes in Accounting Policies and prior period errors	-	-	-	-
<b>Changes in Share Capital in the current reporting period</b>	-	-	<b>71000000</b>	<b>3,550.00</b>
<b>Issued during the year</b>	-	-	-	-
	<b>222103860</b>	<b>11,105.19</b>	<b>222103860</b>	<b>11,105.19</b>

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 31.03.2023	No. of shares	% held as at 31.03.2022
Sundaram Finance Limited	Promoter	5,21,76,605	23.49%	5,21,76,605.00	23.49%

Shares held by promoters at the end of the year

Promoter Name	No of Shares	% of Total Shares	% change during the year
M/S. Sundaram Finance Limited	5,21,76,605	23.49%	-
Mr S. Viji	55,93,103	2.52%	0.26%
M/S. Raghuvamsa Holdings Private Limited	45,01,306	2.03%	-
Mr S. Ram	44,03,473	1.98%	-
M/S. Uthirattadhi Sriram Holdings Private Limited	27,93,522	1.26%	-
M/S. Allegro Holdings Private Limited	27,60,934	1.24%	-
M/S. Silver Oak Holdings Private Limited	27,44,080	1.24%	-
Mr Srikanth Ramanujam	27,20,536	1.22%	-
Mr R. Ramanujam	26,47,864	1.19%	-
Mr Srivats Ram	26,42,338	1.19%	-
Mrs Nivedita Ram	25,70,111	1.16%	-
Mr Harsha Viji	24,57,341	1.11%	-
M/S. Padmalakshmi Holdings Private Limited	24,23,561	1.09%	-
M/S. Rohini Holdings Private Limited	21,72,948	0.98%	-



NOTES TO THE ACCOUNTS (Contd.)

Promoter Name	No of Shares	% of Total Shares	% change during the year
Mr Sriram Viji	19,47,888	0.88%	-
M/S. Revathi Holdings Private Limited	19,34,516	0.87%	-
Mrs Gita Ram	17,92,389	0.81%	-
Mr Arjun Rangarajan	15,57,420	0.70%	-
M/S. Azorious Holdings Private Limited	14,74,811	0.66%	-
Mr Sumanth Ramanujam	13,82,948	0.62%	-
Mrs Chitra Viji	13,20,016	0.59%	-
Mrs Vijaya Rangarajan	12,09,854	0.54%	-
Ms S Hema	11,22,646	0.51%	-
M/S. Maham Holdings Limited	9,70,435	0.44%	-
Mrs Thanjam Ravindran	8,44,119	0.38%	-
Mr Jaideep Chakravarthy	6,85,198	0.31%	-
Mrs Prema Ramanujam	6,74,391	0.30%	-
Mr Pradeep Chakravarthy	6,67,986	0.30%	-
Mrs Lily Vijayaraghavan	6,35,436	0.29%	-
Mr Ananth Ramanujam	6,20,940	0.28%	-
Mrs Vijaya Rangarajan & Mr S Ram	6,09,896	0.27%	-
Mrs Usha Raghavan	5,89,992	0.27%	-
Mrs Choodamani Narayanan	5,38,494	0.24%	-
Mr K Vasudevan	4,22,437	0.19%	-
Mrs Lakshmi Vasudevan	4,09,011	0.18%	-
Miss Tulsi S Ramanujam	3,97,367	0.18%	-
Mrs Anuradha Raghavan	3,97,264	0.18%	-
Mr S Ravindran (Huf)	3,69,815	0.17%	-
Mr Sharath Vijayaraghavan	3,68,844	0.17%	-
Mr S. Kishore & Mr A.M. Srinivasan	3,66,940	0.17%	-
Mr Daya Ambirajan	3,54,365	0.16%	-
Mrs Lily Vijayaraghavan & Mrs Sashi Parthasarathy	3,53,312	0.16%	-
Mr S Ravindran	3,52,182	0.16%	-
Mr Sharath Vijayaraghavan (Huf)	3,15,000	0.14%	-
Mr Aditya S. Ramanujam	3,00,646	0.14%	-
Mr T T Narendran, Mrs Vimala Rangaswamy & Mrs Padmini Narendran	2,39,492	0.11%	-

**NOTES TO THE ACCOUNTS (Contd.)**

Promoter Name	No of Shares	% of Total Shares	% change during the year
Mr Shreyas Ravindran and Mr Srinivasan Ravindran	2,00,339	0.09%	-
Mr Ananth Krishnan	2,00,300	0.09%	-
Mr Akshay Krishnan	2,00,300	0.09%	-
Mrs Lily Vijayaraghavan & Mr Badri Vijayaraghavan"	1,97,776	0.09%	-
Mrs Lily Vijayaraghavan & Mr Sharath Vijayaraghavan	1,97,776	0.09%	-
Mr T T Srinivasa Raghavan (Huf)	1,96,868	0.09%	-
Mr S. Viji (Huf-2)	1,82,160	0.08%	-
Miss Tarika Ram (Minor)	1,69,840	0.08%	-
Mrs Bagyam Raghavan & Mr T T Venkatraghavan	1,66,493	0.07%	-
Mr N Krishnan	1,64,853	0.07%	-
Mrs Indira Krishnaswami	1,62,180	0.07%	-
Mr T T Srinivasaraghavan & Mr T T Narendran	1,61,632	0.07%	-
Mr T T Srinivasaraghavan & Mrs Bagyam Raghavan	1,61,632	0.07%	-
Master Ranjan Ambirajan	1,59,929	0.07%	-
Mrs Padmini Narendran & Mr T T Hayagreevan	1,55,819	0.07%	-
Mr Shriram Vijayaraghavan (Huf)	1,55,000	0.07%	-
Mr N Krishnan (Huf)	1,49,278	0.07%	-
Mr Narayanan Ramji	1,42,148	0.06%	-
Mr Shreen Raghavan	1,41,833	0.06%	-
Mr T T Narendran (Huf)	1,39,691	0.06%	-
Mrs Vimala Rangaswamy, Mr T T Narendran & Mrs Padmini Narendran	1,39,627	0.06%	-
Mr Narayanan Ramji (Huf)	1,36,160	0.06%	-
Mr T T Srinivasaraghavan, Mrs Vimala Rangaswamy & Mrs Bagyam Raghavan	1,35,970	0.06%	-
Mr T T Narendran & Mrs Padmini Narendran	1,32,244	0.06%	-
Mr Srivats Ram (Huf)	1,23,370	0.06%	-
Mrs Vimala Rangaswamy, Mr T T Srinivasaraghavan & Mr T T Venkatraghavan	1,21,465	0.05%	-
Mr T T Narendran & Mrs Padmini Narendran	1,17,551	0.05%	-
Mr Vishnu Vijayaraghavan	1,11,649	0.05%	-
Ms Sanjana Tara Ramanujam	1,09,034	0.05%	-
Mr S Raghavan	1,03,492	0.05%	-
Mrs Rupa Srikanth	1,03,133	0.05%	-

NOTES TO THE ACCOUNTS (Contd.)

Promoter Name	No of Shares	% of Total Shares	% change during the year
Mr Badri Vijayaraghavan	1,00,000	0.05%	-
Mrs Lakshmi Vijayaraghavan	91,155	0.04%	-
Mrs Rama Sridharan	85,920	0.04%	-
Mrs Aruna Sankaranarayanan	83,520	0.04%	-
Mr T T Rangaswamy (Huf-1)	72,476	0.03%	-
Mr T.T. Rangaswamy, Mr T.T. Narendran & Mr T.T. Hayagreevan	72,293	0.03%	-
Mr T.T. Rangaswamy, Mr T.T. Venkatraghavan & Mr T.T. Srinivasaraghavan	71,453	0.03%	-
Mr K Vasudevan & Mrs Lakshmi Vasudevan	68,167	0.03%	-
Mr Srinivas Raghavan	39,732	0.02%	-
Mrs Dangety Krishnakumari	34,271	0.02%	-
Mr T T Rangaswamy (Huf-2)	28,459	0.01%	-
Miss Gitanjali Jeevan Jose, Rep By M/G Mrs Divya Jeevan Jose	14,693	0.01%	-
Master P Siddhartha Jeevan, Rep By M/G Mrs Divya Jeevan Jose	14,693	0.01%	-
Kavitha Gorur Keshav & Mr T T Hayagreevan	14,693	0.01%	-
Nakshatra Hayagreevan (Minor)	14,693	0.01%	-
Master T T Samitinjayan Rep. By E/G Mr T T Hayagreevan	14,693	0.01%	-
Mr R. Ramanujam (Huf)	14,682	0.01%	-
Mr C B Srinivasan	14,106	0.01%	-
Mr S. Viji & Mrs Chitra Viji	12,760	0.01%	-
Mr Srikanth Ramanujam (Huf)	11,755	0.01%	-
Mr Shreen Raghavan (Huf)	5,115	0.00%	-
Mr Sriram Viji & Mrs Chitra Viji	4,637	0.00%	-
Mr Harsha Viji & Mrs Chitra Viji	4,637	0.00%	-
Mr Srikanth Ramanujam & Mrs Rupa Srikanth	4,472	0.00%	-
Mr S Sundaram	4,000	0.00%	-
Mr A.M. Srinivasan & Mr S. Kishore	664	0.00%	-
Mr A M Srinivasan	176	0.00%	-
Mr S. Viji (Huf-1)	-	0.00%	-0.26%
<b>Total</b>	<b>12,34,71,229</b>	<b>55.59%</b>	<b>-</b>

**NOTES TO THE ACCOUNTS (Contd.)**
**Note 15: Other equity**

(₹ in lakhs)

Particulars	Reserves and Surplus					Gains/ (Losses) from equity instruments through OCI	Total
	Capital Reserve	General Reserve#	ESOP Reserve	Securities Premium	Retained Earnings		
Balance as at 01 April 2021	1,874.68	13,108.02	-	-	18,162.30	1,01,812.83	1,34,957.83
Add:							
(a) Profit or loss for the period					4,691.08		4,691.08
(b) Other comprehensive income					(14.86)	31,485.82	31,470.96
(c) Securities premium proceeds received on rights issue of equity shares				31,950.00			31,950.00
(d) ESOP contribution scheme of Parent company			6.64				6.64
Less:							
(e) Rights issue expenses (net of taxes)				(238.36)			(238.36)
(f) Final Dividend for FY 20-21					(1,110.56)		(1,110.56)
(g) Special Dividend for FY 21-22					(2,221.04)		(2,221.04)
Transfer on account of Sale of Equity instruments measured at FVTOCI (net of tax)					15,474.66	(15,474.66)	-
Balance as at 01 April 2022	1,874.68	13,108.02	6.64	31,711.64	34,981.58	1,17,823.99	1,99,506.55
Add:							
(a) Profit or loss for the period					9,475.07		9,475.07
(b) Other comprehensive income					(6.95)	1,98,291.14	1,98,284.19
(c) ESOP contribution scheme of Parent company			4.89				4.89
Less:							
(d) Adjustment on account of reclassification of Equity instruments measured at FVTOCI (net of tax)						(40,422.21)	(40,422.21)
(e) Final Dividend for FY 21-22					(3,886.86)		(3,886.86)
(f) Special Dividend FY 22-23					(3,331.56)		(3,331.56)
Transfer on account of Sale of Equity instruments measured at FVTOCI (net of tax)					23,091.14	(23,091.14)	-
<b>Balance as at 31 Mar 2023</b>	<b>1,874.68</b>	<b>13,108.02</b>	<b>11.53</b>	<b>31,711.64</b>	<b>60,322.42</b>	<b>2,52,601.79</b>	<b>3,59,630.07</b>

\* **FVOCI** - The Company has elected to recognise changes in the FV of all 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.)

### Note 16: Interest Income

(₹ in lakhs)

Particulars	March 31, 2023	March 31, 2022
Interest income from investments measured at		
- FVTOCI	-	-
- Amortised Cost	-	21.97
- FVTPL	113.70	5.70
<b>Total</b>	<b>113.70</b>	<b>27.67</b>

### Note 17: Net Gain/(Loss) on Fair Value Changes

(₹ in lakhs)

Particulars	March 31, 2023	March 31, 2022
Net gain/(Loss) on financial instruments at FVTPL		
Investments	1,582.05	787.92
Fair Value changes:		
- Realised	376.83	203.34
- Unrealised	1,205.22	584.58
<b>Total</b>	<b>1,582.05</b>	<b>787.92</b>

### Note 18: Other Income

(₹ in lakhs)

Particulars	March 31, 2023	March 31, 2022
Interest Receipts	10.91	5.05
Rent Receipts	192.87	187.10
Other Non-Operating Income	18.95	3.88
<b>Total</b>	<b>222.73</b>	<b>196.03</b>

### Note 19: Finance Cost

(₹ in lakhs)

Particulars	March 31, 2023	March 31, 2022
Interest on income tax	4.97	3.71
Interest-others	6.07	9.34
<b>Total</b>	<b>11.04</b>	<b>13.05</b>

**Note 20: Employee Benefit Expenses**

(₹ in lakhs)

Particulars	March 31, 2023	March 31, 2022
Salaries, bonus and commission	1,089.63	1,160.39
Contribution to Provident and Other Funds 29a	79.87	95.24
Staff welfare expenses	35.05	28.96
Staff Recruitment and Training Expenses	3.08	1.02
<b>Total</b>	<b>1,207.64</b>	<b>1,285.61</b>

**Note 21: Administrative And Other Expenses (\*)**

(₹ in lakhs)

Particulars	March 31, 2023	March 31, 2022
Rent	15.55	7.17
Rates and taxes	20.30	9.32
Electricity expenses	31.26	24.92
Communication expenses	17.46	16.41
Outsourcing cost	69.20	65.50
CSR Expenditure 31d	15.05	40.00
Audit Fees 31f	21.10	20.40
Repairs and Maintenance	55.04	34.36
Professional fees	154.52	141.76
Commission to KMP and Directors	20.00	21.00
Director sitting fee	12.85	16.50
Filing fee	0.02	0.04
Listing fee	7.51	5.71
Miscellaneous expenses	83.51	69.02
<b>Total</b>	<b>523.36</b>	<b>472.11</b>

(\*) Refer Note 28 for related party transactions

## NOTES TO THE ACCOUNTS (Contd.)

### Note 22 : 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 2023	31 March 2022
Income tax expenses recognized in the Statement of Profit and Loss	690.65	231.71
Tax recognised in OCI on account of derecognition	115.20	649.43
<b>Income tax expenses pertaining to current year</b>	<b>805.85</b>	<b>881.14</b>

(₹ in lakhs)

Particulars	31 March 2023	31 March 2022
<b>Profit before tax</b>	<b>10,724.12</b>	<b>5,043.49</b>
Enacted income tax rate in India	25.17%	25.17%
<b>Tax using the Company's domestic tax rate :</b>	<b>2,699.05</b>	<b>1,269.34</b>
<b>Effect of:</b>		
Allowance of deduction under section 80M	(1,816.73)	(838.50)
Set-off of carried forward loss	(37.22)	(219.97)
Effect of differential overseas tax rate	-	(202.52)
Other allowance	(320.16)	(143.91)
Disallowance of impairment loss	135.91	284.74
Expenses disallowed	22.38	22.90
Exempted / Non taxable income	-	(0.38)
Prior period tax	7.42	60.01
<b>Income tax expenses recognized in the Statement of Profit and Loss</b>	<b>690.65</b>	<b>231.71</b>

