

# Sundaram Finance Holdings Limited

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30th Annual Report

2023-24



***SUNDARAM FINANCE HOLDINGS***

<b>Board of Directors</b>	Harsha Viji R Venkatraman Shobhana Ramachandhran Srivats Ram Ananth Ramanujam Priyamvada Ramkumar Sriram Viji Sripriya Kumar	Chairman
<b>Audit Committee</b>	R. Venkatraman Shobhana Ramachandhran Sripriya Kumar	Chairman
<b>Stakeholders Relationship Committee</b>	R Venkatraman Srivats Ram Ananth Ramanujam	Chairman
<b>Nomination &amp; Remuneration Committee</b>	R Venkatraman Harsha Viji Priyamvada Ramkumar	Chairman
<b>Corporate Social Responsibility Committee</b>	Harsha Viji Srivats Ram Priyamvada Ramkumar	Chairman
<b>Investment Committee</b>	Harsha Viji R Venkatraman Ananth Ramanujam Srivats Ram Sriram Viji	Chairman
<b>Risk Management Committee</b>	R Venkatraman Ananth Ramanujam 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 2888 1311, Fax: 044 2858 6641 Email: investorservices@sundaramholdings.in Website: www.sundaramholdings.in	
<b>CIN</b>	L65100TN1993PLC025996	
<b>Auditors</b>	M/s. R.G.N Price & Co., Chartered Accountants Akshya Shanthi, 1 <sup>st</sup> Floor 25 & 27, 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 30<sup>th</sup> Annual Report together with audited accounts for the year ended 31<sup>st</sup> March 2024. The summarised financial results of the Company are presented hereunder:

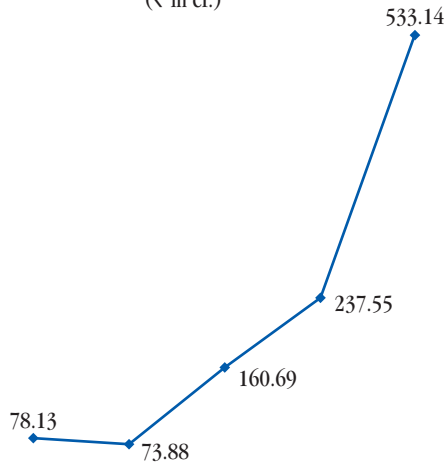
### OPERATING AND FINANCIAL PERFORMANCE:

(₹ in cr.)

Particulars		Year ended 31 March 2024	Year ended 31 March 2023
<b>i</b>	<b>Share of Profit from Associates (after tax)</b>	<b>341.00</b>	<b>206.04</b>
	Dividend from minority holdings	17.69	15.14
	Operating Revenue (Others)	279.48	78.82
	<b>Total Revenue</b>	<b>297.17</b>	<b>93.96</b>
	Profit before tax	244.65	46.68
<b>ii</b>	<b>Profit after Tax</b>	<b>192.14</b>	<b>31.51</b>
<b>iii</b>	<b>Consolidated Profit after Tax (i+ii)</b>	<b>533.14</b>	<b>237.55</b>
<b>iv</b>	<b>Standalone Profit after Tax</b>	<b>321.57</b>	<b>94.75</b>

#### Consolidated PAT

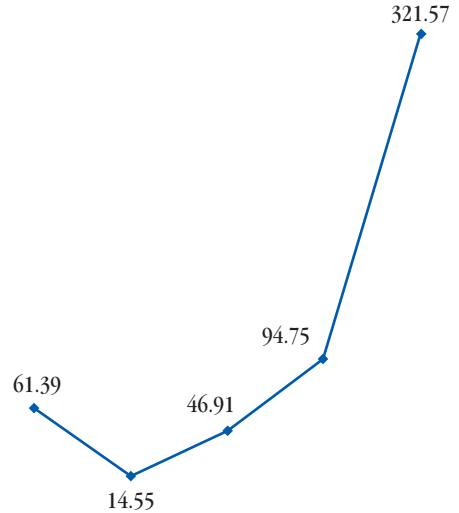
(₹ in cr.)



FY	2019-20	2020-21	2021-22	2022-23	2023-24
EPS (₹)	5.17	4.89	7.72	10.70	24.00

#### Standalone PAT

(₹ in cr.)



FY	2019-20	2020-21	2021-22	2022-23	2023-24
EPS (₹)	4.06	0.96	2.25	4.27	14.48

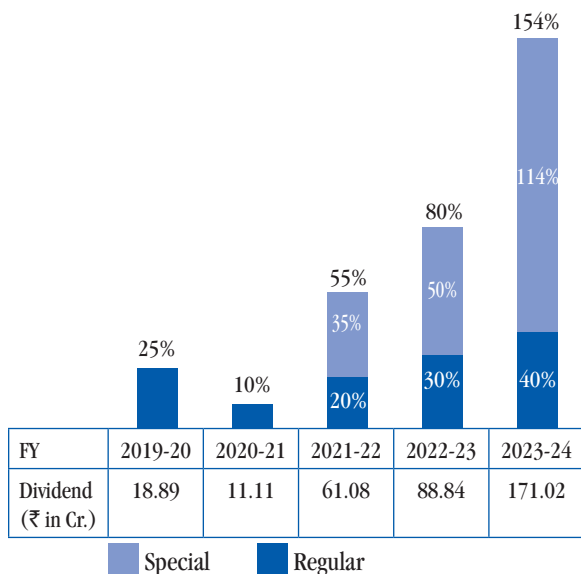
### DIVIDEND

Your Company paid an interim dividend of ₹2.00/- per share (40%) in February 2024 and declared a second Interim dividend of ₹3.65/- per share (73%) on 21<sup>st</sup> May, 2024, payable in the month of June 2024.

In addition, your directors are pleased to recommend a final dividend of ₹2.05/- per share (41% on the face value of ₹5/-), which together with the interim dividend of ₹2.00/- per share paid during February 2024 and ₹3.65/- per share payable in June 2024, would aggregate to a total Dividend of ₹7.70 per share (154% on the face value of ₹5/-) for the Financial Year 2023-24.

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://sundaramholdings.in/wp-content/uploads/2023/12/10.-SFHL-Distribution-of-Dividends-Policy.pdf>

### Dividend %



### Indian Economy

Amidst an uncertain and challenging global macroeconomic environment, the Indian economy presents a picture of confidence, positivity and optimism. As per the National Statistical Office's second advance estimates, real GDP growth for 2023-24 was at 7.6% on the back of buoyant domestic demand. The growth in GDP has been boosted by a healthy growth of 10.7% in the construction sector and 8.5% in the manufacturing sector. Growth in industry has been estimated at 8.3% compared to a negative growth of -0.6% in 2022-23.

The fiscal deficit, for the year 2023-24 is likely to hover around the revised estimate of 5.8% of GDP and has been estimated to be at 5.1% of GDP in the year 2024-25.

The International Monetary Fund (IMF) has raised India's growth forecast for 2024-25 to 6.8% from 6.5% on the back of strong domestic demand and a rising working-age population. Despite the challenges emanating from the pandemic and the subsequent external shocks, both the services and infrastructure sectors gradually rebounded as businesses reopened and restrictions eased.

### 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.

The auto industry saw volume declines for 3 consecutive years (FY20-FY22). FY23 witnessed a sharp uptick in growth of 20%, followed by 12% in FY24. During FY24, a few trends were prominently observed, premiumisation – across styles, powertrains, categories; pent up demand in certain segments playing out. Domestic EV penetration improved as OEs passed on benefits of battery price deflation to customers, thereby improving on the total cost of vehicle ownership for the customer.

Passenger vehicles, which grew overall by 8%, was a tale of two-segments. The small cars continued to struggle, reporting negative growth of 11%, while Used Vehicles did very well (26% growth) due to strong customer demand and model launches. There was a wide-spread adoption of Used Vehicles as the mix continued to remain over the 50% mark among Passenger vehicles.

The Commercial vehicle segment reported flat volumes vs FY23 but were able to post growth in tonnage terms through tractor trailer growth. Buses were seeing increased demand with state transport orders, school orders and inter-city travel picking up.

Tractors were relatively weaker within the segment due to El Nino impact and delayed subsidies due to election year. A recovery is expected due to normal monsoon and a return of subsidies. 2 Wheelers grew ~13% during the year. The 125 to 250cc segment was the sweet spot among 2W, which reported above-industry growth as the sub-110cc segment continued to upgrade into the 125cc+.

3 Wheelers reported a growth of ~42% driven by the dual benefit of deferred purchase post Covid and increasing penetration of CNG across states.

With indications of rural recovery on the horizon, 2 Wheelers are expected to sustain growth and tractor volume growth could turn positive supported by a favourable base. The Passenger Vehicle sector is expected to grow at mid-single digits driven by sporadic new launches and refreshes in the mid-segment and supportive base in the small cars segment. India is in midst of a resurgence of multi-year capex upcycle, which should continue to drive truck demand growth in medium-term.

Expected economic growth of more than 6%, sustained budgetary allocations towards infrastructure and continued strength in several high frequency indicators such as E-way bills, GST collections, electricity consumption, manufacturing PMI and mobility indicators continue to underpin a positive outlook on domestic auto sector.

#### EXEMPTED CORE INVESTMENT COMPANY

As at the date of the audited balance sheet for the financial year ended 31<sup>st</sup> March 2024, 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

The performance of key portfolio Companies during 2023-24 was buoyant, which resulted in your Company receiving higher dividend income of ₹160.40 Cr for the year ended 31.03.2024 as against ₹97.43 Cr received during the Financial year 2022-23.

The Company holds investments in 18 portfolio companies as at 31.03.2024. The performance of the key portfolio companies during 2023-24 was as follows:

In ₹ Cr

Sl No	Portfolio Company	Holding Cost	Holding (%)	Networth	Share of Networth	PAT	Share of PAT
<b>INVESTMENT IN GROUP COMPANIES : ASSOCIATES</b>							
1	Brakes India Pvt Ltd	403.85	23.57	3146.64	741.62	716.48	168.86
2	Turbo Energy Pvt Ltd	1.88	32.00	1834.82	587.14	265.23	84.87
3	Axles India Ltd	10.16	38.81	275.02	106.73	86.27	33.48
4	Wheels India Ltd	149.98	23.96	839.75	201.12	62.77	15.02
5	The Dunes Oman FZC (LLC)	13.80	43.69	257.35	112.44	56.01	24.47
6	India Motor Parts & Accessories Limited	19.61	20.00	2070.17	414.04	73.92	14.78
7	Sundaram Dynacast Private Limited	1.17	26.00	82.34	21.41	20.11	5.23
8	Transenergy Private Ltd	8.09	42.41	46.92	19.90	8.81	3.74
9	Sundaram Composite Structures Private Ltd	39.00	39.00	81.32	31.72	(6.83)	(1.16)
<b>Subtotal</b>		<b>647.54</b>		<b>8634.33</b>	<b>2236.12</b>	<b>1282.77</b>	<b>349.29</b>

Sl No	Portfolio Company	Holding Cost	Holding (%)	Networth	Share of Networth	PAT	Share of PAT
<b>INVESTMENT IN GROUP COMPANIES: MINORITY STAKE</b>							
10	TVS Holdings Limited	8.83	6.49	1449.57	94.08	-	-
11	Sundaram Clayton Limited	0.00	7.49	797.61	59.74	-	-
12	Lucas-TVS Limited	0.27	5.32	1221.79	65.00	-	-
13	Delphi TVS Technologies Limited	0.18	3.19	610.17	19.48	-	-
14	Mind S r l, Italy	0.00	-	-	-	-	-8.31(*)
<b>Subtotal</b>		<b>9.28</b>	<b>-</b>	<b>4079.14</b>	<b>238.30</b>	<b>-</b>	<b>-8.31</b>
<b>Total</b>		<b>656.82</b>	<b>-</b>	<b>12713.47</b>	<b>2474.42</b>	<b>1282.77</b>	<b>340.98</b>

(\*) Share of Loss from an associate divested during the year.

**Note:** The figures relating to the companies mentioned under Sl. Nos. 12 and 13 are based on the audited financial results for the year ended 31<sup>st</sup> March 2023. The figures relating to the companies mentioned under Sl. Nos. 1 to 11 are based on the audited financial results for the year ended 31 Mar 2024.

Performance of our core investments are as given below,

#### **Brakes India Private Limited**

Brakes India Private Limited is the market leader in braking systems for cars and commercial vehicles in the country. Your Company's stake in Brakes India is 23.57% 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 2024 stood at ₹7,275.44 cr. as against ₹6,685.51cr in the previous year. The profit after tax for the year was 687.20cr. as against ₹465.63cr. in the previous year. Your Company received a total dividend of ₹39.92 cr. from Brakes India Private Limited during the financial year 2023-24.

#### **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 ₹3054.18 cr. as against ₹2,443.41 cr. in the previous year. The profit after tax for the year was ₹262.80 cr as against ₹228.20 cr. in the previous year. Your Company received a total dividend of ₹ 68.86 cr. from Turbo Energy Private Limited during the financial year 2023-24.

#### **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 ₹855.10 cr. as against ₹745.93 cr. in the previous year. The profit after tax for the year was ₹86.27 cr. as against ₹ 52.64 cr. in the previous year. Your Company received a total dividend of ₹ 8.90 cr. from Axles India Limited during the financial year 2023-24.

### 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 Sundaram Hydraulics Limited was merged with Wheels India Limited, pursuant to which our Company's stake in Wheels India Limited increased from 23.85% to 23.96%. Our Company is 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 ₹4619.03 cr., as against ₹4,344.95 cr. in the previous year. The profit after tax for the year was ₹67.87 cr. as against ₹62.46 cr. in the previous year. The market capitalisation of the company as on 31<sup>st</sup> March 2024 was ₹1460.97 cr. The value of your Company's holding on that basis, was ₹350 cr., as on 31<sup>st</sup> March 2024. Your Company received a total dividend of ₹2.28 cr. from Wheels India Limited during the financial year 2023-24.

### 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 ₹359.30 cr. as against ₹293.18 cr. in the previous year, while the profit after tax for the year was ₹ 56.01 cr. as against ₹30.36 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. Your Company holds 20% stake in India Motor Parts and Accessories Limited. For the year ended 31<sup>st</sup> March 2024, the revenue earned by the company stood at ₹ 759.73 cr., as against

₹ 737.97 cr. in the previous year. The profit after tax for the year stood at 72.52 cr. as against ₹73.67 cr, for the corresponding period in the previous year. The market capitalisation of the company as on 31<sup>st</sup> March 2024 was ₹1209.06 cr. The value of your Company's holding on that basis, was ₹242 cr., as on 31<sup>st</sup> March 2024. Your Company received a total dividend of ₹5.99 cr. from India Motor Parts & Accessories Limited during the financial year 2023-24

### 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 2024 stood at ₹ 157.13 cr. as against ₹150.19 cr. in the previous year. The profit after tax for the year ended 31<sup>st</sup> March 2024 was ₹20.11 cr. as against ₹ 17.88 cr. in the previous year. Your Company received a total dividend of ₹ 3.39 cr. from Sundaram Dynacast during the financial year 2023-24.

### Sundaram Business Services Limited

Sundaram Business Services Limited (SBSL) a wholly-owned subsidiary of the Company, 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 31 clients predominantly in Australia, UK and India,. During the year, SBSL earned a revenue of ₹48.12 cr. and reported a profit after tax of ₹16.76 cr.

### INVESTMENTS

During the Financial Year the Company had subscribed to the rights shares of 2,34,00,000 equity shares of ₹10/- each for cash issued at par by Sundaram Composite Structures Private Limited. Your Company holds 3,90,00,000 equity shares of ₹10/-each, representing 39% in the paid-up capital of Sundaram Composite Structures Private Limited.



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## **DIVESTMENTS**

### **Mind S.r.l Italy:**

Carbon Fibre business is being managed by 2 entities – Mind S.r.l Italy and Sundaram Composite Structures Private Limited (Suncomp) in an integrated manner. Suncomp has set up factory for production of composites in India for supporting Mind S.r.l. Italy. Considering the support being extended by Suncomp to Mind Srl, Italy and to integrate two entities under the LEGGARO brand and for operational feasibility, during the financial year the Company had divested its entire holdings held in Mind S.r.l Italy to M/s Sundaram Composite Structures Private Limited. Consequent to the divestment, Mind S.r.l Italy ceased to be an associate of your Company.

### **TVS Holdings Limited:**

During the financial year the Company divested 2,02,321 shares held in TVS Holdings Limited (formerly known as Sundaram Clayton Limited), representing 1% stake. The realised gain of ₹150.73 cr. has been transferred from OCI Reserve to Retained Earnings-P&L. Post this sale, the Company holds 6.49% stake in TVS Holdings Limited.

The Company also received ₹175.67 cr on account of redemption of non convertible redeemable preference shares of TVS Holdings Limited, which was earlier classified in OCI as Items that will be reclassified to P & L.

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

The transactions entered into by the Company with Sundaram Finance Limited during the financial year 2023-24 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 14<sup>th</sup> July 2022 and 14<sup>th</sup> July 2023. 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 28 – Related Party Transactions, forming part of the notes to the accounts.

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

Investments / Disinvestments to be made in group companies that would be deemed to be related parties, upto an overall aggregate amount not exceeding ₹500 cr. and individual investment(s) in any one such group company not exceeding ₹300 cr., from the conclusion of the 30<sup>th</sup> Annual General Meeting to the conclusion of the 31<sup>st</sup> Annual General Meeting to be held in 2025.

## CORPORATE SOCIAL RESPONSIBILITY (CSR)

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

The Annual Report on CSR Activities undertaken by the Company for the Financial Year 2023-24 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 available in the company's website <https://sundaramholdings.in/annual-reports/#annual-content>.

## 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 2024.

## SECRETARIAL AUDIT

In terms of Section 204 of the Companies Act, 2013 and the rules made 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 IV (i) and IV(ii).

## REMUNERATION TO DIRECTORS / KEY MANAGEMENT PERSONNEL

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

## 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 annual return in E-form MGT-7 is available in the company's website <https://sundaramholdings.in/annual-reports/#annual-content>.

## 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 in business process outsourcing services, the Company is required to manage various risks,

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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, has a robust IT infrastructure in place to ensure data security with multi-factor authentication to reduce the risk of unauthorized information access and business continuity with dedicated cloud hosting and real-time data replications providing 99.5% uptime.

The delivery centres meet the Information Security Management System and CIA (Confidentiality, Integrity and Availability) Standards. To cater to the ever-changing customer needs, the IT infrastructure is being constantly upgraded with new / enhanced features to facilitate smooth functioning of operations and deliver customer satisfaction.

#### **CONSOLIDATED FINANCIAL STATEMENTS**

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

The annual report of the subsidiary, Sundaram Business Services Limited, has been posted on your Company's website – [www.sundaramholdings.in](http://www.sundaramholdings.in). Detailed information, including the annual accounts of the Subsidiary Company will be available for inspection by the members, at the registered office of the

Company and will also be made available to the members upon request.

### **BOARD AND AUDIT COMMITTEE**

The details regarding number of Board Meetings held during the financial year and composition of Audit Committee are furnished in the Corporate Governance Report.

### **DIRECTORS**

The second term of office of Independent Director Sri S Prasad concluded on 15<sup>th</sup> February 2024 and the Board placed on record, its deep appreciation for the significant contribution made by Sri S Prasad, Independent Director to the deliberations of the Board and for his able guidance to the Company during his tenure as an Independent Director.

Ms. Sripriya Kumar was appointed as an Independent director on the Board with effect from 11th January 2024.

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

### **DECLARATION BY INDEPENDENT DIRECTORS**

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

### **ANNUAL EVALUATION BY THE BOARD**

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

### **DIRECTORS' RESPONSIBILITY STATEMENT**

Your directors confirm that:

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

### **AUDITORS**

M/s R.G.N. Price & Co., Chartered Accountants, Chennai, have been appointed as Statutory Auditors of your Company, to hold office for a term of five (5) consecutive years from the conclusion of the 28<sup>th</sup> Annual General Meeting until the conclusion of the 33<sup>rd</sup> 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.

For and on behalf of the Board

Chennai 600 002  
21.05.2024

**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 Ms. Sripriya Kumar as Independent Director, with effect from 11th January 2024.

The Composition of the Board is in conformity with the listing requirements as on 31<sup>st</sup> March 2024.

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	00602484	8	Yes	-	2	1	2	1	1	Sundaram Finance Limited	Executive Director
Sri Srivats Ram, Non-executive Director	00063415	6	Yes	-	1	3	1	-	1	Wheels India Limited	Executive Director
										India Motor Parts & Accessories Limited	Non-Executive Director
										Sundaram Finance Limited	
Sri Ananth Ramanujam Non-executive Director	00061970	8	Yes	-	-	1	-	-	1	India Motor Parts & Accessories Limited	Non-Executive Director
Sri Sriram Viji Non-executive Director	03630636	8	Yes	-	-	-	-	-	-	Nil	-

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	8	Yes	-	-	2	1	1	1	Goodricke Group Limited	Independent Director
										Sundaram Finance Limited	
Sri S Prasad (upto 15.02.2024)	00063667	5	Yes	-	-	3	3	7	1	Sundaram Finance Limited	Independent Director
										Wheels India Limited	
										India Motor Parts & Accessories Limited	
Ms Shobhana Ramachandhran	00273837	5	Yes	-	-	4	1	-	2	TVS Srichakra Limited	Executive Director
										Sundaram Finance Limited	Independent Director
										Sundaram Brake Linings Limited	Non-Executive Director
										TVS Supply Chain Solutions Limited	
Ms.Priyamvada Ramkumar	07878808	8	Yes	-	-	-	-	-	-	Nil	-
Ms. Sripriya Kumar (w.e.f 11.01.2024)	03319979	3	NA	-	-	-	-	-	-	Nil	-

\* 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 4. Sri Sriram Viji	<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. Ms. Shobhana Ramachandhran 3. Ms.Priyamvada Ramkumar 4. Ms.Sripriya Kumar	<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>
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## 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, 8 meetings of the Board of Directors were held.

16.05.2023	11.01.2024
24.05.2023	31.01.2024
02.08.2023	05.03.2024
02.11.2023	26.03.2024

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

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

A Certificate issued by Sri A. Kalyana Subramaniam, Practicing Company Secretary, under Sch. V Para C.10(i) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is attached as part of this report vide Annexure 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	24.05.2023
Sri S. Prasad (Member upto 15.02.2024)	Member	5	02.08.2023 02.11.2023
Ms.Shobhana Ramachandhran (Member w.e.f 16.05.2023)	Member	4	11.01.2024 31.01.2024
Ms. Sripriya Kumar (Member w.e.f 11.01.2024)	Member	2	05.03.2024

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	27.03.2024
Sri Srivats Ram	Member	1	
Sri Ananth Ramanujam	Member	1	

Besides, the Committee also approved resolutions passed in circulation, on 16 occasions.

