

Sundaram Finance Limited

71st Annual Report

2023-24



SUNDARAM FINANCE[®]
Enduring values. New age thinking.



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Enduring values. New age thinking.

Board of Directors	Non-Executive Directors	Independent Directors
	S. Viji T.T. Srinivasaraghavan Srivats Ram	S. Mahalingam R. Raghuttama Rao L. Ganesh Bhavani Balasubramanian Kshama Fernandes R. Venkatraman Anuradha Rao
	Executive Directors Harsha Viji Rajiv C. Lochan A.N. Raju	Chairman Executive Vice Chairman Managing Director Deputy Managing Director
Committees of the Board	Chairperson	Members
Audit Committee	Bhavani Balasubramanian	R. Raghuttama Rao Kshama Fernandes
Stakeholders Relationship Committee	L. Ganesh	Rajiv C. Lochan A.N. Raju
Nomination, Compensation & Remuneration Committee	R. Venkatraman	L. Ganesh S. Viji
Corporate Social Responsibility Committee	Harsha Viji	L. Ganesh T.T. Srinivasaraghavan Rajiv C. Lochan A.N. Raju
Risk Management Committee	Rajiv C. Lochan	R. Raghuttama Rao A.N. Raju M. Ramaswamy
Asset Liability Management Committee	Harsha Viji	Rajiv C. Lochan A.N. Raju M. Ramaswamy Lakshminarayanan Duraiswamy
Information Technology Strategy Committee	S. Mahalingam (upto 25.05.2024) Anuradha Rao (w.e.f. 26.05.2024)	Kshama Fernandes Rajiv C. Lochan A.N. Raju Sudheer Warriar
Customer Service Committee	T.T. Srinivasaraghavan	Bhavani Balasubramanian Rajiv C. Lochan A.N. Raju
Investment Committee	R. Venkatraman	Harsha Viji Rajiv C. Lochan
Policy Review and Compliance Committee	T.T. Srinivasaraghavan	Bhavani Balasubramanian A.N. Raju
Chief Financial Officer		M. Ramaswamy
Chief Compliance Officer & Company Secretary		P.N. Srikant
Chief Risk Officer		N. Raman
Head – Internal Audit		V. Vaasen
Registered Office	21, Patullos Road, Chennai - 600 002 Tel: 044 2852 1181, Fax: 044 2858 6641 Email: investorservices@sundaramfinance.in Website: www.sundaramfinance.in	
CIN	L65191TN1954PLC002429	
Joint Auditors	M/s. B.K. Khare & Co. 706 / 708, Sharda Chambers, New Marine Lines, Mumbai 400020	M/s. N.C. Rajagopal & Co. No.22, V. Krishnaswamy Avenue Luz Church Road, Mylapore, Chennai -600004
Information Security Assurance Services	M/s. C.V. Ramaswamy & Co. Office No. 1, Vidwan Sundaram Street, Nungambakkam, Chennai 600 034	

Management Team

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

Subsidiaries

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

Bankers

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

Debenture Trustee

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

CURRENCY EQUIVALENTS

₹ One Million	=	₹10 Lakhs	US\$ 1 = Indian ₹83.3739*
₹ One Billion	=	₹100 Crores or ₹10,000 Lakhs	*RBI Reference Rate as on 31.03.2024

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Board's Report

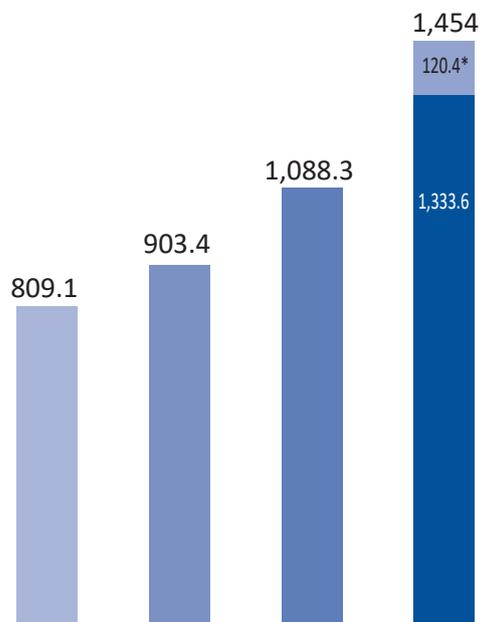
Your Directors have pleasure in presenting the 71st Annual Report together with audited accounts for the year ended 31st March 2024. The summarised financial results of the Company are presented hereunder:

FINANCIAL RESULTS: STANDALONE

(₹ in crores)

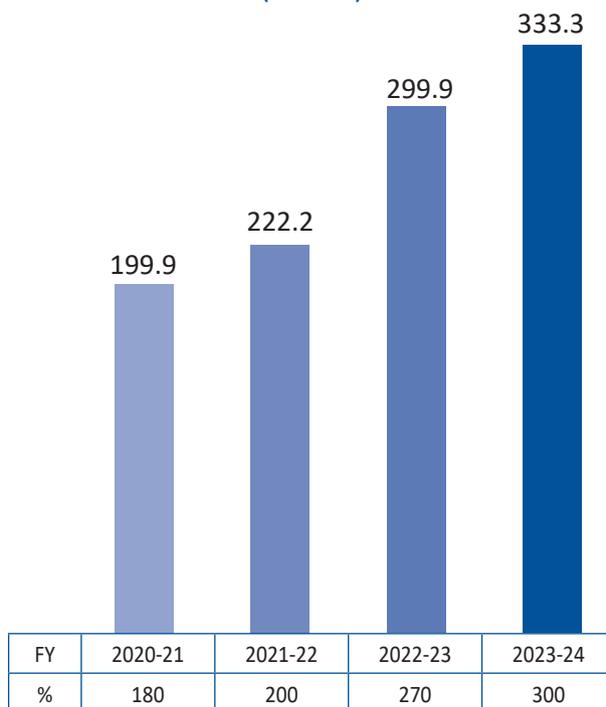
Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Revenue from Operations	5,479.94	4,046.17
Other Income	14.44	63.74
Total Revenue	5,494.38	4,109.91
Less: Total Expenses	3,797.71	2,689.95
Profit before exceptional items and tax	1,696.67	1,419.96
Add: Exceptional item	133.85	–
Profit before Tax	1,830.52	1,419.96
Profit after Tax	1,454.01	1,088.31
Other Comprehensive Income	596.95	(2.39)
Total Comprehensive Income for the Year	2,050.96	1,085.92
Dividend		
- Final 2021-22	–	111.10
- Interim 2022-23	–	133.32
- Final 2022-23	166.66	–
- Interim 2023-24	155.55	–

PAT
(₹ in cr.)



* exceptional profit

Dividend
(₹ in cr.)



DIVIDEND

Your Company paid an interim dividend of ₹14/- per share in March 2024. Your Directors are pleased to recommend a final dividend of ₹16/- per share, which, together with the interim dividend, would aggregate to a total dividend of ₹30/- per share (300% on the face value of ₹10/-), representing a dividend pay-out of 22.92%.

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

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

CORPORATE GOVERNANCE

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

the pandemic-related complications and their aftermath. The Directors' deep industry knowledge, functional specialization and decades of experience has helped your Company handle complex issues related to macroeconomic uncertainty, regulatory changes, technological & digital developments, market volatility & risk management and information security & cybersecurity threats.

The Corporate Governance Report of the Company provides information about the corporate philosophy, details of the Directors and their other directorships, number of Board Meetings and Committee Meetings held during 2023-24, various other details which evidence the fact that the Company is customer-oriented, respectful in letter and spirit of all the regulatory provisions, mindful of high quality standards in all areas and, above all, follows a time-tested approach that balances growth with quality and profitability.

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

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

RELATED PARTY TRANSACTIONS

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

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

CORPORATE SOCIAL RESPONSIBILITY (CSR)

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

1. Average Net Profit computation in accordance with Sec.135(5): ₹1,10,220.24 lakhs.
2. CSR Budget, Amount spent in CSR, amount un-spent, if any and amount to be set off in the financial year, if any.

Particulars	Amount (₹ in lakhs)
Total CSR Obligation for 2023-24	2,204.40
Less: Set off from 2022-23	(800.62)
Net CSR Obligation for 2023-24	1,403.78
CSR spent during 2023-24	1,322.83
Administrative overheads (including expenses incurred towards Impact Assessment)	88.78
Amount spent in excess of the requirement	7.83

The Annual Report on CSR Activities undertaken by the Company for the 2023-24, is attached as part of this report, vide Annexure III.