**NOTES TO THE ACCOUNTS (Contd.)**
**B. Recognised Deferred Tax Assets and Liabilities**
**Deferred tax assets / liabilities as at 31<sup>st</sup> March 2023:**

(₹ in lakhs)

Particulars	As at 1 <sup>st</sup> April 2022	Recognized in Statement of Profit or Loss	Recognized in Other Comprehensive Income *	Recognized in Other Equity	As at 31 <sup>st</sup> March 2023
<b>Deferred tax Assets</b>					
Property, plant and Equipment	10.56	(1.93)	-	-	8.63
Impairment on investment valued at cost	258.85	(258.85)	-	-	0.00
Provisions - employee benefits	24.11	(9.29)	-	-	14.82
Other items	64.54	(16.28)	-	-	48.26
	<b>358.06</b>	<b>(286.35)</b>	-	-	<b>71.71</b>
<b>Deferred tax Liabilities</b>					
Investments at fair value through profit or loss	131.62	272.05	-	-	403.67
Investments at fair value through OCI	8,604.20	-	40,693.72	(7,264.22)#	42,033.70
	<b>8,735.82</b>	<b>272.05</b>	<b>40,693.72</b>	<b>(7,264.22)</b>	<b>42,437.37</b>
<b>Net deferred tax (Assets) / Liabilities</b>	<b>8,377.76</b>	<b>558.40</b>	<b>40,693.72</b>	<b>(7,264.22)</b>	<b>42,365.66</b>
Current tax recognised during the current period		690.65	115.20		
<b>Total tax expenses recognized in the Statement of Profit and Loss</b>		<b>1,249.05</b>	<b>40,808.92</b>		

\* 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 31<sup>st</sup> March 2022:**

(₹ in lakhs)

Particulars	As at 1 <sup>st</sup> April 2021	Recognized in Statement of Profit or Loss	Recognized in Other Comprehensive Income *	Recognized in Other Equity	As at 31 <sup>st</sup> March 2022
<b>Deferred tax Assets</b>					
Property, plant and Equipment	10.18	0.38	-	-	10.56
Impairment on investment valued at cost	-	258.85	-	-	258.85
Carry forwarded loss	132.72	(132.72)	-	-	0.00
Minimum Alternate Tax (MAT) Credit	145.03	(145.03)	-	-	0.00
Provisions - employee benefits	14.50	9.61	-	-	24.11
Other items	0.48	(0.07)	-	64.13	64.54
	<b>302.90</b>	<b>(8.96)</b>	<b>0.00</b>	<b>64.13</b>	<b>358.06</b>
<b>Deferred tax Liabilities</b>					
Investments at fair value through profit or loss	19.88	111.74	-	-	131.62
Investments at fair value through OCI	10,199.80	-	(946.17)	(#) (649.43)	8,604.20
	<b>10,219.68</b>	<b>111.74</b>	<b>(946.17)</b>	<b>-</b>	<b>8,735.82</b>
<b>Net deferred tax (Assets) / Liabilities</b>	<b>9,916.78</b>	<b>120.70</b>	<b>(946.17)</b>	<b>(64.13)</b>	<b>8,377.76</b>
Current tax recognised during the current period		231.71	-	-	
<b>Total tax expenses recognized in the Statement of Profit and Loss</b>		<b>352.41</b>	<b>(946.17)</b>		

\* 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



## NOTES TO THE ACCOUNTS (Contd.)

### Note 23: Leases

#### (i) Company as Lessee

##### Movement of Right of Use asset

(₹ in Lakhs)

Particulars	31 <sup>st</sup> March 2023	31 <sup>st</sup> March 2022
Opening Balance	90.75	112.75
Less : Modifications	43.94	-
Less : Depreciation on Right of Use Assets	16.73	22.00
Closing balance	30.08	90.75

##### Movement of Lease Liability

(₹ in Lakhs)

Particulars	31 <sup>st</sup> March 2023	31 <sup>st</sup> March 2022
Opening Balance	109.62	126.68
Less : Modifications	54.79	-
Add : Finance cost	6.07	9.34
Less : Repayments	22.58	26.41
Closing balance	38.32	109.61

##### Details regarding the contractual maturities of lease liabilities as at March 31, 2023 on an undiscounted basis.

(₹ in Lakhs)

Future minimum lease payable	31 <sup>st</sup> March 2023	31 <sup>st</sup> March 2022
Not later than 1 year	13.28	29.87
Later than 1 year and not later than 5 years	30.22	99.43
Later than 5 years	-	-

##### Other Rental expenses categorised as short term and low value

(₹ in Lakhs)

Particulars	31 <sup>st</sup> March 2023	31 <sup>st</sup> March 2022
Equipment Rent (Low value)	1.72	1.40
Immovable Property Rent ( Short term)	20.85	8.88

#### (ii) Company as Lessor

Undiscounted lease payments to be received on annual basis for first 5 years - ₹ 192.87 lakhs (Previous year - ₹189.24 Lakhs)

## NOTES TO THE ACCOUNTS (Contd.)

### Note 24 : 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 25 : 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 2023	Carrying amount	Level 1	Level 2	Level 3
<b>Financial assets measured at Amortized cost</b>				
<b>Preference securities</b>	-	-	-	-
Trade receivables	164.85	-	-	-
Cash and cash equivalents	57.72	-	-	-
Other Financial Assets	39.37	13.71	6.33	19.33
Loans	4.03	-	4.03	-
<b>FVTPL</b>				
Mutual Fund	42,256.40	42,256.40	-	-
Preference securities	686.37	-	686.37	-
<b>FVTOCI</b>				
Equity instruments*	3,64,703.74	1,23,943.06	1,646.54	2,39,114.14
<b>Financial Liabilities measured at Amortized cost</b>				
Trade and other payables	25.09	-	-	-
Lease Liability	38.32	-	38.32	-
Other Financial Liabilities	76.61	-	-	-

\* Excluding Investment in Subsidiary as given in Note 4

NOTES TO THE ACCOUNTS (Contd.)

(₹ in Lakhs)

As at 31 March 2022	Carrying amount	Level 1	Level 2	Level 3
<b>Financial assets measured at Amortized cost</b>				
<b>Preference securities</b>	1,500.00	-	1,500.00	-
Trade receivables	160.27	-	-	-
Cash and cash equivalents	55.79	-	-	-
Other Financial Assets	799.36	779.96	13.03	6.37
Loans	10.12	-	10.12	-
<b>FVTPL</b>				
Mutual Fund	18,200.23	17,232.03	968.20	-
Preference securities	686.26	-	686.26	-
<b>FVTOCI</b>				
Equity instruments*	1,67,146.54	95,524.50	-	71,622.04
<b>Financial Liabilities measured at Amortized cost</b>				
Trade and other payables	27.16	-	-	-
Lease Liability	109.61	-	109.61	-
Other Financial Liabilities	72.76	-	-	-

\* 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 transfers between level 1 and level 2 during the year.

## NOTES TO THE ACCOUNTS (Contd.)

### Note 26 : 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 2023	31 March 2022
Trade payables	25.09	27.16
Other financial Liabilities	77.36	72.76

#### (b) Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty 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 2023	31 March 2022
Trade receivables	165.60	160.27
Loss allowance	-	-
Carrying amount	165.60	160.27

### (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 31<sup>st</sup> March, 2023 is the carrying value of each class of financial assets as on that date.

### (iii) Cash and Cash Equivalents

The Company held cash and cash equivalents of INR 57.72 lakhs as on March 31, 2023 (March 31, 2022 : INR 55.79 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 2023	31 March 2022	31 March 2023	31 March 2022	31 March 2023	31 March 2022
Quoted Equity investments	1.00%	1.00%	1,239.00	9,55.24	(1,239.00)	(9,55.24)
Unquoted Equity investments	1.00%	1.00%	2,407.61	7,01.70	(2,407.61)	(7,01.70)
Mutual Fund investments	1.00%	1.00%	422.56	1,82.00	(422.56)	(1,82.00)

### 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 27: 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 27.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 27.a for the Trade Receivable balances.

Revenue from sale of services and the trade receivable for the year ended March 31, 2023 and March 31, 2022 is as follows:

#### Note 27.a

(₹ in Lakhs)

Particulars	31 <sup>st</sup> March 2023	31 <sup>st</sup> March 2022
Sale of Services		
- Support Services	1,255.25	1,220.54
- Learning Income	143.82	131.89
Trade Receivables	164.85	160.27

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## 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

##### Fellow Subsidiaries

Sundaram Asset Management Company Limited

SAMC Support Services Private Limited (Formerly known as Principal Asset Management Private Limited)

SAMC Trustee Private Limited (Formerly known as Principal Trustee Company Private Limited)

SAMC Services Private Limited (Formerly known as Principal Retirement Advisors Private Limited)

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

##### Key Management Personnel (KMP):

Sri. Harsha Viji - Chairman

Sri. S.Ravi-Chief Executive Officer

Sri I S Suresh - Chief Financial Officer

Sri S. Kalyanaraman - Secretary and Compliance Officer  
(w.e.f 01st June 2022)

##### Subsidiary

Sundaram Business Services Limited

##### Joint Venture of Holding Company

Royal Sundaram General Insurance Co. Ltd.

##### Associate Companies

Brakes India Private Limited (w.e.f 27 Jul 2022)

Wheels India Limited

Turbo Energy Private Limited

Axles India Limited

India Motor Parts & Accessories Limited (w.e.f 03 Aug 2022)

Dunes Oman LLC (FZC)

Sundaram Hydraulics Limited

Transenergy Private Limited

Sundaram Dynacast Private Limited

Mind Srl

Sundaram Composite Structures Private Limited

Flometallic India Private Limited (till 27 July 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	2022-23	2021-22
<b>Income</b>								
<b>Dividend Income</b>								
Turbo Energy Private Limited	-	-	3,456.00	-	-	-	3,456.00	1,638.40
Brakes India Private Limited	-	-	3,148.79	-	-	-	3,148.79	-
Wheels India Limited	-	-	637.10	-	-	-	637.10	56.01
India Motor Parts & Accessories Limited (IMPAL)	-	-	224.64	-	-	-	224.64	-
Axles India Limited	-	-	395.67	-	-	-	395.67	-
Sundaram Dynacast Private Limited	-	-	187.20	-	-	-	187.20	140.40
Sundaram Business Services Limited	-	167.75	-	-	-	-	167.75	411.34
Sundaram Asset Management Company Ltd (SAMCL)	-	-	-	101.25	-	-	101.25	101.25
Transenergy	-	-	12.00	-	-	-	12.00	-
<b>Income from Services</b>								
Sundaram Finance Limited	1,141.78	-	-	-	-	-	1,141.78	1,164.47
Royal Sundaram General Insurance Co. Ltd	-	-	-	-	105.89	-	105.89	69.70
Sundaram Home Finance Ltd	-	-	-	54.81	-	-	54.81	53.93
Sundaram Asset Management Company Ltd	-	-	-	24.95	-	-	24.95	28.92
Wheels India Limited	-	-	16.58	-	-	-	16.58	9.11
Sundaram Alternate Assets Limited	-	-	-	3.84	-	-	3.84	3.84
Sundaram Fund Services Ltd	-	-	-	0.60	-	-	0.60	0.60
Brakes India Private Limited	-	-	0.72	-	-	-	0.72	-
Turbo Energy Private Limited	-	-	0.05	-	-	-	0.05	-



NOTES TO THE ACCOUNTS (Contd.)

(₹ in lakhs)

Nature of Transactions	Holding Company	Subsidiary	Associates	Fellow Subsidiaries	Joint Venture of Holding Company	KMP	2022-23	2021-22
<b>Rental Income</b>								
Sundaram Finance Limited	98.30	-	-	-	-	-	98.30	96.80
Turbo Energy Private Limited	-	-	38.14	-	-	-	38.14	37.53
Brakes India Private Limited	-	-	29.32	-	-	-	29.32	-
<b>Reimbursements</b>								
Sundaram Business Services Limited	-	2.06	-	-	-	-	2.06	
<b>Expenses</b>								
<b>Sundaram Finance Limited</b>								
Rent & other Amenities	9.28	-	-	-	-	-	9.28	8.88
Internal Audit fees	6.00	-	-	-	-	-	6.00	6.00
Reimbursement Expenses	0.03	-	-	-	-	-	0.03	0.15
Employees Stock Options	4.89	-	-	-	-	-	4.89	6.64
Employee Benefit Transfers	8.37	-	-	-	-	-	8.37	6.22
<b>Sundaram Business Services Limited</b>								
Outsourcing Cost	-	50.99	-	-	-	-	50.99	48.64
Amenities Reimbursement	-	9.56	-	-	-	-	9.56	9.58
<b>Brakes India Private Limited</b>								
Reimbursement of Professional Fees	-	-	66.81	-	-	-	66.81	-
<b>Sundaram Home Finance Limited</b>								
Amenities Reimbursement	-	-	-	1.04	-	-	1.04	0.21
<b>Royal Sundaram General Insurance Co. Limited</b>								
Insurance	-	-	-	-	2.88	-	2.88	8.69
<b>Remuneration paid to KMP**</b>						121.30	121.30	115.68

**NOTES TO THE ACCOUNTS (Contd.)**

Nature of Transactions	Holding Company	Subsidiary	Associates	Fellow Subsidiaries	Joint Venture of Holding Company	KMP	2022-23	2021-22
Employee benefit transfers								
<b>Sundaram Finance Limited</b>								7.40
<b>Sundram Business Service</b>								3.90
<b>Other Transactions - Investments</b>								
Purchase of Equity Shares - Wheels India Limited			829.87				829.87	-
Purchase of Equity Shares - Transenergy Private Limited		-	621.26				621.26	-
Purchase of Equity Shares - IMPAL			749.57				749.57	-
Redemption of Preference Shares - SAMCL			-	1,500.00	-	-	1,500.00	-
Purchase of Equity Shares - Mind S.r.l			-	-	-	-	-	1,717.42
Purchase of Equity Shares - Flometallic			-	-	-	-	-	1,249.56
Capital Reduction Dunes Oman LLC			-	-	-	-	-	1972.04
Purchase of Equity Shares - Sundaram Composites			-	-	-	-	-	2,400.00
Sale of Equity Shares - Sundaram Composites			-	-	-	-	-	453.20
<b>Insurance Deposit</b>								
Royal Sundaram General Insurance Co. Ltd					2.34		2.34	0.72

NOTES TO THE ACCOUNTS (Contd.)