Sri S Kalyanaraman, Secretary, is the Compliance Officer. Two (2) Investor complaints were received and resolved 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 Harsha Viji	Chairman (w.e.f 16.02.2024)	1	24.05.2023
Sri S. Prasad (upto 15.02.2024)	Chairman	1	
Sri Srivats Ram	Member	-	
Ms.Priyamvada Ramkumar (w.e.f 11.01.2024)	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	2	16.05.2023
Sri S Prasad (upto 15.02.2024)	Member	2	
Sri Harsha Viji	Member	2	
Ms Priyamvada Ramkumar (w.e.f 11.01.2024)	Member	-	11.01.2024

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 Harsha Viji	Chairman	7	17.04.2023
Sri R. Venkatraman	Member	7	24.05.2023 15.06.2023
Sri Srivats Ram	Member	4	21.06.2023
Sri Ananth Ramanujam	Member	7	11.01.2024 05.03.2024
Sri Sriram Viji	Member	5	26.03.2024

### 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	05.07.2023 14.12.2023
Sri Ananth Ramanujam	Member	2	
Sri Suresh I S, CFO	Member	2	

### IX. SEPARATE MEETING OF INDEPENDENT DIRECTORS

A separate meeting of Independent Directors was held on 14<sup>th</sup> December 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/familiarisation-programme/>

## 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:

Meeting	Sitting Fee
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 31.03.2024)	Relationship with other Directors
Sri Harsha Viji	-	-	26,44,138 <sup>(1)</sup>	Brother of Sri Sriram Viji
Sri R. Venkatraman	6.45	10.00	-	-
Sri S. Prasad *	3.20	5.00	- <sup>(2)</sup>	-
Ms Shobhana Ramachandran	2.35	8.00	4,46,527	-
Sri Srivats Ram	-	-	34,71,708 <sup>(3)</sup>	-
Sri Ananth Ramanujam	-	-	6,70,940	-
Sri Sriram Viji	-	-	19,52,525	Brother of Sri Harsha Viji
Ms Priyamvada Ramkumar	-	8.00	-	-
Ms Sripriya Kumar	1.25	3.00	-	-

\* Tenure completed on 15.02.2024

### Note:

- Number of shares held jointly with others: <sup>(1)</sup>4,637, <sup>(2)</sup>25,200
- Number of shares held as Karta of HUF: <sup>(3)</sup>1,23,370

## XII. PARTICULARS OF SENIOR MANAGEMENT AND CHANGES THEREIN SINCE THE CLOSE OF THE PREVIOUS FINANCIAL YEAR

Name of Senior Management Personnel ("SMP")	Designation	Changes if any, since the previous financial year (Yes / No)	Nature of change and effective date
Nil			

## XIII. GENERAL BODY MEETINGS

Details relating to last three Annual General Meetings:

Year	Date	Time	Location	No. of Special Resolutions Passed
2023	14 <sup>th</sup> July 2023	10.00 A.M	Through video conferencing mode	Nil
2022	14 <sup>th</sup> July 2022	10.00 A.M	Through video conferencing mode	Nil
2021	14 <sup>th</sup> July 2021	10.00 A.M	Through video conferencing mode	Nil

Details of special resolution passed through Postal Ballot and E-voting, as per the procedure prescribed under Section 110 of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2011 and the Scrutinizer, Mr. T. K. Bhaskar, Partner, H & B Partners, Advocates, Chennai, on 13<sup>th</sup> February 2024 through Postal Ballot during FY 2023-24 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 Sripriya Kumar, Independent Director for a term of five consecutive years w.e.f 11.01.2024	137180910	580361	99.58%	0.42%

The results of the postal ballots were announced by Sri. Harsha Viji, Chairman, at the Registered Office of the Company and posted on the website.

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

## XIV. VIGIL MECHANISM / WHISTLE BLOWER POLICY

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

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

<https://sundaramholdings.in/wp-content/uploads/2023/12/02.-Whistle-Blower-Policy.pdf>

## **XV. DISCLOSURES**

- There were no materially significant related party transactions having potential conflict with the interests of the company at large.
- The Company has complied with the requirements of the Stock Exchanges/SEBI and statutory authority on all matters related to capital markets during the last three years. No penalties, strictures were imposed on the Company by the Stock Exchange/SEBI or any other statutory authority in respect of the same.
- The Company will continue to adopt other non-mandatory requirements as appropriate.
- The Company has a record of unqualified financial statements since inception.

## **XVI. POLICIES ON MATERIAL SUBSIDIARIES AND RELATED PARTY TRANSACTIONS**

The Company's policies on Material Subsidiaries and Related Party Transactions are available on the website under the following web link:  
<https://sundaramholdings.in/wp-content/uploads/2023/12/04.-Policy-on-Material-Subsidiaries.pdf>

## **XVII. MEANS OF COMMUNICATION**

- The un-audited financial results for first three quarters of the financial year 2023-24 and the audited financial results for the year ended 31<sup>st</sup> March 2024 have been published in "Financial Express" (English) and "Makkal Kural" (Tamil).
- The results have been displayed on the Company's website at <https://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 30<sup>th</sup> Annual General Meeting, together with the Annual Report for the financial year 2023-24, 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/2023/167 dated 7<sup>th</sup> October 2023, to those shareholders who have registered their email id with the Company/Depositories.

## **XVIII. GENERAL SHAREHOLDER INFORMATION**

### **Annual General Meeting**

Date	Time	Mode
18 <sup>th</sup> July 2024	10.00 AM	Video Conference / Other Audio Visual Means

- Financial Year – 01<sup>st</sup> April 2023 to 31<sup>st</sup> March 2024
- Book Closure dates – 06<sup>th</sup> July 2024 to 18<sup>th</sup> July 2024 (both days inclusive)

- Dates of payment of dividend

Interim Dividend	28 <sup>th</sup> February 2024	₹2.00 per share (40%)
2 <sup>nd</sup> Interim Dividend	18 <sup>th</sup> June 2024	₹3.65 per share (73%)
Final Dividend	19 <sup>th</sup> July 2024	₹2.05 per share (41%)

- The company's shares are listed on:

National Stock Exchange of India Limited

Exchange Plaza, 5<sup>th</sup> 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 years 2024-25 to the National stock exchange of India Limited.

- 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 2024	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	4	83
Less: Claims	-	Nil
Balance as on 31 <sup>st</sup> March 2024	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	20 <sup>th</sup> August 2025
Dividend 2018-19	17 <sup>th</sup> August 2026
Interim Dividend 2019-20	09 <sup>th</sup> April 2027
Final Dividend 2019-20	17 <sup>th</sup> August 2027
Final Dividend 2020-21	16 <sup>th</sup> August 2028
Special Dividend 2021-22	08 <sup>th</sup> March 2029
Final & Special Dividend 2021-22	16 <sup>th</sup> August 2029
Interim Dividend 2022-23	08 <sup>th</sup> March 2030
Final & Special Dividend 2022-23	16 <sup>th</sup> August 2030
Interim Dividend 2023-24	04 <sup>th</sup> March 2031

- For the financial year 2023-24, 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 ₹21.28 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:

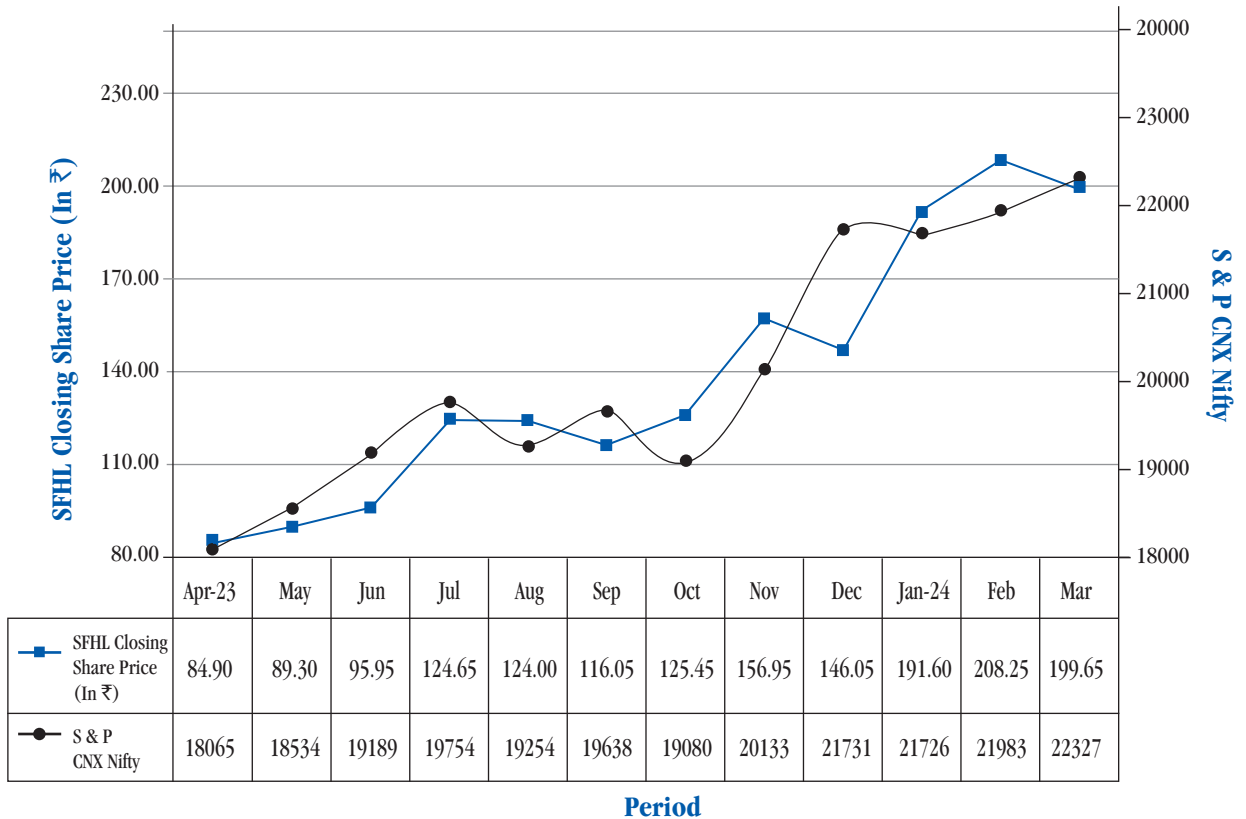
Name of the Company	Date of incorporation	Place of incorporation	Name and date of appointment of Auditor
SUNDARAM BUSINESS SERVICES LIMITED	12/08/2005	Chennai	M/s. Sundaram & Srinivasan, Dt:17.06.2022

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

(In ₹)

Month	Apr 23	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan 24	Feb	Mar	
NSE	High	87.00	91.75	100.25	127.40	134.00	132.90	130.50	174.40	165.70	197.60	234.00	223.60
	Low	78.50	83.25	88.15	94.60	115.50	113.90	112.80	125.40	142.60	144.55	164.00	172.75

### 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 - 40020700
Fax	044 2846 0129
Website	www.cameoindia.com
Online Investor Portal	https://wisdom.cameoindia.com
Contact Persons	Mr. R.D. Ramasamy, Director Mr. Nagaraj, Manager



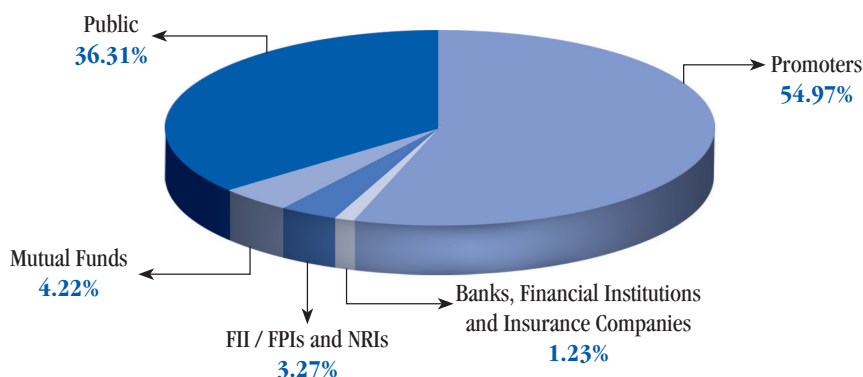
## DISTRIBUTION OF SHAREHOLDING AS ON 31<sup>ST</sup> MARCH 2024

No. of Equity Shares Held	Total Shareholders	Total Shares	Total % to Capital
Upto 250	22730	1422232	0.64
251 to 500	3762	1473562	0.66
501 to 1000	2839	2225346	1.00
1001 to 5000	3746	9032014	4.07
5001 to 10000	764	5679735	2.56
10001 to 50000	718	15355028	6.91
50001 to 100000	122	8887109	4.00
100001 and above	224	178028834	80.16
<b>Total</b>	<b>34905</b>	<b>222103860</b>	<b>100.00</b>

Total shares held in dematerialised form 99.20%

Public shareholding in dematerialised form 98.20%

## SHAREHOLDING PATTERN AS ON 31.03.2024



**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

**Annexure - I (i)**
**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, 2024 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	HARSHA VIJI	00602484	25/01/2017
2	RAMACHANDRAN VENKATRAMAN	07119686	16/02/2017
3	SHOBHANA RAMACHANDHRAN	00273837	16/02/2017
4	SRIVATS RAM	00063415	27/08/2018
5	ANANTH RAMANUJAM	00061970	03/08/2022
6	SRIRAM VIJI	03630636	01/04/2023
7	PRIYAMVADA RAMKUMAR	07878808	01/04/2023
8	SRIPRIYA KUMAR	03319979	11/01/2024

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 : F011142F000405393

Place: Chennai

Date : 21<sup>st</sup> May 2024

**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 29<sup>th</sup> 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.

178 (2), (3) and (4) of the Companies Act, 2013 read with the applicable rules thereto provide that the Nomination and Remuneration Committee (NRC) shall identify persons who are qualified to become Directors and shall also recommend to the Board a policy, relating to the remuneration for Directors, Key Managerial Personnel, Senior Management and other employees.

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

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

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

## **I Definitions**

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

## **II Board Diversity**

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

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have come from backgrounds as varied as automobile and allied industry, banking and other financial services including insurance and accounting.

### **III Remuneration Pattern**

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

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

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

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

### **IV Implementation of the Remuneration Policy**

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

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

The implementation of the Remuneration Policy of the Company, in respect of all other employees shall be the responsibility of the Chief Executive Officer.

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

## Auditor's Certificate on Corporate Governance

**The Members of SUNDARAM FINANCE HOLDINGS LIMITED, Chennai.**

I have examined the compliance of the conditions of Corporate Governance by Sundaram Finance Holdings Limited, Chennai for the year ended on 31<sup>st</sup> March, 2024, 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: 21<sup>st</sup> May 2024

A Kalyana Subramaniam

Practicing Company Secretary

FCS No. 11142

CP No. 16345

UDIN : F011142F000405426

## **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 ₹13.41 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 14<sup>th</sup> July 2023.

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  
21.05.2024

**Harsha Viji**  
Chairman

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**Annexure - II (ii)**

## **SFHL Policy on Related Party Transactions**

(as per Regulations 23 (1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)  
(as amended on 29<sup>th</sup> 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 2023-24

**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://sundaramholdings.in/wp-content/uploads/2023/12/03.-SFHL-CSR-Policy.pdf>

**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 Harsha Viji	Chairperson Non Executive Director	1	1
3	Sri Srivats Ram	Member - Non Executive Director	1	1
4	Ms.Priyamvada Ramkumar #	Member – Independent Director	-	-

\* Tenure Completed on 15.02.2024, # Became a member with effect from 11.01.2024

**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://sundaramholdings.in/wp-content/uploads/2023/12/03.-SFHL-CSR-Policy.pdf>

**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)	410.06
b.	Two percent of average net profit of the company as per sub-section (5) of section 135	8.20
c.	Surplus arising out of the CSR Projects or programmes or activities of the previous financial years.	
d.	Amount required to be set-off for the financial year, if any	0.18
e.	Total CSR obligation for the financial year [(b)+(c)-(d)]	8.02

S. No	Particulars	₹ in lakhs
a.	Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project).	8.00
b.	Amount spent in Administrative Overheads.	0.02
c.	Amount spent on Impact Assessment, if applicable.	0
d.	Total amount spent for the Financial Year [(a)+(b)+(c)].	8.02



(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
8.02	-	-	-	-	-

(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)	8.20
(ii)	Total amount spent for the Financial Year	8.20
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	-
(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)]	-

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 Harsha Viji**  
Chairman - CSR Committee

Date : 21.05.2024

Place : Chennai

**Form No. MR-3****Secretarial Audit Report For the Financial Year Ended 31.03.2024**

[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 31.03.2024 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:

1. 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 31.03.2024 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.

Place: Chennai  
Date: 21 May 2024

**A Kalyana Subramaniam**  
Practicing Company Secretary  
(FCS No.11142)  
(C.P No. 16345)  
UDIN: **F011142F000404018**

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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: 21 May 2024

**A Kalyana Subramaniam**  
Practicing Company Secretary  
(FCS No.11142)  
(C.P No. 16345)  
UDIN: F011142F000404018

## Form No. MR-3

### Secretarial Audit Report For the Financial Year Ended 31.03.2024

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

To,

The Members

**Sundaram Business Services Limited**

CIN-U74140TN2005PLC057179

21, Patullos Road,

Chennai – 600002.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s. Sundaram Business Services Limited** (hereinafter called the Company) with **CIN-U74140TN2005PLC057179**. Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon. I have conducted online and offline verification & examination of records, as facilitated by the Company 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 31.03.2024 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:

**1. 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 31.03.2024 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.

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

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

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

**3. I further report that:**

- a. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. 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 and maintenance of records required under the said Regulations;
- b. the Company has complied with the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 including the provisions with regard to disclosures and maintenance of records required under the said Regulations;

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

-Sd-

**A Kalyana Subramaniam**  
Practicing Company Secretary  
(FCS No.11142)  
(C.P No. 16345)  
UDIN: F011142F000369731

Place: Chennai

Date: 14 May 2024

**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: F011142F000369731

Date: 14 May 2024

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
R. Venkatraman	6.91	20.07
S. Prasad (upto 15.02.2024)	3.45	-19.61
Shobhana Ramachandhran	4.35	31.85
Srivats Ram	NA	NA
Ananth Ramanujam	NA	NA
Sri Sriram Viji (w.e.f on 01.04.2023)	NA	NA
Ms. Priyamvada Ramkumar (w.e.f on 01.04.2023)	3.36	NA
Ms.Sripriya Kumar ( w.e.f on 11.01.2024)	1.79	NA
S. Ravi, Chief Executive Officer	38.63	18.83
Suresh I.S., Chief Financial Officer	22.92	27.09
S Kalyanaraman, Secretary & Compliance Officer	12.39	50.59

- iii) The percentage Increase in the median remuneration of employees in the financial year: **12.80%**
- iv) The number of permanent employees on the rolls of the Company: 193
- v) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:
- vi) The average increase in salaries of employees other than managerial personnel in 2023-24 was 18%. Percentage increase in the managerial remuneration for the year was 26%.
- vi) Affirmation that the remuneration is as per the remuneration policy of the company.

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

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

Sl. No.	Name of the Employee	Designation	Remuneration (₹ in lakhs)	Nature of Employment	Qualification and Experience	Date of Commencement of Employment	Age	Last employment	Relative of any director
1	Ravi S	Chief Executive Officer	91.94	Contractual	B.COM Has over 3 decades of experience in banking and financial services industry.	01-04-2020	62	Sundaram Fund Services	Nil
2	Narasimhan V	Sr. General Manager	57.20	Others	B.A.. (Eco) & MSc (Physics) Has over 3 decades experience in marketing and learning & development.	18-01-2018	63	Sundaram Finance Limited	Nil
3	Suresh I S	Chief Financial Officer	54.56	Others	M. Com., ACA, Has over 19 years of post-qualification experience in finance, accounts, operations and related areas	01-03-2022	45	Sundaram Business Services Limited	Nil
4	S Kalyanaraman	Secretary & Compliance Officer	29.50	Others	B.Com., ACS, Has an overall experience of 40 years, had been associated with the Sundaram Finance Group for 30 years, which included 23 years in the Secretarial Function and 7 years in the Internal Audit Function	01-06-2022	58	India Motor Parts & Accessories Limited	Nil
5	Ramakrishnan T R	Senior Assistant General Manager	22.46	Others	B.Sc. (Botany) Has over 3 decades of experience in financial services industry	18-01-2018	59	Sundaram Finance Limited	Nil
6	Gayathri P	Senior Manager	18.47	Others	B. Com, ACA.,Has over 6 years of experience in finance, accounts and related areas	01-02-2018	29	Sundaram Finance Limited	Nil
7	Ganesh J	Senior Manager	17.54	Others	B.Com Has nearly 3 decades of experience in financial services industry.	18-01-2018	53	Sundaram Finance Limited	Nil
8	Ramakrishnan S	Senior Manager	17.30	Others	B.Com (CS) Has nearly 18 years of experience in financial services industry.	18-01-2018	57	Sundaram Finance Limited	Nil
9	Sajikumar S	Senior Assistant General Manager	16.41	Others	B.Sc Maths., Has over 12 years experience in BPO industry	18-01-2018	44	Sundaram BPO Limited	Nil
10	Chamundeeswari J	Senior Manager	15.33	Others	B.Electronic Science, Has nearly 20 years experience in learning & development.	29-09-2022	42	Arun Excello	Nil

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

CHARTERED ACCOUNTANTS

Akshya Shanthi, 1<sup>st</sup> Floor 25 & 27, Anna Salai, Chennai - 600002  
Phone: 044-4787 3795 / 2841 3633 Email: price@rgnprice.com

21<sup>st</sup> May 2024

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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 2024, 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 material 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, 2024, and profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

#### **Basis for Opinion**

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

responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the financial statements section of our report. We are independent of the Company in accordance with Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

#### **Key Audit Matters**

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

Key Audit Matter	Our audit procedures with regards to key audit matter
<p>Refer Note 2.2 “Fair value measurement” and Note 2.4 “Financial Assets” for relevant accounting policies and significant accounting estimates used by the Company.</p> <p>The investment portfolio is valued at Rs. 6,763 crores which represents almost 97% of the total assets, where unquoted equity investments fair valued through OCI amounts to Rs.4,203 crores (“Investment”) covering about 62% of investment value as at 31<sup>st</sup> March’24.</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.