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

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

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

The Company has in place a policy for prevention of sexual harassment, in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. An Internal Complaints Committee (ICC) has been set up to redress complaints. All employees (permanent, contractual, temporary, trainees) are covered under this policy. No complaints were received during the financial year nor were any complaints pending unresolved as on 31st March 2024.

SECRETARIAL AUDIT

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

REMUNERATION TO DIRECTORS / KEY MANAGEMENT PERSONNEL

Disclosure pursuant to Rule 5 (1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is attached as part of this report, vide Annexure VI.

SUNDARAM FINANCE EMPLOYEE STOCK OPTION SCHEME (SFESOS)

Based on the recommendations of the Nomination, Compensation and Remuneration Committee, the Board has granted, subject to regulatory approvals where necessary, 15,003 Stock Options to select eligible employees, on 24th May 2024. The disclosure required under SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 is furnished, vide Annexure VII.

EXTRACT OF ANNUAL RETURN

As required under Section 92 (3) of the Companies Act, 2013, read with Rule 12 (1) of the Companies (Management and Administration) Rules, 2014, the link for the Extract of the Annual Return in E-form MGT-7 is https://www.sundaramfinance.in/assets/app_docs/downloads/annual-reports/2023-2024/eform_mgt_7_annual_return_2023_24.pdf

DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS

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

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

Your Company has no activity relating to conservation of energy or technology absorption. During 2023-24, expenditure in foreign currencies amounted to ₹0.10 cr. There were no earnings in foreign currency during the year.

MANAGEMENT DISCUSSION AND ANALYSIS

Global Economy

The global economy displayed remarkable resilience in 2023-24 recovering from the aftermath of the pandemic, geopolitical tensions & hostilities, persistence of inflation at elevated levels, tight financial conditions and turmoil in the banking system in some advanced economies and appears to be gradually on the ascent as fears of recession have begun to fade. According to the International Monetary Fund (IMF), advanced economies experienced an estimated GDP growth of 1.5% in 2023 while emerging and developing economies are estimated to grow at 4.0% in 2023. Overall, global GDP growth is estimated by the IMF at 3.2% in 2023.

Inflation emerged as a prominent concern in the early part of 2023-24. Data from the World Bank indicates that inflation rates exceeded central bank targets in many countries, with an average inflation rate of 3.7% for advanced economies and 5.2% for emerging markets in 2023. Central banks responded by reassessing their monetary policies, with some considering tightening measures to curb inflationary pressures. The US Federal Reserve, for instance, signalled its intention to gradually raise interest rates to prevent overheating of the economy.

Leading indicators suggest an overall upturn in global economic activity with expansion in both the manufacturing and service sectors. There has been rapid technological advancement, driving digital transformations across industries and reshaping various sectors of the economy. E-commerce thrived, with global online retail sales reaching \$4.9 trillion in 2023, a 21% increase from the previous year, according to eMarketer. Remote work became the norm for many industries, driving demand for digital collaboration tools

and infrastructure. The financial sector experienced a surge in digital payments and fintech innovations, with digital transaction volumes surpassing \$8.1 trillion in 2023, as reported by Statista.

The improvement across major economies reflects broad-based growth and improvement in the confidence levels across governments and businesses. The emerging-market economies have also generally continued to grow at a solid pace, despite tighter financial conditions, reflecting the benefits of improved macroeconomic policy frameworks, strong investment in infrastructure in many countries, including India, and steady employment gains. The conflict in West Asia during the second half of 2023 raised some geopolitical concerns. While the war did not have any sustained impact on crude prices, it raised market concerns around asset allocation and saw a sharp increase in the price of gold. The pressure on global supply chains has eased, thereby reducing logistical challenges. Inflationary pressures seem to have been reasonably well contained through 2023-24, though there has been a slight surge during March 2024 in some of the larger economies.

Despite these positive trends, the global economy faced persistent challenges, including income inequality, rising debt levels, and geopolitical uncertainties. According to the OECD, income inequality widened, with the richest 10% of the population holding over 50% of global wealth. Additionally, the Institute of International Finance reported that global debt levels reached a record high of \$296 trillion in 2023, posing risks to financial stability.

According to IMF, global growth, estimated at 3.2 percent in 2023, is projected to continue at the same pace in 2024 and 2025. Despite the healthy resilience exhibited by many

economies and inflationary pressures having been reasonably contained, the IMF remains cautious in its outlook on the global economy. The expected sluggishness in pace is mainly attributed to high borrowing costs, withdrawal of fiscal support, impact of the conflict in Europe and West Asia, coupled with other geo-political and geo-economic uncertainties in other parts of the world, and extreme weather conditions caused by global warming.

Indian Economy

Against the backdrop of a cautious assessment of the global scenario, the Indian economy presents a picture of confidence, positivity and optimism, with strong momentum. 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. Q3 of 2023-24 witnessed an impressive growth of 8.4% in the real GDP, fuelled by strong investment activity and a lower drag from net external 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 and growth in the services sector has been estimated at 7.9%, compared to 9.9% in the previous year.

Inflation, which was 6.7% in 2022-23, improved significantly and moderated to 5.4% in 2023-24, within the upper tolerance level of the RBI's inflation-targeting framework. The Government's efforts to curtail retail inflation, such as reduction in customs and excise duties, restricting exports in select commodities and products, coupled with the decisive and timely monetary policy actions of the Reserve Bank of India (RBI) through appropriate policy rate and

liquidity measures have played a crucial role in ensuring this recovery.

India's fiscal deficit, which was at 6.4% of GDP during the year 2022-23, is expected to reach 5.8% of GDP in 2023-24 (Revised Estimate) and has been estimated at 5.1% of GDP in 2024-25, thanks to prudent fiscal management by the Government and supported by appreciable increase in revenue collection over the last few years.

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 continued investments. During 2023-24, the Indian Rupee remained steady within the range of ₹82-83.5 per US\$, positioning it as one of the least volatile major currencies among both emerging markets and a few advanced economies. The relative stability of the rupee is a reflection of the robustness of India's strong macroeconomic fundamentals, financial stability and improvements in its external position.

Automotive Sector

The automotive sector, a key contributor to the country's economic growth, recovered in 2022-23 to grow by 20%. On that base, the sector has posted a satisfactory performance in 2023-24 with domestic industry growing by 9-10%. While the first half of the financial year was uncharacteristically buoyant on economic activity and automotive sector growth, H2 was relatively more tepid with demand slowing down soon after the festival season. Overall, for the year, industry sales, while growing modestly over last year, came in well below expectations and inventory levels at dealerships continue to remain relatively high (at over 45-60 days across nearly all asset classes).

The growth in the domestic automobile industry was led primarily by the passenger vehicle segment, viz., Cars & Utility Vehicles, which registered a growth of 8.4%. According to the Society of Indian Automobile Manufacturers (SIAM), the growth in this segment was driven by strong demand for utility vehicles, including SUVs, which witnessed a significant growth of 25.8% primarily due to a shift in customer preferences and a slew of new model launches.

The commercial vehicle segment grew by a modest 2-3% in 2023-24. M&HCV sales grew by 3-4%, while retail commercial vehicles (including LCVs, ICVs and SCVs) grew by a more modest 1-2%. Haulage segment capacity utilisation remained relatively flat at 75-80% and a combination of better infrastructure, increased tonnage & axle load norms and relatively limited improvement in transporter viability led to suppressed demand. The Government's infrastructure thrust aided tipper sales while return to work from office norms and school enrolment increasing supported a revival in the bus segment.

The Tractor & Farm Equipment (TFE) segment witnessed a negative growth of 11%. While the country had a near-normal monsoon, the spatial and temporal variations in the monsoon were extreme which impacted agricultural yield, rural economic activity as well as rural sentiments, despite healthy overall procurement by the government. The shift to farm mechanisation is well underway but uncertain climatic conditions coupled with relatively high inflation levels resulted in muted demand for tractors. Farm equipment sales have substantially declined.

The Material Handling & Construction Equipment industry had a record-setting year with 26% increase in unit sales. This is primarily attributable to the Government's investments in infrastructure development and to pre-election impetus to projects. Consequently, all segments of the industry – earth

moving equipment, material handling equipment, concrete equipment and road construction equipment – witnessed robust growth in demand. Backhoe loaders and excavators are the dominant categories by way of numbers and 2023-24 saw the emergence of demand for mini-excavators in place of backhoe loaders in several markets.