(₹ in lakhs)

Nature of Transactions	Holding Company	Subsidiary	Associates	Fellow Subsidiaries	Joint Venture of Holding Company	KMP	2022-23	2021-22
<b>Receivables:</b>								
Sundaram Finance Limited	113.23	-	-	-	-	-	113.23	133.99
Sundaram Asset Management Company Ltd	-	-	-	0.53	-	-	0.53	2.84
Sundaram Fund Services Ltd	-	-	-	0.06	-	-	0.06	0.06
Sundaram Home Finance Ltd	-	-	-	0.16	-	-	0.16	-
Royal Sundaram General Insurance Co. Ltd	-	-	-	-	3.76	-	3.76	7.03
Sundaram Alternate Assets Limited	-	-	-	0.38	-	-	0.38	0.38
Turbo Energy Private Limited	-	-	3.90	-	-	-	3.90	-
Wheels India Limited	-	-	1.70	-	-	-	1.70	0.86
Sundaram Business Services Ltd	-	-	-	-	-	-	-	4.57
<b>Payables:</b>								
Sundaram Finance Limited	-	-	-	-	-	-	-	0.51
Sundaram Asset Management Company Ltd	-	-	-	-	-	-	-	0.01
Sundaram Business Services Ltd	-	-	-	-	-	-	-	4.66

**\*\* Remuneration to KMP**

(₹ in Lakhs)

Particulars	2022-23	2021-22
Short term Employee benefits	121.30	110.68
Post Employment benefits	-	-
Other long term employee benefits	-	-
Termination benefits	-	-
Others (Commission)	-	5.00
<b>TOTAL</b>	<b>121.30</b>	<b>115.68</b>

\* Refer Note No. 29b

**NOTES TO THE ACCOUNTS (Contd.)**
**Note 29 : Employee Benefits: Defined Contribution Plan**

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

**Note 29a : Contribution to PF & Other Funds**

(₹ in lakhs)

Particulars	2022-23	2021-22
Contribution to Provident Fund	61.88	61.76
Contribution to Superannuation Fund	4.31	4.17
Contribution to Labour Welfare Fund	0.10	0.05

**Note 29b : Employee Benefits: Defined Benefit Plan - Gratuity**
**(i) A. Reconciliation of opening and closing balances of the present value of the defined benefit obligation**

(₹ in lakhs)

Particulars	31 <sup>st</sup> March 2023	31 <sup>st</sup> March 2022
Present Value of Defined Benefit Obligation at the beginning of the Period	210.34	179.26
Service Cost		
a. Current Service Cost	32.00	28.90
b. Past Service Cost		-
c. (Gain)/Loss on Curtailments		-
d. (Gain)/Loss on Settlements		-
Interest Expense	12.13	11.81
Remeasurements		
a. Effect of Changes in Demographic Assumptions		-
b. Effect of Changes in Financial Assumptions	(3.89)	(3.02)
c. Effect of Experience Adjustments	(2.85)	19.19
Cashflows		
a. Benefit Payments		
(i) From the Plan	(56.00)	(25.80)
(ii) Directly from the Employer		-
b. Settlement Payments from the Plan		-
c. Participant Contributions		-
Effect of Business Combinations / Disposals		-
<b>Present Value of Defined Benefit Obligation at the end of the Period</b>	<b>191.73</b>	<b>210.34</b>

## NOTES TO THE ACCOUNTS (Contd.)

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

(₹ in lakhs)

Particulars	31 <sup>st</sup> March 2023	31 <sup>st</sup> March 2022
Fair value of plan assets as at the beginning of the period	193.19	185.17
Interest Income on Plan Assets	11.97	11.45
Cash Flows		
a. Benefit Payments		
(i) From the Plan	(56.00)	(25.80)
(ii) Directly from the Employer		-
b. Settlement Payments from the Plan		-
c. Participant Contributions		-
d. Total Employer Contributions		
(i) Employer Contributions	29.50	26.05
(ii) Employer Direct Benefit Payments		-
Remeasurements		
a. Actual Return on Plan Assets	2.55	(3.69)
Effect of Business Combinations / Disposals		-
Effect of Changes in Foreign Exchange Rates		-
<b>Fair value of plan assets as at the end of the period*</b>	<b>181.21</b>	<b>193.19</b>

\*All the plan assets are funded with LIC

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

(₹ in lakhs)

Particulars	31 <sup>st</sup> March 2023	31 <sup>st</sup> March 2022
Present Value of Defined Benefit Obligation	191.72	210.34
Fair value of plan assets	181.21	193.19
Net Assets (Liability) recognized in the Balance Sheet	(10.51)	(17.15)
Effect of Asset Ceiling	-	-
<b>Net Assets (Liability)</b>	<b>(10.51)</b>	<b>(17.15)</b>

**NOTES TO THE ACCOUNTS (Contd.)**
**D. The amounts to be recognized in the Profit and Loss statement**

(₹ in lakhs)

Particulars	31 <sup>st</sup> March 2023	31 <sup>st</sup> March 2022
<b>Service Cost</b>		
a. Current Service Cost	32.00	28.90
b. Past Service Cost		-
c. (Gain)/Loss on Curtailments		-
d. (Gain)/Loss on Settlements		-
e. Total Service Cost	32.00	28.90
<b>Net Interest Expense</b>		
a. Interest Expense on DBO	12.13	11.81
b. Interest Income on Plan Assets	(11.97)	(11.45)
c. Interest Income on Reimbursement Rights		-
d. Interest Income on Asset Ceiling		-
e. Total Net Interest Cost	0.16	0.36
<b>Remeasurements</b>		
a. Effect of Changes in Demographic Assumptions		-
b. Effect of Changes in Financial Assumptions	3.89	(3.02)
c. Effect of Experience Adjustments	2.85	19.19
d. Actual Return on Plan Assets	2.55	3.69
e. Actual Return on Reimbursement Rights		-
f. Actual Change in Asset Ceiling		-
g. Total Remeasurements	9.29	19.85
Defined Benefit Cost included in P&L Account	32.16	29.26
Defined Benefit Cost included in OCI	(9.29)	19.85

**E. Principal Actuarial Assumptions (Expressed as weighted averages)**

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

Particulars	31 <sup>st</sup> March 2023	31 <sup>st</sup> March 2022
Discount Rate	7.15%	6.65%
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	31 <sup>st</sup> March 2023	31 <sup>st</sup> March 2022	31 <sup>st</sup> March 2023	31 <sup>st</sup> March 2022	31 <sup>st</sup> March 2023	31 <sup>st</sup> March 2022
Discount rate	0.50%	0.50%	(3.71)	(4.65)	3.89	4.89
Salary growth rate	0.50%	0.50%	3.96	4.94	(3.80)	(4.74)
Attrition rate	5.00%	5.00%	0.02	0.34	(0.02)	(0.35)
Mortality rate	5.00%	5.00%	0.38	0.02	(0.40)	(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	
	31.03.2023	31.03.2022
Year 1	57.17	45.33
Year 2	36.28	38.96
Year 3	26.63	26.69
Year 4	16.91	21.88
Year 5	15.24	17.51
Next 5 years	63.55	80.61

### (iv) Risk Exposure

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

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

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

## 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 ₹ 32.71 lakhs

### Note 29c : Other Employee Benefits

The Company's liability towards other long - term benefits are provided based on actuarial valuation as at 31<sup>st</sup> March 2023. The details are given below:

(₹ in lakhs)		
Particulars	2022-23	2021-22
Leave encashment	48.34	78.10
Employee Assured Bonus Scheme	-	26.14

### Note 30: Change in Accounting Policy for Valuation of Investments in Associates Companies

The Company has various investments in associates which were valued at Cost. As this method of valuation may not fully disclose the intrinsic value of those investments, the Company has changed its accounting policy for valuation of its investments in associates from Deemed Cost basis to Fair Value Through Other Comprehensive Income (FVTOCI) basis during the current year.

The Company believes that this change to FVTOCI will provide more reliable and relevant information to the users of financial statements about its value of investments on an on-going basis.

As significant assumptions and estimations are involved in the fair valuation of the investments coupled with the fact that from the years 2020 to 2022 were covid impacted periods due to which the economic and market conditions were not normal, the Company is unable to determine the fair value of these investments for prior periods using appropriate economic and market inputs. Therefore, the above-mentioned change in accounting policy is made effective on a prospective basis from the current year in accordance with Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors. To this extent, the previous period figures are therefore not comparable.

Following is the Impact i.e., increase/decrease of the said change in policy on statement of profit and loss for the Year ended 31 March 2023

(₹ in lakhs)			
Particulars	Increase in Fair Value	Tax impact	Net Impact in Other Comprehensive Income
On account of change in accounting policy (as mentioned above)	2,05,912	38,164	1,67,748
Others	33,188	2,645	30,543
	2,39,100	40,809	1,98,291



## 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)

(₹ in lakhs)

Particulars	Year ended	
	March 31, 2023	March 31, 2022
Profit/ (Loss) for the year, attributable to the equity holders	9,475.07	4,691.08

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

Particulars	March 31, 2023	March 31, 2022
Opening balance	22,21,03,860	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	22,21,03,860	20,82,92,901

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

Earnings Per Share	March 31, 2023	March 31, 2022
Basic Earnings Per Share (in ₹)	4.27	2.25
Diluted Earnings Per Share (in ₹)	4.27	2.25

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.

### 31b: Dividend

The Board of Directors has recommended a final dividend of ₹ 1.50/- per share (30%). In addition, the Board of Directors has recommended a Special Dividend of ₹/1.00- per share (20%), which, together with the Special Dividend of ₹1.50/- per share (30%) paid during the year will make a total Dividend of ₹ 4.00/- per share (80%) for the FY 2022-23.

### 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.

### 31d : Details of Corporate Social Responsibility (CSR)

(₹ in lakhs)

(a)	Amount required to be spent by the company during the year,	15.05
(b)	Amount of expenditure incurred,	15.23
(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.	0

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

(₹ in lakhs)

Particulars	31.03.2023	31.03.2022
Principal amount remaining unpaid	1.81	1.12
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	31.03.2023	31.03.2022
As Statutory auditors	14.50	14.50
Taxation matters	2.75	2.75
Certification matters	3.85	3.15
<b>Total</b>	<b>21.10</b>	<b>20.40</b>
Certification fees in relation to Rights Issue	-	20.40
<b>Total</b>	<b>21.10</b>	<b>40.80</b>

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

- (a) The Company does not have any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder."
- (b) The Company is not declared as a willful defaulter by any bank or financial Institution or other lender.
- (c) 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."
- (d) The company does not have any charges or satisfaction to be registered with ROC beyond stipulated statutory period.
- (e) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (f) 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.
- (g) No funds have been advanced or loaned or invested funds (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("intermediaries") with the understanding (whether recorded in writing or otherwise) that intermediary shall directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company (Ultimate Beneficiaries).  
The Company has not received any fund from any party(s) or entity(ies) including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (h) There are no scheme of arrangements approved. Hence disclosure under clause (xv) of Schedule III of The Companies Act 2013, is not applicable.
- (i) 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: Adoption of Financial Statements

The Board has adopted the financial statements at its meeting held on 24th May 2023.

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

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

Chartered Accountants

FR No: 002785S

**K. Venkatakrishnan**

Partner

M.No : 208591

Date : 24-05-2023

Place : Chennai

**S.Ravi**

Chief Executive Officer

**Harsha Viji**

Chairman

**I S Suresh**

Chief Financial Officer

For and on behalf of the Board of Directors of

**Sundaram Finance Holdings Limited**

**R. Venkatraman**

Director

**S Kalyanaraman**

Secretary & Compliance Officer

*Consolidated Financial  
Statements  
2022-23*

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## **R.G.N. PRICE & CO.**

CHARTERED ACCOUNTANTS

Simpson's Building, 861 Anna Salai, Chennai- 600 002

Phone: 044-2841 3633 / 2858 3494 Email: price@rgnprice.com

24th May 2023

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## **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, 2023, 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, 2023, of Consolidated Profit and total comprehensive income, Consolidated Changes in Equity and its Consolidated Cash Flows for the year then ended.

#### **Basis for Opinion**

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

#### **Key Audit Matters**

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

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

Key Audit Matter	Our audit procedures with regards to key audit matter
<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 ₹ 4,106 crores which represents almost 99% of the total assets, where unquoted equity investments fair valued through OCI amounts to ₹2,371 crores (“Investment”) covering about 58% of investment value as at 31<sup>st</sup> March '23.</p> <p>As the above investments 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 following approach :</p> <ul style="list-style-type: none"> <li>• 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;</li> <li>• Fair value based on agreements to buy/ sell an asset between the market participants;</li> <li>• Fair value determined as per discounted cash flow method based on projections of the investee Companies.</li> </ul> <p>The above valuations are categorized as Level 2 or Level 3 type of valuation, as the case may be, in accordance with 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>	<p>(i) Reviewed the Accounting Policies used by the Holding Company for accounting and disclosing Investments for compliance with the accounting framework.</p> <p>(ii) Evaluating valuation methodology recommended by Valuation Expert in the Group.</p> <p>(iii) Verified the correctness of market inputs used and mathematical accuracy of the valuation analysis.</p> <p>(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.</p> <p>(v) Our team was supported by our in-house valuation specialist, especially in determining whether such valuation methodology is consistent with the market practice.</p> <p>(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.</p>

### 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 ₹7,163.15 lakhs as at 31<sup>st</sup> March 2023, Group's share of total revenue of ₹1,231.54 lakhs and ₹ 4,485.98 lakhs and Group's share of total net profit after tax of

₹405.89 lakhs and ₹1,501.78 lakhs and Group's share of total comprehensive income/(loss) of ₹462.98 lakhs and ₹1,746.78 lakhs for the quarter and year ended 31<sup>st</sup> March 2023 respectively, and net cash inflows of ₹204.51 Lakhs for the year ended on that date, as considered in the Consolidated Financial Statements, which have been audited by other auditor.

- b) The Consolidated Financial Statements also includes the share of net profit after tax of ₹7,862.28 lakhs and ₹22,816.31 lakhs and total comprehensive income of ₹7,762.04 lakhs and ₹ 25,023.58 lakhs for the quarter and year ended 31<sup>st</sup> March 2023 respectively, in respect of eleven Associates, which have been audited by other auditors.

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

#### Report on Other Legal and Regulatory Requirements

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, 2023 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 31<sup>st</sup> March, 2023 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 31c.
  - 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 2022-23 are in compliance with Section 123 of the Companies Act, 2013.
- vi. Provisio to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of accounts using accounting software which has a feature of recording audit trail facility is applicable to the Group with effect from 1<sup>st</sup> April' 2023, and accordingly, reporting under Rule 11 (g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended 31<sup>st</sup> March, 2023.

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

**K. Venkatakrishnan**  
Partner

Place: Chennai  
Date: 24<sup>th</sup> May 2023

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 31<sup>st</sup> March, 2023**

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.	Axles India Limited	U27209TN1981PLC008630	Associate	3 (i) (b)
2.	Sundaram Hydraulics Limited	U71290TN2007PLC065658	Associate	3 (vii) (a) 3 (ix) (d) 3 (xvii) 3 (xix)
3.	Sundaram Composite Structures Private Limited	U36100TN2010PTC076378	Associate	3 (xvii)

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

**K. Venkatakrishnan**  
Partner

Place: Chennai  
Date: 24<sup>th</sup> May 2023

Membership No.208591  
UDIN: 23208591BGYOKP3660

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**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 31<sup>st</sup> March, 2023**

In conjunction with our audit of the Consolidated Financial Statements of the Holding Company as of and for the year ended 31<sup>st</sup> March 2023, 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 31,2023 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.