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 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 30(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 and special dividend for the FY 2022-23 and interim dividend for the FY 2023-24 declared and paid by the Company are in compliance with Section 123 of the Act.
- As stated in Note 30b to the Financial Statements, the Board of Directors of the Company has proposed an interim and final dividend for the FY 2023-24 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. Based on our examination which included test checks, the company has used an accounting software for maintaining its books of account for the financial year ended 31<sup>st</sup> March 2024 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with.

Place: Chennai  
Date: 21<sup>st</sup> May 2024

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

**K. Venkatakrishnan**  
Partner  
M No.208591  
UDIN:24208591BKGUNY2931

**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, 2024**

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 conducted physical verification of PPE and no material discrepancies were noticed on such verification.
	c.	The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) as disclosed in the financial statements are held in the name of the Company.
	d.	The Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets during the year and hence reporting under Clause 3(I) (d) of the Order is not applicable.
	e.	No proceeding has been initiated or are pending against the Company as at 31 <sup>st</sup> March, 2024 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 2024 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 2024 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	418.90	2017-18	Income Tax Appellate Tribunal
		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	
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 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.

Place: Chennai  
Date: 21<sup>st</sup> May 2024

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

**K. Venkatakrishnan**  
Partner  
M No.208591  
UDIN:24208591BKGUNY2931

**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, 2024**

**Management’s Responsibility for Internal Financial Controls**

We have audited the internal financial controls over the financial reporting of Sundaram Finance Holdings Limited (“the Company”) as on March 31, 2024 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 SUNDARAM FINANCE HOLDINGS LIMITED

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, 2024 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.

Place: Chennai

Date: 21<sup>st</sup> May 2024

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

Chartered Accountants

FR No. 002785S

**K. Venkatakrishnan**

Partner

M No.208591

UDIN:24208591BKGUNY2931

# Balance Sheet

as at 31<sup>st</sup> March, 2024

(₹ in lakhs)

Particulars	Notes	March 31, 2024	March 31, 2023
<b>ASSETS</b>			
<b>(1) Financial Assets</b>			
(a) Cash and cash equivalents	1	16,337.66	57.72
(b) Receivables	2	92.79	165.60
(c) Loans	3	1.14	4.03
(d) Investments	4	6,76,337.11	4,10,559.32
(e) Other financial assets	5	81.26	39.37
<b>(2) Non-financial Assets</b>			
(a) Current tax assets (Net)	6	50.90	407.23
(b) Investment property	7	1,923.20	1,929.93
(c) Property, plant and equipment	7	159.95	176.19
(d) Right of Use asset	23	21.66	30.08
(e) Other non-financial assets	8	34.00	59.50
<b>Total Assets</b>		<b><u>6,95,039.67</u></b>	<b><u>4,13,428.97</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		2.39	1.81
(ii) Total outstanding dues of creditors other than micro and small enterprises		11.02	23.28
(b) Other financial liabilities	10	106.60	77.36
(c) Lease Liability	23	28.68	38.32
<b>(2) Non-Financial Liabilities</b>			
(a) Provisions	11	187.53	131.49
(b) Deferred tax liabilities (Net)	12	92,506.08	42,365.65
(c) Other non-financial liabilities	13	44.39	55.79
<b>(3) Equity</b>			
(a) Equity share capital	14	11,105.19	11,105.19
(b) Other equity	15	5,91,047.79	3,59,630.08
<b>Total Liabilities and Equity</b>		<b><u>6,95,039.67</u></b>	<b><u>4,13,428.97</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 : 21-05-2024

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 Profit and Loss

for the Year Ended 31<sup>st</sup> March, 2024

(₹ in lakhs)

Particulars	Notes	For the year ended 31 March 2024	For the year ended 31 March 2023
<b>Revenue from operations</b>			
Interest Income	16	190.06	113.70
Dividend Income		16,040.36	9,743.51
Net gain on fair value changes	17	3,759.47	1,582.05
Gain on derecognition of financial instrument	30h	17,566.78	-
Sale of services	27	1,261.84	1,399.08
<b>Revenue from operations</b>		<b>38,818.51</b>	<b>12,838.34</b>
Other Income	18	213.69	222.73
<b>Total Income</b>		<b>39,032.20</b>	<b>13,061.07</b>
<b>Expenses</b>			
Finance Cost	19	2.65	11.04
Impairment on Financial Instruments		-	540.00
Employee benefit expenses	20	1,188.62	1,207.64
Depreciation, Amortisation and Impairment	7	43.42	54.91
Other expenses	21	912.69	523.36
<b>Total expenses</b>		<b>2,147.38</b>	<b>2,336.95</b>
Profit before exceptional items and tax		36,884.82	10,724.12
Exceptional items		-	-
<b>Profit before tax</b>		<b>36,884.82</b>	<b>10,724.12</b>
Current tax	22	4,037.92	690.65
Deferred tax	22	689.75	558.40
<b>Total tax expense</b>		<b>4,727.67</b>	<b>1,249.05</b>
<b>Profit/(loss) for the period</b>		<b>32,157.15</b>	<b>9,475.07</b>
<b>Other Comprehensive Income</b>			
<b>Items that will be reclassified to profit or loss</b>			
Change in Fair value of financial instrument		17.57	-
Income tax on above		4.42	-
<b>Change in Fair value of equity instruments (Net of tax)</b>		<b>13.15</b>	<b>-</b>
<b>Items that will not be reclassified to profit or loss</b>			
Remeasurements of the defined benefit plans	29	(7.69)	(9.29)
Income Tax on above		(1.94)	(2.34)
<b>Remeasurements of the defined benefit plans (Net of tax)</b>		<b>(5.75)</b>	<b>(6.95)</b>
Change in Fair value of equity instruments		2,61,121.99	2,39,100.06
Income tax on above		51,877.84	40,808.92
<b>Change in Fair value of equity instruments (Net of tax)</b>		<b>2,09,244.15</b>	<b>1,98,291.14</b>
<b>Other Comprehensive Income Net of Tax</b>		<b>2,09,251.55</b>	<b>1,98,284.19</b>
<b>Total Comprehensive Income for the period</b>		<b>2,41,408.70</b>	<b>2,07,759.26</b>
Basic and Diluted Earnings per Equity Share of ₹5/- each	30 a	14.48	4.27

This is the Profit and Loss 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 : 21-05-2024

Place : Chennai

**S. Ravi**  
Chief Executive Officer

**I S Suresh**  
Chief Financial Officer

**S. Kalyanaraman**  
Secretary & Compliance Officer

**Harsha Viji**  
Chairman

**R. Venkatraman**  
Director

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

# Cash Flow Statement

(₹ in lakhs)

Particulars	March 31, 2024	March 31, 2023
<b>Cash flow from operating activities</b>		
<b>Profit before tax</b>	36,884.82	10,724.12
<b>Adjustments to reconcile profit before tax to net cash used in operating activities</b>		
(a) Depreciation and impairment of property, plant and equipment	43.42	54.91
(b) Impairment on Financial Instruments	2.43	540.00
(c) Fair value change in financial instruments	(3,759.47)	(1,582.05)
(d) Interest income from Investments	(190.06)	(113.70)
(e) (Gain)/loss on sale/scrap of property, plant and equipment	(0.39)	-
(f) ESOP contribution scheme of Parent company	3.69	4.89
(g) Finance costs paid	2.65	6.07
(h) Dividend received / (receivable)	-	779.96
(i) Interest received / (receivable)	(66.10)	-
(j) (Gain)/Loss on derecognition of financial instrument	(17,566.78)	-
(k) Net Actuarial gain/(loss) on defined benefit plan	(7.69)	(9.29)
(l) Gain on Lease modification	-	(10.84)
	<u>15,346.52</u>	<u>10,394.07</u>
<b>Working capital adjustments</b>		
(a) (Increase)/Decrease in		
Trade and other receivables	72.80	(5.32)
Loans	2.89	6.09
Other financial assets	24.21	(4.13)
Other non-financial assets	25.51	(0.58)
(b) Increase/(Decrease) in		
Trade and other payables	(11.68)	(2.07)
Financial liabilities	29.24	4.59
Non-financial liabilities and provisions	44.63	(75.67)
	<u>15,534.12</u>	<u>10,316.98</u>
Income Tax paid	(3,011.30)	(1,206.85)
<b>Net cash flows from operating activities</b>	<u>12,522.82</u>	<u>9,110.13</u>
<b>Cash flow from investing activities</b>		
Purchase and construction of property, plant and equipment	(11.09)	(1,801.43)
(Purchase)/Sale of Mutual funds (net)	(22,958.35)	(22,474.26)
(Purchase)/Sale of other investments (net)	38,300.68	22,310.63
Proceeds from sale of property, plant and equipment	0.79	-
Interest received	190.06	97.86
	<u>15,522.09</u>	<u>(1,867.20)</u>
Income Tax paid	(1,756.68)	-
<b>Net cash flows from investing activities</b>	<u>13,765.41</u>	<u>(1,867.20)</u>
<b>Cash flow from financing activities</b>		
Dividend Paid	(9,994.67)	(7,218.42)
Lease Liability Principal paid	(10.97)	(16.51)
Lease Liability Interest paid	(2.65)	(6.07)
	<u>(10,008.29)</u>	<u>(7,241.00)</u>
Net increase / (decrease) in cash and cash equivalents	16,279.94	1.93
Cash and cash equivalents at the beginning of the year	57.72	55.79
<b>Cash and cash equivalents at the end of the year (Refer Note 1)</b>	<u>16,337.66</u>	<u>57.72</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 : 21-05-2024

Place : Chennai

**S.Ravi**  
Chief Executive Officer

**I S Suresh**  
Chief Financial Officer

**S Kalyanaraman**  
Secretary & Compliance Officer

**Harsha Viji**  
Chairman

**R. Venkatraman**  
Director

SUNDARAM FINANCE HOLDINGS LIMITED

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

Particulars	31 March 2024		31 March 2023	
	No. of Shares	Amount ₹ in lakhs	No. of Shares	Amount ₹ in lakhs
<b>Balance at Beginning (A)</b>	222103860	11,105.19	222103860	11,105.19
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	11,105.19	222103860	11,105.19
Changes in Share Capital in the current reporting period	-	-	-	-
	<b>222103860</b>	<b>11,105.19</b>	<b>222103860</b>	<b>11,105.19</b>



**(b) Other equity**

(₹ in lakhs)

Particulars	Reserves and Surplus				Gains/ (Losses) from equity instruments through OCI	Total
	Capital Reserve	General Reserve	ESOP Reserve	Securities Premium		
<b>Balance as at 01 April 2022</b>	1,874.68	13,108.02	6.64	31,711.64	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					1,98,291.14	1,98,284.19
(c) ESOP contribution scheme of Parent company			4.90			4.90
Less:						
(d) Adjustment on account of reclassification					(40,422.21)	(40,422.21)
(e) Final Dividend for FY 21-22					(3,886.86)	(3,886.86)
(f) Special Dividend for FY 22-23					(3,331.56)	(3,331.56)
Transfer on account of Sale of Equity instruments measured at FVTOCI (net of tax)					23,054.72	-
<b>Balance as at 01 April 2023</b>	1,874.68	13,108.02	11.54	31,711.64	2,52,638.20	3,59,630.08
Add:						
(a) Profit or loss for the period					32,157.15	32,157.15
(b) Other comprehensive income					(5.75)	2,09,251.54
(c) ESOP contribution scheme of Parent company			3.69			3.69
Less:						
(d) Final and special Dividend for FY 22-23					(5,552.60)	(5,552.60)
(e) Interim Dividend FY 23-24					(4,442.08)	(4,442.08)
Transfer on account of Sale of Equity instruments measured at FVTOCI (net of tax)					19,738.40	-
<b>Balance as at 31 March 2024</b>	1,874.68	13,108.02	15.23	31,711.64	4,42,157.10	5,91,047.79

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 : 21-05-2024

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, Patullos Road, Chennai – 600002. The Company comes under the category of exempted Core Investment Company (CIC) and is not required to register with the Reserve Bank of India (RBI) as a Non-Banking Financial Company (NBFC). The Company is primarily engaged in the business of Investments, business processing and support services.

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

### 2. SIGNIFICANT ACCOUNTING POLICIES

#### 2.1 Basis of Preparation

The financial statements are prepared in accordance with the Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.”

The Financial Statements have been prepared on a historical cost basis, except for certain financial instruments that are measured at fair values at the end of each reporting period. Company's financial statements are prepared in Indian Rupees (₹), which is also its functional currency.

#### 2.2 Measurement of fair values

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

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

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

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

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

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

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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.

## NOTES TO THE FINANCIAL STATEMENTS (Contd.)

### **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 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.

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## NOTES TO THE FINANCIAL STATEMENTS (Contd.)

### **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, 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 for by decreasing the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease for lease modifications that decrease the scope of the lease and any gain or loss relating to the partial or full termination of the lease is recognised in statement of profit or loss.

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

## NOTES TO THE FINANCIAL STATEMENTS (Contd.)

### 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.

##### 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.

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## NOTES TO THE FINANCIAL STATEMENTS (Contd.)

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.

### **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 inequity or in the Other Comprehensive Income.

### **Current tax**

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

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

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.

## NOTES TO THE FINANCIAL STATEMENTS (Contd.)

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.

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:



## NOTES TO THE FINANCIAL STATEMENTS (Contd.)

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.

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.

## NOTES TO THE FINANCIAL STATEMENTS (Contd.)

### 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.

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.

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## NOTES TO THE FINANCIAL STATEMENTS (Contd.)

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 dividend sare 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.

## NOTES TO THE FINANCIAL STATEMENTS (Contd.)

### 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.

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, 2024	March 31, 2023
Cash on hand	0.16	0.06
Balances with Banks in Current Accounts		
- In Current Accounts	13.29	20.28
- In Deposit Accounts-Original maturity of 3 months or less	16,274.00	-
Earmarked balances with banks (For Unpaid dividend)	50.21	37.38
<b>Total</b>	<b>16,337.66</b>	<b>57.72</b>

### Note 2: Receivables

(₹ in lakhs)

Particulars	March 31, 2024	March 31, 2023
Trade receivables(*)		
- Secured, considered good	-	-
- Unsecured, considered good	92.79	165.60
- Considered Doubtful	-	-
Less:		
Impairment for Trade Receivable under Expected credit loss method	-	-
<b>Total</b>	<b>92.79</b>	<b>165.60</b>

\* Refer Note 28 for related party transaction

### Receivables ageing schedule - 31 March 2024

(₹ 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	92.79	-	-	92.79
(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	-	-	-	-

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

**Note 3: Loans**

(₹ in lakhs)

Particulars	March 31, 2024	March 31, 2023
Staff Advance	5.41	9.66
Less: Impairment Loss allowance	(4.27)	(5.63)
<b>Total</b>	<b>1.14</b>	<b>4.03</b>

Loans measured at	Staff Advance	Gross Loan	Impairment Loss allowance	Net Loan
<b>As at 31-03-2024</b>				
- Amortised Cost	5.41	5.41	(4.27)	1.14
- FVTOCI	-	-	-	-
- FVTPL	-	-	-	-
<b>As at 31-03-2023</b>				
- Amortised Cost	9.66	9.66	(5.63)	4.03
- FVTOCI	-	-	-	-
- FVTPL	-	-	-	-

NOTES TO THE ACCOUNTS (Contd.)

Note 4: Investments

Particulars	Face Value (₹)	As at 31.03.2024		As at 31.03.2023	
		Holding (in Numbers)	Carrying Amount (₹ in lakhs)	Holding (in Numbers)	Carrying Amount (₹ in lakhs)
<b>Equity Instruments</b>					
<b>(1) Subsidiary: At Cost</b>					
Sundaram Business Services	10	2,23,67,291	2,912.79	2,23,67,291	2,912.79
<b>(2) Associates: At FVTOCI</b>					
Brakes India	100	4,11,606	1,94,411.03	4,11,606	1,08,064.51
Wheels India	10	58,53,367	39,294.33	57,40,117	32,727.61
Turbo Energy	10	25,60,000	1,19,279.25	25,60,000	74,757.58
Axles India	10	98,91,754	35,425.16	98,91,754	14,145.43
IMPAL	10	24,96,033	24,282.39	24,96,033	18,073.85
Dunes Oman <sup>(1)</sup>	1	22,93,725	32,300.00	18,34,980	16,152.70
Sundaram Dynacast	10	11,70,000	6,201.64	11,70,000	3,894.93
Transenergy	100	1,92,713	5,147.92	1,92,713	1,646.54
Sundaram Composite <sup>(2)</sup>	10	3,90,00,000	3,900.00	1,96,00,000	1,960.00
Mind S.R.L <sup>(3)</sup>	1	-	-	7,34,675	-
Sundaram Hydraulics	10	-	-	1,12,50,000	190.23
<b>Subtotal (a)</b>			<b>4,63,154.51</b>		<b>2,74,526.17</b>
<b>Equity Instruments: At FVTOCI</b>					
TVS Holdings <sup>(4)</sup>	5	13,12,057	95,343.60	15,14,378	73,141.60
Sundaram Clayton <sup>(5)</sup>	5	15,14,378	22,508.12	-	-
Lucas TVS	100	63,224	12,829.44	63,224	8,070.58
Delphi TVS	10	2,52,896	1,948.34	2,52,896	1,529.73
Techtran Polylenses	10	2,50,000	-	2,50,000	-
Vishnu Forge Industries	10	2,97,110	163.82	2,97,110	149.66
D2C Consulting	10	100	5.16	100	4.03
Fettle tone <sup>(6)</sup>		-	8,710.63	-	10,194.76
<b>Subtotal (b)</b>			<b>1,41,509.11</b>		<b>93,090.37</b>
<b>Mutual Funds: At FVTPL</b>					
Sundaram Liquid Fund		36,610	780.65	38,405	763.45
Sundaram Ultra Short duration Fund		22,16,942	59,103.32	12,31,209	30,532.68
Sundaram Corporate Bond fund		-	-	75,51,785	2,642.82
Sundaram Low Duration fund		2,07,286	6,964.48	2,07,286	6,481.79
Sundaram Money Market Fund		79,23,681	1,088.59	79,23,681	1,013.63

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

(₹ in lakhs)

Particulars	Face Value (₹)	As at 31.03.2024		As at 31.03.2023	
		Holding (in Numbers)	Carrying Amount (₹ in lakhs)	Holding (in Numbers)	Carrying Amount (₹ in lakhs)
<b>AIF: At FVTPL</b>					
JM DO Fund	1,00,000	759.93	845.60	769.53	822.05
<b>Pref Shares : At FVTPL</b>					
D2C Consulting	100	17,014	877.95	17,014	686.37
<b>Subtotal (c)</b>			69,660.59		42,942.77
<b>Pref Shares : At FVTOCI</b>					
9% Sundaram Clayton <sup>(4)</sup>	10	1,75,668	17.57		-
<b>Subtotal (d)</b>			17.57		-
<b>NCD's: At Amortised cost</b>					
9.10% Tata International Limited		200	1,997.77		-
<b>Subtotal (e)</b>			1,997.77		-
<b>Total Investments (a+b+c+d+e)</b>			<b>6,76,339.55</b>		<b>4,10,559.32</b>
Less: Allowance for Impairment loss			(2.44)		-
<b>Net Investments</b>			<b>6,76,337.11</b>		<b>4,10,559.32</b>
<b>Total Investments by Geography</b>					
Investment outside India			32,300.00		16,152.70
Investment in India			6,44,037.11		3,94,406.62
<b>Total Investments by Category</b>					
Quoted Investments			1,81,428.44		1,23,943.06
Un-Quoted Investments			4,94,908.67		2,86,616.26
<b>Total</b>			<b>6,76,337.11</b>		<b>4,10,559.32</b>

- (1) Face value in Omani Riyal
- (2) During the year subscribed to Rights issue, issued for the purpose of infusing capital to support its growth, working capital requirement and also investing in Mind Srl, Italy.
- (3) Face value in Euro.
- (4) Formerly known as Sundaram Clayton Limited.
- (5) Formerly known as Sundaram Clayton DCD Private Limited.
- (6) Investment is made for the specific purpose of reinvesting in Nivabupa Health 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	2023-24	2022-23
Turbo Energy Private Limited	6,886.40	3,456.00
Brakes India Private Limited	3,992.58	3,148.79
Axles India Limited	890.26	395.67
India Motor Parts & Accessories Limited	599.05	538.65
Sundaram Dynacast Private Limited	339.30	187.20
Wheels India Limited	227.88	637.10
Lucas TVS Limited	113.80	142.25
Delphi TVS Technologies Limited	72.08	60.69
Transenergy	49.21	12.00
Vishnu Forge Industries Limited	2.67	2.67
TVS Holdings <sup>(4)</sup>	-	893.48
<b>Total Dividend</b>	<b>13,173.23</b>	<b>9,474.50</b>

### 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)
TVS Holdings <sup>(4)</sup>	16,466.70	16,333.03	1,260.27
Mind S.R.L	845.17	(1,591.78)	(435.09)
Sundaram Composite <sup>(2)</sup>	472.00	72.00	18.12
Fettle tone <sup>(6)</sup>	6,841.79	5,545.52	1,343.29
Dunes Oman LLC	2,156.16	1,811.22	245.01

NOTES TO THE ACCOUNTS (Contd.)

**Note 5 : Other Financial assets (Unsecured)**

(₹ in lakhs)

Particulars	March 31, 2024	March 31, 2023
Security Deposits	14.76	25.26
Income receivable	66.49	14.11
<b>Total</b>	<b>81.26</b>	<b>39.37</b>

**Note 6 : Current Tax Assets**

(₹ in lakhs)

Particulars	March 31, 2024	March 31, 2023
Advance Income Tax and Tax Deducted at source (Net)	50.90	407.23
<b>TOTAL</b>	<b>50.90</b>	<b>407.23</b>

NOTES TO THE ACCOUNTS (Contd.)