The automotive industry demonstrated its commitment to sustainability by producing vehicles compliant with 20% Ethanol and achieving significant growth in electric passenger vehicles and two-wheelers. Customer acceptance is aiding the healthy pace of adoption of environment friendly vehicles. OEMs are expected to invest significantly in developing EV and other environment friendly platforms, and manufacturing capacities. However, the government's posture on continued FAME subsidies will impact the fortunes of the EV segment sales.

Exports continued to remain under stress and witnessed an overall decline of 5.5% during the financial year, due to the persisting global macroeconomic uncertainty. Except passenger vehicles, which grew marginally by 1.4%, there was a decline across segments. The last quarter of 2023-24 witnessed a healthy recovery, especially for two wheelers, indicating better prospects for the current financial year.

Operating & Financial Performance

Your Company's disbursements at ₹26,163 cr. (PY ₹20,966 cr.) have registered a healthy growth of 25% during the year under review reflecting the focused efforts of your Company. Disbursements across all asset classes, and across all geographies, have been consistent and registered strong growth. Gross receivables managed by your Company as of March 31, 2024, stood at ₹51,385 cr., as against ₹39,950 cr., recording a growth of 28.6% over the previous year. During

the year, overall margins have been under pressure due to the increase in interest rates, but your Company's "AAA" credit rating and the treasury team's ability to raise resources at competitive rates enabled your Company to maintain its cost of borrowings at a reasonable level. Competitive intensity and mix of price-sensitive commercial segments increasing caused yields to remain below expectations. Consequently, margins remained under pressure through the year in question.

Your Company's superior credit standards, strong customer relationships and systematic collection efforts have enabled it to ensure best-in-class performance on asset quality in the year in question. Stage III assets, Gross and Net of ECL provisions, stood at 1.26% (PY 1.66%) and 0.63% (PY 0.86%) respectively, as at 31st March, 2024.

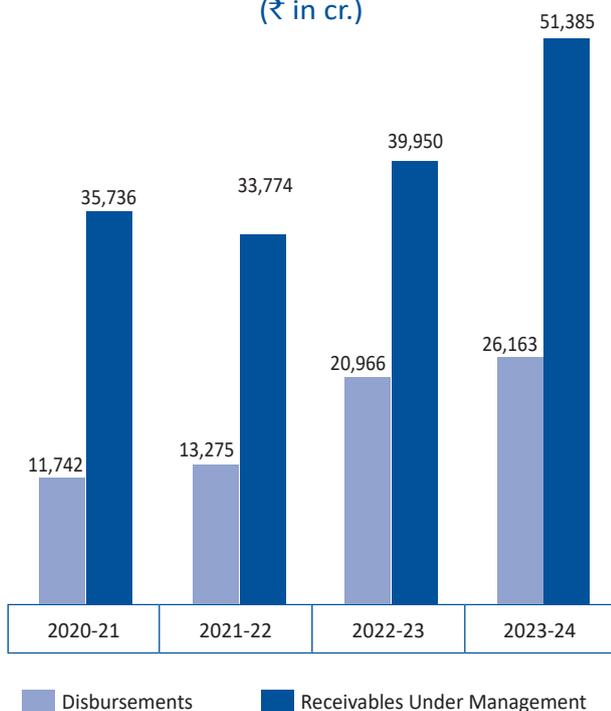
Your Company has been maintaining comfortable liquidity in the form of liquid investments and undrawn bank limits, to meet its maturing liabilities.

Your Company registered a net profit of ₹1,454 cr. compared to ₹1,088 cr. in the previous year, a growth of 33.64%. Excluding one-time gain through sale of shares in Sundaram Finance Holdings Limited, net profit closed at ₹1,334 cr., a growth of 22.61% over the previous year. Your Company's net worth stood at ₹9,472 cr., as on 31st March 2024.

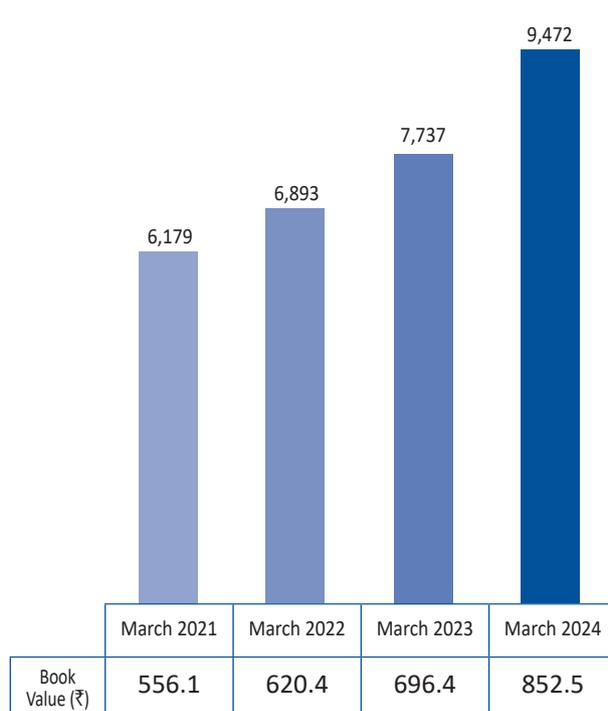
Capital adequacy (CRAR) at 20.50% was comfortably higher than the statutory requirement of 15%.

There are no significant changes in key financial ratios of the Company for 2023-24 as compared to 2022-23. Your Company's Return on Net Worth as on 31.03.2024 stood at 17.5% as compared to 14.9% as on 31.03.2023. The increase in return on net worth was because of an overall improvement in the business disbursements, asset quality and profitability, and boosted by higher dividends from group companies and a one-time gain through sale of shares.

Disbursement and Receivables Under Management (₹ in cr.)



Own Funds (₹ in cr.)



Book Value (₹)	March 2021	March 2022	March 2023	March 2024
	556.1	620.4	696.4	852.5

RESOURCE MOBILISATION

a) Deposits

During the year, your Company mobilised fresh deposits aggregating to ₹1,352.30 cr., a new high in the Company's history. Renewal of deposits during the year amounted to ₹1,835.26 cr. representing 85% of the matured deposits of ₹2,153.63 cr. Deposits outstanding at the year-end were at ₹5,584.93 cr. as against ₹4,709.17 cr. in the previous year. The net accretion for the financial year was ₹875.76 cr. As at 31st March 2024, 3,259 Term Deposit Receipts (TDRs) amounting to ₹36.39 cr. had matured for payment and were due to be claimed or renewed. After close follow-up, these figures are currently 2,193 and ₹18.12 cr. respectively. Continuous efforts are being made to arrange for repayment or renewal of these deposits. There has been no default in repayment of deposits or payment of interest thereon during the year.

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

b) Term Funding

During the year, your Company raised term funding from Banks, Mutual funds, Insurance companies and others in the form of non-convertible debentures and term loans to the tune of ₹12,700 cr., across varying tenors.

c) Bank Finance

As part of the overall funding plan, your Company's working capital limits with consortium banks were

retained at ₹3,500 cr. During the year, your Company also issued several tranches of commercial paper aggregating to ₹8,975 cr. The maximum amount of outstanding commercial papers at any time was ₹5,275 cr. and the amount outstanding at the end of the year was ₹1,975 cr.

d) Assets Securitised / Assigned

During the year, your Company raised resources to the extent of ₹3,191 cr. through securitisation and assignment of receivables.

CREDIT RATINGS

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

OUTLOOK

India's economy is poised to be among the fastest-growing major economies in 2024-25, driven by robust domestic factors and bolstering macroeconomic fundamentals. The Government's investments in infrastructure activities for the year remain significant with ₹11.11 lakh crores earmarked for infrastructure and construction activities in the interim budget presented in February 2024. The general elections in April & May 2024 have slowed down new project mobilization as well as the pace of existing projects. The manufacturing and services sectors are expected to maintain the growth momentum on the back of sustained profitability.

The Indian Meteorological Department (IMD) predicts a normal monsoon with *El Nino* effects waning. Despite the IMD's prediction of a warmer than normal summer (which could impact agricultural prospects), rural demand is expected to revive. Coupled with rising consumer confidence and optimism on employment and income, it is expected that private consumption will receive a boost. Business optimism, together with increased Governmental thrust on capital expenditure, healthy corporate and bank balance sheets and upturn in private capital expenditure cycle can be expected to give further boost to domestic investment activity. Improving global growth and international trade prospects are also likely to provide thrust to external demand.