Place: Chennai

Date: 24th May 2023

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

Chartered Accountants

FR No. 002785S

**K. Venkatakrishnan**

Partner

Membership No.208591

UDIN: 23208591BGYOKP3660

# Consolidated Balance Sheet

as at 31<sup>st</sup> March, 2023

(₹ in lakhs)

Particulars	Notes	March 31, 2023	March 31, 2022
<b>ASSETS</b>			
<b>(1) Financial Assets</b>			
(a) Cash and cash equivalents	1	16,56.21	14,49.78
(b) Receivables	2	6,90.70	5,04.81
(c) Loans	3	6.51	12.79
(d) Investments	4	3553,26.65	3052,91.32
(e) Other financial assets	5	1,80.30	8,49.99
(f) Derivative financial instruments	6	3,34.59	-
<b>(2) Non-financial Assets</b>			
(a) Current tax assets (Net)	7	7,47.80	3,33.68
(b) Investment property	8	19,29.93	1,95.11
(c) Property, plant and equipment	8	2,64.67	2,41.81
(d) Other intangible assets	8	4.24	15.82
(e) Right of Use asset		17,63.23	2,89.07
(f) Goodwill		1,56.08	1,56.08
(g) Other non-financial assets	9	3,93.90	2,10.69
<b>Total Assets</b>		<b><u>3634,54.81</u></b>	<b><u>3095,50.95</u></b>
<b>LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
<b>(1) Financial liabilities</b>			
(a) Payables	10		
Trade Payables			
(i) Total outstanding dues of micro enterprises and small enterprises		6.55	3.74
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		88.41	46.50
(b) Other financial liabilities	11	1,63.56	1,48.94
(c) Lease Liability		18,25.11	3,18.74
(d) Derivative financial instruments	6	-	51.09
<b>(2) Non-Financial liabilities</b>			
(a) Provisions	12	2,80.88	3,42.63
(b) Deferred tax liabilities (Net)	13	39,95.27	83,38.60
(c) Other non-financial liabilities	14	90.84	95.40
<b>(3) Equity</b>			
(a) Equity share capital	15	111,05.19	111,05.19
(b) Other equity	16	3458,98.99	2891,00.12
<b>Total Liabilities and Equity</b>		<b><u>3634,54.81</u></b>	<b><u>3095,50.95</u></b>

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 : 24-05-2023

Place : Chennai

**S.Ravi**

Chief Executive Officer

**Harsha Viji**

Chairman

**R. Venkatraman**

Director

**I S Suresh**

Chief Financial Officer

**S Kalyanaraman**

Secretary & Compliance Officer

## Consolidated Statement of Profit and Loss

for the Year Ended 31<sup>st</sup> March, 2023

(₹ in lakhs)

Particulars	Notes	For the year ended 31 March 2023	For the year ended 31 March 2022
<b>Revenue from operations</b>			
Interest Income	17	1,13.70	37.64
Dividend Income		15,14.44	18,44.01
Net gain on fair value changes	18	16,78.50	8,29.89
Gain on derecognition of financial instrument		-	13.20
Sale of services	28	57,37.62	48,14.90
Sale of Goods		-	8,50.80
<b>Revenue from operations</b>		<b>90,44.26</b>	<b>83,90.44</b>
Other Income	19	3,52.07	4,13.07
<b>Total Income</b>		<b>93,96.33</b>	<b>88,03.51</b>
<b>Expenses</b>			
Cost of material consumed		-	3,70.74
Finance Cost	20	43.52	84.34
Impairment on Financial Instruments		1,36.52	-
Loss on fair value of previously held interest of equity investment (net)		-	5,05.15
Employee benefit expenses	21	30,53.37	34,65.67
Depreciation, Amortisation and Impairment		1,61.56	4,39.98
Other expenses	22	13,32.46	17,51.36
<b>Total expenses</b>		<b>47,27.43</b>	<b>66,17.24</b>
Profit before exceptional items and tax		46,68.90	21,86.27
Exceptional items		-	-
<b>Profit Before Tax</b>		<b>46,68.90</b>	<b>21,86.27</b>
Current tax	23	9,53.13	560.67
Deferred tax	23	5,64.41	(1,03.38)
<b>Total tax expense</b>		<b>15,17.54</b>	<b>4,57.29</b>
<b>Profit/(loss) for the period</b>		<b>31,51.36</b>	<b>17,28.98</b>
Share of net profits from associates (Net of FV impact on merger of investee companies)		206,04.25	143,40.84
<b>Profit After Tax</b>		<b>237,55.61</b>	<b>160,69.82</b>

Particulars	Notes	For the year ended 31 March 2023	For the year ended 31 March 2022
<b>Other Comprehensive Income</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Remeasurements of the defined benefit plans		0.84	(41.74)
Income Tax on above		0.21	(11.37)
<b>Remeasurements of the defined benefit plans (Net of tax)</b>	<b>30</b>	<b>0.63</b>	<b>(30.37)</b>
Change in Fair value of equity instruments		330,86.34	305,39.65
Income tax on above		23,87.64	(9,46.17)
<b>Change in Fair value of equity instruments (Net of tax)</b>		<b>306,98.70</b>	<b>314,85.82</b>
Share of other comprehensive income from associates using equity method (Net of tax)		16,71.30	(66.96)
<b>Items that will be reclassified to profit or loss</b>			
Changes in fair value of derivative instrument		3,19.00	2,85.97
Income tax on above		81.58	79.13
<b>Change in fair value of derivative instrument (Net of tax)</b>		<b>2,37.42</b>	<b>2,06.84</b>
Share of other comprehensive income from associates using equity method (Net of tax)		(3,09.36)	3,38.58
Foreign currency Translation Reserve		8,45.42	2,80.57
<b>Other Comprehensive Income Net of Tax</b>		<b>331,44.11</b>	<b>322,14.48</b>
<b>Total Comprehensive Income for the period</b>		<b>568,99.72</b>	<b>482,84.30</b>
Net Profit/(Loss) for the period attributable to the owners of the entity		23,755.61	16,318.78
Non Controlling Interest		-	(248.96)
Other Comprehensive Income/(Loss) for the period attributable to the owners of the entity		33,144.11	32,214.48
Non Controlling Interest		-	-
Total Comprehensive Income/(Loss) for the period attributable to the owners of the entity		56,899.72	48,533.26
Non Controlling Interest		-	(248.96)
Basic and Diluted Earnings per Equity Share of ₹5/- each	31a	10.70	7.72

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

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

Chartered Accountants

ER No: 002785S

**K. Venkatakrishnan**

Partner

M.No : 208591

Date : 24-05-2023

Place : Chennai

**S.Ravi**

Chief Executive Officer

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

**Harsha Viji**  
Chairman

**R. Venkatraman**  
Director

**I S Suresh**  
Chief Financial Officer

**S Kalyanaraman**  
Secretary & Compliance Officer

## Cash Flow Statement

(₹ in lakhs)

Particulars	March 31, 2023	March 31, 2022
<b>Cash flow from operating activities</b>		
<b>Profit before tax</b>	46,68.90	21,86.27
<b>Adjustments to reconcile profit before tax to net cash used in operating activities</b>		
(a) Depreciation and impairment of property, plant and equipment	1,61.56	4,39.98
(b) Impairment on Financial Instruments	1,36.52	-
(c) Loss on fair value of previously held interest of equity investment (net)	-	5,05.15
(d) Fair value change in financial instruments	(16,78.50)	(8,29.89)
(e) Interest Income from Investments	(1,13.70)	(37.64)
(f) (Gain)/loss on sale of property, plant and equipment	0.73	0.88
(g) ESOP contribution scheme of Parent company	6.33	6.64
(h) Finance costs paid	38.55	36.91
(i) Dividend received / (receivable)	7,79.96	(7,79.96)
(j) (Gain)/Loss on derecognition of financial instrument	-	(13.20)
(k) Net Actuarial gain/(loss) on defined benefit plan	0.84	(41.74)
(l) Profit or loss recognised and reversed on account of loss of control	-	4,97.95
(m) Dividend received from associates	80,61.32	18,34.81
(n) Gain on Lease modification	(10.97)	-
<b>Working capital adjustments</b>		
(a) (Increase)/Decrease in		
Trade and other receivables	(1,85.88)	31.97
Loans	6.28	20.76
Other financial assets	(1,10.27)	1,14.47
Other non-financial assets	(1,83.22)	1,17.13
(b) Increase/(Decrease) in		
Trade and other payables	44.71	(19.92)
Financial liabilities	<b>(52.06)</b>	<b>29.71</b>
Non-financial liabilities and provisions	(66.30)	(2.77)
<b>Income Tax paid</b>	<b>(14,80.19)</b>	<b>(11,11.81)</b>
<b>Net cash flows from operating activities</b>	<b><u>100,24.61</u></b>	<b><u>29,85.69</u></b>
<b>Cash flow from investing activities</b>		
Purchase and construction of property, plant and equipment	(18,27.94)	(36.12)
(Purchase)/Sale of Mutual funds (Net)	(231,20.17)	(116,22.87)
(Purchase)/Sale of other investments (Net)	223,10.62	(229,01.01)
Interest received	1,13.70	37.89
<b>Net cash flows from investing activities</b>	<b><u>(25,23.79)</u></b>	<b><u>(345,22.12)</u></b>
<b>Cash flow from financing activities</b>		
Dividend Paid	(72,18.42)	(33,31.60)
Proceeds from Rights Issue (net of expenses)	-	352,61.64
Lease Liability Principle paid	(37.42)	(41.25)
Lease Liability Interest paid	(38.55)	(36.91)
<b>Net cash flows from financing activities</b>	<b><u>(72,94.39)</u></b>	<b><u>318,51.88</u></b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b><u>2,06.43</u></b>	<b><u>3,15.45</u></b>
Cash and cash equivalents at the beginning of the year	14,49.78	11,34.33
Effect of exchanges rate changes on cash and cash equivalents	-	-
<b>Cash and cash equivalents at the end of the year (Refer Note 1)</b>	<b><u>16,56.21</u></b>	<b><u>14,49.78</u></b>

This is the Cash Flow Statement referred to in our report of even date attached.

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

Chartered Accountants

ER No: 002785S

**K. Venkatakrishnan**

Partner

M.No : 208591

Date : 24-05-2023

Place : Chennai

**S.Ravi**

Chief Executive Officer

**Harsha Viji**

Chairman

**I S Suresh**

Chief Financial Officer

**R. Venkatraman**

Director

**S Kalyanaraman**

Secretary & Compliance Officer

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



**STATEMENT OF CHANGES IN EQUITY**

**(a) Equity Share Capital**

Particulars	31 March 2023		31 March 2022	
	No. of Shares	Amount ₹ in lakhs	No. of Shares	Amount ₹ in lakhs
<b>Balance at Beginning (A)</b>	222103860	11105.19	151103860	7555.19
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)	222103860	11105.19	151103860	7555.19
Changes in Share Capital in the current reporting period	-	-	71000000	3550.00
<b>Balance at End</b>	<b>222103860</b>	<b>11,105.19</b>	<b>222103860</b>	<b>11,105.19</b>

**(b) Other equity**

Particulars	Reserves and Surplus					Total
	Capital Reserve	General Reserve	ESOP Reserve	Securities Premium	FCTR	
<b>Balance as at 01 Apr 2021</b>	<b>2,593.54</b>	<b>13,135.01</b>	-	-	<b>1,499.99</b>	<b>2,11,947.77</b>
<b>Add:</b>						
(a) Profit or loss for the period						16,318.78
(b) Other comprehensive income					280.57	32,214.48
(c) Securities premium proceeds received on rights issue of equity shares				31,950.00		31,950.00
(d) ESOP contribution scheme of Parent company			6.64			6.64
(e) Adjustment	14.75					232.41
<b>Less:</b>						
(f) Rights issue expenses (net of taxes)				(238.36)		(238.36)

(₹ in lakhs)

Particulars	Reserves and Surplus					Gains/(Losses) from equity investments through OCI	Total
	Capital Reserve	General Reserve	ESOP Reserve	Securities Premium	FCTR		
(g) Final Dividend for FY 20-21						(1,110.56)	(1,110.56)
(h) Special Dividend for FY 21-22						(2,221.04)	(2,221.04)
Transfer on account of Sale of Equity instruments measured at FVTOCI						15,474.66	-
<b>Balance as at 01 Apr 2022</b>	<b>2,608.29</b>	<b>13,135.01</b>	<b>6.64</b>	<b>31,711.64</b>	<b>1,780.56</b>	<b>1,18,330.11</b>	<b>2,89,100.12</b>
Add:							
(a) Profit or loss for the period						23,755.61	23,755.61
(b) Other comprehensive income					845.42		33,144.11
(c) ESOP contribution scheme of Parent company			6.33				6.33
(d) Adjustment on account of additional acquisition of IMPAL and Brakes	5,903.98					41,782.46	7,264.23
Less:							
(e) Adjustment						(152.98)	(152.98)
(f) Final and Special Dividend for FY 2021-22 paid						(3,886.86)	(3,886.86)
Special Dividend FY 22-23						(3,331.56)	(3,331.56)
Transfer on account of Sale of Equity instruments measured at FVTOCI						23,091.14	-
<b>Balance as at 31 Mar 2023</b>	<b>8,512.27</b>	<b>13,135.01</b>	<b>12.97</b>	<b>31,711.64</b>	<b>2,625.98</b>	<b>2,02,785.68</b>	<b>3,45,899</b>

As per our report of even date attached.

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

Chartered Accountants

ER No: 0027855

**K. Venkatakrishnan**

Partner

M.No : 208591

Date : 24-05-2023

Place : Chennai

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

**Harsha Viji**  
Chairman

**R. Venkatraman**  
Director

**I S Suresh**  
Chief Financial Officer

**S.Ravi**  
Chief Executive Officer

**S Kalyanaraman**  
Secretary & Compliance Officer

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# 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:

- i. The amount of Equity attributable to holders of non-controlling interest at the date on which the investment in the Subsidiary is made; and
- ii. 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	23.85
Transenergy Private Limited	India	42.41
Sundaram Dynacast Private Limited	India	26.00
Sundaram Hydraulics Limited	India	25.71
Brakes India	India	23.57
Sundaram Composite Structures Private Limited	India	49.00
Mind S.r.l,	Italy	48.86
Dunes Oman LLC (FZC)	Sultanate of Oman	43.69
IMPAL	India	20.00

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.

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

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

**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

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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.

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

**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 are depreciated from the commencement date on a straight-line basis over the shorter of the lease term



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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

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.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

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. Accordingly, 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 in equity or in the Other Comprehensive Income.

**Current tax**

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

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.

## **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.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

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.

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.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

### 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 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.

**NOTES TO THE CONSOLIDATED 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, that do not contain a significant financing component, are recognised at transaction price.

**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.

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.

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## NOTES TO THE CONSOLIDATED 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.