(₹ in lakhs)

Note 7: Investment Property, PPE & Intangible Assets

Description	Investment Property (IP)			Property, Plant and Equipment (PPE)						Total PPE and Intangible		
	Land	Building	Total IP	Freehold land	Buildings	Plant & Equipment	Furniture & fixtures	Office Equipment	Vehicles		Total PPE	Intangible Software-Bought out
<b>Cost of Assets</b>												
As at 01 Apr 23	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
(+) Additions	-	-	-	-	3.52	6.24	-	1.33	-	11.09	-	11.09
<b>Subtotal</b>	<b>1,872.20</b>	<b>99.23</b>	<b>1,971.43</b>	<b>31.86</b>	<b>33.27</b>	<b>166.73</b>	<b>53.54</b>	<b>22.60</b>	<b>0.64</b>	<b>308.65</b>	<b>35.52</b>	<b>344.17</b>
(-) Sale/deletion							(1.97)			(1.97)	-	(1.97)
<b>Total</b>	<b>1,872.20</b>	<b>99.23</b>	<b>1,971.43</b>	<b>31.86</b>	<b>33.27</b>	<b>166.73</b>	<b>51.57</b>	<b>22.60</b>	<b>0.64</b>	<b>306.68</b>	<b>35.52</b>	<b>342.20</b>
<b>Depreciation</b>												
Upto 31 Mar 23	-	41.50	41.50	-	2.37	75.07	30.62	12.83	0.48	121.37	35.52	156.89
(+) For the Year	-	6.72	6.72	-	2.34	11.57	5.76	7.22	0.04	26.93	-	26.93
<b>Subtotal</b>	<b>-</b>	<b>48.23</b>	<b>48.23</b>	<b>-</b>	<b>4.71</b>	<b>86.63</b>	<b>36.38</b>	<b>20.05</b>	<b>0.52</b>	<b>148.30</b>	<b>35.52</b>	<b>183.82</b>
(-) Withdrawn	-	-	-	-	-	-	(1.57)	-	-	(1.57)	-	(1.57)
<b>Total</b>	<b>-</b>	<b>48.23</b>	<b>48.23</b>	<b>-</b>	<b>4.71</b>	<b>86.63</b>	<b>34.81</b>	<b>20.05</b>	<b>0.52</b>	<b>146.73</b>	<b>35.52</b>	<b>182.25</b>
<b>Net Carrying amount</b>												
As at 31 Mar 24	1,872.20	51.00	1,923.20	31.86	28.56	80.10	16.76	2.55	0.12	159.95	-	159.95
<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>	<b>1,872.20</b>	<b>99.23</b>	<b>1,971.43</b>	<b>31.86</b>	<b>29.76</b>	<b>160.49</b>	<b>53.54</b>	<b>21.27</b>	<b>0.64</b>	<b>297.56</b>	<b>35.52</b>	<b>333.07</b>
(-) Sale/deletion												
<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>160.49</b>	<b>53.54</b>	<b>21.27</b>	<b>0.64</b>	<b>297.56</b>	<b>35.52</b>	<b>333.07</b>
<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>	<b>-</b>	<b>41.50</b>	<b>41.50</b>	<b>-</b>	<b>2.37</b>	<b>75.07</b>	<b>30.62</b>	<b>12.83</b>	<b>0.48</b>	<b>121.37</b>	<b>35.52</b>	<b>156.89</b>
(-) Withdrawn	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>41.50</b>	<b>41.50</b>	<b>-</b>	<b>2.37</b>	<b>75.07</b>	<b>30.62</b>	<b>12.83</b>	<b>0.48</b>	<b>121.37</b>	<b>35.52</b>	<b>156.89</b>
<b>Net Carrying amount</b>												
As at 31 Mar 23	1,872.20	57.72	1,929.93	31.86	27.38	85.42	22.92	8.44	0.16	176.19	-	176.19

## NOTES TO THE ACCOUNTS (Contd.)

### Depreciation / Amortisation

(₹ in lakhs)

Particulars	At	At
	31 March 2024	31 March 2023
Depreciation on IP	6.72	8.63
Depreciation on PPE	26.93	29.55
Amortisation of Right of Use Assets	9.77	16.73
<b>Total</b>	<b>43.42</b>	<b>54.91</b>

### Fair Value of Investment Property

(₹ in lakhs)

Particulars	At	At
	31 March 2024	31 March 2023
Land	47,267.60	49,899.83
Building	268.00	262.76
<b>Total</b>	<b>47,535.60</b>	<b>50,162.59</b>

### Measurement of Fair Value

#### Fair Value Hierarchy

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

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

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

#### Information regarding income and expenditure of Investment property

(₹ in lakhs)

Particulars	31.03.24	31.03.23
Rental Income derived from Investment Properties	207.23	192.87
Direct Operating Expenses (including repairs and maintenance)	(16.81)	(18.65)
Profit arising from Investment Properties before Depreciation	190.43	174.22
Depreciation	(6.72)	(8.63)
<b>Profit arising from Investment Properties</b>	<b>183.70</b>	<b>165.59</b>

## NOTES TO THE ACCOUNTS (Contd.)

### NOTE 8 : Other Non-Financial Assets

(₹ in lakhs)

Particulars	March 31, 2024	March 31, 2023
Prepaid expenses	9.74	8.11
Other advances	19.24	38.50
GST Input Credit	5.02	12.90
<b>Total</b>	<b>34.00</b>	<b>59.50</b>

### Note 9: Payables

(₹ in lakhs)

Particulars	March 31, 2024	March 31, 2023
Trade payables		
(i) Total outstanding due to micro and small enterprises 30e	2.39	1.81
(ii) Total outstanding due to creditors other than micro and small enterprises		
- For Expenses *	11.02	23.28
- For Others		
<b>Total</b>	<b>13.41</b>	<b>25.09</b>

\* Refer Note 28 for related party transaction

### Trade Payables ageing schedule - 31 March 2024

(₹ in lakhs)

Particulars	Outstanding for following periods from due date of payment			
	Not Due	Less than 1 year	> 1 year	Total
(i) MSME	-	2.39	-	2.39
(ii) Others	-	11.02	-	11.02
(iii) Disputed dues – MSME	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-

### 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	-	-	-	-

**NOTES TO THE ACCOUNTS (Contd.)**
**Note 10 : Other Financial Liabilities**

(₹ in lakhs)

Particulars	March 31, 2024	March 31, 2023
Accrued expenses	44.88	35.50
Other Liabilities	61.72	41.86
<b>Total</b>	<b>106.60</b>	<b>77.36</b>

**Note 11 : Provisions**

(₹ in lakhs)

Particulars	March 31, 2024	March 31, 2023
Provision for Employee Benefits	151.03	111.49
Provision for expenses	36.50	20.00
<b>Total</b>	<b>187.53</b>	<b>131.49</b>

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

(₹ in lakhs)

Particulars	March 31, 2024	March 31, 2023
<b>Deferred tax liabilities</b>		
On Investments	92,556.05	42,437.39
<b>Deferred tax assets</b>		
On Employee Benefits	(9.34)	(14.84)
On Property, Plant & Equipment	(8.43)	(8.63)
On Security Deposits	(0.13)	(0.17)
On others	(32.07)	(48.10)
<b>Total</b>	<b>92,506.08</b>	<b>42,365.65</b>

**Note 13 : Other Non-Financial Liabilities**

(₹ in lakhs)

Particulars	March 31, 2024	March 31, 2023
Statutory Liabilities	44.39	55.79
<b>TOTAL</b>	<b>44.39</b>	<b>55.79</b>

## NOTES TO THE ACCOUNTS (Contd.)

### Note 14: Equity Share Capital

	As at 31 <sup>st</sup> March 2024		As at 31 <sup>st</sup> March 2023	
	No. of Shares	Amount ₹ in lakhs	No. of Shares	Amount ₹ in lakhs
<b>Authorised</b>				
32,00,00,000 Equity shares of face value of ₹5/- each	32,00,00,000	16,000.00	32,00,00,000	16,000.00
<b>Issued, Subscribed and fully paid up:</b>				
22,21,03,860 Equity shares of face value of ₹5/- each	22,21,03,860	11,105.19	22,21,03,860	11,105.19
Changes in Share Capital due to changes in Accounting Policies and prior period errors	-	-	-	-
Changes in Share Capital in the current reporting period	-	-	-	-
Issued during the year	-	-	-	-
	<b>22,21,03,860</b>	<b>11,105.19</b>	<b>22,21,03,860</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 31.03.2024	No. of shares	% held as at 31.03.2023
Sundaram Finance Limited	Promoter	4,42,03,076	19.90%	5,21,76,605	23.49%

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

Promoter Name	No of Shares	% of Total Shares	% change during the year
Sundaram Finance Limited	4,42,03,076	19.90%	-3.59
S. Viji	58,55,863	2.64%	0.12
Raghuvamsa Holdings Private Limited	45,01,306	2.03%	-
S. Ram	44,93,473	2.02%	0.04
Uthirattadhi Sriram Holdings Private Ltd	30,43,522	1.37%	0.11
Silver Oak Holdings Private Limited	28,44,080	1.28%	0.04
Allegro Holdings Private Limited	28,85,934	1.30%	0.06
Srikanth Ramanujam	29,00,008	1.31%	0.08
R Ramanujam	26,47,864	1.19%	-
Srivats Ram	33,48,338	1.51%	0.32
Nivedita Ram	27,29,111	1.23%	0.07

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

Promoter Name	No of Shares	% of Total Shares	% change during the year
Harsha Viji	26,44,138	1.19%	0.08
Padmalakshmi Holdings Private Limited	24,23,561	1.09%	-
Rohini Holdings Private Limited	22,97,948	1.03%	0.05
Sriram Viji	19,52,525	0.88%	-
Revathi Holdings Private Limited	19,34,516	0.87%	-
Vijaya Rangarajan	19,19,750	0.86%	0.04
Gita Ram	18,37,389	0.83%	0.02
Arjun Rangarajan	24,57,420	1.11%	0.41
Azorious Holdings Private Limited	17,24,811	0.78%	0.12
Sumanth Ramanujam	16,82,948	0.76%	0.14
Chitra Viji	15,70,016	0.71%	0.12
S. Hema	11,22,646	0.51%	-
Maham Holdings Private Limited	9,70,435	0.44%	-
Thanjam Ravindran	8,44,119	0.38%	-
Prema Ramanujam	7,99,391	0.36%	0.06
Ananth Ramanujam	6,70,940	0.30%	0.02
Usha Raghavan	5,89,992	0.27%	-
Lily Vijayaraghavan	9,83,420	0.44%	-0.19
Choodamani Narayanan	5,38,494	0.24%	-
K Vasudevan	4,90,604	0.22%	-
Lakshmi Vasudevan	4,09,011	0.18%	-
Tulsi S Ramanujam	3,97,367	0.18%	-
Anuradha Raghavan	3,97,264	0.18%	-
S Ravindran (HUF)	3,69,815	0.17%	-
Sharath Vijayaraghavan	3,68,844	0.17%	-
Kishore S	3,66,940	0.17%	-
Daya Ambirajan	3,54,365	0.16%	-
Srinivasan Ravindran	3,52,182	0.16%	-



NOTES TO THE ACCOUNTS (Contd.)

Promoter Name	No of Shares	% of Total Shares	% change during the year
Promoter Name	No of Shares	% of Total Shares	% change during the year
Sharath Vijayaraghavan (HUF)	3,15,000	0.14%	-
Aditya S. Ramanujam	3,00,646	0.14%	-
Vimala Rangaswamy	2,61,092	0.12%	-
T.T. Narendran	3,11,785	0.14%	0.03
Shreyas Ravindran	2,00,339	0.09%	-
Ananth Krishnan	2,00,300	0.09%	-
Akshay Krishnan	2,00,300	0.09%	-
T.T. Srinivasa Raghavan (HUF)	1,96,868	0.09%	-
S. Viji (HUF 2)	-	0.00%	-0.08
Tarika Ram (Minor)	1,69,840	0.08%	-
Bagyam Raghavan	1,66,493	0.07%	-
N.Krishnan	1,64,853	0.07%	-
Shriram Vijayaraghavan (HUF)	1,20,000	0.05%	-0.02
Indira Krishnaswami	1,62,180	0.07%	-
T.T. Srinivasaraghavan	1,61,632	0.07%	-
T.T. Srinivasaraghavan	1,61,632	0.07%	-
Ranjan Ambirajan (Minor)	1,59,929	0.07%	-
Padmini Narendran	1,55,819	0.07%	-
N.Krishnan (HUF)	1,49,278	0.07%	-
Narayanan Ramji	1,42,148	0.06%	-
Shreen Raghavan	1,41,833	0.06%	-
T.T. Narendran (HUF)	1,39,691	0.06%	-
Narayanan Ramji (HUF)	1,36,160	0.06%	-
T.T. Srinivasaraghavan	1,35,970	0.06%	-
T.T. Narendran	1,32,244	0.06%	-
Srivats Ram (HUF)	1,23,370	0.06%	-

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

Promoter Name	No of Shares	% of Total Shares	% change during the year
T.T. Narendran	1,17,551	0.05%	-
Vishnu Vijayaraghavan	1,11,649	0.05%	-
Sanjana Tara Ramanujam	1,09,034	0.05%	-
S. Raghavan	1,03,492	0.05%	-
Rupa Srikanth	1,03,133	0.05%	-
Badri Vijayaraghavan	3,45,144	0.16%	0.11
Lakshmi Vijayaraghavan	91,155	0.04%	-
Rama Sridharan	85,920	0.04%	-
Aruna Sankaranarayanan	83,520	0.04%	-
T.T. Rangaswamy (HUF)	72,476	0.03%	-
Srinivas Raghavan	39,732	0.02%	-
Dangety Krishnakumari .	34,271	0.02%	-
T.T. Rangaswamy (HUF)	28,459	0.01%	-
Gitanjali Jeevan Jose (Minor)	14,693	0.01%	-
P. Siddhartha Jeevan (Minor)	14,693	0.01%	-
Kavitha Gorur Keshav	14,693	0.01%	-
Nakshatra Hayagreevan (Minor)	14,693	0.01%	-
T.T. Samitinjayan	14,693	0.01%	-
R. Ramanujam (HUF)	14,682	0.01%	-
C B Srinivasan	14,106	0.01%	-
Srikanth Ramanujam (HUF)	11,755	0.01%	-
Shreen Raghavan (HUF)	5,115	0.00%	-
T.T. Venkatraghavan	71,453	0.03%	0.03
Sundaram S	4,000	0.00%	-
A.M. Srinivasan	840	0.00%	-
Sashi Parthasarathi	1,55,736	0.07%	0.07
M/s Trichur Sundaram Santhanam & Family Private Limited	39,74,529	1.79%	1.79
<b>Total</b>	<b>12,20,84,045</b>	<b>54.97%</b>	<b>0.05</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 <sup>#</sup>	ESOP Reserve	Securities Premium	Retained Earnings		
Balance as at 01 Apr 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	-	-	4.90	-	-	-	4.90
Less:							
(d) Adjustment on account of reclassification	-	-	-	-	-	(40,422.21)	(40,422.21)
(e) Final Dividend for FY 21-22	-	-	-	-	(3,886.86)	-	(3,886.86)
(f) Special Dividend for FY 22-23	-	-	-	-	(3,331.56)	-	(3,331.56)
Transfer on account of Sale of Equity instruments measured at FVTOCI (net of tax)	-	-	-	-	23,054.72	(23,054.72)	-
<b>Balance as at 01 April 2023</b>	<b>1,874.68</b>	<b>13,108.02</b>	<b>11.54</b>	<b>31,711.64</b>	<b>60,286.00</b>	<b>2,52,638.20</b>	<b>3,59,630.08</b>
Add:							
(a) Profit or loss for the period	-	-	-	-	32,157.15	-	32,157.15
(b) Other comprehensive income	-	-	-	-	(5.75)	2,09,257.29	2,09,251.54
(c) ESOP contribution scheme of Parent company	-	-	3.69	-	-	-	3.69
Less:							
(d) Final and special Dividend for FY 22-23	-	-	-	-	(5,552.60)	-	(5,552.60)
(e) Interim Dividend FY 23-24	-	-	-	-	(4,442.08)	-	(4,442.08)
Transfer on account of Sale of Equity instruments measured at FVTOCI (net of tax)	-	-	-	-	19,738.40	(19,738.40)	-
<b>Balance as at 31 March 2024</b>	<b>1,874.68</b>	<b>13,108.02</b>	<b>15.23</b>	<b>31,711.64</b>	<b>1,02,181.11</b>	<b>4,42,157.10</b>	<b>5,91,047.79</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.

<sup>#</sup> 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, 2024	March 31, 2023
Interest income from investments measured at		
- FVTOCI	-	-
- Amortised Cost	-	-
- FVTPL	190.06	113.70
<b>Total</b>	<b>190.06</b>	<b>113.70</b>

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

(₹ in lakhs)

Particulars	March 31, 2024	March 31, 2023
Net gain/(Loss) on financial instruments at FVTPL		
Investments	3,759.47	1,582.05
Fair Value changes:		
- Realised	532.44	376.83
- Unrealised	3,227.03	1,205.22
<b>Total</b>	<b>3,759.47</b>	<b>1,582.05</b>

**Note 18: Other Income**

(₹ in lakhs)

Particulars	March 31, 2024	March 31, 2023
Interest Receipts	-	10.91
Rent Receipts	207.23	192.87
Other Non-Operating Income	6.46	18.95
<b>Total</b>	<b>213.69</b>	<b>222.73</b>

**Note 19: Finance Cost**

(₹ in lakhs)

Particulars	March 31, 2024	March 31, 2023
Interest on income tax	-	4.97
Interest-others	2.65	6.07
<b>Total</b>	<b>2.65</b>	<b>11.04</b>

## NOTES TO THE ACCOUNTS (Contd.)

### Note 20: Employee Benefit Expenses

(₹ in lakhs)

Particulars	March 31, 2024	March 31, 2023
Salaries, bonus and commission	1,063.18	1,089.63
Contribution to Provident and Other Funds 29a	97.22	79.87
Staff welfare expenses	28.02	35.05
Staff Recruitment and Training Expenses	0.20	3.08
<b>Total</b>	<b>1,188.62</b>	<b>1,207.64</b>

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

(₹ in lakhs)

Particulars	March 31, 2024	March 31, 2023
Rent	13.37	15.55
Rates and taxes	21.36	20.30
Electricity expenses	35.14	31.26
Communication expenses	18.61	17.46
Outsourcing cost	59.14	69.20
CSR Expenditure 30d	8.00	15.00
Audit Fees 30f	21.28	21.10
Repairs and Maintenance	43.76	55.04
Professional fees	518.05	154.52
Commission to KMP and Directors	34.00	20.00
Director sitting fee	13.00	12.85
Filing fee	-	0.02
Listing fee	7.51	7.51
Miscellaneous expenses	119.47	83.56
<b>Total</b>	<b>912.69</b>	<b>523.35</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 2024	31 March 2023
Income tax expenses recognized in the Statement of Profit and Loss	4,037.92	690.65
Tax recognised in OCI on account of derecognition	1,088.30	115.20
<b>Income tax expenses pertaining to current year</b>	<b>5,126.22</b>	<b>805.85</b>

(₹ in lakhs)

Particulars	31 March 2024	31 March 2023
<b>Profit before tax</b>	<b>36,884.82</b>	<b>10,724.12</b>
Enacted income tax rate in India	25.17%	25.17%
<b>Tax using the Company's domestic tax rate:</b>	<b>9,283.17</b>	<b>2,699.05</b>
<b>Effect of:</b>		
Allowance of deduction under section 80M	(4,555.78)	(1,816.73)
Set-off of carried forward loss	-	(37.22)
Other allowance /Income not taxable	(711.99)	(320.16)
Disallowance of impairment loss	-	135.91
Expenses disallowed	23.00	22.38
Prior period tax	(0.48)	7.42
<b>Income tax expenses recognized in the Statement of Profit and Loss</b>	<b>4,037.92</b>	<b>690.65</b>

## NOTES TO THE ACCOUNTS (Contd.)

### B. Recognised Deferred Tax Assets and Liabilities

#### Deferred tax assets / liabilities as at 31<sup>st</sup> March 2024:

(₹ in lakhs)

Particulars	As at 1 <sup>st</sup> April 2023	Recognized in Statement of Profit or Loss	Recognized in Other Comprehensive Income *	Recognized in Other Equity	As at 31 <sup>st</sup> March 2024
<b>Deferred tax Assets</b>					
Property, plant and Equipment	8.63	(0.20)	-	-	8.43
Provisions - employee benefits	14.82	(5.47)	-	-	9.34
Other items	48.26	(16.06)	-	-	32.20
	<b>71.71</b>	<b>(21.74)</b>	-	-	<b>49.97</b>
<b>Deferred tax Liabilities</b>					
Investments at fair value through profit or loss	403.67	668.01	-	-	1,071.68
Investments at fair value through OCI	42,033.70	-	50,793.96	(1,343.29)	91,484.37
	<b>42,437.37</b>	<b>668.01</b>	<b>50,793.96</b>	<b>(1,343.29)</b>	<b>92,556.05</b>
<b>Net deferred tax (Assets) / Liabilities</b>	<b>42,365.66</b>	<b>689.75</b>	<b>50,793.96</b>	<b>(1,343.29)</b>	<b>92,506.08</b>
Current tax recognised during the current period		4,037.92	1,088.30		
Total tax expenses recognized in the Statement of Profit and Loss		4,727.67	51,882.26		

\* 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 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
	358.06	(286.35)	-	-	71.71
<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	-	-
Total tax expenses recognized in the Statement of Profit and Loss	-	1,249.05	40,808.92	-	-

\* 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 2024	31 <sup>st</sup> March 2023
Opening Balance	30.08	90.75
Less : Modifications	1.35	(43.94)
Less : Depreciation on Right of Use Assets	(9.77)	(16.73)
Closing balance	21.66	30.08

**Movement of Lease Liability**

(₹ in Lakhs)

Particulars	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2023
Opening Balance	38.32	109.62
Less : Modifications	1.35	(54.79)
Add : Finance cost	2.65	6.07
Less : Repayments	(13.64)	(22.58)
Closing balance	28.68	38.32

**Details regarding the contractual maturities of lease liabilities as at March 31, 2024 on an undiscounted basis.**

(₹ in Lakhs)

Future minimum lease payable	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2023
Not later than 1 year	14.70	13.28
Later than 1 year and not later than 5 years	16.54	30.22
Later than 5 years	-	-

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

(₹ in Lakhs)

Particulars	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2023
Equipment Rent (Low value)	1.32	1.72
Immovable Property Rent ( Short term)	15.63	20.85