According to the RBI's enterprise surveys conducted during January to March 2024, the demand conditions in H1 of 2024-25 for the manufacturing and infrastructure firms are expected to remain stable. In the case of the services sector, conditions are expected to improve significantly. Additionally, the broader measures of economic activity such as decline in unemployment rate and steady bank credit growth point to favourable conditions. A key external factor impacting the RBI's economic outlook in 2024-25 is the onset of a normal monsoon, which would help bolster the output performance of agriculture, rural demand and moderate inflation pressures.

With all that said, several risks remain. Inflationary pressures remain with food price uncertainties continuing to weigh on the inflation outlook. The forecast of a warmer-than-usual summer and the increasing incidence of climatic shocks presents a risk to food price inflation. Household financial

savings declined for a third straight year and household debt reached a record high of ~40% of GDP, indicating elevated household debt burden.

The persisting conflicts in Europe and West Asia and overall geo-political tensions, volatility in the international financial markets and geo-economic fragmentation across different corners of the world, pose risks to the outlook. The recent firming up of international crude prices is a key monitorable.

Considering the above factors, the Reserve Bank of India has projected the real GDP growth for 2024-25 at 7%. Further, CPI inflation has been projected at 4.5% in 2024-25, down from 5.4% in 2023-24 and 6.7% in 2022-23. The Monetary Policy Committee of the RBI characterizes the risks as evenly balanced.

Demand in the automotive industry in the near term is expected to remain steady, with growth across segments expected to vary in 2024-25, mainly due to differing base levels. While two-wheeler, passenger vehicle, and three-wheeler segment volumes are projected to continue trending upward supported by demand drivers, the commercial vehicle industry is expected to see flat volumes due to a healthy base and muted demand. Uncertainty arises from the deferment of new project awards during the general elections in Q1 2024-25 and slower mobilisation of projects due to monsoons in Q2 2024-25, likely resulting in a softer H1 for 2024-25.

Commercial Vehicles (CV)

The Commercial Vehicle industry witnessed robust growth in volumes in 2022-23 and on the elevated base, the growth in the current financial year was marginal, with the overall

industry volumes approaching pre-pandemic levels. The domestic CV industry is expected to witness flat to low single digit increases during 2024-25.

For 2024-25, Medium & Heavy Commercial Vehicles (M&HCV) and Intermediate Commercial Vehicles (ICV) volumes are expected to grow only 4-5% since capacity utilisation headroom is still available and economic activity is likely to be adversely impacted in H1 2024-25. While the recent diesel price reduction has helped viability, the relatively flat freight rates have compressed transporter viability. Increasing technological sophistication and changing emission norms are forces that M&HCV segment operators are adapting to. Parcel delivery, interstate ancillary transportation, and building materials are expected to have a positive outlook for ICVs and mining sector, especially coal and import of coal, will support an increase in the sale of Tippers.

The retail commercial vehicle segment, comprising Light Commercial Vehicles (LCV), Small Commercial Vehicles (SCV) and Three-wheeler cargo (3W), will continue to face headwinds on demand during 2024-25 and a low single digit growth is expected in 2024-25. As in passenger vehicles, there is a clear shift towards higher-end and higher tonnage vehicles with demand for the sub-1 ton segment on the decline. Rural sentiments improving and introduction of newer EV models by both existing and new OEMs are likely to give some fillip to the segment.

Passenger Vehicles

The passenger cars and utility vehicles segment reached an all-time high volume of ~4.2 million units during 2023-24.

While the demand for utility vehicles, particularly SUVs, continues to be on the rise, the demand for entry-car segment is muted. Improving road infrastructure, a burgeoning upper middle class, recovery in rural sentiment are positive drivers for continued growth. Further, the penetration of vehicles running on alternative fuels such as EV, CNG, etc., is steadily increasing, thanks to the availability of newer models, wider network and better infrastructure like charging stations. An increase in the cost of vehicles in this segment, caused by higher commodity prices and revision in emission norms (BS 6.2) continues to be a cause of concern. The demand for used cars has witnessed a significant increase driven by the emergence of organised channels, enhanced accessibility and reliable services/products. Despite robust demand, this segment is likely to grow at a moderate level of 5-7% (on an elevated base).

Tractors & Farm Equipment

The agricultural scenario in India is expected to improve in 2024-25 with a withdrawal of *El Nino* in the first quarter of 2024-25. IMD forecasts normal rainfall in India this year but the distribution is forecast to be diverse and inequitable for this season. Farm mechanisation trends continue to improve and the Government's thrust to increase farm incomes substantially (through improved productivity, firmer procurement and providing fillip to farmer incomes through dairy-based white revolution and bio ethanol blending opportunities) are positives. That said, inventory in dealerships is at higher

levels and demand is likely to be back ended in H2 2024-25. Consequently, tractor and farm equipment sales are expected to be flat at best and may, in fact, witness a decline if there are any negative surprises.

Material Handling & Construction Equipment

The Government's commitment to the nation's infrastructure development received a strong endorsement through an unprecedented ₹11.11 lakh crore budgeted spend for 2024-25 announced in the annual budget presentation. This outlay represents 3.4% of the GDP. Continued urbanisation and industrialisation also provide impetus to the segment. And a reviving rural sentiment will also support demand.

That said, the general elections in Q1 2024-25 and the onset of normal monsoons in Q2 2024-25 will likely impact the MHCE segment the most. And thanks to the record-setting 2023-24, a high base has been established. As a result, the industry is expected to witness only a 5-6% increase in units in 2024-25, with the volumes likely to improve during the second half of the financial year.

Despite short-term challenges for the MHCE segment, long-term prospects remain robust, with India set to double its infrastructure spending, reaching ₹143 lakh crore by 2030. The Vikshit Bharath 2047 programme of the Government commits ambitious milestones in infrastructure development and construction in the country's journey to becoming a developed nation.

Overall, with risks evenly balanced for FY25, remaining focused on delivering near-term performance and simultaneously building robust long-term health of the organisation is central to continuing the Company's tradition of

being a long-term oriented, customer-obsessed, values-driven and employee-friendly organisation.

INTERNAL FINANCIAL CONTROLS

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

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

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

RISK MANAGEMENT

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

The risk management process of the Company is underpinned by a strong and long-standing organisational culture and sound operating procedures involving our Sundaram values, competencies, internal control culture and effective internal reporting.

Your Company has adopted the ERM Framework, which is based on 3 lines of defence:

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

Your Company has a robust first line of defense in the form of sensitised and aware functional teams. Active operational engagement on risk management is enabled through two levels of internal teams that review operational risks on an ongoing basis: i) Functional Working Group on operational risks comprised of 62 operating executives across the Company and ii) a Core Working Group on Risk Management comprised of 11 functional heads of various departments of the Company. These groups are convened by our second line of defense, the Risk Management department, which ensures

meetings on a regular basis to review status on various risks, anticipate emerging risks and define a proactive action plan for containing incipient risk.

The internal audit team reviews the processes and controls to ensure the design effectiveness and to assure adequacy of controls to mitigate risk. Your Company has well-documented standard operating procedures and risk control matrices for all processes to ensure superior control over transaction processing and regulatory compliance. Periodical review of the same ensures that the risks including technology risks are under control. This apart, policies are reviewed and approved by the Board and its Committees that facilitate review of identification of risks and controls and guidance to manage the risks across business that ensures a sustainable and ethical business environment, reflected in our risk management process.

The risk management process fulfils the requirement under Section 134 of the Companies Act, 2013 and also the provisions of Regulation 21, read with Schedule II to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

A few principal financial risks of your Company have been furnished in the Notes to the Accounts under Note 38, for your information.

INTERNAL AUDIT

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

Additionally, an Information Security Assurance Service is also provided by independent external professionals. Based on their recommendations, the Company has implemented a number of control measures both in operational and IT-related areas, apart from information security related measures.

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

In the year in question, your Company has also conducted a quality assurance exercise of the internal audit function, as required by regulations, through an empowered group of senior functional leaders of the Company overseen by the Audit Committee of the Board. As part of the quality assurance exercise, the group has developed an Audit Quality Maturity Model (SF-AMM), which evaluates the quality assurance activities using five practice areas, viz., strategy, structure & communication, people, process & technology, and regulatory matters and 38 underlying parameters across these practice areas.

INFORMATION TECHNOLOGY

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

Your Company has a state-of-the-art Data Centre with a capacity of over 350 servers, managed by professionals providing 24/7 support, with over 99.99% uptime. The Data Centre, recently accredited for the updated ISO/IEC 27001:2022 Standards by TUV Rheinland for Information Security Management System, effectively meets the needs of your Company and also caters to its subsidiaries and associates. A disaster recovery site for all critical applications is hosted at a separate facility located in a different seismic zone, with near real-time data replication. Together with a secure and scalable IT infrastructure for

remote working (work from home), business continuity during adversities is assured. Your Company's strategy for leveraging Cloud technology strives to achieve a balance of opportunity, risk and cost. These are being reflected appropriately in our Data Centre investments.