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, 2023	March 31, 2022
Cash on hand	0.11	0.04
Balances with Banks in Current Accounts	1,618.73	1,422.74
Earmarked balances with banks (For Unpaid dividend)	37.38	27.00
Total	<u>1,656.21</u>	<u>1,449.78</u>

## Note 2: Receivables

(₹ in lakhs)

Particulars	March 31, 2023	March 31, 2022
Trade receivables		
- Secured, considered good	-	-
- Unsecured, considered good	690.70	504.81
- Considered Doubtful	-	-
- Receivables having significant increase in credit risk	6.53	4.10
- Credit Impaired	-	-
<b>Less:</b>		
Impairment for Trade Receivable under Expected credit loss method	(6.53)	(4.10)
Allowance for impairment loss	-	-
Total	<u>690.70</u>	<u>504.81</u>

## Receivables ageing schedule - 31 March 2023

(₹ in lakhs)

Particulars	Not due	Outstanding for following periods from due date of payment		
		Less than 6 months	> 6 months	Total
(i) Undisputed Trade receivables – considered good	647.16	40.63	2.93	690.70
(ii) Undisputed Trade receivable which have significant increase in credit risk				-
(iii) Undisputed Trade Receivables credit Impaired	1.24	4.63	0.66	6.53
(iv) Disputed Trade Receivables considered good	-	-	-	-
(v) Disputed Trade Receivables considered doubtful	-	-	-	-
Less : Impairment for Trade Receivable under Expected credit loss method	(1.24)	(4.63)	(0.66)	(6.53)



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

### Receivables ageing schedule - 31 March 2022

(₹ in lakhs)

Particulars	Not due	Outstanding for following periods from due date of payment		
		Less than 6 months	> 6 months	Total
(i) Undisputed Trade receivables – considered good	475.43	29.33	0.05	504.81
(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	-	-	-	-
Less : Impairment for Trade Receivable under Expected credit loss method	(1.95)	(1.69)	(0.46)	(4.10)

### Note 3: Loans

(₹ in lakhs)

Particulars	March 31, 2023	March 31, 2022
Staff Advance	12.14	20.91
Less: Impairment Loss allowance	(5.63)	(8.12)
<b>TOTAL</b>	<b>6.51</b>	<b>12.79</b>

Loans measured at	Staff due	Gross Loan	Impairment Loss allowance	Net Loan
<b>As at 31-03-2023</b>				
- Amortised Cost	12.14	12.14	(5.63)	6.51
- FVTOCI	-	-	-	-
- FVTPL	-	-	-	-
<b>As at 31-03-2022</b>				
- Amortised Cost	20.91	20.91	(8.12)	12.79
- FVTOCI	-	-	-	-
- FVTPL	-	-	-	-
	-	-	-	-

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

## Note 4: Investments

Particulars	Face Value (₹)	As at 31.03.2023		As at 31.03.2022	
		Holding (Number)	Carrying Amount (₹ in lakhs)	Holding (Number)	Carrying Amount (₹ in lakhs)
<b>Equity Instruments: At Carrying Value</b>					
<b>Associates</b>					
Brakes India	100	4,11,606	84,029.05	-	-
Wheels India	10	57,40,117	28,204.82	56,01,117	26,654.09
Turbo Energy	10	25,60,000	56,982.14	25,60,000	53,165.64
Axles India	10	98,91,754	8,211.69	98,91,754	6,825.79
IMPAL	10	24,96,033	21,451.36	-	-
Dunes Oman	1(1)	18,34,980	10,917.88	22,93,725	8,894.34
Sundaram Dynacast	10	11,70,000	1,961.86	11,70,000	1,683.42
Transenergy	100	1,92,713	1,682.31	1,20,000	1,223.92
Sundaram Composite	10	1,96,00,000	1,656.53	1,96,00,000	2,010.41
Mind S.R.L	1(2)	7,34,675	2,084.18	7,34,675	2,925.35
Sundaram Hydraulics	10	1,12,50,000	-	1,12,50,000	-
Flometallic	1,00,000	4,450	-	4,450	13,006.14
<b>Subtotal (a)</b>			2,17,181.83		1,16,389.10
<b>Equity Instruments: At FVTOCI</b>					
Brakes India	100	-	-	3,43,832	52,980.17
IMPAL	10	-	-	23,23,705	18,567.08
Sundaram Clayton	5	15,14,378	73,141.60	22,73,081	76,957.42
Lucas TVS	100	63,224	8,070.58	63,224	7,479.82
Delphi TVS	10	2,52,896	1,529.73	2,52,896	1,312.13
Techtran Polylenses	10	2,50,000	-	2,50,000	-
Vishnu Forge Industries	10	2,97,110	149.66	2,97,110	135.89
D2C Consulting (Renew Buy)	10	100	4.03	100	4.03
Fettle tone (Max Niva Bupa)			10,194.76		9,710.00
<b>Subtotal (b)</b>			93,090.36		1,67,146.54
<b>Mutual Funds: At FVTPL</b>					
Sundaram Liquid Fund		52,617	1,124.00	13,45,445	729.22
Sundaram Ultra Short duration Fund		13,04,969	32,283.81	1,12,12,516	11,331.94
Sundaram Corporate Bond fund		75,51,785	2,642.82	-	2,527.58
Sundaram Low Duration fund		2,07,286	6,481.79	-	3,794.39

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Particulars	Face Value (₹)	As at 31.03.2023		As at 31.03.2022	
		Holding (Number)	Carrying Amount (₹ in lakhs)	Holding (Number)	Carrying Amount (₹ in lakhs)
Sundaram money market fund		79,23,681	1,013.63	-	-
HDFC Low Duration Fund		-	-	24,33,950	218.09
<b>AIF: At FVTPL</b>					
JM DO Fund	1,00,000	769.53	822.05	789.98	968.20
<b>Pref Shares : At FVTPL</b>					-
D2C Consulting	100	17,014	686.37	17,014	686.26
Subtotal (c)			45,054.46		20,255.68
<b>Pref Shares : At amortised cost</b>					
Sundaram AMC	100	-	-	15,00,000	1,500.00
Subtotal (d)			-		1,500.00
<b>Total Investments (a+b+c+d)</b>			3,55,326.65		3,05,291.32
Less: Allowance for Impairment loss			-		-
<b>Net Investments</b>			3,55,326.65	-	3,05,291.32
<b>Investments by Geography</b>					
Investment outside India			13,002.06		11,819.69
Investment in India			3,42,324.59		2,93,471.63
<b>Investments by Category</b>					
Quoted Investments			1,22,797.78		1,22,178.59
UnQuoted Investments			2,32,528.87		1,83,112.73
<b>Total</b>			3,55,326.65		3,05,291.32

(\*) For FY 2021-22 equity instruments in Associates were valued at cost

(1) Face value in Omani Riyal

(2) Face value in Euro

(3) 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.)

**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	2022-23	2021-22
Lucas TVS Limited	142.25	79.03
Delphi TVS Technologies Limited	60.69	25.29
Sundaram Clayton Limited	893.48	1,116.66*
Turbo Energy Private Limited	3,456.00	-
Brakes India Private Limited	3,148.79	287.03
Wheels India Limited	637.10	-
India Motor Parts & Accessories Limited	538.65	232.37
Axles India Limited	395.67	-
Sundaram Dynacast Private Limited	187.20	-
Transenergy	12.00	-
Vishnu Forge Industries Limited	2.67	2.38
<b>Total Dividend</b>	<b>9,474.50</b>	<b>1,742.76</b>

\* 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 22)
Sundaram Clayton Limited	23,521.09	(3,216.36)	690.65

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

### Note 5 : Other Financial Assets

(₹ in lakhs)

Particulars	March 31, 2023	March 31, 2022
Security Deposits	142.44	44.93
Unbilled Revenue	23.75	24.58
Income receivable	14.11	780.48
	<b>180.30</b>	<b>849.99</b>

### Note 6 : Derivative Financial Instruments

(₹ in lakhs)

Particulars	March 31, 2023	March 31, 2022
<b>Fair value liabilities</b>		
<b>Part I</b>		
(i) Currency Derivatives		
- Spot and forwards	334.59	(51.09)
Total Derivatives Financial instruments	334.59	(51.09)
<b>Part II</b>		
Included in above (Part I) are derivatives held for hedging and risk management purpose as follows		
(i) Cash flow hedging		
- Currency derivatives	334.59	(51.09)
Total	<b>334.59</b>	<b>(51.09)</b>

### Note 7 : Current Tax Assets

(₹ in lakhs)

Particulars	March 31, 2023	March 31, 2022
Advance Income Tax and Tax Deducted at source (Net)	747.80	333.68
	<b>747.80</b>	<b>333.68</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

## Note 8: Investment Property, PPE &amp; Intangible Assets

(₹ in lakhs)

Description	Investment Property (IP)			Property, Plant and Equipment (PPE)							Intangible Software-Bought out	Total PPE and Intangible	
	Land	Building	Total IP	Freehold land	Buildings	Plant & Equipment	Furniture & fixtures	Office Equipment	Electrical Equipment	Vehicles			Total PPE
<b>Cost of Assets</b>													
As at 01 Apr 22	128.75	99.23	227.98	31.86	9.84	335.27	57.91	50.80	20.21	0.64	506.54	168.15	674.69
(+) Additions	1,743.45	-	1,743.45	-	19.92	47.40	11.54	5.63	-	-	84.49	-	84.49
<b>Subtotal</b>	<b>1,872.20</b>	<b>99.23</b>	<b>1,971.43</b>	<b>31.86</b>	<b>29.76</b>	<b>382.67</b>	<b>69.45</b>	<b>56.43</b>	<b>20.21</b>	<b>0.64</b>	<b>591.02</b>	<b>168.15</b>	<b>759.17</b>
(-) Sale/deletion	-	-	-	-	-	-	-	-	(2.29)	-	(2.29)	-	(2.29)
<b>Total</b>	<b>1,872.20</b>	<b>99.23</b>	<b>1,971.43</b>	<b>31.86</b>	<b>29.76</b>	<b>382.67</b>	<b>69.45</b>	<b>56.43</b>	<b>17.92</b>	<b>0.64</b>	<b>588.73</b>	<b>168.15</b>	<b>756.88</b>
<b>Depreciation</b>													
Upto 31 Mar 22	-	32.87	32.87	-	0.37	195.36	31.17	27.18	10.18	0.44	264.69	152.33	417.02
(+) For the Year	-	8.63	8.63	-	2.00	37.99	8.22	11.39	1.27	0.06	60.93	11.58	72.50
<b>Subtotal</b>	<b>-</b>	<b>41.50</b>	<b>41.50</b>	<b>-</b>	<b>2.37</b>	<b>233.36</b>	<b>39.39</b>	<b>38.57</b>	<b>11.45</b>	<b>0.49</b>	<b>325.62</b>	<b>163.91</b>	<b>489.52</b>
(-) Withdrawn	-	-	-	-	-	-	-	-	(1.56)	-	(1.56)	-	(1.56)
<b>Total</b>	<b>-</b>	<b>41.50</b>	<b>41.50</b>	<b>-</b>	<b>2.37</b>	<b>233.36</b>	<b>39.39</b>	<b>38.57</b>	<b>9.89</b>	<b>0.49</b>	<b>324.06</b>	<b>163.91</b>	<b>487.96</b>
<b>Net Carrying amount</b>													
As at 31 Mar 23	1,872.20	57.72	1,929.93	31.86	27.39	149.32	30.06	17.86	8.03	0.15	264.67	4.24	268.92
As at 31 Mar 22	128.75	66.36	195.11	31.86	9.47	139.90	26.74	23.62	10.02	0.20	241.81	15.82	257.63

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

### Fair Value of Investment Property

(₹ in lakhs)

	Land	Building	Total
At 31 March 2023	49,899.83	262.76	50,162.59
At 31 March 2022	43,681.60	291.76	43,973.36

### 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)

	31.03.23	31.03.22
Rental Income derived from Investment Properties	192.87	187.10
Direct Operating Expenses (including repairs and maintenance)	(18.65)	(7.41)
Profit arising from Investment Properties before Depreciation	174.22	179.69
Depreciation	(8.63)	(12.07)
Profit arising from Investment Properties	165.59	167.62

### Note 9 : Other Non-Financial Assets

(₹ in lakhs)

Particulars	March 31, 2023	March 31, 2022
Prepaid expenses	121.18	69.33
Other advances	105.43	20.54
GST Input Credit	167.30	120.82
Total	393.90	210.69

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

## Note 10 : Payables

(₹ in lakhs)

Particulars	March 31, 2023	March 31, 2022
Trade payables		
(i) Total outstanding due to micro and small enterprises	6.55	3.74
(ii) Total outstanding due to creditors other than micro and small enterprises	88.41	46.50
<b>Total</b>	<b>94.95</b>	<b>50.24</b>

\* Refer Note 28 for related party transaction

## Trade Payables ageing schedule - 31 March 2023

(₹ in lakhs)

Particulars	Outstanding for following periods from due date of payment			
	Not Due	Less than 1 year	> 1 year	Total
(i) MSME	-	6.55	-	6.55
(ii) Others	-	88.41	-	88.41
(iii) Disputed dues – MSME	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-

## 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 year	Total
(i) MSME	-	3.74	-	3.74
(ii) Others	-	46.13	0.37	46.50
(iii) Disputed dues – MSME	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-

## Note 11 : Other Financial Liabilities

(₹ in lakhs)

Particulars	March 31, 2023	March 31, 2022
Accrued expenses	120.06	107.12
Other Liabilities	43.50	41.82
<b>TOTAL</b>	<b>163.56</b>	<b>148.94</b>



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

### Note 12 : Provisions

(₹ in lakhs)

Particulars	March 31, 2023	March 31, 2022
Provision for Employee Benefits	260.88	318.79
Provision for expenses	20.00	23.84
<b>TOTAL</b>	<b>280.88</b>	<b>342.63</b>

### Note 13 : Deferred Tax Liabilities (NET)

(₹ in lakhs)

Particulars	March 31, 2023	March 31, 2022
<b>Deferred tax liabilities</b>		
On Investments.	5,593.19	8,734.49
On Derivatives	-	-
Others	-	10.88
<b>Deferred tax assets</b>		
On Investments	(1,577.08)	(258.85)
On Employee Benefits	(14.84)	(44.17)
On Provision for doubtful debts	-	(1.92)
On Property, Plant & Equipment	42.27	(27.76)
On Security Deposits	(0.17)	(0.41)
On Derivatives	-	(9.53)
On others	(48.10)	(64.13)
<b>TOTAL</b>	<b>3,995.27</b>	<b>8,338.60</b>

### Note 14 : Other Non-Financial Liabilities

(₹ in lakhs)

Particulars	March 31, 2023	March 31, 2022
Statutory Liabilities	90.84	95.40
<b>TOTAL</b>	<b>90.84</b>	<b>95.40</b>

### Note 15: Equity Share Capital

	As at 31 <sup>st</sup> March 2023		As at 31 <sup>st</sup> March 2022	
	No. of Shares	₹ in lakhs	No. of Shares	₹ in lakhs
<b>Authorised</b>				
32,00,00,000 Equity shares of face value of ₹5/- each	320000000	16,000.00	320000000	16,000.00
Issued, Subscribed and fully paid up:				
22,21,03,860 Equity shares of face value of ₹5/- each	222103860	11,105.19	151103860	11,105.19
Changes in Share Capital in the current reporting period	-	-	-	-
Issued during the year	-	-	<b>71000000</b>	-
	<b>222103860</b>	<b>11,105.19</b>	<b>222103860</b>	<b>11,105.19</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

**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 31.03.2023	No.of shares	% held as at 31.03.2022
Sundaram Finance Limited	Promoter	5,21,76,605	23.49%	5,21,76,605.00	23.49%