**(ii) Company as Lessor**

Undiscounted lease payments to be received on annual basis for first 5 years - ₹207.23 lakhs (Previous year - ₹192.87 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 2024	Carrying amount	Level 1	Level 2	Level 3
<b>Financial assets measured at</b>				
<b>Amortized cost</b>				
Trade receivables	92.79	-	-	-
Cash and cash equivalents	16,337.66	-	-	-
Other Financial Assets	81.26	-	-	-
Loans	1.14	-	-	-
NCD	1,997.76	-	-	-
<b>FVTPL</b>				
Mutual Fund	68,782.63	68,782.63	-	-
Preference securities	877.95	-	877.95	-
<b>FVTOCI</b>				
Preference securities	17.57	-	-	17.57
Equity instruments (*)	6,01,750.83	1,81,428.44	-	4,20,322.39
<b>Financial Liabilities measured at Amortized cost</b>				
Trade and other payables	13.41	-	-	-
Lease Liability	28.68	-	-	-
Other Financial Liabilities	106.60	-	-	-

\* Excluding Investment in Subsidiary as given in Note 4

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

(₹ in Lakhs)

As at 31 March 2023	Carrying amount	Level 1	Level 2	Level 3
<b>Financial assets measured at Amortized cost</b>				
<b>Amortized cost</b>				
Trade receivables	165.60	-	-	-
Cash and cash equivalents	57.72	-	-	-
Other Financial Assets	39.37	-	-	-
Loans	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	16,46.54	23,91,14.14
<b>Financial Liabilities measured at Amortized cost</b>				
Trade and other payables	25.09	-	-	-
Lease Liability	38.32	-	-	-
Other Financial Liabilities	77.36	-	-	-

\* Excluding Investment in Subsidiary 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:

- Liquidity risk ;
- Credit 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 2024	31 March 2023
Trade payables	13.41	25.09
Other financial Liabilities	106.60	77.36

#### (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 2024	31 March 2023
Trade receivables	92.79	165.60
Loss allowance	-	-
Carrying amount	92.79	165.60

### (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, 2024 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 16337.66 lakhs as on March 31, 2024 (March 31, 2023 : INR 57.72 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 2024	31 March 2023	31 March 2024	31 March 2023	31 March 2024	31 March 2023
Quoted Equity investments	1.00%	1.00%	1,814.28	1,239.00	(1,814.28)	(1,239.00)
Unquoted Equity investments	1.00%	1.00%	4,203.22	2,407.61	(4,203.22)	(2,407.61)
Mutual Fund investments	1.00%	1.00%	687.83	422.56	(687.83)	(422.56)

### 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, 2024 and March 31, 2023 is as follows:

#### Note 27.a

(₹ in Lakhs)

Particulars	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2023
Sale of Services		
- Support Services	1,182.77	1,255.26
- Learning Income	79.07	143.82
Trade Receivables	92.79	165.60

## NOTES TO THE ACCOUNTS (Contd.)

### Note 28: 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 (upto 26<sup>th</sup> March 2024)

##### Subsidiary

Sundaram Business Services Limited

##### Fellow Subsidiaries (upto 26<sup>th</sup> March 2024)

Sundaram Asset Management Company 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

##### Joint Venture of Holding Company (upto 26<sup>th</sup> March 2024)

Royal Sundaram General Insurance Co. Ltd

##### Associate Companies

Brakes India Private Limited

Turbo Energy Private Limited

India Motor Parts & Accessories Limited

Dunes Oman LLC (FZC)

Transenergy Private Limited

Sundaram Dynacast Private Limited

Wheels India Limited

Axles India Limited

Sundaram Composite Structures Private Limited

Mind Srl(upto February 8 2024)

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

Sri. Harsha Viji - Chairman

Sri. S.Ravi-Chief Executive Officer

Sri I S Suresh - Chief Financial Officer

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	2023-24	2022-23
<b>Income</b>								
<b>Dividend Income</b>								
Turbo Energy Private Limited	-	-	6,886.40	-	-	-	6,886.40	3,456.00
Brakes India Private Limited	-	-	3,992.58	-	-	-	3,992.58	3,148.79
Wheels India Limited	-	-	227.88	-	-	-	227.88	637.10
India Motor Parts & Accessories Limited (IMPAL)	-	-	599.05	-	-	-	599.05	224.64
Axles India Limited	-	-	890.26	-	-	-	890.26	395.67
Sundaram Dynacast Private Limited	-	-	339.30	-	-	-	339.30	187.20
Sundaram Business Services Limited	-	1,286.12	-	-	-	-	1,286.12	167.75
Sundaram Asset Management Company Ltd (SAMCL)	-	-	-	-	-	-	-	101.25
Transenergy	-	-	49.21	-	-	-	49.21	12.00
<b>Income from Services</b>								
Sundaram Finance Limited	1,096.54	-	-	-	-	-	1,096.54	1,141.78
Royal Sundaram General Insurance Co. Ltd	-	-	-	-	104.57	-	104.57	105.89
Sundaram Home Finance Ltd	-	-	-	61.51	-	-	61.51	54.81
Sundaram Asset Management Company Ltd	-	-	-	4.82	-	-	4.82	24.95
Wheels India Limited	-	-	14.93	-	-	-	14.93	16.58
Sundaram Alternate Assets Limited	-	-	-	1.88	-	-	1.88	3.84
Sundaram Fund Services Ltd	-	-	-	0.20	-	-	0.20	0.60
Brakes India Private Limited	-	-	5.24	-	-	-	5.24	0.72
Turbo Energy Private Limited	-	-	-	-	-	-	-	0.05

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

(₹ in lakhs)

Nature of Transactions	Holding Company	Subsidiary	Associates	Fellow Subsidiaries	Joint Venture of Holding Company	KMP	2023-24	2022-23
<b>Rental Income</b>								
Sundaram Finance Limited	98.66	-	-	-	-	-	98.66	98.30
Turbo Energy Private Limited	-	-	42.43	-	-	-	42.43	38.14
Brakes India Private Limited	-	-	37.85	-	-	-	37.85	29.32
<b>Expenses</b>								
<b>Sundaram Finance Limited</b>								
Rent & other Amenities	2.40	-	-	-	-	-	2.40	9.28
Internal Audit fees	7.00	-	-	-	-	-	7.00	6.00
Reimbursement Expenses	3.03	-	-	-	-	-	3.03	0.03
Employees Stock Options	3.69	-	-	-	-	-	3.69	4.89
Employee Benefit Transfers	1.53	-	-	-	-	-	1.53	8.37
<b>Sundaram Business Services Limited</b>								
Outsourcing Cost	-	48.98	-	-	-	-	48.98	50.99
Amenities Reimbursement	-	3.59	-	-	-	-	3.59	9.56
<b>Brakes India Private Limited</b>								
Reimbursement of Professional Fees	-	-	80.65	-	-	-	80.65	66.81
<b>Sundaram Home Finance Limited</b>								
Amenities Reimbursement	-	-	-	0.78	-	-	0.78	1.04
<b>Royal Sundaram General Insurance Co. Limited</b>								
Insurance	-	-	-	-	2.49	-	2.49	2.88
<b>Remuneration paid to KMP**</b>						146.06	146.06	121.30
<b>Employee benefit transfers</b>								
Sundaram Finance Limited	4.54	-	-	-	-	-	4.54	-
Sundaram Business services Limited	-	0.73	-	-	-	-	0.73	-



## NOTES TO THE ACCOUNTS (Contd.)

Nature of Transactions	Holding Company	Subsidiary	Associates	Fellow Subsidiaries	Joint Venture of Holding Company	KMP	2023-24	2022-23
<b>Other Transactions - Investments</b>								
Sale of Equity Shares - Mind Srl	-	-	845.17	-	-	-	845.17	-
Capital Reduction Dunes Oman LLC	-	-	2,156.15	-	-	-	2,156.15	-
Purchase of Equity Shares - Sundaram Composites	-	-	2,340.00	-	-	-	2,340.00	-
Sale of Equity Shares - Sundaram Composites	-	-	472.00	-	-	-	472.00	-
Purchase of Equity Shares - Wheels India Limited	-	-	-	-	-	-	-	829.87
Purchase of Equity Shares - Transenergy Private Limited	-	-	-	-	-	-	-	621.26
Purchase of Equity Shares - IMPAL	-	-	-	-	-	-	-	749.57
Redemption of Preference Shares - SAMCL	-	-	-	-	-	-	-	1,500.00
<b>Closing Balance of Investment in Equity Shares</b>								
Sundaram Business Services Limited	-	2,912.79	-	-	-	-	2,912.79	2,912.79
Brakes India Private Limited	-	-	1,94,411.03	-	-	-	1,94,411.03	1,08,064.51
Wheels India Limited	-	-	39,294.33	-	-	-	39,294.33	32,727.61
Turbo Energy Private Limited	-	-	1,19,279.25	-	-	-	1,19,279.25	74,757.58
Axles India Limited	-	-	35,425.16	-	-	-	35,425.16	14,145.43
India Motor Parts & Accessories Limited	-	-	24,282.39	-	-	-	24,282.39	18,073.85
Dunes Oman LLC (FZC)	-	-	32,300.00	-	-	-	32,300.00	16,152.70
Transenergy Private Limited	-	-	5,147.91	-	-	-	5,147.91	1,646.54
Sundaram Dynacast Private Limited	-	-	6,201.64	-	-	-	6,201.64	3,894.93
Sundaram Composites Structures Private Limited	-	-	3,900.00	-	-	-	3,900.00	1,960.00

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

(₹ in lakhs)

Nature of Transactions	Holding Company	Subsidiary	Associates	Fellow Subsidiaries	Joint Venture of Holding Company	KMP	2023-24	2022-23
<b>Insurance Deposit</b>								
Royal Sundaram General Insurance Co. Ltd	-	-	-	-	0.43	-	0.43	2.34
<b>Receivables:</b>								
Sundaram Finance Limited	77.87	-	-	-	-	-	77.87	113.23
Sundaram Asset Management Company Ltd	-	-	-	-	-	-	-	0.53
Sundaram Fund Services Ltd	-	-	-	-	-	-	-	0.06
Sundaram Home Finance Ltd	-	-	-	-	-	-	-	0.16
Royal Sundaram General Insurance Co. Ltd	-	-	-	-	9.49	-	9.49	3.76
Sundaram Alternate Assets Limited	-	-	-	-	-	-	-	0.38
Turbo Energy Private Limited	-	-	0.02	-	-	-	0.02	3.90
Wheels India Limited	-	-	1.83	-	-	-	1.83	1.70
<b>Payables:</b>								
Sundaram Finance Limited	10.34	-	-	-	-	-	10.34	-
Sundaram Home Finance Limited	-	-	-	0.04	-	-	0.04	-

**\*\* Remuneration to KMP**

(₹ in Lakhs)

Particulars	2023-24	2022-23
Short term Employee benefits	146.06	121.30
Post Employment benefits	-	-
Other long term employee benefits	-	-
Termination benefits	-	-
Others (Commission)	-	-
<b>TOTAL</b>	<b>146.06</b>	<b>121.30</b>

# Refer Note 29 b

## 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	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2023
Contribution to Provident Fund	58.58	61.88
Contribution to Superannuation Fund	5.18	4.31
Contribution to Labour Welfare Fund	0.09	0.10

### 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 2024	31 <sup>st</sup> March 2023
Present Value of Defined Benefit Obligation at the beginning of the Period	191.72	210.34
Service Cost		
a. Current Service Cost	32.70	32.00
b. Past Service Cost	-	-
c. (Gain)/Loss on Curtailments	-	-
d. (Gain)/Loss on Settlements	-	-
Interest Expense	13.08	12.13
Remeasurements		
a. Effect of Changes in Demographic Assumptions	-	-
b. Effect of Changes in Financial Assumptions	1.09	(3.89)
c. Effect of Experience Adjustments	5.18	(2.85)
Cashflows		
a. Benefit Payments		
(i) From the Plan	(17.46)	(56.00)
(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>226.31</b>	<b>191.73</b>

\* Includes ₹57.06 lakhs transferrable to SFL on account of employee transfers during FY 23-24

**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 2024	31 <sup>st</sup> March 2023
Fair value of plan assets as at the beginning of the period	181.20	193.19
Interest Income on Plan Assets	12.43	11.97
Cash Flows		
a. Benefit Payments		
(i) From the Plan	(17.46)	(56.00)
(ii) Directly from the Employer	-	-
b. Settlement Payments from the Plan	-	-
c. Participant Contributions	-	-
d. Total Employer Contributions	-	-
(i) Employer Contributions	2.81	29.50
(ii) Employer Direct Benefit Payments	-	-
Remeasurements		
a. Actual Return on Plan Assets	(1.41)	2.55
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>177.57</b>	<b>181.21</b>

\* All the plan assets are funded with LIC

# Includes ₹ 57.06 lakhs transferrable to SFL on account of employee transfers during FY 23-24

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

(₹ in lakhs)

Particulars	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2023
Present Value of Defined Benefit Obligation	226.31	191.72
Fair value of plan assets	177.57	181.21
Net Assets (Liability) recognized in the Balance Sheet	(48.74)	(10.51)
Effect of Asset Ceiling	-	-
<b>Net Assets (Liability)</b>	<b>(48.74)</b>	<b>(10.51)</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 2024	31 <sup>st</sup> March 2023
<b>Service Cost</b>		
a. Current Service Cost	32.70	32.00
b. Past Service Cost	-	-
c. (Gain)/Loss on Curtailments	-	-
d. (Gain)/Loss on Settlements	-	-
e. Total Service Cost	32.70	32.00
<b>Net Interest Expense</b>		
a. Interest Expense on DBO	13.08	12.13
b. Interest Income on Plan Assets	(12.43)	(11.97)
c. Interest Income on Reimbursement Rights	-	-
d. Interest Income on Asset Ceiling	-	-
e. Total Net Interest Cost	0.65	0.16
<b>Remeasurements</b>		
a. Effect of Changes in Demographic Assumptions	-	-
b. Effect of Changes in Financial Assumptions	1.09	(3.89)
c. Effect of Experience Adjustments	5.18	(2.85)
d. Actual Return on Plan Assets	1.42	(2.55)
e. Actual Return on Reimbursement Rights	-	-
f. Actual Change in Asset Ceiling	-	-
g. Total Remeasurements	7.69	(9.29)
Defined Benefit Cost included in P&L Account	33.36	32.16
Defined Benefit Cost included in OCI	7.69	(9.29)

### 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 2024	31 <sup>st</sup> March 2023
Discount Rate	6.96%	7.15%
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 2024	31 <sup>st</sup> March 2023	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2023	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2023
Discount rate	0.50%	0.50%	(2.83)	(3.71)	2.96	3.89
Salary growth rate	0.50%	0.50%	3.00	3.96	(2.89)	(3.80)
Attrition rate	5.00%	5.00%	0.25	0.02	(0.26)	(0.02)
Mortality rate	5.00%	5.00%	0.01	0.38	(0.01)	(0.40)

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)

FUNDED Gratuity	31.03.2024	31.03.2023
Year 1	73.23	57.17
Year 2	23.55	36.28
Year 3	16.46	26.63
Year 4	9.04	16.91
Year 5	11.28	15.24
Next 5 years	48.35	63.55

### (iv) Risk Exposure

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

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

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

## NOTES TO THE ACCOUNTS (Contd.)

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

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

### 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 2024. The details are given below:

(₹ in lakhs)

Particulars	2023-24	2022-23
Provision for Leave encashment	47.44	48.34

### Note 30

#### 30a : 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:

(₹ in lakhs)

Particulars	Year ended	
	March 31, 2024	March 31, 2023
<b>i. Profit /(Loss) attributable to equity shareholders (basic and diluted)</b>	32,157.15	9,475.07
<b>ii. Weighted average number of equity shares (basic and diluted)</b>		
Opening balance	22,21,03,860	22,21,03,860
Effect of fresh issue of shares for cash (Proportionate from date of issue)	-	-
<b>Weighted average number of equity shares for the year</b>	<b>22,21,03,860</b>	<b>22,21,03,860</b>
<b>iii. Earnings per share</b>		
Basic earnings per share (in ₹)	14.48	4.27
Diluted earnings per share (in ₹)	14.48	4.27

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.

#### 30b: Dividend

The Board of Directors has recommended a final dividend of ₹ 2.05 per share (41%). In addition, the Board of Directors has declared a second interim Dividend of ₹3.65 per share (73%), which, together with the interim Dividend of ₹ 2 per share (40%) paid during the year will make a total Dividend of ₹ 7.70 per share (154%) for the FY 2023-24.

#### 30c: Contingent Liabilities and Commitments

- Estimated amount of investment to be made in JM Financial yield enhancer (Distressed Opportunity) Fund I - Series I for Capital Commitment - ₹31.39 Lakhs.

**NOTES TO THE ACCOUNTS (Contd.)**
**30d : Details of Corporate Social Responsibility (CSR)**

(₹ in lakhs)

(a)	Amount required to be spent by the company during the year,	8.02
(b)	Amount of expenditure incurred, *	8.02
(c)	Shortfall at the end of the year,	-
(d)	Total of previous years shortfall,	-
(e)	Reason for shortfall,	-
(f)	Nature of CSR activities	Education
(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.	-

\* Includes administrative overheads

**30e : Disclosure under the MSME Act 2006, (As per the intimation received form the vendor)**

(₹ in lakhs)

Particulars	March 31, 2024	March 31, 2023
Principal amount remaining unpaid	2.39	1.81
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	-	-

**30f : Audit Fees**

(₹ in lakhs)

Particulars	March 31, 2024	March 31, 2023
As Statutory auditors	16.68	14.50
Taxation matters	3.16	2.75
Certification matters	1.44	3.85
<b>Total</b>	<b>21.28</b>	<b>21.10</b>



## NOTES TO THE ACCOUNTS (Contd.)

### 30g: 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 (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) except as disclosed.  
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.

### 30h: Gain on derecognition of financial instrument

During the year, the Company received ₹17,566.78 lakhs on account of redemption of Non convertible redeemable preference shares of TVS Holdings Limited, which was earlier classified in OCI as Items that will be reclassified to P&L.

### 30i: Adoption of Financial Statements

The Board has adopted the financial statements at its meeting held on 21<sup>st</sup> May 2024.

As per our report of even date attached.

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

Chartered Accountants

ER No: 002785S

**K. Venkatakrishnan**

Partner

M.No : 208591

Date : 21-05-2024

Place : Chennai

**S.Ravi**  
Chief Executive Officer

**I S Suresh**  
Chief Financial Officer

**S Kalyanaraman**  
Secretary & Compliance Officer

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

**Harsha Viji**  
Chairman

**R. Venkatraman**  
Director

*Consolidated Financial  
Statements  
2023-24*

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

CHARTERED ACCOUNTANTS

Akshya Shanthi, 1<sup>st</sup> Floor 25 & 27, Anna Salai, Chennai - 600002  
Phone: 044-4787 3795 / 2841 3633 Email: price@rgnprice.com

21<sup>st</sup> May 2024

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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, 2024, 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 material 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, 2024, 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 Rs. 4,708 crores which represents almost 95% of the total assets, where unquoted equity investments fair valued through OCI amounts to Rs.237 crores (“Investment”) covering about 5% of investment value as at 31<sup>st</sup> March '24.</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 total assets of Rs.7,498.79 lakhs as at 31<sup>st</sup> March 2024, total revenue of Rs.4,890.39 lakhs, total net profit after tax of Rs.1,676.27 lakhs and net cash inflows of Rs.320.29 lakhs for the year ended on that date, as considered in the Consolidated Financial Statements.
- b) The Consolidated Financial Statements also includes the Group's share of net profit after tax of Rs. 34,099.76 lakhs for the year ended 31<sup>st</sup> March 2024 in respect of ten Associates, as considered in the Consolidated Financial Statements.

The financial statements and other financial information of the above subsidiary and associates have been audited by other auditors whose reports have been furnished to us by the management. Our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiary and associates, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary and associates, is based solely on the reports of such other auditors.

Our opinion is not modified in respect of the above matters.

#### 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 except for the matter stated in paragraph 2(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
  - (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 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, 2024 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 its Associates which are companies incorporated in India during the FY 2023-24 are in compliance with Section 123 of the Companies Act, 2013.
- vi. Based on our examination which included test checks and that performed by the respective auditors of the subsidiary and associates which are companies incorporated in India whose financial statements have been audited under the Act, the Holding Company, subsidiary, and associates have used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software, except in respect of certain books of accounts of an Associate, where the accounting software had the audit trail feature enabled and operated only for part of the year as reported by the other auditor.

Further, during the course of our audit, we and the respective auditors of the above referred subsidiary and associates did not come across any instance of audit trail feature being tampered with.

Place: Chennai  
Date: 21<sup>st</sup> May 2024

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

**K. Venkatakrishnan**  
Partner

Membership No.208591  
UDIN:24208591BKGUNZ7293



**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, 2024**

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.	Sundaram Composite Structures Private Limited	U36100TN2010PTC076378	Associate	3(xvii)

Place: Chennai  
Date: 21<sup>st</sup> May 2024

For **R.G.N. Price & Co.**  
Chartered Accountants  
FR No. 002785S  
**K. Venkatakrishnan**  
Partner  
Membership No.208591  
UDIN:24208591BKGUNZ7293

**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, 2024**

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 2024, 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, 2024 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 Matter

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.

Our opinion is not modified in respect of the above matter.