Your Company adopts a proactive stance on Cyber security and makes continuing investments in this critical area. In April '24, your Company appointed a Chief Information Security Officer (CISO) in a full-time position as required by extant regulations. Your Company operates a 24x7 Security Operations Centre (SOC) for real-time threat monitoring and alerting. Periodic vulnerability assessment and penetration testing are carried out on the applications as well as the infrastructure to ascertain the effectiveness of the practices laid down by your Company. Your Company engages in regular discussions with external consultants and industry experts to validate its approaches to transformation and to reinforce Information & Cyber Security methodologies.

Your Company's in-house technology team leverages its expertise across multiple technologies and in-depth business & domain knowledge for delivering differentiated solutions. Contemporary technology and architecture practices are now at the core of its digital capabilities. With the advantage of having created a strong digital foundation, your Company is poised to take its technology base to the next level. The key priorities are employing digital and intelligent solutions to enable customer service and acquisition, faster introduction of new products, reducing cost-to-serve, deepening usage of analytics and creating superior customer experience.

By working closely with the business functions, the technology team has implemented process improvements that have shortened turnaround time, enabled straight through processing, ensured timely decisioning leading to superior customer experience. Digitising documents at source by leveraging AI/ML technologies is a key theme that is being implemented in the loan journey, to provide safe, secure and environmentally friendly experience to customers. Your Company has relaunched a simplified customer app that gives an integrated and total view of the customer's portfolio.

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

CONSOLIDATED FINANCIAL STATEMENTS

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

The Consolidated profit after tax is ₹1,842.36 cr. as against ₹1,509.51 cr. in the previous year. The total comprehensive income for the year was ₹3,210.76 cr. as against ₹1,782.84 cr.

The consolidated net worth for the year stood at ₹11,078.22 cr., as against ₹9,919.80 cr. in the previous year.

The annual accounts of all the Subsidiary Companies have been posted on your Company's website – www.sundaramfinance.in.

Detailed information, including the annual accounts of the Subsidiary Companies will be available for inspection by the members, through a digital platform which would be provided by the Company. The same will also be made available in physical form to the members upon request.

SUBSIDIARIES

- **Sundaram Finance Holdings Limited**

Sundaram Finance Holdings Limited reported a gross income of ₹390.32 cr. as against ₹130.61 cr. in the previous year. Profit after tax was ₹321.57 cr. as compared to ₹94.75 cr. in the previous year. The Board of Directors have also recommended a Final Dividend of ₹2.05/- per share (41%). This together with the 1st interim dividend of ₹2/- per share (40% on the face value of ₹5/-) paid on 28th February 2024 and 2nd interim dividend of ₹3.65/- per share (73% on the face value of ₹5/-) payable on 18th June 2024, aggregate to a total dividend of ₹7.70/- per share (154% on the face value of ₹5/-) for the year 2023-24.

During March 2024, your Company transferred 79,73,529 equity shares of ₹5/- each, representing 3.59% stake in SFHL, to Trichur Sundaram Santhanam and Family Private Limited, and other companies and

individuals forming part of the promoter group. Pursuant to the said transfer, SFHL has ceased to be a subsidiary of your Company as on 31st March 2024.

- **Sundaram Home Finance Limited**

Sundaram Home Finance Limited, during the year approved loans aggregating to ₹5,581 cr. (PY ₹4,310 cr.). Disbursements during the year were higher by 29% at ₹5,029 cr. (PY ₹3,901 cr.). The company earned a gross income of ₹1,411 cr. (PY ₹1,140 cr.) and reported a profit after tax at ₹235.83 cr. (PY ₹215.41 cr.). The loan portfolio under management as at 31st March 2024 stood at ₹13,812 cr. as against ₹11,181 cr. in the previous year. Gross Stage 3 assets stood at 1.16% (PY 2.26%) and net of ECL provisions stood at 0.50% (PY 1.13%), as at 31st March, 2024. The Net Stage 3 assets, excluding restructured assets, stood at 0.26% as at 31st March 2024. The Board of Directors have recommended a final dividend of 0.058/- per share (0.58%) for the year ended 31st March 2024. This together with interim dividend of 5.765 per share (57.65%), would aggregate to a total dividend of ₹5.823/- per share (58.23%).

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

The company reported a consolidated gross income of ₹456.95 cr. as against ₹372.71 cr. in the previous year. Consolidated Profit after tax was ₹111.91 cr. as compared to ₹85.30 cr. during the previous year. The Average Assets under Management amounted to ₹72,013 cr. for the year 2023-24 as compared to ₹55,648 cr.

in the previous year. The Company had declared an interim dividend of ₹10/- per share on 1st February 2024 and has decided to consider the same as final dividend with the approval of shareholders for the year 2023-24.

The Hon'ble National Company Law Tribunal, Mumbai, vide order dated 25th August 2023, approved the dissolution of SAMC Support Services Private Limited, wholly-owned subsidiary of Sundaram Asset Management Company Limited, through Voluntary Liquidation. The Tribunal, Chennai, vide order dated 04th October 2023, approved the Scheme of Arrangement for the de-merger of the fund accounting business of Sundaram Fund Services Limited, into Sundaram Asset Management Company Limited.

- **Sundaram Trustee Company Limited**

Sundaram Trustee Company Limited earned a gross income of ₹2.80 cr., as against ₹2.27cr., in the previous year and reported a profit after tax of ₹1.59 cr. for the year, as against ₹1.26 cr. in the previous year. The company recommended a dividend of ₹319/- per share for the year ended 31st March 2024.

- **LGF Services Limited**

During the year, the company reported a gross income of ₹ 0.19 cr. as against ₹ 0.08 cr. in the previous year. The profit after tax for the year was ₹ 0.11 cr. as against ₹0.03 cr. in the previous year. The company recommended a dividend of ₹4/- (40%) per share for the year.

- **Sundaram Fund Services Limited**

Sundaram Fund Services Limited (formerly Sundaram BNP Paribas Fund Services Limited) earned an income of ₹1.28 cr. during the year as against ₹1.00 cr. in the previous year. The company reported a profit after tax of ₹0.28 cr. as against a negative profit of ₹0.19 cr. in the previous year.

During the year, a petition has been filed with the National Company Law Tribunal, Chennai, for reduction of paid-up equity share capital of Sundaram Fund Services Limited, pursuant to Section 66, read with Section 52 of the Companies Act, 2013.

JOINT VENTURE

- **Royal Sundaram General Insurance Co. Ltd (Royal Sundaram)**

Royal Sundaram reported a Gross Written Premium (GWP) of ₹3,825 cr. as compared to ₹3,517 cr. in the previous year, representing a growth of 9%. The Company reported a profit after tax (as per IND AS) of ₹169 cr. for the current year as against ₹44 cr. in the previous year. The current year's profit (as per IND AS) was higher than previous year mainly due to "mark to market gain" of ₹53 cr. (net of tax) on equity investments compared to "mark to market loss" of ₹78 cr. (net of tax). The Company recommended a dividend of ₹0.70/- (7%) per share for the year ended 31st March 2024 (PY 7% dividend). The Company's solvency ratio as at March 31, 2024 was at 2.42 times (PY 2.27 times) as against the mandated threshold of 1.50 times.

BOARD & AUDIT COMMITTEE

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

DIRECTORS

Mr. S. Prasad, Mr. P. N. Venkatachalam and Ms. Shobhana Ramachandran, Independent Directors, completed their

second term of five years as Independent Directors of the Company on 31st March 2024. Mr. S Mahalingam, Independent Director, will be completing his second term of five years as Independent Director of the Company on 25th May 2024. Your Directors place on record, with deep gratitude, the significant contributions made and valuable guidance provided by them to the Company during their tenure as Independent Directors.

During the year, the following Independent Directors were appointed on the Board:

Sl. No.	Name of Director	Profile	Appointed with Effect From
1	Dr. Kshama Fernandes	She holds a Bachelor's degree in science, a Master's degree as well as a PhD in management studies and has nearly three decades of experience spanning across management, risk advisory, and academia.	11.08.2023
2	Mr. R. Venkatraman	He holds a BE Mechanical Engineering degree and an MBA. He has nearly 4 decades of experience in consulting and advisory services across various industries.	05.02.2024
3	Mrs. Anuradha Rao	She holds a Bachelor's degree in science, a Master's degree in physics, and a CAIIB certification. She has nearly 4 decades of experience in banking and finance.	01.04.2024

Mr. R. Raghuttama Rao was re-appointed as an Independent Director on the Board with effect from 1st April 2024.