**Shares held by promoters at the end of the year**

Promoter Name	No of Shares	% of Total Shares	% change during the year
M/S. Sundaram Finance Limited	5,21,76,605	23.49%	-
Mr S. Viji	55,93,103	2.52%	0.26%
M/S. Raghuvamsa Holdings Private Limited	45,01,306	2.03%	-
Mr S. Ram	44,03,473	1.98%	-
M/S. Uthirattadhi Sriram Holdings Private Limited	27,93,522	1.26%	-
M/S. Allegro Holdings Private Limited	27,60,934	1.24%	-
M/S. Silver Oak Holdings Private Limited	27,44,080	1.24%	-
Mr Srikanth Ramanujam	27,20,536	1.22%	-
Mr R. Ramanujam	26,47,864	1.19%	-
Mr Srivats Ram	26,42,338	1.19%	-
Mrs Nivedita Ram	25,70,111	1.16%	-
Mr Harsha Viji	24,57,341	1.11%	-
M/S. Padmalakshmi Holdings Private Limited	24,23,561	1.09%	-
M/S. Rohini Holdings Private Limited	21,72,948	0.98%	-
Mr Sriram Viji	19,47,888	0.88%	-
M/S. Revathi Holdings Private Limited	19,34,516	0.87%	-
Mrs Gita Ram	17,92,389	0.81%	-
Mr Arjun Rangarajan	15,57,420	0.70%	-
M/S. Azorious Holdings Private Limited	14,74,811	0.66%	-
Mr Sumanth Ramanujam	13,82,948	0.62%	-
Mrs Chitra Viji	13,20,016	0.59%	-
Mrs Vijaya Rangarajan	12,09,854	0.54%	-
Ms S Hema	11,22,646	0.51%	-
M/S. Maham Holdings Limited	9,70,435	0.44%	-
Mrs Thanjam Ravindran	8,44,119	0.38%	-
Mr Jaideep Chakravarthy	6,85,198	0.31%	-

Promoter Name	No of Shares	% of Total Shares	% change during the year
Mrs Prema Ramanujam	6,74,391	0.30%	-
Mr Pradeep Chakravarthy	6,67,986	0.30%	-
Mrs Lily Vijayaraghavan	6,35,436	0.29%	-
Mr Ananth Ramanujam	6,20,940	0.28%	-
Mrs Vijaya Rangarajan & Mr S Ram	6,09,896	0.27%	-
Mrs Usha Raghavan	5,89,992	0.27%	-
Mrs Choodamani Narayanan	5,38,494	0.24%	-
Mr K Vasudevan	4,22,437	0.19%	-
Mrs Lakshmi Vasudevan	4,09,011	0.18%	-
Miss Tulsi S Ramanujam	3,97,367	0.18%	-
Mrs Anuradha Raghavan	3,97,264	0.18%	-
Mr S Ravindran (Huf)	3,69,815	0.17%	-
Mr Sharath Vijayaraghavan	3,68,844	0.17%	-
Mr S. Kishore & Mr A.M. Srinivasan	3,66,940	0.17%	-
Mr Daya Ambirajan	3,54,365	0.16%	-
Mrs Lily Vijayaraghavan & Mrs Sashi Parthasarathy	3,53,312	0.16%	-
Mr S Ravindran	3,52,182	0.16%	-
Mr Sharath Vijayaraghavan (Huf)	3,15,000	0.14%	-
Mr Aditya S. Ramanujam	3,00,646	0.14%	-
Mr T T Narendran, Mrs Vimala Rangaswamy & Mrs Padmini Narendran	2,39,492	0.11%	-
Mr Shreyas Ravindran and Mr Srinivasan Ravindran	2,00,339	0.09%	-
Mr Ananth Krishnan	2,00,300	0.09%	-
Mr Akshay Krishnan	2,00,300	0.09%	-
Mrs Lily Vijayaraghavan & Mr Badri Vijayaraghavan"	1,97,776	0.09%	-
Mrs Lily Vijayaraghavan & Mr Sharath Vijayaraghavan	1,97,776	0.09%	-
Mr T T Srinivasa Raghavan (Huf)	1,96,868	0.09%	-
Mr S. Viji (Huf-2)	1,82,160	0.08%	-
Miss Tarika Ram (Minor)	1,69,840	0.08%	-
Mrs Bagyam Raghavan & Mr T T Venkatraghavan	1,66,493	0.07%	-
Mr N Krishnan	1,64,853	0.07%	-
Mrs Indira Krishnaswami	1,62,180	0.07%	-

Promoter Name	No of Shares	% of Total Shares	% change during the year
Mr T T Srinivasaraghavan & Mr T T Narendran	1,61,632	0.07%	-
Mr T T Srinivasaraghavan & Mrs Bagyam Raghavan	1,61,632	0.07%	-
Master Ranjan Ambirajan	1,59,929	0.07%	-
Mrs Padmini Narendran & Mr T T Hayagreevan	1,55,819	0.07%	-
Mr Shriram Vijayaraghavan (Huf)	1,55,000	0.07%	-
Mr N Krishnan (Huf)	1,49,278	0.07%	-
Mr Narayanan Ramji	1,42,148	0.06%	-
Mr Shreen Raghavan	1,41,833	0.06%	-
Mr T T Narendran (Huf)	1,39,691	0.06%	-
Mrs Vimala Rangaswamy, Mr T T Narendran & Mrs Padmini Narendran	1,39,627	0.06%	-
Mr Narayanan Ramji (Huf)	1,36,160	0.06%	-
Mr T T Srinivasaraghavan, Mrs Vimala Rangaswamy & Mrs Bagyam Raghavan	1,35,970	0.06%	-
Mr T T Narendran & Mrs Padmini Narendran	1,32,244	0.06%	-
Mr Srivats Ram (Huf)	1,23,370	0.06%	-
Mrs Vimala Rangaswamy, Mr T T Srinivasaraghavan & Mr T T Venkatraghavan	1,21,465	0.05%	-
Mr T T Narendran & Mrs Padmini Narendran	1,17,551	0.05%	-
Mr Vishnu Vijayaraghavan	1,11,649	0.05%	-
Ms Sanjana Tara Ramanujam	1,09,034	0.05%	-
Mr S Raghavan	1,03,492	0.05%	-
Mrs Rupa Srikanth	1,03,133	0.05%	-
Mr Badri Vijayaraghavan	1,00,000	0.05%	-
Mrs Lakshmi Vijayaraghavan	91,155	0.04%	-
Mrs Rama Sridharan	85,920	0.04%	-
Mrs Aruna Sankaranarayanan	83,520	0.04%	-
Mr T T Rangaswamy (Huf-1)	72,476	0.03%	-
Mr T.T. Rangaswamy, Mr T.T. Narendran & Mr T.T. Hayagreevan	72,293	0.03%	-
Mr T.T. Rangaswamy, Mr T.T. Venkatraghavan & Mr T.T. Srinivasaraghavan	71,453	0.03%	-
Mr K Vasudevan & Mrs Lakshmi Vasudevan	68,167	0.03%	-
Mr Srinivas Raghavan	39,732	0.02%	-

Promoter Name	No of Shares	% of Total Shares	% change during the year
Mrs Dangety Krishnakumari	34,271	0.02%	-
Mr T T Rangaswamy (Huf-2)	28,459	0.01%	-
Miss Gitanjali Jeevan Jose, Rep By M/G Mrs Divya Jeevan Jose	14,693	0.01%	-
Master P Siddhartha Jeevan, Rep By M/G Mrs Divya Jeevan Jose	14,693	0.01%	-
Kavitha Gorur Keshav & Mr T T Hayagreevan	14,693	0.01%	-
Nakshatra Hayagreevan (Minor)	14,693	0.01%	-
Master T T Samitinjayam Rep. By F/G Mr T T Hayagreevan	14,693	0.01%	-
Mr R. Ramanujam (Huf)	14,682	0.01%	-
Mr C B Srinivasan	14,106	0.01%	-
Mr S. Viji & Mrs Chitra Viji	12,760	0.01%	-
Mr Srikanth Ramanujam (Huf)	11,755	0.01%	-
Mr Shreen Raghavan (Huf)	5,115	0.00%	-
Mr Sriram Viji & Mrs Chitra Viji	4,637	0.00%	-
Mr Harsha Viji & Mrs Chitra Viji	4,637	0.00%	-
Mr Srikanth Ramanujam & Mrs Rupa Srikanth	4,472	0.00%	-
Mr S Sundaram	4,000	0.00%	-
Mr A.M. Srinivasan & Mr S. Kishore	664	0.00%	-
Mr A M Srinivasan	176	0.00%	-
Mr S. Viji (Huf-1)	-	0.00%	-0.26%
<b>Total</b>	<b>12,34,71,229</b>	<b>55.59%</b>	<b>-</b>

#### Note 16: Other equity

(₹ in lakhs)

Particulars	Reserves and Surplus						Gains/(Losses) from equity instruments through OCI	Total
	Capital Reserve	General Reserve	ESOP Reserve	Securities Premium	FCTR	Retained Earnings		
Balance as at 01 Apr 2021	2,593.54	13,135.01	-	-	1,499.99	92,400.28	1,02,318.95	2,11,947.77
Add:								
(a) Profit or loss for the period						16,318.78		16,318.78
(b) Other comprehensive income					280.57	448.09	31,485.82	32,214.48
(c) Securities premium proceeds received on rights issue of equity shares				31,950.00				31,950.00

Particulars	Reserves and Surplus						Gains/(Losses) from equity instruments through OCI	Total
	Capital Reserve	General Reserve	ESOP Reserve	Securities Premium	FCTR	Retained Earnings		
(d) ESOP contribution scheme of Parent company			6.64					6.64
(e) Adjustment	14.75					217.66		232.41
Less:								
(f) Rights issue expenses (net of taxes)				(238.36)				(238.36)
(g) Final Dividend for FY 20-21						(1,110.56)		(1,110.56)
(h) Special Dividend for FY 21-22						(2,221.04)		(2,221.04)
Transfer on account of Sale of Equity instruments measured at FVTOCI						15,474.66	(15,474.66)	-
<b>Balance as at 01 Apr 2022</b>	<b>2,608.29</b>	<b>13,135.01</b>	<b>6.64</b>	<b>31,711.64</b>	<b>1,780.56</b>	<b>1,21,527.87</b>	<b>1,18,330.11</b>	<b>2,89,100.12</b>
Add:								
(a) Profit or loss for the period						23,755.61		23,755.61
(b) Other comprehensive income					845.42		32,298.68	33,144.11
(c) ESOP contribution scheme of Parent company			6.33					6.33
(d) Adjustment on account of additional acquisition of IMPAL and Brakes	5903.98					41,782.46	(40,422.21)	7,264.23
Less:								
(e) Adjustment						(152.98)		(152.98)
(f) Final Dividend for FY 2021-22 paid						(3,886.86)		(3,886.86)
Dividend FY 22-23						(3,331.56)		(3,331.56)
Transfer on account of Sale of Equity instruments measured at FVTOCI						23,091.14	(23,091.14)	-
<b>Balance as at 31 Mar 2023</b>	<b>8,512.27</b>	<b>13,135.01</b>	<b>12.97</b>	<b>31,711.64</b>	<b>2,625.98</b>	<b>2,02,785.68</b>	<b>87,115.44</b>	<b>3,45,899</b>

### Non Controlling Interest (NCI)

Particulars	31-Mar-23	31-Mar-22
Opening balance	-	-
Addition on account of acquisition of subsidiaries	-	2794.2
Total comprehensive income attributable to NCI	-	(248.96)
Reversal on account of loss of control	-	(2,545.24)
Closing balance	-	-

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

### Note 17: Interest Income

(₹ in lakhs)

Particulars	March 31, 2023	March 31, 2022
Interest income from investments	113.70	37.64
<b>Total</b>	<b>113.70</b>	<b>37.64</b>

### Note 18: Net Gain/(Loss) on Fair Value Changes

(₹ in lakhs)

Particulars	March 31, 2023	March 31, 2022
Net gain/(Loss) on financial instruments at FVTPL		
Investments	1,678.50	829.89
Fair Value changes:		-
- Realised	473.28	240.21
- Unrealised	1,205.22	589.68
<b>Total</b>	<b>1,678.50</b>	<b>829.89</b>

### Note 19: Other Income

(₹ in lakhs)

Particulars	March 31, 2023	March 31, 2022
Interest Receipts	14.49	68.39
Rent Receipts	192.87	187.10
Other Non-Operating Income	20.25	138.70
Export Incentive SEIS	57.76	-
Excess provisions/liabilities written back	-	11.83
Derivative income/(loss)	66.69	7.05
<b>Total</b>	<b>352.07</b>	<b>413.07</b>

### Note 20: Finance Cost

(₹ in lakhs)

Particulars	March 31, 2023	March 31, 2022
Interest on income tax	4.97	47.43
Interest-others	38.55	36.91
<b>Total</b>	<b>43.52</b>	<b>84.34</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

**Note 21: Employee Benefit Expenses**

(₹ in lakhs)

Particulars	March 31, 2023	March 31, 2022
Salaries, bonus and commission	2,744.89	3,190.93
Contribution to Provident and Other Funds	212.44	203.76
Staff welfare expenses	72.77	64.15
Staff Recruitment and Training Expenses	23.26	6.83
<b>Total</b>	<b>3,053.37</b>	<b>3,465.67</b>

**Note 22: Administrative and Other Expenses (\*)**

(₹ in lakhs)

Particulars	March 31, 2023	March 31, 2022
Rent	147.00	131.85
Rates and taxes	24.91	18.82
Electricity expenses	96.22	69.30
Sales and Marketing expenses	308.28	284.48
Communication expenses	35.88	42.42
Outsourcing cost	36.39	79.91
Audit Fees	30e 21.10	20.40
Repairs and Maintenance	71.23	48.37
Net gain/(loss) on Exchange Fluctuation	9.43	-
Professional fees	185.04	194.61
Commission to KMP and Directors	31.00	21.00
Director sitting fee	22.85	16.50
Filing fee	0.07	0.04
Provision for Bad debts	2.43	-
Listing fee	7.51	5.71
CSR Expenditure	30.00	50.00
Miscellaneous expenses	303.10	767.95
<b>Total</b>	<b>1,332.46</b>	<b>1,751.36</b>

(\*) Refer Note 28 for related party transactions



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

### Note 23 : 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	31 March 2023	31 March 2022
Income tax expenses recognized in the Statement of Profit and Loss	953.13	560.67
Tax recognised in OCI on account of derecognition	115.20	649.43
MAT credit utilisation		-
<b>Income tax expenses pertaining to current year</b>	<b>1068.33</b>	<b>1210.10</b>

(₹ in lakhs)

Particulars	31 March 2023	31 March 2022
<b>Profit before tax</b>	<b>4,668.90</b>	<b>2,186.27</b>
Enacted income tax rate in India	25.17%	25.17%
<b>Tax using the Company's domestic tax rate :</b>	<b>1,175.16</b>	<b>550.24</b>
<b>Effect of:</b>		
Allowance of deduction under section 80M	(1,816.73)	(838.50)
Set-off of carried forward loss / current year loss	(37.22)	(219.97)
Effect of differential overseas tax rate	4.20	(202.52)
Disallowance of impairment loss	135.91	284.74
Expenses disallowed	(316.38)	81.00
Exempted / Non taxable income	-	(0.38)
Additional allowance / adjustments	13.82	(147.41)
Consolidation Adjustments	1,969.47	995.46
Prior period tax	(175.10)	58.01
<b>Income tax expenses recognized in the Statement of Profit and Loss</b>	<b>953.13</b>	<b>560.67</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

**B. Recognised Deferred Tax Assets and Liabilities**Deferred tax assets / liabilities as at 31<sup>st</sup> March 2023:

(₹ in lakhs)