Place: Chennai  
Date: 21<sup>st</sup> May 2024

For **R.G.N. Price & Co.**  
Chartered Accountants  
FR No. 002785S  
**K. Venkatakrishnan**  
Partner  
Membership No.208591  
UDIN:24208591BKGUNZ7293

# Consolidated Balance Sheet

as at 31<sup>st</sup> March, 2024

(₹ in lakhs)

Particulars	Notes	March 31, 2024	March 31, 2023
<b>ASSETS</b>			
<b>(1) Financial Assets</b>			
(a) Cash and cash equivalents	1	18,256.45	1,656.21
(b) Receivables	2	616.92	690.70
(c) Loans	3	3.32	6.51
(d) Investments	4	4,70,804.59	3,55,326.65
(e) Other financial assets	5	271.95	180.30
(f) Derivative financial instruments	6	256.98	334.59
<b>(2) Non-financial Assets</b>			
(a) Current tax assets (Net)	7	349.38	747.80
(b) Investment property	8	1,923.21	1,929.93
(c) Property, plant and equipment	8	230.00	264.67
(d) Other intangible assets	8	-	4.24
(e) Right of Use asset	24	1,655.33	1,763.23
(f) Goodwill		156.08	156.08
(g) Other non-financial assets	9	258.33	393.90
<b>Total Assets</b>		<b><u>4,94,782.54</u></b>	<b><u>3,63,454.81</u></b>
<b>LIABILITIES AND EQUITY</b>			
<b>(1) Financial liabilities</b>			
(a) Payables			
Trade Payables	10		
(i) Total outstanding dues of micro enterprises and small enterprises		22.34	6.55
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		21.55	88.41
(b) Other financial liabilities	11	185.74	163.56
(c) Lease Liability	24	1,790.50	1,825.11
<b>(2) Non-financial liabilities</b>			
(a) Provisions	12	383.20	280.88
(b) Deferred tax liabilities (Net)	13	13,008.10	3,995.27
(c) Other non-financial liabilities	14	78.40	90.84
<b>(3) Equity</b>			
(a) Equity share capital	15	11,105.19	11,105.19
(b) Other equity	16	4,68,187.52	3,45,899.00
<b>Total Liabilities and Equity</b>		<b><u>4,94,782.54</u></b>	<b><u>3,63,454.81</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 : 21-05-2024

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 Statement of Profit and Loss

for the Year Ended 31<sup>st</sup> March, 2024

(₹ in lakhs)

Particulars	Notes	For the year ended 31 March 2024	For the year ended 31 March 2023
<b>Revenue from operations</b>			
Interest Income	17	232.32	113.70
Dividend Income		1,769.56	1,514.44
Net gain on fair value changes	18	3,838.32	1,678.50
Gain on derecognition of financial instrument	31f	17,218.81	-
Sale of services	28	6,073.20	5,737.62
<b>Revenue from operations</b>		<b>29,132.21</b>	<b>9,044.26</b>
Other Income	19	585.11	352.07
<b>Total Income</b>		<b>29,717.32</b>	<b>9,396.33</b>
<b>Expenses</b>			
Finance Cost	20	118.44	43.52
Impairment on Financial Instruments		-	136.52
Employee benefit expenses	21	3,087.45	3,053.37
Depreciation, Amortisation and Impairment	8	293.51	161.56
Other expenses	22	1,752.96	1,332.46
<b>Total expenses</b>		<b>5,252.36</b>	<b>4,727.43</b>
Profit before exceptional items and tax		24,464.96	4,668.90
Exceptional items		-	-
<b>Profit before tax</b>		<b>24,464.96</b>	<b>4,668.90</b>
Current tax	23	4,618.50	953.13
Deferred tax	23	631.79	564.41
<b>Total tax expense</b>		<b>5,250.29</b>	<b>1,517.54</b>
<b>Profit/(loss) for the period</b>		<b>19,214.67</b>	<b>3,151.36</b>
"Share of net profits from associates (Net of FV impact on merger of investee companies)"		34,099.76	20,604.25
<b>Profit after tax</b>		<b>53,314.43</b>	<b>23,755.61</b>

Particulars	Notes	For the year ended 31 March 2024	For the year ended 31 March 2023
<b>Other Comprehensive Income</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Remeasurements of the defined benefit plans	30	10.80	0.84
Income Tax on above		2.72	0.21
<b>Remeasurements of the defined benefit plans (Net of tax)</b>		<b>8.08</b>	<b>0.63</b>
Change in Fair value of equity instruments		71,360.35	33,086.34
Income tax on above		10,824.71	2,387.64
<b>Change in Fair value of equity instruments (Net of tax)</b>		<b>60,535.64</b>	<b>30,698.70</b>
Share of other comprehensive income from associates using equity method (Net of tax)		12,258.69	1,671.30
<b>Items that will be reclassified to profit or loss</b>			
Changes in fair value of derivative instrument		(65.69)	319.00
Change in Fair value of financial instrument		17.57	-
Income tax on above		(12.11)	81.58
<b>Change in fair value of derivative instrument (Net of tax)</b>		<b>(36.01)</b>	<b>237.42</b>
Share of other comprehensive income from associates using equity method (Net of tax)		156.52	(309.36)
Foreign currency Translation Reserve		154.88	845.42
<b>Other Comprehensive Income Net of Tax</b>		<b>73,077.80</b>	<b>33,144.11</b>
<b>Total Comprehensive Income for the period</b>		<b>1,26,392.23</b>	<b>56,899.72</b>
Basic and Diluted Earnings per Equity Share of ₹5/- each	31a	24.00	10.70

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 : 21-05-2024

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, 2024	March 31, 2023
<b>Cash flow from operating activities</b>		
<b>Profit before tax</b>	24,464.96	4,668.90
<b>Adjustments to reconcile profit before tax to net cash used in operating activities</b>		
Depreciation and impairment of property, plant and equipment	293.51	161.56
Impairment on Financial Instruments	3.33	136.52
Fair value change in financial instruments	(3,838.32)	(1,678.50)
Interest Income from Investments	(232.32)	(113.70)
(Gain)/loss on sale of property, plant and equipment	0.40	0.73
ESOP contribution scheme of Parent company	5.05	6.33
Finance costs paid	118.44	38.55
Dividend received / (receivable)	-	779.96
Interest received / (receivable)	(118.11)	-
(Gain)/Loss on derecognition of financial instrument	(17,218.81)	-
Net Actuarial gain/(loss) on defined benefit plan	10.80	0.84
Dividend received from associates	12,984.68	8,061.32
Gain on Lease modification	(7.83)	(10.97)
<b>Working capital adjustments</b>		
(a) (Increase)/Decrease in		
Trade and other receivables	73.78	(185.88)
Loans	3.19	6.28
Other financial assets	26.46	(110.27)
Other non-financial assets	135.58	(183.22)
(b) Increase/(Decrease) in		
Trade and other payables	(51.06)	44.71
Financial liabilities	34.11	(52.06)
Non-financial liabilities and provisions	89.87	(66.30)
<b>Income Tax paid</b>	<b>(3,554.39)</b>	<b>(1,480.19)</b>
<b>Net cash flows from operating activities</b>	<b><u>13,223.31</u></b>	<b><u>10,024.61</u></b>
<b>Cash flow from investing activities</b>		
Purchase and construction of property, plant and equipment	(19.80)	(1,827.94)
(Purchase)/Sale of Mutual funds (net)	(22,168.74)	(23,120.17)
(Purchase)/Sale of other investments (net)	37,350.32	22,310.62
Proceeds from sale of property, plant and equipment	0.79	-
Interest received	232.32	113.70
<b>Income Tax paid</b>	<b>(1,756.68)</b>	<b>-</b>
<b>Net cash flows from investing activities</b>	<b><u>13,638.21</u></b>	<b><u>(2,523.79)</u></b>
<b>Cash flow from financing activities</b>		
Dividend Paid	(9,994.67)	(7,218.42)
Lease Liability Principle paid	(148.17)	(37.42)
Lease Liability Interest paid	(118.44)	(38.55)
<b>Net cash flows from financing activities</b>	<b><u>(10,261.28)</u></b>	<b><u>(7,294.39)</u></b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>16,600.24</b>	<b>206.43</b>
Cash and cash equivalents at the beginning of the year	1,656.21	1,449.78
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>18,256.45</u></b>	<b><u>1,656.21</u></b>

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

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

Chartered Accountants

F.R No: 002785S

**K. Venkatakrishnan**

Partner

M.No : 208591

Date : 21-05-2024

Place : Chennai

**S.Ravi**

Chief Executive Officer

**Harsha Viji**

Chairman

**R. Venkatraman**

Director

**I S Suresh**

Chief Financial Officer

**S Kalyanaraman**

Secretary &amp; Compliance Officer

**STATEMENT OF CHANGES IN EQUITY**

**(a) Equity Share Capital**

Particulars	31 March 2024		31 March 2023	
	No. of Shares	Amount ₹ in lakhs	No. of Shares	Amount ₹ in lakhs
<b>Balance at Beginning (A)</b>	222103860	11105.19	222103860	11105.19
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	222103860	11105.19
Changes in Share Capital in the current reporting period	-	-	-	-
<b>Balance at End</b>	<b>222103860</b>	<b>11,105.19</b>	<b>222103860</b>	<b>11,105.19</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 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>Add:</b>						
(a) Profit or loss for the period						23,755.61
(b) Other comprehensive income					845.43	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
<b>Less:</b>						
(e) Adjustment						(152.98)
(f) Final and special Dividend for FY 2021-22 paid					(40,422.21)	(3,886.86)
						7264.23
						2,89,100.12

Particulars	Reserves and Surplus					Gains/(Losses) from equity investments through OCI	Total
	Capital Reserve	General Reserve	ESOP Reserve	Securities Premium	FCTR		
(g) Special Dividend for FY 22-23 Transfer on account of Sale of Equity instruments measured at FVTOCI						(3,331.56) 23,054.72	(3,331.56) -
<b>Balance as at 01 Apr 2023</b>	<b>8,512.27</b>	<b>13,135.01</b>	<b>12.97</b>	<b>31,711.64</b>	<b>2,625.99</b>	<b>2,02,749.26</b>	<b>3,45,899.00</b>
<b>Add:</b>							
(a) Profit or loss for the period						53,314.43	53,314.43
(b) Other comprehensive income					154.88	72,922.92	73,077.80
(c) ESOP contribution scheme of Parent company			5.05				5.05
<b>Less:</b>							
(e) Adjustment	(384.09)				(60.01)		5,885.92
(f) Final and special Dividend for FY 2022-23						(5,552.60)	(5,552.60)
(g) Interim Dividend for FY 23-24 Transfer on account of Sale of Equity instruments measured at FVTOCI						(4,442.08)	(4,442.08)
<b>Balance as at 31 Mar 2024</b>	<b>8,128.18</b>	<b>13,135.01</b>	<b>18.02</b>	<b>31,711.64</b>	<b>2,720.86</b>	<b>2,72,137.43</b>	<b>4,68,187.52</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 : 21-05-2024

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



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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. MATERIAL 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 (Rs.), 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.

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

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

- 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
Brakes India	India	23.57
Sundaram Composite Structures Private Limited	India	39.00
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.

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

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.

### 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.

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

**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 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

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

OCI to profit and loss on sale of investment. However, the Company may transfer the cumulative realised gain or loss within equity.

### **Impairment of Financial Assets**

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

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

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

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

## **2.5. Financial Liabilities**

### **Initial Recognition**

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

### **Subsequent Measurement**

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

### **De-Recognition**

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

### **Offsetting of financial instruments**

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

### **Derivative financial instruments**

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

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

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

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.

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

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

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

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

## 2.7. Employee Benefits

### SHORT TERM EMPLOYEE BENEFITS

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

### POST EMPLOYMENT BENEFITS

#### a. Defined Contribution plans

##### i. Superannuation

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

**ii. Provident Fund**

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

**b. Defined benefit plans**

**I. Gratuity**

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

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

The present value of defined benefit obligation is determined by discounting the estimated future cash out flows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. The gratuity liability and net periodic gratuity cost is actuarially determined after considering discount rates, expected long term return on plan assets and increase in compensation levels.

Re-measurement gains or losses arising from Experience Adjustments and changes in actuarial assumptions are recognized in the period they occur, directly in the Other Comprehensive Income. They are included in the statement of changes in equity and in the Balance Sheet. Re-measurements comprising actuarial gains or losses and return on plan assets (excluding amounts included in net interest on the net defined benefit liability) are not reclassified to Statement of Profit or Loss in subsequent periods.

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

**c. Other Long Term Employee Benefits**

- I. The estimated liability in respect of other long term benefits like Employee Assured Bonus Scheme has been provided on the basis of actuarial valuation. Leave Encashment:
- ii. 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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)****2.9 Income Taxes**

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

**Current tax**

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

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

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

**Deferred Tax**

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

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

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

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

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

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

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



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

### Current and Deferred tax for the year - OCI

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

### 2.10 Property, plant and equipment

The property plant and equipment are the assets held for the use in the supply of services Property, plant and equipment's are stated in the balance sheet at cost (net of duty/ tax credit availed) less accumulated depreciation and accumulated impairment losses. Cost of acquisition is inclusive of freight, non-refundable duties & taxes and other directly attributable cost of bringing the asset to its working condition for the intended use.

#### Freehold land is not depreciated.

An item is recognised as property plant and equipment if and only if it is probable that future economic benefits associated with the item will flow to the 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

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

**2.11 Investment Property**

Properties held to earn rental income or for capital appreciation or both and that is not occupied by the 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.

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

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

### 2.14 Cash and Cash equivalents

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

### 2.15 Trade receivables

Trade receivables, 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.

**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, 2024	March 31, 2023
Cash on hand	0.20	0.11
Balances with Banks		
- In Current Accounts	1,932.04	1,618.73
- In Deposit Accounts-Original maturity of 3 months or less	16,274.00	-
Earmarked balances with banks(For Unpaid dividend)	50.21	37.38
<b>Total</b>	<b><u>18,256.45</u></b>	<b><u>1,656.21</u></b>

### Note 2: Receivables

(₹ in lakhs)

Particulars	March 31, 2024	March 31, 2023
Trade receivables		
- Secured, considered good	-	-
- Unsecured, considered good	616.92	690.70
- Considered Doubtful	-	-
- Receivables having significant increase in credit risk	32.29	6.53
- Credit Impaired	-	-
<b>Less:</b>		
Impairment for Trade Receivable under Expected credit loss method	(32.29)	(6.53)
Allowance for impairment loss	-	-
<b>Total</b>	<b><u>616.92</u></b>	<b><u>690.70</u></b>

### Receivables ageing schedule - 31 March 2024

(₹ 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	603.21	12.60	1.13	616.92
(ii) Undisputed Trade receivable which have significant increase in credit risk	-	-	-	-
(iii) Undisputed Trade Receivables credit Impaired	3.34	20.72	8.23	32.29
(iv) Disputed Trade Receivables considered good	-	-	-	-
(v) Disputed Trade Receivables considered doubtful	-	-	-	-
Less : Impairment for Trade Receivable under Expected credit loss method	(3.34)	(20.72)	(8.23)	(32.29)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

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	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)

Note 3: Loans

(₹ in lakhs)

Particulars	March 31, 2024	March 31, 2023
Staff Advance	7.59	12.14
Less: Impairment Loss allowance	(4.27)	(5.63)
<b>TOTAL</b>	<b>3.32</b>	<b>6.51</b>

Loans measured at	Staff Advance	Gross Loan	Impairment Loss allowance	Net Loan
<b>As at 31-03-2024</b>				
- Amortised Cost	7.59	7.59	(4.27)	3.32
- FVTOCI	-	-	-	-
- FVTPL	-	-	-	-
<b>As at 31-03-2023</b>				
- Amortised Cost	12.14	12.14	(5.63)	6.51
- FVTOCI	-	-	-	-
- FVTPL	-	-	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Note 4: Investments

Particulars	Face Value (₹)	As at 31.03.2024		As at 31.03.2023	
		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	96,977.75	4,11,606	84,029.05
Wheels India	10	58,53,367	29,710.18	57,40,117	28,204.82
Turbo Energy	10	25,60,000	58,718.90	25,60,000	56,982.14
Axles India	10	98,91,754	10,691.54	98,91,754	8,211.69
IMPAL	10	24,96,033	40,340.89	24,96,033	21,451.36
Dunes Oman <sup>(1)</sup>	1	22,93,725	11,434.70	18,34,980	10,917.88
Sundaram Dynacast	10	11,70,000	2,144.25	11,70,000	1,961.86
Transenergy	100	1,92,713	1,999.06	1,92,713	1,682.31
Sundaram Composite <sup>(2)</sup>	10	3,90,00,000	3,254.33	1,96,00,000	1,656.53
Mind S.R.L <sup>(3)</sup>	1	-	-	7,34,675	2,084.18
Sundaram Hydraulics	10	-	-	1,12,50,000	-
<b>Subtotal (a)</b>			<b>2,55,271.61</b>		<b>2,17,181.83</b>
<b>Equity Instruments: At FVTOCI</b>					
TVS Holdings <sup>(4)</sup>	5	13,12,057	95,343.60	15,14,378	73,141.60
Sundaram Clayton <sup>(5)</sup>	5	15,14,378	22,508.12	-	-
Lucas TVS	100	63,224	12,829.44	63,224	8,070.58
Delphi TVS	10	2,52,896	1,948.34	2,52,896	1,529.73
Techtran Polylenes	10	2,50,000	-	2,50,000	-
Vishnu Forge Industries	10	2,97,110	163.82	2,97,110	149.66
D2C Consulting	10	100	5.16	100	4.03
Fettle tone <sup>(6)</sup>			8,710.63		10,194.76
<b>Subtotal (b)</b>			<b>1,41,509.11</b>		<b>93,090.36</b>
<b>Mutual Funds: At FVTPL</b>					
Sundaram Liquid Fund		36,610	799.58	52,617	1,124.00
Sundaram Ultra Short duration Fund		22,69,488	60,485.32	13,04,969	32,283.81
Sundaram Corporate Bond fund		-	-	75,51,785	2,642.82
Sundaram Low Duration fund		2,07,286	6,964.48	2,07,286	6,481.79
Sundaram money market fund		79,23,681	1,088.59	79,23,681	1,013.63

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

Particulars	Face Value (₹)	As at 31.03.2024		As at 31.03.2023	
		Holding (Number)	Carrying Amount (₹ in lakhs)	Holding (Number)	Carrying Amount (₹ in lakhs)
<b>AIF: At FVTPL</b>					
JM DO Fund	1,00,000	769.53	845.60	769.53	822.05
<b>Pref Shares : At FVTPL</b>					-
D2C Consulting	100	17,014	877.95	17,014	686.37
<b>Subtotal (c)</b>			<b>71,061.52</b>		<b>45,054.46</b>
<b>Pref Shares: At FVTOCI</b>					
9% Sundaram Clayton <sup>(4)</sup>	10	1,75,668	17.57		-
<b>Subtotal (d)</b>			<b>17.57</b>		
<b>NCD's: At Amortised cost</b>					
9.10% Tata International Limited		250	2,498.11		-
SFL - Fixed Deposit			450.00		-
Subtotal (e)			2,948.11		-
<b>Total Investments (a+b+c+d+e)</b>			<b>4,70,807.92</b>		<b>3,55,326.65</b>
Less: Allowance for Impairment loss			(3.33)		-
<b>Net Investments</b>			<b>4,70,804.59</b>	-	<b>3,55,326.65</b>
<b>Investments by Geography</b>					
Investment outside India			11,434.70		13,002.06
Investment in India			4,59,369.89		3,42,324.59
<b>Investments by Category</b>					
Quoted Investments			1,65,394.68		1,22,797.78
Un-Quoted Investments			3,05,409.91		2,32,528.87
<b>Total</b>			<b>4,70,804.59</b>		<b>3,55,326.65</b>

(1) Face value in Omani Riyal

(2) During the year subscribed to Rights issue, issued for the purpose of infusing capital to support its growth, working capital requirement and also investing in Mind Srl, Italy.

(3) Face value in Euro

(4) Formerly known as Sundaram Clayton Limited

(5) Formerly known as Sundaram Clayton DCD Private Limited

(6) Investment is made for the specific purpose of reinvesting in Nivabupa Health 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	2023-24	2022-23
Turbo Energy Private Limited	6,886.40	3,456.00
Brakes India Private Limited	3,992.58	3,148.79
Axles India Limited	890.26	395.67
India Motor Parts & Accessories Limited	599.05	538.65
Sundaram Dynacast Private Limited	339.30	187.20
Wheels India Limited	227.88	637.10
Lucas TVS Limited	113.80	142.25
Delphi TVS Technologies Limited	72.08	60.69
Transenergy	49.21	12.00
Vishnu Forge Industries Limited	2.67	2.67
TVS Holdings <sup>(4)</sup>	-	893.48
<b>Total Dividend</b>	<b>13,173.23</b>	<b>9,474.50</b>

### 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
TVS Holdings <sup>(4)</sup>	16,466.70	16,333.03	1,260.27
Mind S.R.L	845.17	(1,591.78)	(435.09)
Sundaram Composite	472.00	72.00	18.12
Fettle tone <sup>(6)</sup>	6,841.79	5,545.52	1,343.29
Dunes Oman LLC	2,156.16	1,811.22	245.01

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

**Note 5 : Other Financial Assets**

(₹ in lakhs)

Particulars	March 31, 2024	March 31, 2023
Security Deposits	153.35	142.44
Unbilled Revenue	26.30	23.75
Income receivable	92.30	14.11
<b>Total</b>	<b>271.95</b>	<b>180.30</b>

**Note 6 : Derivative Financial Instruments**

(₹ in lakhs)

Particulars	March 31, 2024	March 31, 2023
<b>Fair value (liabilities) / Assets</b>		
<b>Part I</b>		
(i) Currency Derivatives		
- Spot and forwards	256.98	334.59
Total Derivatives Financial instruments	256.98	334.59
<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	256.98	334.59
<b>Total</b>	<b>256.98</b>	<b>334.59</b>

**Note 7 : Current Tax Assets**

(₹ in lakhs)

Particulars	March 31, 2024	March 31, 2023
Advance Income Tax and Tax Deducted at source (Net)	349.38	747.80
<b>Total</b>	<b>349.38</b>	<b>747.80</b>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Note 8: Investment Property, PPE & Intangible Assets

(₹ in lakhs)

Description	Investment Property (IP)			Property, Plant and Equipment (PPE)							Intangible		Total PPE and Intangible
	Land	Building	Total IP	Freehold land	Buildings	Plant & Equipment	Furniture & fixtures	Office Equipment	Electrical Equipment	Vehicles	Total PPE	Software-Bought out	
<b>Cost of Assets</b>													
As at 01 Apr 23	1,872.20	99.23	1,971.43	31.86	29.76	382.67	69.45	56.43	17.92	0.64	588.73	168.15	756.88
(+) Additions	-	-	-	-	3.52	7.15	2.02	3.52	3.59	-	19.80	-	19.80
<b>Subtotal</b>	1,872.20	99.23	1,971.43	31.86	33.28	389.83	71.46	59.95	21.51	0.64	608.53	168.15	776.68
(-) Sale/deletion	-	-	-	-	-	-	(1.97)	-	-	-	(1.97)	-	(1.97)
<b>Total</b>	1,872.20	99.23	1,971.43	31.86	33.28	389.83	69.49	59.95	21.51	0.64	606.56	168.15	774.71
<b>Depreciation</b>													
Upto 31 Mar 23	-	41.50	41.50	-	2.37	233.36	39.39	38.57	9.89	0.48	324.06	163.91	487.96
(+) For the Year	-	6.72	6.72	-	2.34	31.36	7.95	10.83	1.55	0.04	54.07	4.24	58.31
Subtotal	-	48.22	48.22	-	4.71	264.71	47.34	49.40	11.44	0.52	378.13	168.15	546.28
(-) Withdrawn	-	-	-	-	-	-	(1.57)	-	-	-	(1.57)	-	(1.57)
<b>Total</b>	-	48.22	48.22	-	4.71	264.71	45.77	49.40	11.44	0.52	376.56	168.15	544.71
<b>Net Carrying amount</b>													
As at 31 Mar 24	1,872.20	51.00	1,923.21	31.86	28.57	125.11	23.72	10.56	10.07	0.12	230.00	0.00	230.00