Mr. S. Viji and Mr. Srivats Ram, Directors, retire by rotation and being eligible, offer themselves for re-election.

KEY MANAGERIAL PERSONNEL

During the year, Mr. P. N. Srikant, Secretary and Compliance Officer, was re-designated as Chief Compliance Officer & Company Secretary with effect from 11.08.2023.

DECLARATION BY INDEPENDENT DIRECTORS

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

ANNUAL EVALUATION BY THE BOARD

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

DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors confirm that:

1. In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
2. The Company has selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
3. Proper and sufficient care has been exercised for the maintenance of adequate accounting records

in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

4. The annual accounts have been prepared on a going concern basis;
5. Adequate internal financial controls have been put in place and they are operating effectively; and
6. Proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

AUDITORS

M/s B.K. Khare & Co., Chartered Accountants, Mumbai (Regn. No. 105102W) and M/s N.C. Rajagopal & Co., Chartered Accountants, Chennai (Regn. No. 003398S), who had been appointed as Joint Statutory Auditors of your Company, to hold office for a term of three (3) consecutive years from the conclusion of the 68th Annual General Meeting to the conclusion of the 71st Annual General Meeting, in accordance with the RBI Guidelines for Appointment of Statutory Auditors of Banks and NBFCs notified on 27th April 2021 (RBI Guidelines), would be demitting office as the Joint Statutory Auditors of the Company at the conclusion of the 71st Annual General Meeting, in compliance with the RBI Guidelines.

Your Company has identified M/s Brahmayya & Co., Chartered Accountants, Chennai (Regn. No. 000511S) and M/s R.G.N Price & Co., Chartered Accountants, Chennai (Regn. No. 002785S) for being appointed as the Joint Statutory Auditors of the Company, from the conclusion of the 71st Annual

General Meeting to the conclusion of the 74th Annual General Meeting. The appointment of the Joint Statutory Auditors will be subject to the approval of the shareholders of the Company and will take effect from the conclusion of the 71st Annual General Meeting.

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

ACKNOWLEDGEMENT

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

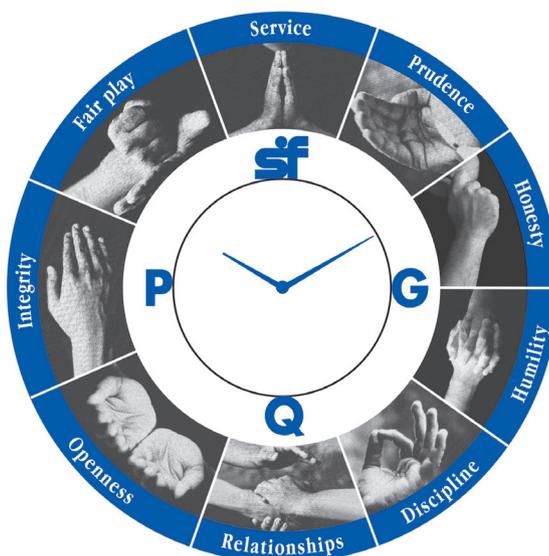
For and on behalf of the Board

Chennai 600 002
24.05.2024

S. VIJI
Chairman

Report on Corporate Governance

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



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

As of 31st March 2024, the Board comprised twelve members, of which six members are Independent Directors. An Independent Director is the chairperson of the Board committees, viz., Audit Committee, Nomination, Compensation & Remuneration Committee, Information Technology Strategy Committee and Stakeholders' Relationship Committee.

I. BOARD OF DIRECTORS

All the members of the Board are eminent persons with considerable expertise and experience in general management spanning the automobile, engineering, banking, finance, accounts and audit, information technology, consulting and road transport sectors. The Company is immensely benefited by the range of experience and skills that the Directors bring to the Board. The composition of the Board is in conformity with the listing requirements as on 31st March 2024.

Three Independent Directors, viz., Mr. S. Prasad, Mr. P. N. Venkatachalam and Ms. Shobhana Ramachandhran, completed their second term of office on 31st March 2024. Mr. S. Mahalingam, Independent Director, will be completing his second term of office on 25th May 2024. All of them have made significant contributions to the deliberations of the Board and its Committees, and provided valuable guidance to the Company during their tenure as Independent Directors, based on their vast experience, expertise and knowledge.

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

Name of the Director	DIN	Attendance Particulars		Directorships in other public limited companies (as on 31 st March 2024)				Committees in which Chairman/Member of other public limited companies* (as on 31 st March 2024)		Directorship in other listed entity											
												Board Meetings	AGM	Chairman		Director		Chairman	Member	Name of the Company	Category of Directorship
														Listed	Unlisted	Listed	Unlisted				
Promoter Directors																					
Mr. S. Viji Non-executive Chairman	00139043	6	Yes	-	1	1	-	1	1	Wheels India Limited	Non-Executive Director										
Mr. T. T. Srinivasaraghavan Non-executive Director	00018247	5	Yes	-	2	2	2	-	1	Five Star Business Finance Limited	Independent Director										
										R K Swamy Limited	Independent Director										
Mr. Srivats Ram Non-executive Director	00063415	6	Yes	-	1	3	1	-	1	Wheels India Limited	Managing Director										
										Sundaram Finance Holdings Limited	Non-Executive Director										
										India Motor Parts & Accessories Limited	Non-Executive Director										
Mr. Harsha Viji Executive Vice Chairman	00602484	6	Yes	1	2	-	2	-	-	Sundaram Finance Holdings Limited	Non-Executive Chairman										
Independent Directors																					
Mr. S. Prasad (upto 31.03.2024)	00063667	6	Yes	-	-	2	3	4	2	Wheels India Limited	Independent Director										
										India Motor Parts & Accessories Limited	Independent Director										
Mr. P. N. Venkatachalam (upto 31.03.2024)	00499442	5	Yes	-	-	-	-	-	-	-	-										
Ms. Shobhana Ramachandhran (upto 31.03.2024)	00273837	5	Yes	-	-	4	1	-	2	TVS Srichakra Limited	Managing Director										
										Sundaram Finance Holdings Limited	Independent Director										
										Sundaram Brake Linings Limited	Non-Executive Director										
										TVS Supply Chain Solutions Limited	Non-Executive Director										

Name of the Director	DIN	Attendance Particulars		Directorships in other public limited companies (as on 31 st March 2024)				Committees in which Chairman/Member of other public limited companies* (as on 31 st March 2024)		Directorship in other listed entity	
		Board Meetings	AGM	Chairman		Director		Chairman	Member	Name of the Company	Category of Directorship
				Listed	Unlisted	Listed	Unlisted				
Mr. S. Mahalingam	00121727	6	No	-	-	2	4	2	4	JSW Steel Limited	Independent Director
										Sundram Fasteners Limited	Independent Director
Mr. R. Raghuttama Rao	00146230	6	Yes	-	-	2	2	-	3	Wheels India Limited	Independent Director
										Latent View Analytics Limited	Independent Director
Mr. L. Ganesh	00012583	6	Yes	4	-	-	-	1	6	Rane Holdings Limited	Executive Chairman
										Rane (Madras) Limited	Non-Executive Director
										Rane Engine Valve Limited	
										Rane Brake Lining Limited	
Mrs. Bhavani Balasubramanian	09194973	6	Yes	-	-	1	1	1	1	HCL Technologies Limited	Independent Director
Dr. Kshama Fernandes (w.e.f. 11.08.2023)	02539429	4	NA	-	-	-	3	-	1	-	-
Mr. R. Venkatraman (w.e.f. 05.02.2024)	07119686	2	NA	-	-	2	1	3	1	Goodricke Group Limited	Independent Director
										Sundaram Finance Holdings Limited	Independent Director
Executive Directors											
Mr. Rajiv C. Lochan Managing Director	05309534	6	Yes	-	-	-	1	-	-	-	-
Mr. A.N. Raju Deputy Managing Director	00036201	6	Yes	-	-	-	2	1	-	-	-

*Audit Committee and Stakeholders Relationship Committee considered

The Board of Directors appointed Mrs. Anuradha Rao as an Independent Director of the Company for a period of five (5) years with effect from 1st April 2024.