Particulars	As at 1 <sup>st</sup> April 2022	Recognized in Statement of Profit or Loss	Recognized in Other Comprehensive Income *	Recognized in Other Equity	As at 31 <sup>st</sup> March 2023
<b>Deferred tax Assets</b>					
Property, plant and Equipment	27.76	6.59			34.35
Impairment on investment valued at cost	258.85	(258.85)			0.00
Carry forwarded loss	-	-			-
Minimum Alternate Tax (MAT) Credit	-	-			-
Provisions - employee benefits	44.16	(6.90)			37.26
Provision for doubtful debts	1.92	0.35			2.27
Change in fair value of derivative instrument	9.53	-	(9.53)		-
Other items	64.54	(15.79)			48.75
	<b>406.77</b>	<b>(274.60)</b>	<b>(9.53)</b>	<b>-</b>	<b>122.64</b>
<b>Deferred tax Liabilities</b>					
Investments at fair value through profit or loss	130.29	273.47			403.76
Investments at fair value through OCI	8,604.20		2,272.44	*(7,264.22)	3,612.42
Others	10.88	16.34	72.05		99.27
	<b>8,745.37</b>	<b>289.81</b>	<b>2,344.49</b>	<b>(7,264.22)</b>	<b>4,115.45</b>
<b>Net deferred tax (Assets) / Liabilities</b>	<b>8,338.60</b>	<b>564.41</b>	<b>2,354.02</b>	<b>(7,264.22)</b>	<b>3,992.81</b>
Current tax recognised during the current period		953.13	115.20		
<b>Total tax expenses recognized in the Statement of Profit and Loss</b>		<b>1,517.54</b>	<b>2,469.22</b>		

\* 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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

(₹ in lakhs)

Particulars	As at 1 <sup>st</sup> April 2021	Recognized in Statement of Profit or Loss*	Recognized in Other Comprehensive Income**	Recognized in Other Equity	As at 31 <sup>st</sup> March 2022
<b>Deferred tax Assets</b>					
Property, plant and Equipment	23.85	3.91	-	-	27.76
Impairment on investment valued at cost	-	258.85	-	-	258.85
Carry forwarded loss	132.72	(132.72)	-	-	-
Minimum Alternate Tax (MAT) Credit	172.53	(145.03)	-	(27.50)	-
Provisions - employee benefits	19.65	24.52	-	-	44.16
Provision for doubtful debts	8.15	(6.23)			1.92
Change in fair value of derivative instrument	88.66	-	(79.13)		9.53
Other items	2.64	-2.23	-	64.13	64.54
	<b>448.20</b>	<b>1.06</b>	<b>(79.13)</b>	<b>36.63</b>	<b>406.77</b>
<b>Deferred tax Liabilities</b>					
Investments at fair value through profit or loss	19.97	110.32			130.29
Investments at fair value through OCI	10,199.80	-	(946.17)	(649.43)	8,604.20
Others	10.06	0.82			10.88
	<b>10,229.83</b>	<b>111.14</b>	<b>(946.17)</b>	<b>#: (649.43)</b>	<b>8,745.37</b>
<b>Net deferred tax (Assets) / Liabilities</b>	<b>9,781.63</b>	<b>110.08</b>	<b>(867.04)</b>	<b>(686.06)</b>	<b>8,338.60</b>
Current tax recognised during the current period		560.67			
<b>Total tax expenses recognized in the Statement of Profit and Loss</b>		<b>670.75</b>	<b>(867.04)</b>		

\* Excludes 213.45 lakhs pertaining to effect tax gain of companies consolidated as subsidiary till the date of loss of Control

\*\* 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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

**Note 24: Leases****(i) Company as Lessee****Movement of Right of Use asset**

(₹ in Lakhs)

Particulars	31 <sup>st</sup> March 2023	31 <sup>st</sup> March 2022
Opening Balance	289.07	345.16
Add : Additions	1,598.51	-
Less : Modifications	(43.94)	-
Less : Depreciation on Right of Use Assets	(80.41)	(56.09)
Closing balance	1,763.23	289.07

**Movement of Lease Liability**

(₹ in Lakhs)

Particulars	31 <sup>st</sup> March 2023	31 <sup>st</sup> March 2022
Opening Balance	318.74	360.00
Add : Additions	1,598.51	-
Less : Modifications	(54.79)	-
Less : Repayments	(37.35)	(41.26)
Closing balance	1,825.11	318.74

**Details regarding the contractual maturities of lease liabilities as at March 31, 2023 on an undiscounted basis.**

(₹ in Lakhs)

Future minimum lease payable	31 <sup>st</sup> March 2023	31 <sup>st</sup> March 2022
Not later than 1 year	253.77	71.60
Later than 1 year and not later than 5 years	1,066.25	252.39
Later than 5 years	1,093.08	77.26

**Other Rental expenses categorised as short term and low value**

(₹ in Lakhs)

Particulars	31 <sup>st</sup> March 2023	31 <sup>st</sup> March 2022
Equipment Rent (Low value)	18.27	10.52
Immovable Property Rent ( Short term)	130.08	123.23

**(ii) Company as Lessor**

Undiscounted lease payments to be received on annual basis for first 5 years - ₹ 192.87 lakhs (Previous year - ₹189.24 Lakhs)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

### Note 25 : 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 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 2023	Carrying amount	Level 1	Level 2	Level 3
<b>Financial assets measured at Amortized cost</b>				
<b>Preference securities</b>	-	-	-	-
Trade receivables	690.70			
Cash and cash equivalents	1,656.21			
Other Financial Assets	180.30	13.71	123.51	43.08
Loans	6.50			
<b>FVTPL</b>				
Mutual Fund	44,368.09	44,368.09		
Preference securities	686.37		686.37	
<b>FVTOCI</b>				
Equity instruments*	93,090.36	73,141.60		19,948.76
Derivative Instruments	334.59	334.59		
<b>Financial Liabilities measured at Amortized cost</b>				
Trade and other payables	94.95			
Lease Liability	1,825.11		1,825.11	
Other Financial Liabilities	163.56			

\* Excluding Investment in Subsidiary as given in Note 4

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

(₹ in Lakhs)

As at 31 March 2022	Carrying amount	Level 1	Level 2	Level 3
<b>Financial assets measured at Amortized cost</b>				
<b>Preference securities</b>	1,500.00		1,500.00	
Trade receivables	504.81			
Cash and cash equivalents	1,449.78			
Other Financial Assets	849.99	779.96	35.74	34.29
Loans	12.79		12.79	
<b>FVTPL</b>				
Mutual Fund	19,569.43	18,601.23	968.20	-
Preference securities	686.26		686.26	-
<b>FVTOCI</b>				
Equity instruments*	1,67,146.54	95,524.50	-	71,622.04
<b>Financial Liabilities measured at Amortized cost</b>				
Trade and other payables	50.24			-
Lease Liability	318.74		318.74	-
Other Financial Liabilities	148.94			-
<b>FVTPL</b>				
Derivatives	18.37	18.37		
<b>FVTOCI</b>				
Derivatives	32.72	32.72		

\* 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 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 27 : Financial Risk Management

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

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

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

#### (a) Liquidity Risk

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

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

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

(₹ in Lakhs)

Particulars	31 March 2023	31 March 2022
Payable Within one year		
Trade payables	94.95	50.24
Derivative financial instruments	-	51.09
Other financial Liabilities	163.56	148.94

#### (b) Credit Risk

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

##### (i) Trade Receivables:

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

## 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	31 March 2023	31 March 2022
Trade receivables	697.23	508.91
Loss allowance	(6.53)	(4.10)
Carrying amount	690.70	504.81

**(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 31<sup>st</sup> March, 2023 is the carrying value of each class of financial assets as on that date.

**(iii) Cash and Cash Equivalents**

The Group held cash and cash equivalents of INR 1,656.21 lakhs as on March 31, 2023 (March 31, 2022 : INR 1,449.78 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.

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.

- (i) 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:

	31-Mar-23		31-Mar-22	
	AUD in'000	₹ in Lakhs	AUD in'000	₹ in Lakhs
<b>Monetary Assets</b>				
Cash and Cash Equivalents	2,898.42	1,594.86	2,374.00	1,347.07
Trade Receivables	936.02	515.05	597.50	339.04
<b>Monetary Liabilities</b>				
Trade Payables	41.25	22.70	11.84	6.72



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

### (ii) Sensitivity Analysis

(₹ in Lakhs)

Sensitivity analysis	Change in assumption		Impact on carrying value of investments			
			Increase in assumption		Decrease in assumption	
Details	31 March 2023	31 March 2022	31 March 2023	31 March 2022	31 March 2023	31 March 2022
Quoted Equity investments	1.00%	1.00%	1227.98	9,55.24	(1227.98)	(9,55.24)
Unquoted Equity investments	1.00%	1.00%	1874.74	7,01.70	(1874.74)	(7,01.70)
Mutual Fund investments	1.00%	1.00%	443.68	195.69	(443.68)	(1,95.69)

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

	31-Mar-23		31-Mar-22	
	AUD in'000	₹ in Lakhs	AUD in'000	₹ in Lakhs
<b>Forward Contract: Cashflow Hedge</b>				
AUD/INR (in A\$ '000)	-	9,800.00	-	10,500.00
AUD/INR (in ₹ Lakhs)	-	5,929.70	-	6,210.88

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:

	GBP	NZD	Equivalent in INR
Unhedged	1,392.0	19,101.0	11,25,007.00

### 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 28: 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 and training. The Group recognizes revenue when the significant terms of the arrangement are enforceable, services are being delivered and the collect ability 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 needs to be accounted 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 27.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 27.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 services and the trade receivable for the year ended March 31, 2023 and March 31, 2022 is as follows:

**Note 28.a**

(₹ in Lakhs)

Particulars	31 <sup>st</sup> March 2023	31 <sup>st</sup> March 2022
Sale of Goods	0	850.80
Sale of Services		
- Support Services	5,593.80	4,683.01
- Learning Income	143.82	131.89
Trade Receivables	690.70	504.81

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (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

##### Joint Venture of Holding Company

Royal Sundaram General Insurance Co. Ltd

##### Fellow Subsidiaries

Sundaram Asset Management Company Limited

SAMC Support Services Private Limited (Formerly known as Principal Asset Management Private Limited)

SAMC Trustee Private Limited (Formerly known as Principal Trustee Company Private Limited)

SAMC Services Private Limited (Formerly known as Principal Retirement Advisors Private Limited)

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

##### Associate Companies

Brakes India Private Limited (w.e.f 27 Jul 2022)

India Motor Parts & Accessories Limited (w.e.f 03 Aug 2022)

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 Srl

Flometallic India Private Limited ( till 27 July 2022)

Sundaram Composite Structures Private Limited

##### Key Management Personnel (KMP):

Sri. Harsha Viji - Director

Sri. S.Ravi-Chief Executive Officer

Sri I S Suresh - Chief Financial Officer

Sri S. Kalyanaraman - Secretary and Compliance Officer  
(w.e.f 01st June 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 year, with the above related parties are as follows:

(₹ in lakhs)

Nature of Transactions	Holding Company	Associates	Fellow Subsidiaries	Joint Venture of Holding Company	KMP	2022-23	2021-22
<b>Income</b>							
<b>Dividend Income</b>							
Sundaram Dynacast Private Limited		187.20				187.20	140.40
Turbo Energy Private Limited		3,456.00				3,456.00	1,638.40
Axles India Limited		395.67				395.67	-
India Motor Parts & Accessories Limited		224.64				224.64	
Brakes India Private Limited		3,148.79				3,148.79	
Flometallic India Private Limited						-	-
Transenergy		12.00				12.00	
Sundaram Asset Management Company Ltd			101.25			101.25	101.25
Wheels India Limited		637.10				637.10	56.01
<b>Income from Services</b>							
Sundaram Finance Limited	1,141.78					1,141.78	1,164.47
Sundaram Asset Management Company Ltd			24.95			24.95	28.92
Sundaram Fund Services Ltd			0.60			0.60	0.60
Sundaram Home Finance Ltd			54.81			54.81	53.93
Royal Sundaram General Insurance Co. Ltd				105.89		105.89	69.70
Sundaram Alternate Assets Limited			3.84			3.84	3.84
Brakes India Private Limited		0.72				0.72	
Turbo Energy Private Limited		0.05				0.05	
Wheels India Limited		16.58				16.58	9.11

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Nature of Transactions	Holding Company	Associates	Fellow Subsidiaries	Joint Venture of Holding Company	KMP	2022-23	2021-22
<b>Other Income</b>							
<b>Rental Income</b>							
Sundaram Finance Limited	98.30					98.30	96.80
Brakes India Private Limited		38.14				38.14	
Turbo Energy Private Limited		29.32				29.32	37.53
<b>Expenses</b>							
<b>Sundaram Finance Limited</b>							
Rent & other Amenities	161.39					161.39	162.56
Internal Audit fees	16.00					16.00	16.00
ITVO Charges							0.32
Reimbursement Expenses	0.03					0.03	0.15
Employees Stock Options	6.33					6.33	6.64
Employee Benefit Transfers	8.37					8.37	6.22
<b>Sundaram Home Finance Limited</b>							
Amenities Reimbursement			1.04			1.04	0.21
<b>Brakes India Private Limited</b>							
Reimbursement of Professional Fees		66.81					
<b>Royal Sundaram General Insurance Co. Limited</b>							
Insurance			-	2.88	-	2.88	8.69
<b>Remuneration paid to KMP**</b>							
				-	121.30	121.30	115.68
<b>Employee benefit transfers</b>							
Sundaram Finance Limited						-	7.40

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Nature of Transactions	Holding Company	Subsidiary	Associates	Fellow Subsidiaries	Joint Venture of Holding Company	KMP	2022-23	2021-22
<b>Other Transactions - Investments</b>								
Purchase of Equity Shares - Wheels India Limited			829.87	-	-	-	829.87	-
Purchase of Equity Shares - Transenergy Private Limited		-	621.26	-	-	-	621.26	-
Purchase of Equity Shares - IMPAL			749.57	-	-	-	749.57	-
Redemption of Preference Shares - SAMCL			-	1,500.00	-	-	1,500.00	-
Purchase of Equity Shares - Mind S.r.l			-	-	-	-	-	1,717.42
Purchase of Equity Shares - Flometallic			-	-	-	-	-	1,249.56
Capital Reduction Dunes Oman LLC			-	-	-	-	-	1972.04
Purchase of Equity Shares - Sundaram Composites			-	-	-	-	-	2,400.00
Sale of Equity Shares - Sundaram Composites			-	-	-	-	-	453.20

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

Nature of Transactions	Holding Company	Associates	Fellow Subsidiaries	Joint Venture of Holding Company	KMP	2022-23	2021-22
<b>Closing Balance of Investment in Preference Shares</b>							
Sundaram Asset Management Company Ltd	-	-	-	-	-	-	1,500.00
<b>Insurance Deposit</b>							
Royal Sundaram General Insurance Co. Ltd	-	-	-	2.34	-	2.34	0.72
<b>Receivables:</b>							
Sundaram Finance Limited	113.23					113.23	134.23
Sundaram Asset Management Company Ltd			0.53			0.53	2.84
Sundaram Fund Services Ltd			0.06			0.06	0.06
Sundaram Home Finance Ltd			0.16			0.16	-
Royal Sundaram General Insurance Co. Ltd				3.76		3.76	7.03
Sundaram Alternate Assets Limited			0.38			0.38	0.38
Turbo Energy Private Limited		3.90				3.90	-
Wheels India Limited		1.70				1.70	0.86
<b>Payables:</b>							
Sundaram Finance Limited						-	0.51
Sundaram Asset Management Company Ltd						-	0.01

**\*\* Remuneration to KMP**

(₹ in Lakhs)