## 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		Total PPE and Intangible
	Land	Building	Total IP	Freehold land	Buildings	Plant & Equipment	Furniture & fixtures	Office Equipment	Electrical Equipment	Vehicles	Total PPE	Software-Bought out	
<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>	1,872.20	99.23	1,971.43	31.86	29.76	382.67	69.45	56.43	20.21	0.64	591.02	168.15	759.17
(-) Sale/deletion	-	-	-	-	-	-	-	-	(2.29)	-	(2.29)	-	(2.29)
<b>Total</b>	1,872.20	99.23	1,971.43	31.86	29.76	382.67	69.45	56.43	17.92	0.64	588.73	168.15	756.88
<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
Subtotal	-	41.50	41.50	-	2.37	233.36	39.39	38.57	11.45	0.49	325.62	163.91	489.52
(-) Withdrawn	-	-	-	-	-	-	-	-	(1.56)	-	(1.56)	-	(1.56)
<b>Total</b>	-	41.50	41.50	-	2.37	233.36	39.39	38.57	9.89	0.49	324.06	163.91	487.96
<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

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

### Depreciation / Amortisation

(₹ in lakhs)

Particulars	At 31 March 2024	At 31 March 2023
Depreciation on IP	6.72	8.63
Depreciation on PPE	54.07	69.56
Amortisation of Intangible Assets	4.24	11.58
Amortisation of Right of Use Assets	228.48	80.43
<b>Total</b>	<b>293.51</b>	<b>170.19</b>

### Fair Value of Investment Property

(₹ in lakhs)

	At 31 March 2024	At 31 March 2023
Land	47,267.60	49,899.83
Building	268.00	262.76
<b>Total</b>	<b>47,535.60</b>	<b>50,162.59</b>

### 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)

	31.03.24	31.03.23
Rental Income derived from Investment Properties	207.23	192.87
Direct Operating Expenses (including repairs and maintenance)	(16.81)	(18.65)
Profit arising from Investment Properties before Depreciation	190.43	174.22
Depreciation	(6.72)	(8.63)
Profit arising from Investment Properties	183.70	165.59

### Note 9 : Other Non-Financial Assets

(₹ in lakhs)

Particulars	March 31, 2024	March 31, 2023
Prepaid expenses	105.63	121.18
Other advances	53.08	105.43
GST Input Credit	99.62	167.30
<b>Total</b>	<b>258.33</b>	<b>393.90</b>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

**Note 10 : Payables**

(₹ in lakhs)

Particulars	March 31, 2024	March 31, 2023
Trade payables		
(i) Total outstanding due to micro and small enterprises	22.34	6.55
(ii) Total outstanding due to creditors other than micro and small enterprises	21.55	88.41
<b>Total</b>	<b>43.89</b>	<b>94.96</b>

**Trade Payables ageing schedule - 31 March 2024**

(₹ in lakhs)

Particulars	Outstanding for following periods from due date of payment			
	Not Due	Less than 1 year	> 1 year	Total
(i) MSME	-	22.34	-	22.34
(ii) Others	-	21.55	-	21.55
(iii) Disputed dues – MSME	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-

**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	-	-	-	-

**Note 11 : Other Financial Liabilities**

(₹ in lakhs)

Particulars	March 31, 2024	March 31, 2023
Accrued expenses	117.94	120.06
Other Liabilities	67.80	43.50
<b>TOTAL</b>	<b>185.74</b>	<b>163.56</b>

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

### Note 12 : Provisions

(₹ in lakhs)

Particulars	March 31, 2024	March 31, 2023
Provision for Employee Benefits	346.70	260.88
Provision for expenses	36.50	20.00
<b>TOTAL</b>	<b>383.20</b>	<b>280.88</b>

### Note 13 : Deferred Tax

(₹ in lakhs)

Particulars	March 31, 2024	March 31, 2023
<b>Deferred tax liabilities</b>		
On Investments	13,081.67	4,016.11
On Derivatives	55.52	72.05
Others	4.77	27.22
<b>Deferred tax assets</b>		
On Employee Benefits	(41.18)	(34.73)
On Provision for doubtful debts	(8.13)	(2.27)
On Property, Plant & Equipment	(52.12)	(34.35)
On Security Deposits	(0.13)	(0.17)
On others	(32.30)	(48.59)
<b>TOTAL</b>	<b>13,008.10</b>	<b>3,995.27</b>

### Note 14 : Other Non-Financial Liabilities

(₹ in lakhs)

Particulars	March 31, 2024	March 31, 2023
Statutory Liabilities	78.40	90.84
<b>TOTAL</b>	<b>78.40</b>	<b>90.84</b>

### Note 15: Equity Share Capital

	As at 31 <sup>st</sup> March 2024		As at 31 <sup>st</sup> March 2023	
	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
<b>Issued, Subscribed and fully paid up:</b>				
22,21,03,860 Equity shares of face value of ₹5/- each	222103860	11,105.19	222103860	11,105.19
Changes in Share Capital in the current reporting period	-	-	-	-
Issued during the year	-	-	-	-
	<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 31.03.2024	No. of shares	% held as at 31.03.2023
Sundaram Finance Limited	Promoter	4,42,03,076	19.90%	5,21,76,605	23.49%

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

Promoter Name	No of Shares	% of Total Shares	% change during the year
Sundaram Finance Limited	4,42,03,076	19.90%	-3.59
S. Viji	58,55,863	2.64%	0.12
Raghuvamsa Holdings Private Limited	45,01,306	2.03%	-
S. Ram	44,93,473	2.02%	0.04
Uthirattadhi Sriram Holdings Private Ltd	30,43,522	1.37%	0.11
Silver Oak Holdings Private Limited	28,44,080	1.28%	0.04
Allegro Holdings Private Limited	28,85,934	1.30%	0.06
Srikanth Ramanujam	29,00,008	1.31%	0.08
R Ramanujam	26,47,864	1.19%	-
Srivats Ram	33,48,338	1.51%	0.32
Nivedita Ram	27,29,111	1.23%	0.07
Harsha Viji	26,44,138	1.19%	0.08
Padmalakshmi Holdings Private Limited	24,23,561	1.09%	-
Rohini Holdings Private Limited	22,97,948	1.03%	0.05
Sriram Viji	19,52,525	0.88%	-
Revathi Holdings Private Limited	19,34,516	0.87%	-
Vijaya Rangarajan	19,19,750	0.86%	0.04
Gita Ram	18,37,389	0.83%	0.02
Arjun Rangarajan	24,57,420	1.11%	0.41
Azorious Holdings Private Limited	17,24,811	0.78%	0.12
Sumanth Ramanujam	16,82,948	0.76%	0.14
Chitra Viji	15,70,016	0.71%	0.12
S. Hema	11,22,646	0.51%	-
Maham Holdings Private Limited	9,70,435	0.44%	-
Thanjam Ravindran	8,44,119	0.38%	-
Prema Ramanujam	7,99,391	0.36%	0.06



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Promoter Name	No of Shares	% of Total Shares	% change during the year
Ananth Ramanujam	6,70,940	0.30%	0.02
Usha Raghavan	5,89,992	0.27%	
Lily Vijayaraghavan	9,83,420	0.44%	-0.19
Choodamani Narayanan	5,38,494	0.24%	-
K Vasudevan	4,90,604	0.22%	-
Lakshmi Vasudevan	4,09,011	0.18%	-
Tulsi S Ramanujam	3,97,367	0.18%	-
Anuradha Raghavan	3,97,264	0.18%	-
S Ravindran (HUF)	3,69,815	0.17%	-
Sharath Vijayaraghavan	3,68,844	0.17%	-
Kishore S	3,66,940	0.17%	-
Daya Ambirajan	3,54,365	0.16%	-
Srinivasan Ravindran	3,52,182	0.16%	-
Sharath Vijayaraghavan (HUF)	3,15,000	0.14%	-
Aditya S. Ramanujam	3,00,646	0.14%	-
Vimala Rangaswamy	2,61,092	0.12%	-
T.T. Narendran	3,11,785	0.14%	0.03
Shreyas Ravindran	2,00,339	0.09%	-
Ananth Krishnan	2,00,300	0.09%	-
Akshay Krishnan	2,00,300	0.09%	-
T.T. Srinivasa Raghavan (HUF)	1,96,868	0.09%	-
S. Viji (HUF 2)	-	0.00%	-0.08
Tarika Ram (Minor)	1,69,840	0.08%	-
Bagyam Raghavan	1,66,493	0.07%	-
N.Krishnan	1,64,853	0.07%	-
Shriram Vijayaraghavan (HUF)	1,20,000	0.05%	-0.02
Indira Krishnaswami	1,62,180	0.07%	-
T.T. Srinivasaraghavan	1,61,632	0.07%	-
T.T. Srinivasaraghavan	1,61,632	0.07%	-
Ranjan Ambirajan (Minor)	1,59,929	0.07%	-
Padmini Narendran	1,55,819	0.07%	-
N.Krishnan (HUF)	1,49,278	0.07%	-
Narayanan Ramji	1,42,148	0.06%	-
Shreen Raghavan	1,41,833	0.06%	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Promoter Name	No of Shares	% of Total Shares	% change during the year
T.T. Narendran (HUF)	1,39,691	0.06%	-
Narayanan Ramji (HUF)	1,36,160	0.06%	-
T.T. Srinivasaraghavan	1,35,970	0.06%	-
T.T. Narendran	1,32,244	0.06%	-
Srivats Ram (HUF)	1,23,370	0.06%	-
T.T. Narendran	1,17,551	0.05%	-
Vishnu Vijayaraghavan	1,11,649	0.05%	-
Sanjana Tara Ramanujam	1,09,034	0.05%	-
S. Raghavan	1,03,492	0.05%	-
Rupa Srikanth	1,03,133	0.05%	-
Badri Vijayaraghavan	3,45,144	0.16%	0.11
Lakshmi Vijayaraghavan	91,155	0.04%	-
Rama Sridharan	85,920	0.04%	-
Aruna Sankaranarayanan	83,520	0.04%	-
T.T. Rangaswamy (HUF)	72,476	0.03%	-
Srinivas Raghavan	39,732	0.02%	-
Dangety Krishnakumari .	34,271	0.02%	-
T.T. Rangaswamy (HUF)	28,459	0.01%	-
Gitanjali Jeevan Jose (Minor)	14,693	0.01%	-
P. Siddhartha Jeevan (Minor)	14,693	0.01%	-
Kavitha Gorur Keshav	14,693	0.01%	-
Nakshatra Hayagreevan (Minor)	14,693	0.01%	-
T.T. Samitinjayan	14,693	0.01%	-
R. Ramanujam (HUF)	14,682	0.01%	-
C B Srinivasan	14,106	0.01%	-
Srikanth Ramanujam (HUF)	11,755	0.01%	-
Shreen Raghavan (HUF)	5,115	0.00%	-
T.T. Venkatraghavan	71,453	0.03%	0.03
Sundaram S	4,000	0.00%	-
A.M. Srinivasan	840	0.00%	-
Sashi Parthasarathi	1,55,736	0.07%	0.07
M/s Trichur Sundaram Santhanam & Family Private Limited	39,74,529	1.79%	1.79
<b>Total</b>	<b>12,20,84,045</b>	<b>54.97%</b>	<b>0.05</b>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

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		
<b>Balance as at 01 April 2022</b>	2,608.29	13,135.01	6.64	31,711.64	1,780.56	1,21,527.87	1,18,330.11	2,89,100.12
Add:								
(a) Profit or loss for the period	-	-	-	-	-	23,755.61	-	23,755.61
(b) Other comprehensive income	-	-	-	-	845.43	-	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	5,903.98	-	-	-	-	41,782.46	(40,422.21)	7,264.23
Less:								
(e) Adjustment	-	-	-	-	-	(152.98)	-	(152.98)
(f) Final and special Dividend for FY 2021-22	-	-	-	-	-	(3,886.86)	-	(3,886.86)
(g) Special Dividend for FY 22-23	-	-	-	-	-	(3,331.56)	-	(3,331.56)
Transfer on account of Sale of Equity instruments measured at FVTOCI	-	-	-	-	-	23,054.72	(23,054.72)	-
<b>Balance as at 01 April 2023</b>	<b>8,512.27</b>	<b>13,135.01</b>	<b>12.97</b>	<b>31,711.64</b>	<b>2,625.99</b>	<b>2,02,749.26</b>	<b>87,151.86</b>	<b>3,45,899.00</b>
Add:								
(a) Profit or loss for the period	-	-	-	-	-	53,314.43	-	53,314.43
(b) Other comprehensive income	-	-	-	-	154.88	-	72,922.92	73,077.80
(c) ESOP contribution scheme of Parent company	-	-	5.05	-	-	-	-	5.05
Less:								
(e) Adjustment	(384.09)	-	-	-	(60.01)	6,330.02	-	5,885.92
(f) Final and special Dividend for FY 2022-23	-	-	-	-	-	(5,552.60)	-	(5,552.60)
(g) Interim Dividend for FY 23-24	-	-	-	-	-	(4,442.08)	-	(4,442.08)
Transfer on account of Sale of Equity instruments measured at FVTOCI	-	-	-	-	-	19,738.40	(19,738.40)	-
<b>Balance as at 31 March 2024</b>	<b>8,128.18</b>	<b>13,135.01</b>	<b>18.02</b>	<b>31,711.64</b>	<b>2,720.86</b>	<b>2,72,137.43</b>	<b>1,40,336.38</b>	<b>4,68,187.52</b>

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

## Note 17: Interest Income

(₹ in lakhs)

Particulars	March 31, 2024	March 31, 2023
Interest income from investments	232.32	113.70
<b>Total</b>	<b>232.32</b>	<b>113.70</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	3,838.32	1,678.50
Fair Value changes:		-
- Realised	700.50	473.28
- Unrealised	3,137.82	1,205.22
<b>Total</b>	<b>3,838.32</b>	<b>1,678.50</b>

## Note 19: Other Income

(₹ in lakhs)

Particulars	March 31, 2023	March 31, 2022
Interest Receipts	14.90	14.49
Rent Receipts	207.23	192.87
Other Non-Operating Income	14.87	20.25
Export Incentive SEIS	-	57.76
Exchange Gain	360.04	-
Derivative income/(loss)	(11.93)	66.69
<b>Total</b>	<b>585.11</b>	<b>352.07</b>

## Note 20: Finance Cost

(₹ in lakhs)

Particulars	March 31, 2023	March 31, 2022
Interest on income tax	-	4.97
Interest-others	118.44	38.55
<b>Total</b>	<b>118.44</b>	<b>43.52</b>

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

### Note 21: Employee Benefit Expenses

(₹ in lakhs)

Particulars	March 31, 2024	March 31, 2023
Salaries, bonus and commission	2,785.90	2,744.89
Contribution to Provident and Other Funds	222.72	212.44
Staff welfare expenses	64.59	72.77
Staff Recruitment and Training Expenses	14.24	23.26
<b>Total</b>	<b>3,087.45</b>	<b>3,053.37</b>

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

(₹ in lakhs)

Particulars	March 31, 2024	March 31, 2023
Rent	95.53	147.00
Rates and taxes	46.91	24.91
Electricity expenses	109.90	96.22
Sales and Marketing expenses	205.95	308.28
Communication expenses	37.62	35.88
Outsourcing cost	29.16	36.39
Audit Fees	30e 21.28	21.10
Repairs and Maintenance	103.96	71.23
Net gain/(loss) on Exchange Fluctuation	-	9.43
Professional fees	555.06	185.04
Commission to KMP and Directors	34.00	31.00
Director sitting fee	45.25	22.85
Filing fee	-	0.07
Provision for Bad debts	49.05	2.43
Listing fee	7.51	7.51
CSR Expenditure	39.56	30.00
Miscellaneous expenses	372.23	303.10
<b>Total</b>	<b>1,752.96</b>	<b>1,332.46</b>

(\*) Refer Note 29 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 2024	31 March 2023
Income tax expenses recognized in the Statement of Profit and Loss	4618.50	953.13
Tax recognised in OCI on account of derecognition	1088.30	115.20
<b>Income tax expenses pertaining to current year</b>	<b>5706.81</b>	<b>1068.33</b>

(₹ in lakhs)

Particulars	31 March 2024	31 March 2023
<b>Profit before tax</b>	<b>24,464.96</b>	<b>4,668.90</b>
Enacted income tax rate in India	25.17%	25.17%
<b>Tax using the Company's domestic tax rate :</b>	<b>6,157.34</b>	<b>1,175.16</b>
<b>Effect of:</b>		
Allowance of deduction under section 80M	(4,555.78)	(1,816.73)
Set-off of carried forward loss / current year loss	-	(37.22)
Effect of differential overseas tax rate	-	4.20
Disallowance of impairment loss	-	135.91
Expenses disallowed	30.93	(316.38)
Exempted / Non taxable income	-	-
Additional allowance / adjustments	(679.87)	13.82
Consolidation Adjustments	3,679.25	1,969.47
Prior period tax	(13.38)	(175.10)
<b>Income tax expenses recognized in the Statement of Profit and Loss</b>	<b>4,618.50</b>	<b>953.13</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 2024:

(₹ in lakhs)

Particulars	As at 1 <sup>st</sup> April 2023	Recognized in Statement of Profit or Loss	Recognized in Other Comprehensive Income *	Recognized in Other Equity #	As at 31 <sup>st</sup> March 2024
<b>Deferred tax Assets</b>					
Property, plant and Equipment	34.35	17.77	-	-	52.12
Provisions - employee benefits	34.73	6.45	-	-	41.18
Provision for doubtful debts	2.28	5.85	-	-	8.13
Other items	48.75	(16.32)	-	-	32.43
	<b>120.11</b>	<b>13.75</b>	-	-	<b>133.86</b>
<b>Deferred tax Liabilities</b>					
Investments at fair value through profit or loss	403.67	668.00	-	-	1,071.67
Investments at fair value through OCI	3,612.42	-	9,740.87	(1,343.29)	12,010.00
Others	99.27	(22.46)	(16.53)	-	60.29
	<b>4,115.36</b>	<b>645.54</b>	<b>9,724.34</b>	<b>(1,343.29)</b>	<b>13,141.96</b>
<b>Net deferred tax (Assets) / Liabilities</b>	<b>3,995.25</b>	<b>631.79</b>	<b>9,724.34</b>	<b>(1,343.29)</b>	<b>13,008.10</b>
Current tax recognised during the current period	-	4,618.50	1,088.30	-	-
<b>Total tax expenses recognized in the Statement of Profit and Loss</b>	-	<b>5,250.29</b>	<b>10,812.64</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.)

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
Provisions - employee benefits	44.16	(9.43)	-	-	34.73
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
	406.77	(277.13)	(9.53)	-	120.11
<b>Deferred tax Liabilities</b>					
Investments at fair value through profit or loss	130.29	273.38	-	-	403.67
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
	8,745.37	289.72	2,344.49	(7,264.22)	4,115.36
<b>Net deferred tax (Assets) / Liabilities</b>	<b>8,338.60</b>	<b>566.85</b>	<b>2,354.02</b>	<b>(7,264.22)</b>	<b>3,995.25</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>-</b>	<b>1,517.54</b>	<b>2,469.22</b>	<b>-</b>	<b>-</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.)

### Note 24: Leases

#### (i) Company as Lessee

##### Movement of Right of Use asset

(₹ in Lakhs)

Particulars	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2023
Opening Balance	1,763.23	289.07
Add : Additions	120.56	1,598.51
Less : Modifications	-	(43.94)
Less : Depreciation on Right of Use Assets	(228.46)	(80.41)
Closing balance	<b>1,655.33</b>	<b>1,763.23</b>

##### Movement of Lease Liability

(₹ in Lakhs)

Particulars	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2023
Opening Balance	1,825.11	318.74
Add : Additions	2.65	1,598.51
Less : Modifications	(23.62)	(54.79)
Less : Repayments	(13.64)	(37.35)
Closing balance	<b>1,790.50</b>	<b>1,825.11</b>

##### Details regarding the contractual maturities of lease liabilities as at March 31, 2024 on an undiscounted basis.

(₹ in Lakhs)

Future minimum lease payable	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2023
Not later than 1 year	170.94	253.77
Later than 1 year and not later than 5 years	816.32	1,066.25
Later than 5 years	805.79	1,093.08

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

(₹ in Lakhs)

Particulars	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2023
Equipment Rent (Low value)	17.83	18.27
Immovable Property Rent ( Short term)	21.68	130.08

#### (ii) Group as Lessor

Undiscounted lease payments to be received on annual basis for first 5 years - ₹ 207.23lakhs (Previous year -₹192.87 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 2024	Carrying amount	Level 1	Level 2	Level 3
<b>Financial Assets measured at</b>				
<b>Amortized cost</b>				
Trade receivables	616.92	-	-	-
Cash and cash equivalents	18,256.45	-	-	-
Other Financial Assets	271.95	-	-	-
Loans	3.32	-	-	-
NCD	2,494.79	-	-	-
FD	450.00	-	-	-
<b>FVTPL</b>				
Mutual Fund	70,183.57	70,183.57	895.52	-
Preference securities	877.95	-	-	-
<b>FVTOCI</b>				
Equity instruments*	1,41,509.10	1,17,851.72	-	23,657.38
Preference securities	17.57	-	-	17.57
<b>Derivative Instruments</b>	256.98	256.98	-	-
<b>Financial Liabilities measured at Amortized cost</b>				
Trade and other payables	43.89	-	-	-
Lease Liability	1,790.50	-	-	-
Other Financial Liabilities	185.74	-	-	-
<b>Financial Liabilities measured at Amortized cost</b>				
Trade and other payables	43.89	-	-	-
Lease Liability	1,790.50	-	1,790.50	-
Other Financial Liabilities	185.74	-	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

(₹ in Lakhs)

As at 31 March 2023	Carrying amount	Level 1	Level 2	Level 3
<b>Financial Liabilities measured at</b>				
<b>Amortized cost</b>				
Trade receivables	690.70	-	-	-
Cash and cash equivalents	1,656.21	-	-	-
Other Financial Assets	180.30	-	-	-
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	-	-	-
Other Financial Liabilities	163.56	-	-	-

\* 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:

- Liquidity risk ;
- Credit 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 2024	31 March 2023
Payable Within one year		
Trade payables	43.89	94.96
Other financial Liabilities	185.74	163.56

**(b) Credit Risk**

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

**(i) Trade receivables:**

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

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

(₹ in Lakhs)

Particulars	31 March 2024	31 March 2023
Trade receivables	649.21	697.23
Loss allowance	(32.29)	(6.53)
Carrying amount	616.92	690.70

**(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, 2024 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 18,256.45 lakhs as on March 31, 2024 (March 31, 2023 : INR 1,656.21 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.