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

Category	Expertise	Skills / Competencies
Non-executive Non-Independent Directors Mr. S. Viji Mr. T. T. Srinivasaraghavan Mr. Srivats Ram	<ul style="list-style-type: none"> • In-depth Industry Knowledge • Capital Markets • Legal and Regulatory Framework • Risk Assessment and Management • Business Policies • Strategic Management 	<ul style="list-style-type: none"> • Entrepreneurial • Governance • Behavioural
Independent Directors Mr. S. Mahalingam Mr. R. Raghuttama Rao Mr. L. Ganesh Mrs. Bhavani Balasubramanian Dr. Kshama Fernandes (w.e.f. 11.08.2023) Mr. R. Venkatraman (w.e.f. 05.02.2024)	<ul style="list-style-type: none"> • In-depth Industry Knowledge • Audit and Financial Management • Treasury • Legal and Regulatory Framework • Risk Assessment and Management • Business Policies • Capital Markets 	<ul style="list-style-type: none"> • Technical/Professional • Analytical • Technological • Behavioural
Executive Directors Mr. Harsha Viji Mr. Rajiv C. Lochan Mr. A.N. Raju	<ul style="list-style-type: none"> • In-depth Industry Knowledge • Audit and Financial Management • Wealth Management • Treasury Operations and Management • Business Policies • Legal and Regulatory Framework • Capital Markets • Risk Assessment and Management • Asset Liability Management • Strategic Management 	<ul style="list-style-type: none"> • Governance • Leadership • Technical • Analytical • Organisational • Technological • Planning • Resource Management and Utilisation • People Management • Communication • Behavioural

II. BOARD MEETINGS

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

During the year under review, 6 meetings of the Board of Directors were held.

28.04.2023	06.11.2023
26.05.2023	05.02.2024
11.08.2023	29.03.2024

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

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

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

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

III. AUDIT COMMITTEE

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

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

Name of the Member		No. of Meetings Attended	Meeting Dates
Mr. S. Prasad	Chairman	9	17.04.2023 24.05.2023
Mr. R. Raghuttama Rao	Member	9	17.07.2023 11.08.2023 18.10.2023
Ms. Shobhana Ramachandhran	Member	7	03.11.2023 23.01.2024
Mrs. Bhavani Balasubramanian	Member	9	02.02.2024 18.03.2024

The Company Secretary is the Secretary to the Committee.

The Audit Committee was re-constituted with effect from 1st April 2024, pursuant to the retirement of Mr. S. Prasad and Ms. Shobhana Ramachandhran, as under:

Name of the Member	Position
Mrs. Bhavani Balasubramanian	Chairperson
Mr. R. Raghuttama Rao	Member
Dr. Kshama Fernandes	Member

IV. STAKEHOLDERS RELATIONSHIP COMMITTEE

The Stakeholders Relationship Committee

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

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

Name of the Member		No. of Meetings Attended	Meeting Date
Mr. L. Ganesh*	Chairman	1	15.12.2023
Mr. Rajiv C. Lochan	Member	1	
Mr. A.N. Raju	Member	1	

* w.e.f. 26th May 2023

Besides, transfer/transmission of shares were approved by resolutions passed in circulation on 25 occasions.

Mr. P. N. Srikant, Secretary, is the Compliance Officer. Two investor complaints were received and resolved during the year. None was pending unresolved as on 31st March 2024.

V. RISK MANAGEMENT COMMITTEE

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

The RMC formulates policies and strategies for identification, measurement and reporting on market risks, credit risks and operational risks.

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

Name of the Member		No. of Meetings attended	Meeting Dates
Mr. Rajiv C. Lochan	Chairman	4	26.06.2023
Mr. R. Raghuttama Rao	Member	4	15.09.2023
Mr. A.N. Raju	Member	4	21.12.2023
Mr. M. Ramaswamy	Member	4	07.03.2024

The Company Secretary is the Secretary to the Committee.

VI. ASSET LIABILITY MANAGEMENT COMMITTEE

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

The ALCO is responsible for:

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

The Composition of Asset Liability Management Committee and attendance of the members at Committee meetings are as follows:

Name of the Member		No. of Meetings attended	Meeting Dates	
Mr. Harsha Viji	Chairman	11	13.04.2023	09.11.2023
Mr. Rajiv C. Lochan	Member	11	15.05.2023	15.12.2023
			16.06.2023	11.01.2024
Mr. A.N. Raju	Member	9	14.07.2023	09.02.2024
Mr. M. Ramaswamy	Member	11	11.09.2023	13.03.2024
			13.10.2023	
Mr. Lakshminarayan Duraiswamy	Member	10		

VII. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

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

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

Name of the Member		No. of Meetings Attended	Meeting Date
Ms. Shobhana Ramachandhran	Chairperson	1	17.05.2023
Mr. T. T. Srinivasaraghavan	Member	–	
Mr. Harsha Viji	Member	1	
Mr. Rajiv C. Lochan	Member	1	
Mr. A.N. Raju	Member	1	

Besides, CSR contributions were approved by resolutions passed in circulation on 5 occasions.

The Company Secretary is the Secretary to the Committee.

The Committee was re-constituted with effect from 1st April 2024, pursuant to the retirement of Ms. Shobhana Ramachandhran, as under:

Name of the Member	Position
Mr. Harsha Viji	Chairman
Mr. L. Ganesh	Member
Mr. T. T. Srinivasaraghavan	Member
Mr. Rajiv C. Lochan	Member
Mr. A.N. Raju	Member

VIII. NOMINATION, COMPENSATION & REMUNERATION COMMITTEE

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

The criteria laid down for Evaluation of the Directors and the Remuneration Policy, as approved and adopted by the Board, are attached as part of this report vide Annexures I (ii) and (iii) respectively.

The Composition of the re-constituted, Compensation & Remuneration Committee and attendance of the members at Committee Meetings are as follows:

Name of the Member		No. of Meetings Attended	Meeting Dates
Mr. P. N. Venkatachalam	Chairman	6	02.05.2023 17.05.2023
Mr. S. Prasad	Member	6	21.07.2023 05.02.2024
Mr. S. Viji	Member	6	16.02.2024 29.03.2024

The Company Secretary is the Secretary to the Committee.

The Committee was re-constituted with effect from 1st April 2024, pursuant to the retirement of Mr. P.N. Venkatachalam and Mr. S. Prasad, as under:

Name of the Member	Position
Mr. R. Venkatraman	Chairman
Mr. L. Ganesh	Member
Mr. S. Viji	Member

IX. INFORMATION TECHNOLOGY STRATEGY COMMITTEE

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

- Ensure that the Company has put an effective IT strategic planning process in place;
- Guide in preparation of IT Strategy and ensure that the IT Strategy aligns with the overall strategy of the Company towards accomplishment of its business objectives;
- Satisfy itself that the IT Governance and Information Security Governance structure fosters accountability, is effective and efficient, has adequate skilled resources, well defined objectives and unambiguous responsibilities for each level in the organisation;
- Ensure that the Company has put in place processes for assessing and managing IT and cybersecurity risks;
- Ensure that the budgetary allocations for the IT function (including for IT security), cyber security are commensurate with the Company's IT maturity, digital depth, threat environment and industry standards and are utilised in a manner intended for meeting the stated objectives; and
- Review, at least on annual basis, the adequacy and effectiveness of the Business Continuity Planning and Disaster Recovery Management of the Company.

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

Name of the Member		No. of Meetings Attended	Meeting Dates
Mr. S. Mahalingam	Chairman	3	13.04.2023 28.09.2023 19.12.2023
Mr. P.N. Venkatachalam	Member	2	
Dr. Kshama Fernandes [#]	Member	1	
Mr. Harsha Viji [*]	Member	-	
Mr. Rajiv C. Lochan	Member	3	
Mr. A.N. Raju	Member	3	
Mr. Sudheer Warriar	Member	3	

[#] w.e.f. 06.11.2023

^{*}upto 11.08.2023

The Company Secretary is the Secretary to the Committee.

The Committee was re-constituted with effect from 1st April 2024, by inducting Mrs. Anuradha Rao as a Member, pursuant to the retirement of Mr. P. N. Venkatachalam. In view of the retirement of Mr. S. Mahalingam on 25th May 2024, the Board of Directors has, at the meeting held on 24th May 2024, further re-constituted the Committee by appointing Mrs. Anuradha Rao as the Chairperson with effect from 26th May 2024. The Composition of the Committee with effect from 26th May 2024 will be as under:

Name of the Member	Position
Mrs. Anuradha Rao	Chairperson
Dr. Kshama Fernandes	Member
Mr. Rajiv C. Lochan	Member
Mr. A.N. Raju	Member
Mr. Sudheer Warriar	Member

The Company has constituted an IT Steering Committee consisting of Senior Management, business owners, the development team, and other stakeholders to provide oversight and monitoring of the progress of the projects, including deliverables to be realised at each phase of the project and milestones to be reached according to the project timetable. Thus, this Committee, operating at an executive level, focusses on business priority setting, technology resource allocation and project tracking.