Particulars	2022-23	2021-22
Short term Employee benefits	121.30	110.68
Post Employment benefits	-	-
Other long term employee benefits	-	-
Termination benefits	-	-
Others(Commission)	-	5.00
<b>TOTAL</b>	<b>121.30</b>	<b>115.68</b>

# Refer Note 30b

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

**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:

**Note 30a : Contribution to PF & Other Funds**

(₹ in lakhs)

Particulars	2022-23	2021-22
Contribution to Provident Fund	150.15	136.71
Contribution to Superannuation Fund	6.24	4.63
Contribution to Labour Welfare Fund	0.10	0.14

**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	31 <sup>st</sup> March 2023	31 <sup>st</sup> March 2022
Present Value of Defined Benefit Obligation at the beginning of the Period	322.43	271.60
Service Cost		
a. Current Service Cost	69.23	62.03
b. Past Service Cost	-	-
c. (Gain)/Loss on Curtailments	-	-
d. (Gain)/Loss on Settlements	-	-
Interest Expense	17.45	15.63
Remeasurements		
a. Effect of Changes in Demographic Assumptions	-	-
b. Effect of Changes in Financial Assumptions	(8.51)	(4.06)
c. Effect of Experience Adjustments	(7.81)	40.88
Cashflows		
a. Benefit Payments		
(i) From the Plan	(88.36)	(63.65)
(ii) Directly from the Employer	-	-
b. Settlement Payments from the Plan	-	-
c. Participant Contributions	-	-
Effect of Business Combinations / Disposals	-	-
<b>Present Value of Defined Benefit Obligation at the end of the Period</b>	<b>304.43</b>	<b>322.43</b>



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

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

(₹ in lakhs)

Particulars	31 <sup>st</sup> March 2023	31 <sup>st</sup> March 2022
Fair value of plan assets as at the beginning of the period	258.46	253.81
Interest Income on Plan Assets	15.63	14.88
Cash Flows		
a. Benefit Payments		
(i) From the Plan	(88.36)	(63.65)
(ii) Directly from the Employer	-	-
b. Settlement Payments from the Plan	-	-
c. Participant Contributions	-	-
d. Total Employer Contributions		
(i) Employer Contributions	63.52	26.05
(ii) Employer Direct Benefit Payments	-	32.27
Remeasurements		
a. Actual Return on Plan Assets	3.11	(4.91)
Effect of Business Combinations / Disposals	-	-
Effect of Changes in Foreign Exchange Rates	-	-
<b>Fair value of plan assets as at the end of the period*</b>	<b>252.36</b>	<b>258.45</b>

\*All the plan assets are funded with LIC

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

(₹ in lakhs)

Particulars	31 <sup>st</sup> March 2023	31 <sup>st</sup> March 2022
Present Value of Defined Benefit Obligation	304.43	322.43
Fair value of plan assets	252.36	258.45
Net Assets (Liability) recognized in the Balance Sheet	(52.07)	(63.98)
Effect of Asset Ceiling	-	-
<b>Net Assets (Liability)</b>	<b>(52.07)</b>	<b>(63.98)</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

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

(₹ in lakhs)

Particulars	31 <sup>st</sup> March 2023	31 <sup>st</sup> March 2022
Service Cost		
a. Current Service Cost	69.22	62.03
b. Past Service Cost	-	-
c. (Gain)/Loss on Curtailments	-	-
d. (Gain)/Loss on Settlements	-	-
e. Total Service Cost	69.22	62.03
Net Interest Expense		
a. Interest Expense on DBO	17.45	15.63
b. Interest Income on Plan Assets	(15.63)	(14.88)
c. Interest Income on Reimbursement Rights	-	-
d. Interest Income on Asset Ceiling	-	-
e. Total Net Interest Cost	1.81	0.75
Remeasurements		
a. Effect of Changes in Demographic Assumptions	-	-
b. Effect of Changes in Financial Assumptions	(0.73)	(4.06)
c. Effect of Experience Adjustments	(2.11)	40.88
d. Actual Return on Plan Assets	2.00	4.91
e. Actual Return on Reimbursement Rights	-	-
f. Actual Change in Asset Ceiling	-	-
g. Total Remeasurements	(0.84)	41.73
Defined Benefit Cost included in P&L Account	71.03	62.78
Defined Benefit Cost included in OCI	(19.43)	41.73

## E. Principal Actuarial Assumptions (Expressed as weighted averages)

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

Particulars	31 <sup>st</sup> March 2023	31 <sup>st</sup> March 2022
Discount Rate	7.15%	6.65%
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		Decrease	
Details	31 <sup>st</sup> March 2023	31 <sup>st</sup> March 2022	31 <sup>st</sup> March 2023	31 <sup>st</sup> March 2022	31 <sup>st</sup> March 2023	31 <sup>st</sup> March 2022
Discount rate	0.50%	0.50%	(5.10)	(6.13)	5.32	6.44
Salary growth rate	0.50%	0.50%	5.40	6.49	(5.22)	(6.24)
Attrition rate	5.00%	5.00%	0.02	0.15	(0.02)	(0.14)
Mortality rate	5.00%	5.00%	0.46	0.03	(0.49)	-

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	
	31.03.2023	31.03.2022
Year 1	92.67	77.60
Year 2	63.66	65.06
Year 3	42.90	46.57
Year 4	30.87	36.74
Year 5	28.03	28.00
Next 5 years	85.84	103.47

### (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 CONSOLIDATED FINANCIAL STATEMENTS (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 ₹68.81

**Note 30c : Other Long Term Employee Benefits**

The Group's liability towards other long - term benefits are provided based on actuarial valuation as at 31<sup>st</sup> March 2023. The details are given below:

(₹ in lakhs)		
Particulars	31 <sup>st</sup> March 2023	31 <sup>st</sup> March 2022
Leave encashment	88.30	116.80
Employee Assured Bonus Scheme	-	26.14

**Note 31****Note 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)**

(₹ in lakhs)

Particulars	Year ended	
	March 31, 2023	March 31, 2022
Profit /(Loss) attributable to equity shareholders (basic and diluted)	23,755.61	16,069.82

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

Particulars	March 31, 2023	March 31, 2022
Opening balance	22,21,03,860	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	22,21,03,860	20,82,92,901

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

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

Earnings Per Share	March 31, 2023	March 31, 2022
Basic Earnings Per Share (in ₹)	10.70	7.72
Diluted Earnings Per Share (in ₹)	10.70	7.72

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.

### Note 31b : Dividend

The Board of Directors has recommended a final dividend of ₹1.50/- per share (30%). In addition, the Board of Directors has recommended a Special Dividend of ₹1.00/- per share (20%), which, together with the Special Dividend of ₹1.50/- per share (30%) paid during the year will make a total Special Dividend of ₹4.00/- per share (80%).

### Note 31c: Contingent Liabilities and Commitments

(₹ in lakhs)

	31 March 2023	31 March 2022
(A) Claims against the Group/ disputed liabilities not acknowledged as debts		
(i) in respect of Group	32.64	420.15
(ii) in respect of Associates *	8564.42	906.17
(B) Bank Guarantee and Bills discounted		
(i) in respect of Associates *	51.30	873.99
(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 *	9084.94	2826.40

### Note 31d: Other Regulatory Disclosure as required under Schedule III of Companies Act, 2013

- The Group does not have any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder
- The Group is not declared as a willful defaulter by any bank or financial Institution or other lender.
- 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."
- The Group does not have any charges or satisfaction to be registered with ROC beyond stipulated statutory period.
- The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

- (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) No funds have been advanced or loaned or invested funds (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("intermediaries") with the understanding (whether recorded in writing or otherwise) that intermediary shall directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company (Ultimate Beneficiaries).
- The Company has not received any fund from any party(s) or entity(ies) including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (h) There are no scheme of arrangements approved. Hence disclosure under clause (xv) of Schedule III of The Companies Act 2013, is not applicable.
- (i) 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.

**Note 31e : Audit Fees**

Particulars	(₹ in lakhs)	
	31.03.2023	31.03.2022
As Statutory auditors	14.50	14.50
Taxation matters	2.75	2.75
Certification matters	3.85	3.15
<b>Total</b>	<b>21.10</b>	<b>20.40</b>
Certification fees in relation to Rights Issue	-	20.40
<b>Total</b>	<b>21.10</b>	<b>40.80</b>

**Note 31f: Adoption of Financial Statements**

The Board has adopted the financial statements at its meeting held on 24th May 2023.

### Note 32 : 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.

Business Segments	Investments		Manufacturing		Shared Services				Eliminations		Total	
	2022-23	2021-22	2022-23	2021-22	Domestic		Overseas		2022-23	2021-22	2022-23	2021-22
					2022-23	2021-22	2022-23	2021-22				
REVENUE												
Segment Revenue	3,306.64	2,710.90	-	864.64	1,533.96	1,556.24	4,252.26	3,307.26	(48.60)	(48.60)	9,044.26	8,390.44
RESULT												
Segment Result	3,044.79	2,056.68	-	(781.64)	100.04	145.91	1,542.58	897.71	-	-	4,687.41	2,318.66
Unallocated income / (expenses) (Net)											(18.51)	(132.40)
Profit before tax											4,668.90	2,186.27
Less: Income tax											1,517.54	457.29
Profit after tax before share of profits from associates											3,151.36	1,728.98
Add: Share of profit from Associates											20,604.25	14,340.84
Profit after tax											23,755.61	16,069.82
OTHER INFORMATION												
Segment Assets	3,55,942.60	3,06,241.25	-	-	979.17	1,077.98	4,476.89	1,952.50	-	-	3,61,398.66	3,09,271.73
Unallocated Assets											2,056.15	279.22
Total Assets											3,63,454.81	3,09,550.95
Segment Liabilities	4,024.76	8,495.60	-	-	419.84	581.54	1,967.97	217.95	-	-	6,412.57	9,295.09
Unallocated Liabilities											38.05	50.55
Total Liabilities											6,450.62	9,345.64
Capital Expenditure											1,827.94	36.30
Depreciation											161.56	439.98

(ii) The Group is generating 14% of the total revenue from a single customer

#### Entity wide disclosures:

- Revenue from overseas is already disclosed as above
- The group is not holding any non current assets outside India

Note 33 : Additional information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary/Associates as at Mar 2023

	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 Limited	0.63	3,70,735.27	0.30	9,475.07	0.99	1,98,284.19	0.89	2,07,759.26
<b>Subsidiary</b>								
Indian								
Sundaram Business Services Limited	0.01	5,035.85	0.05	1,501.78	0.00	245.00	0.01	1,746.78
<b>Associates</b>								
<b>Indian</b>								
Brakes India Private Limited	0.14	84,029.05	0.27	8,467.67	0.0002	32.56	0.04	8,500.24
Wheels India Limited	0.05	28,204.82	0.04	1,366.87	0.0000	-8.92	0.01	1,357.95
Turbo Energy Private Ltd.	0.10	56,982.14	0.23	7,356.48	-0.0004	-83.98	0.03	7,272.50
Axles India Ltd.	0.01	8,211.69	0.06	2,042.90	-0.0013	-261.40	0.01	1,781.50
India Motor Parts & Accessories Limited	0.04	21,451.36	0.03	1,032.82	0.01	1,601.60	0.01	2,634.42
Sundaram Dynacast Private Ltd.	0.003	1,961.86	0.01	464.97	0.0000	0.67	0.00	465.64
Transenergy Ltd.	0.003	1,682.31	-0.005	-155.34	0.0003	50.27	0.00	-105.08
Sundaram Composite Structures Pvt Ltd	0.003	1,656.53	-0.01	-353.88		-	0.00	-353.88
Sundaram Hydraulics Ltd.		-		-		-		-
Flometallic India Private Limited		-	-0.01	-169.54	0.0005	108.97	0.00	-60.57
<b>Foreign</b>								
Dunes Oman LLC (FZC)	0.02	10,917.88	0.04	1,326.55	0.0035	696.98	0.01	2,023.54
Mind S.r.l Italy	0.004	2,084.18	-0.02	-775.25	0.0004	70.60	0.00	-704.65
Adjustments arising out of consolidation	1.00	59,295.95	1.00	3,1581.10	1.00	200,736.55	1.00	232,317.65
	-	(2,35,948.76)	-	(7,825.49)	-	(1,67,592.44)	-	(1,75,417.93)
<b>Total</b>		3,57,004.19		23,755.61		33,144.11		56,899.72

For and on behalf of the Board of Directors of Sundaram Finance Holdings Limited  
This is the Balance sheet referred to in our report of even date attached.

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

Chartered Accountants

ER No: 002785S

**K. Venkatakrishnan**

Partner

M.No : 208591

Date : 24-05-2023

Place : Chennai

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

**Harsha Viji**  
Chairman

**R. Venkatraman**  
Director

**I S Suresh**  
Chief Financial Officer

**S Kalyanaraman**  
Secretary & Compliance Officer

**S.Ravi**  
Chief Executive 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	2799.12
7.	Total assets	7214.05
8.	Total Liabilities	2178.2
9.	Investments	2111.68
10.	Turnover	4389.53
11.	Profit/(Loss) before taxation	1770.27
12.	Provision for taxation	268.49
13.	Profit/(Loss) after taxation	1501.78
14.	Proposed Dividend	1279.69
15.	% of shareholding	100%

**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	Brakes India Private Limited	Turbo Energy Private Limited	Wheels India Limited	Axles India Limited	Indian Motor Parts And Accessories Lid	Sundaram Dynacast Private Limited	Dunes Oman LLC (FZC)	Transenergy Private Limited	Sundaram Hydraulics Limited	Sundaram Composite Structures Private Limited	Mind S.r.l
1. Latest audited Balance Sheet Date	31-03-2023	31-03-2023	31-03-2023	31-03-2023	31-03-2023	31-03-2023	31-03-2023	31-03-2023	31-03-2023	31-03-2023	31-03-2023
2. Shares of Associate held by the company on the year end.											
Number	411606	2560000	5740117	9891754	2496033	1170000	1834980	192713	11250000	19600000	734675
Amount of Investment in Associates	40,384.52	188.41	14,998.26	1015.70	1,961.90	117.00	1724.71	808.75	1,125.00	1,960.00	4,108.30
Extent of Holding %	23.57%	32.00%	23.85%	38.81%	20.00%	26.00%	43.69%	42.41%	25.71%	49.00%	48.86%
3. Description of how there is significant influence											
4. Reason why the Associate/Joint Venture is not consolidated	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
5. Networth attributable to Shareholding as per latest audited Balance Sheet	61,212.82	56,977.50	18,227.76	8,192.99	27,362.66	1,958.35	10,726.86	1,672.87	17.70	1,573.80	847.64
6. Profit / Loss for the year											
i. Considered in Consolidation	10,091.73	7,356.48	1,366.87	2,042.90	1,032.82	464.97	1,326.55	264.08	-	(353.88)	(775.25)
ii. Not Considered in Consolidation	25,836.18	15,632.52	5,610.13	3,221.17	4,138.18	1,323.39	1,709.73	389.34	-415.48	(368.33)	(811.56)

By Virtue of Holdings being 20% or more

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

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. Venkatarishnan**  
Partner  
M.No : 208591  
Date : 24-05-2023  
Place : Chennai

**Harsha Viji**  
Chairman

**R. Venkatraman**  
Director

**S.Ravi**  
Chief Executive Officer

**I S Suresh**  
Chief Financial Officer

**S Kalyanaraman**  
Secretary & Compliance Officer