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

	31 March 2024		31 March 2023	
	AUD in'000	₹ in Lakhs	AUD in'000	₹ in Lakhs
<b>Monetary Assets</b>				
Cash and Cash Equivalents	3,519.59	1,904.54	2,898.42	1,594.86
Trade Receivables	1,010.76	546.95	936.02	515.05
<b>Monetary Liabilities</b>				
Trade Payables	10.00	5.41	41.25	22.70

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

## (b) Sensitivity Analysis

(₹ in Lakhs)

Sensitivity analysis	Change in assumption		Impact on carrying value of investments			
			Increase in assumption		Decrease in assumption	
Details	31 March 2024	31 March 2023	31 March 2024	31 March 2023	31 March 2024	31 March 2023
Quoted Equity investments	1.00%	1.00%	1,879.02	1,227.98	(1,879.02)	(1,227.98)
Unquoted Equity investments	1.00%	1.00%	2,102.75	1,874.74	(2,102.75)	(1,874.74)
Mutual Fund investments	1.00%	1.00%	693.97	443.68	(693.37)	(443.68)

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

	31 March 2024		31 March 2023	
	AUD in'000	₹ in Lakhs	AUD in'000	₹ in Lakhs
<b>Forward Contract: Cashflow Hedge</b>				
AUD/INR (in A\$ '000)	-	10,700.00	-	9,800.00
AUD/INR (in ₹ Lakhs)	-	6,224.68	-	5,929.71

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:

	31 March 2024	31 March 2023
GBP	1,393.00	1,392.00
NZD	16,098.00	19,101.00
Equivalent in INR	9,47,124.00	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 collectability is reasonably assured. The Group recognizes revenue on an accrual basis when services are performed.

When the terms of the agreement specify service level parameters that must be met, the Group monitors such service level parameters and determine if there are any service credits or penalties that 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, 2024 and March 31, 2023 is as follows:

#### Note 28.a

(₹ in Lakhs)

Particulars	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2023
Sale of Services		
- Support Services	5,994.13	5,593.80
- Learning Income	79.07	143.82
Trade Receivables	616.92	690.70

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:

**Holding Company**

Sundaram Finance Limited (upto 26<sup>th</sup> March 2024)

**Joint Venture of Holding Company  
(upto 26<sup>th</sup> March 2024)**

Royal Sundaram General Insurance Co. Ltd

**Fellow Subsidiaries(upto 26<sup>th</sup> March 2024)**

Sundaram Asset Management Company 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

India Motor Parts & Accessories Limited

Dunes Oman LLC (FZC)

Axles India Limited

Turbo Energy Private Limited

Transenergy Private Limited

Sundaram Dynacast Private Limited

Wheels India Limited

Mind Srl (upto 8<sup>th</sup> February 2024)

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

**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	2023-24	2022-23
<b>Income</b>							
<b>Dividend Income</b>							
Sundaram Dynacast Private Limited	-	339.30	-	-	-	339.30	187.20
Turbo Energy Private Limited	-	6,886.40	-	-	-	6,886.40	3,456.00
Axles India Limited	-	890.26	-	-	-	890.26	395.67
India Motor Parts & Accessories Limited	-	599.05	-	-	-	599.05	224.64
Brakes India Private Limited	-	3,992.58	-	-	-	3,992.58	3,148.79
Transenergy	-	49.21	-	-	-	49.21	12.00
Sundaram Asset Management Company Ltd	-	-	-	-	-	-	101.25
Wheels India Limited	-	227.88	-	-	-	227.88	637.10
<b>Income from Services</b>							
Sundaram Finance Limited	1,096.54	-	-	-	-	1,096.54	1,141.78
Sundaram Asset Management Company Ltd	-	-	4.82	-	-	4.82	24.95
Sundaram Fund Services Ltd	-	-	0.20	-	-	0.20	0.60
Sundaram Home Finance Ltd	-	-	61.51	-	-	61.51	54.81
Royal Sundaram General Insurance Co. Ltd	-	-	-	104.57	-	104.57	105.89
Sundaram Alternate Assets Limited	-	-	1.88	-	-	1.88	3.84
Brakes India Private Limited	-	5.24	-	-	-	5.24	0.72
Turbo Energy Private Limited	-	-	-	-	-	-	0.05
Wheels India Limited	-	14.93	-	-	-	14.93	16.58

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Nature of Transactions	Holding Company	Associates	Fellow Subsidiaries	Joint Venture of Holding Company	KMP	2023-24	2022-23
<b>Other Income</b>							
<b>Rental Income</b>							
Sundaram Finance Limited	98.66	-	-	-	-	98.66	98.30
Brakes India Private Limited	-	37.85	-	-	-	37.85	38.14
Turbo Energy Private Limited	-	42.43	-	-	-	42.43	29.32
<b>Expenses</b>							
<b>Sundaram Finance Limited</b>							
Rent & other Amenities	45.92	-	-	-	-	45.92	161.39
Internal Audit fees	19.00	-	-	-	-	19.00	16.00
Reimbursement Expenses	3.03	-	-	-	-	3.03	0.03
Employees Stock Options	5.05	-	-	-	-	5.05	6.33
Employee Benefit Transfers	1.53	-	-	-	-	1.53	8.37
<b>Sundaram Home Finance Limited</b>							
Amenities Reimbursement	-	-	0.78	-	-	0.78	1.04
<b>Brakes India Private Limited</b>							
Reimbursement of Professional Fees	-	80.65	-	-	-	80.65	66.81
<b>Royal Sundaram General Insurance Co. Limited</b>							
Insurance	-	-	-	2.49	-	2.49	2.88
Remuneration paid to KMP**	-	-	-	-	146.06	146.06	121.30
<b>Employee benefit transfers</b>							
Sundaram Finance Limited	4.54	-	-	-	-	4.54	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Nature of Transactions	Holding Company	Associates	Fellow Subsidiaries	Joint Venture of Holding Company	KMP	2023-24	2022-23
<b>Other Transactions - Investments</b>							
Sale of Equity Shares - Mind Srl	-	845.17	-	-	-	845.17	-
Capital Reduction Dunes Oman LLC	-	2,156.15	-	-	-	2,156.15	-
Purchase of Equity Shares - Sundaram Composites	-	2,340.00	-	-	-	2,340.00	-
Sale of Equity Shares - Sundaram Composites	-	472.00	-	-	-	472.00	-
Fixed Deposit	464.46	-	-	-	-	464.46	-
Purchase of Equity Shares - Wheels India Limited	-	-	-	-	-	-	829.87
Purchase of Equity Shares - Transenergy Private Limited	-	-	-	-	-	-	621.26
Purchase of Equity Shares - IMPAL	-	-	-	-	-	-	749.57
Redemption of Preference Shares - SAMCL	-	-	-	-	-	-	1,500.00

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Nature of Transactions	Holding Company	Associates	Fellow Subsidiaries	Joint Venture of Holding Company	KMP	2023-24	2022-23
<b>Insurance Deposit</b>							
Royal Sundaram General Insurance Co. Ltd	-	-	-	0.43	-	0.43	2.34
<b>Receivables:</b>							
Sundaram Finance Limited	77.87	-	-	-	-	77.87	113.23
Sundaram Asset Management Company Ltd	-	-	-	-	-	-	0.53
Sundaram Fund Services Ltd	-	-	-	-	-	-	0.06
Sundaram Home Finance Ltd	-	-	-	-	-	-	0.16
Royal Sundaram General Insurance Co. Ltd	-	-	-	9.49	-	9.49	3.76
Sundaram Alternate Assets Limited	-	-	-	-	-	-	0.38
Turbo Energy Private Limited	-	0.02	-	-	-	0.02	3.90
Wheels India Limited	-	1.83	-	-	-	1.83	1.70
<b>Payables:</b>							
Sundaram Finance Limited	10.34	-	-	-	-	10.34	-
Sundaram Home Finance Limited	-	-	0.04	-	-	0.04	-

\*\* Remuneration to KMP

(₹ in Lakhs)

Particulars	2023-24	2022-23
Short term Employee benefits	146.06	121.30
Post Employment benefits	-	-
Other long term employee benefits	-	-
Termination benefits	-	-
Others (Commission)	-	-
<b>TOTAL</b>	<b>146.06</b>	<b>121.30</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	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2023
Contribution to Provident Fund	144.79	150.15
Contribution to Superannuation Fund	7.37	6.24
Contribution to Labour Welfare Fund	0.09	0.10

### 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 2024	31 <sup>st</sup> March 2023
Present Value of Defined Benefit Obligation at the beginning of the Period	304.39	322.43
Service Cost		
a. Current Service Cost	68.75	69.23
b. Past Service Cost	-	-
c. (Gain)/Loss on Curtailments	-	-
d. (Gain)/Loss on Settlements	-	-
Interest Expense	20.59	17.45
Remeasurements		
a. Effect of Changes in Demographic Assumptions	-	-
b. Effect of Changes in Financial Assumptions	1.58	(8.51)
c. Effect of Experience Adjustments	(14.58)	(7.81)
Cashflows		
a. Benefit Payments	-	-
(i) From the Plan	(31.79)	(88.36)
(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>348.94</b>	<b>304.43</b>

\* Includes ₹57.06 lakhs transferrable to SFL on account of employee transfers during FY 23-24

## 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 2024	31 <sup>st</sup> March 2023
Fair value of plan assets as at the beginning of the period	252.35	258.46
Interest Income on Plan Assets	17.09	15.63
Cash Flows		
a. Benefit Payments		
(i) From the Plan	(31.79)	(88.37)
(ii) Directly from the Employer	-	-
b. Settlement Payments from the Plan	-	-
c. Participant Contributions	-	-
d. Total Employer Contributions	-	-
(i) Employer Contributions	5.67	63.52
(ii) Employer Direct Benefit Payments	-	-
Remeasurements		
a. Actual Return on Plan Assets	(2.19)	3.11
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>241.13</b>	<b>252.36</b>

\* All the plan assets are funded with LIC

# Includes ₹57.06 lakhs transferrable to SFL on account of employee transfers during FY 23-24

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

(₹ in lakhs)

Particulars	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2023
<b>Present Value of Defined Benefit Obligation</b>	348.94	304.43
Fair value of plan assets	241.13	252.36
Net Assets (Liability) recognized in the Balance Sheet	(107.81)	(52.07)
Effect of Asset Ceiling	-	-
<b>Net Assets (Liability)</b>	<b>(107.81)</b>	<b>(52.07)</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 2024	31 <sup>st</sup> March 2023
Service Cost		
a. Current Service Cost	68.75	69.22
b. Past Service Cost		
c. (Gain)/Loss on Curtailments		
d. (Gain)/Loss on Settlements		
e. Total Service Cost	68.75	69.22
Net Interest Expense		
a. Interest Expense on DBO	20.59	17.45
b. Interest Income on Plan Assets	(17.08)	(15.63)
c. Interest Income on Reimbursement Rights		
d. Interest Income on Asset Ceiling		
e. Total Net Interest Cost	3.50	1.81
Remeasurements		
a. Effect of Changes in Demographic Assumptions		
b. Effect of Changes in Financial Assumptions	1.58	(0.73)
c. Effect of Experience Adjustments	-14.58	(2.11)
d. Actual Return on Plan Assets	2.19	2.00
e. Actual Return on Reimbursement Rights		
f. Actual Change in Asset Ceiling		
g. Total Remeasurements	(10.80)	(0.84)
Defined Benefit Cost included in P&L Account	72.27	71.03
Defined Benefit Cost included in OCI	(10.80)	(19.43)

### 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 2024	31 <sup>st</sup> March 2023
Discount Rate	6.96%	7.15%
Salary Escalation	5.00%	5.00%
Attrition	10.00%	10.00%

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

**(ii) Sensitivity Analysis**

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

(₹ in lakhs)

Gratuity	Change in assumption		Impact on defined benefit obligation			
			Increase in assumption		Decrease in assumption	
Details	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2023	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2023	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2023
Discount rate	0.50%	0.50%	(4.35)	(5.10)	4.52	5.32
Salary growth rate	0.50%	0.50%	4.58	5.40	(4.44)	(5.22)
Attrition rate	5.00%	5.00%	0.21	0.02	(0.23)	(0.02)
Mortality rate	5.00%	5.00%	0.01	0.46	(0.01)	(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)

FUNDED Gratuity	31.03.2024	31.03.2023
Year 1	111.22	92.67
Year 2	53.47	63.66
Year 3	36.64	42.90
Year 4	28.24	30.87
Year 5	22.76	28.03
Next 5 years	73.27	85.84

**(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.



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

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

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

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

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

The Company's liability towards other long - term benefits are provided based on actuarial valuation as at 31<sup>st</sup> March 2024. The details are given below:

(₹ in lakhs)

Particulars	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2023
Provision for Leave encashment	86.41	88.30

### 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:

(₹ in lakhs)

Particulars	Year ended	
	March 31, 2024	March 31, 2023
<b>i. Profit /(Loss) attributable to equity shareholders (basic and diluted)</b>	53,314.43	23,755.61
<b>ii. Weighted average number of equity shares (basic and diluted)</b>		
Opening balance	22,21,03,860	22,21,03,860
Effect of fresh issue of shares for cash (Proportionate from date of issue)	-	-
<b>Weighted average number of equity shares for the year</b>	22,21,03,860	22,21,03,860
<b>iii. Earnings per share</b>		
Basic earnings per share (in ₹)	24.00	10.70
Diluted earnings per share (in ₹)	24.00	10.70

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

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

**Note 31b : Dividend**

The Board of Directors has recommended a final dividend of ₹ 2.05 per share (41%). In addition, the Board of Directors has declared a second interim Dividend of ₹3.65 per share (73%), which, together with the interim Dividend of ₹ 2 per share (40%) paid during the year will make a total Dividend of ₹ 7.70 per share (154%) for the FY 2023-24.

**31c : Contingent liabilities and commitments**

(₹ in lakhs)

	31 March 2024	31 March 2023
(A) Claims against the Group/ disputed liabilities not acknowledged as debts		
(i) in respect of Group	31.39	32.64
(ii) in respect of Associates *	11,953.12	8,564.42
(B) Bank Guarantee and Bills discounted		
(i) in respect of Associates *	52.06	51.30
(C) Estimated amount of contracts remaining to be executed on capital account and not provided for		
(i) in respect of Group	-	-
(ii) in respect of Associates *	7,480.63	9,084.94

\* To the extent of Group's share in Associates

**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.
- 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.

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

- (g) No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other) sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("intermediaries") with the understanding (whether recorded in writing or otherwise) that intermediary shall directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company (Ultimate Beneficiaries) except as disclosed.

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

(₹ in lakhs)

Particulars	31.03.2024	31.03.2023
As Statutory auditors	16.68	14.50
Taxation matters	3.16	2.75
Certification matters	1.44	3.85
<b>Total</b>	<b>21.28</b>	<b>21.10</b>

### Note 31f: Net Gain on derecognition of financial instrument

During the year, the Company received ₹17566.78 lakhs on account of redemption of Non convertible redeemable preference shares of TVS Holdings Limited, which was earlier classified in OCI as Items that will be reclassified to P&L.

### Note 31g: Adoption of Financial Statements

The Board has adopted the financial statements at its meeting held on 21<sup>st</sup> May 2024.

As per our report of even date attached

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

Chartered Accountants

ER No: 002785S

**K. Venkatakrishnan**

Partner

M.No : 208591

Date : 21-05-2024

Place : Chennai

**S.Ravi**  
Chief Executive Officer

**I S Suresh**  
Chief Financial Officer

**S Kalyanaraman**  
Secretary & Compliance Officer

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

**Harsha Viji**  
Chairman

**R. Venkatraman**  
Director

**Note 32 : Segment Reporting**

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

(₹ in lakhs)

Business Segments	Investments		Shared Services				Eliminations		Total	
			Domestic		Overseas					
	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23
<b>REVENUE</b>										
Segment Revenue	23,059.01	3,306.64	1,261.84	1,533.96	4,811.36	4,252.26	-	(48.60)	29,132.21	9,044.26
<b>RESULT</b>										
Segment Result	22,447.99	3,044.79	142.21	100.04	2,028.81	1,542.58	-	-	24,619.01	4,687.41
Unallocated income / (expenses) (Net)									(154.05)	(18.51)
Profit before tax									24,464.96	4,668.90
Less: Income tax									5,250.29	1,517.54
<b>Profit after tax before share of profits from associates</b>									19,214.67	3,151.36
Add: Share of profit from Associates									34,099.76	20,604.25
<b>Profit after tax</b>									53,314.43	23,755.62
<b>OTHER INFORMATION</b>										
Segment Assets	4,87,209.64	3,55,942.60	413.78	979.17	5,093.37	4,476.89	-	-	4,92,716.79	3,61,398.66
Unallocated Assets									2,065.75	2,056.15
<b>Total Assets</b>									4,94,782.54	3,63,454.81
Segment Liabilities	13,096.40	4,024.76	226.15	419.84	2,077.58	1,967.97	-	-	15,400.13	6,412.57
Unallocated Liabilities									89.70	38.05
<b>Total Liabilities</b>									15,489.83	6,450.62
Capital Expenditure									19.80	84.49
Depreciation, Amortisation and Impairment									293.51	161.56

(ii) The Group has 3 customers individually generating more than 10% of the total revenue.

Entity wide disclosures:

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

**Note 33 : Additional information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary/Associates as at March 2024**

	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	70%	6,02,152.99	47%	32,157.15	94%	2,09,251.54	83%	2,41,408.69
<b>Subsidiary</b>								
<b>Indian</b>								
Sundaram Business Services Limited	1%	5,392.05	2%	1,676.27	0%	-35.32	1%	1,640.95
<b>Associates</b>								
<b>Indian</b>								
Brakes India Private Limited	11%	96,977.75	25%	16,886.36	0%	47.61	6%	16,933.97
Wheels India Limited	3%	29,710.18	2%	1,502.43	0%	53.13	1%	1,555.55
Turbo Energy Private Ltd.	7%	58,718.90	12%	8,487.40	0%	135.76	3%	8,623.16
Axles India Ltd.	1%	10,691.54	5%	3,347.99	0%	22.12	1%	3,370.11
India Motor Parts & Accessories Limited	5%	40,340.89	2%	1,478.42	5%	12,060.01	5%	13,538.43
Sundaram Dynacast Private Ltd.	0%	2,144.25	1%	522.93	0%	-1.25	0%	521.68
Transenergy Private Ltd.	0%	1,999.06	1%	373.62	0%	18.88	0%	392.50
Sundaram Composite Structures Pvt Ltd	0%	3,254.33	0%	-115.60	0%	8.07	0%	-107.52
<b>Foreign</b>								
Mind S.r.l Italy		-	-1%	-831.01	0%	-		-831.01
Dunes Oman LLC (FZC)	1%	11,434.70	4%	2,447.21	0%	225.77	1%	2,672.98
Adjustments arising out of consolidation	100%	862816.65	100%	67933.18	100%	221786.32	100%	289719.50
		(3,83,523.94)		(14,618.75)		(1,48,708.52)		(1,63,327.27)
<b>Total</b>		<b>4,79,292.71</b>		<b>53,314.43</b>		<b>73,077.80</b>		<b>1,26,392.23</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 : 21-05-2024

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

## 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.	<b>Reporting period for the subsidiary concerned, if different from the holding company's reporting period</b>	NA
4.	<b>Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.</b>	NA
5.	<b>Share capital</b>	2236.73
6.	<b>Reserves &amp; surplus</b>	3155.32
7.	<b>Total assets</b>	7498.79
8.	<b>Total Liabilities</b>	2106.74
9.	<b>Investments</b>	2376.2
10.	<b>Turnover</b>	4811.53
11.	<b>Profit/(Loss) before taxation</b>	2198.89
12.	<b>Provision for taxation</b>	522.62
13.	<b>Profit/(Loss) after taxation</b>	1676.27
14.	<b>Proposed Dividend</b>	-
15.	<b>% of shareholding</b>	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	Axles India Limited	Turbo Energy Private Limited	Transenergy Private Limited	Sundaram Dynacast Private Limited	Brakes India Private Limited	India Motor Parts and Accessories Limited	Dunes Oman LLC (FZC)	Wheels India Limited	Sundaram Composite Structures Private Limited
1. Latest audited Balance Sheet Date	31-03-2024	31-03-2024	31-03-2024	31-03-2024	31-03-2024	31-03-2024	31-03-2024	31-03-2024	31-03-2024
2. Shares of Associate held by the company on the year end.									
Number	9891754	2560000	192713	1170000	411606	2496033	2293725	5853367	39000000
Amount of Investment in Associates	1,015.70	188.41	808.75	117.00	40,384.52	1,961.90	1,379.77	14,998.26	3,900.00
Extent of Holding %	38.81%	32.00%	42.41%	26.00%	23.57%	20.00%	43.69%	23.96%	39.00%
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
5. Networth attributable to Shareholding as per latest audited Balance Sheet	10673.06	58714.24	1989.62	2140.73	74161.60	41403.95	11243.69	20117.70	3171.60
6. Profit / Loss for the year									
i. Considered in Consolidation	3,347.99	8487.40	373.62	522.93	16886.36	1478.42	2447.21	1502.43	(115.60)
ii. Not Considered in Consolidation	5279.01	18035.72	507.45	1488.35	54761.64	5913.58	3154.10	4774.57	(567.50)

By Virtue of Holdings being 20% or more

During the year : Investments held in Associate Company – Mind S r l, Italy was sold and an associate Company M/s Sundaram Hydraulics Limited was merged with M/s Wheels India Limited.

As per our report of even date attached

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

Chartered Accountants

ER No: 002785S

**K. Venkatarishnan**

Partner

M.No : 208591

Date : 21-05-2024

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