The Company has also constituted an Information Security Committee with suitable representation at Senior Management level from the information technology and business functions, including the Chief Information Security Officer. The key focus areas of the Committee include approving/ monitoring information security projects and security awareness initiatives, reviewing cyber incidents, developing information/ cyber security policies, as well as implementation of such policies, standards and procedures to ensure that all identified risks are managed within the Company's risk appetite.

X. CUSTOMER SERVICE COMMITTEE

The Customer Service Committee has been constituted by the Board of Directors with effect from 1st April 2024, with the following composition:

Name of the Members	Position
Mr. T. T. Srinivasaraghavan	Chairman
Mrs. Bhavani Balasubramanian	Member
Mr. Rajiv C. Lochan	Member
Mr. A.N. Raju	Member

The terms of reference of the Customer Service Committee, *inter-alia* includes:

1. Ensuring that the services rendered to the customers are always in line with the Company's time-tested reputation in providing exemplary customer service.
2. Reviewing the Customer Grievance Redressal Policy and related procedures from time to time.
3. Reviewing the status of complaints received from customers, action taken by the Company to redress/resolve the complaints and related regulatory compliance.
4. Reviewing the procedures for escalation of partly or wholly rejected complaints to the Internal Ombudsman, as well as the decisions/ reports of the Internal Ombudsman.

The Company Secretary is the Secretary to the Committee.

XI. INVESTMENT COMMITTEE

The Investment Committee has been constituted by the Board of Directors with effect from 1st April 2024, with the following composition:

Name of the Members	Position
Mr. R. Venkatraman	Chairman
Mr. Harsha Viji	Member
Mr. Rajiv C. Lochan	Member

The terms of reference of the Investment Committee, *inter-alia* includes:

1. Laying down the overall investment objectives and ensuring compliances with the applicable regulatory provisions.
2. Formulation/review of the investment policy of the Company, including the criteria based on which investments shall be considered.
3. Evaluation of investment opportunities that meet the criteria and taking appropriate decisions with respect to short-term and long-term investments, statutory investments, disinvestments, etc.
4. Reviewing the performance of the treasury and portfolio investments on a periodic basis and submitting a performance report to the Board.

The Company Secretary is the Secretary to the Committee.

XII. POLICY REVIEW AND COMPLIANCE COMMITTEE

The Policy Review and Compliance Committee has been constituted by the Board of Directors with effect from 1st April 2024, with the following composition:

Name of the Members	Position
Mr. T. T. Srinivasaraghavan	Chairman
Mrs. Bhavani Balasubramanian	Member
Mr. A.N. Raju	Member

The terms of reference of Policy Review and Compliance Committee, *inter-alia* includes:

1. Review of the applicable policies and related procedures of the Company from time to time, to assess the adequacy of the policies from a business and/or regulatory perspective and recommend suitable amendments to the Board of Directors.
2. Ensure that Company policies uphold high ethical standards, and promote a culture of integrity and accountability.
3. Provide appropriate guidance and support in addressing emerging issues and changes in the regulatory landscape, as well as the business environment, and the formulation of related policies as required.
4. Oversee of the mitigation of compliance, legal, regulatory and reputation risks, across all functions in the Company.
5. Monitor and review the overall compliance by the Company under all regulatory/supervisory directions issued by the Reserve Bank of India from time to time, as well as all other statutory/regulatory provisions applicable to the Company.
6. Ensure the continued advancement and improvement of compliance practices across the Company.

The Company Secretary is the Secretary to the Committee.

XIII. SEPARATE MEETING OF INDEPENDENT DIRECTORS

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

XIV. FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

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

https://www.sundaramfinance.in/assets/app_docs/investor-info/corporate_governance/familiarisation_programme/familiarisation_programme_2023_24.pdf

XV. REMUNERATION OF DIRECTORS

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

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

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

Name of the Director	Sitting Fee (₹ in Lakhs)	Commission (₹ in Lakhs)	Number of Shares held individually (as on 31.03.2024)	Relationship with other Directors
Mr. S. Viji	3.00	25.00	12,75,704 ⁽¹⁾	Father of Mr. Harsha Viji
Mr. T. T. Srinivasaraghavan	1.25	25.00	– ⁽²⁾	–
Mr. Srivats Ram	1.50	18.00	17,01,322 ⁽³⁾	–
Mr. S. Prasad	5.35	25.00	– ⁽⁴⁾	–
Mr. P.N. Venkatachalam	3.35	18.00	–	–
Ms. Shobhana Ramachandhran	3.20	18.00	2,53,973	–
Mr. S. Mahalingam	2.35	18.00	3,200	–
Mr. R. Raghuttama Rao	4.85	18.00	2,200	–
Mr. L. Ganesh	1.70	18.00	– ⁽⁵⁾	–
Mrs. Bhavani Balasubramanian	3.85	18.00	–	–
Dr. Kshama Fernandes*	1.35	12.00	–	–
Mr. R. Venkatraman ^	0.50	6.00	–	–

* Appointed as an Independent Director w.e.f. 11th August 2023

^ Appointed as an Independent Director w.e.f. 5th February 2024.

Note: • Number of shares held jointly with others: ⁽¹⁾ 8,684 ⁽²⁾ 2,16,376 ⁽⁴⁾ 25,200 ⁽⁵⁾ 2,500

• Number of shares held as Karta of HUF: ⁽²⁾ 1,23,192 ⁽³⁾ 77,200

• Number of shares held as Trustee: ⁽²⁾ 2,36,000

Amount of deposits placed by the Non-Executive Directors in the Company aggregated to ₹1,323.91 lakhs as on March 31, 2024.

The interest on these deposits paid / credited during the year 2023-24 amounted to ₹99.96 lakhs.

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

The details of remuneration paid to the Executive Directors for the Financial Year 2023-24 are as follows:

(₹ in lakhs)

Nature of Payment	Mr. Harsha Viji* Executive Vice Chairman	Mr. Rajiv C. Lochan Managing Director	Mr. A.N. Raju Deputy Managing Director
Salary and allowances	279.19	233.95	197.49
Commission	325.00	250.00	180.00
Contributions to Provident, Superannuation and Gratuity Funds	22.04	18.65	15.54
Perquisites	9.16	6.90	6.41
Stock Options	-	28.42 [#]	24.34 [^]
Total	635.39	537.92	423.78

* Son of Mr. S. Viji, Chairman

Value of 360 stock options (granted in May 2021) and 750 stock options (granted in May 2022) exercised during the financial year 2023-24

[^] Value of 480 stock options (granted in May 2021) and 450 stock options (out of 600 stock options granted in May 2022) exercised during the financial year 2023-24

Stock Options granted at ₹10/- per share (at par) on 28th May 2021, 25th May 2022, 26th May 2023 and 24th May 2024 under Grant 13, Grant 14, Grant 15 and Grant 16 respectively, would vest as follows:

Name	Date of Vesting				
	01.06.2024 [*]		01.06.2025 [*]	01.06.2026 [§]	01.06.2027 [#]
	Grant-13	Grant-14	Grant-14	Grant-15	Grant-16
Mr. Rajiv C. Lochan	480	750	1,000	2,989	1,556
Mr. A.N. Raju	640	600	800	1,921	1,000

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

§ The Option would be exercisable between 01.06.2026 and 30.11.2026

The Option would be exercisable between 01.06.2027 and 30.11.2027

XVI. GENERAL BODY MEETINGS

Details relating to last three Annual General Meetings:

Year	Date	Time	Location	No. of Special Resolutions Passed
2023	21 st July 2023	10.00 AM	Through Video Conferencing Mode	Two
2022	27 th July 2022	10.00 AM	Through Video Conferencing Mode	Two
2021	6 th September 2021	10.00 AM	Through Video Conferencing Mode	Two

Following Special Resolutions were passed through Postal Ballot and E-voting, as per the procedure prescribed under Section 110 of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014 under the overall supervision of the Scrutinizer, Mr. T. K. Bhaskar, Partner, H&B Partners, Advocates, Chennai:

Date of Resolution	Details of Resolution(s)	Total No. of votes in favour	Total No. of votes against	% of votes in favour	% of votes against
21.09.2023	Appointment of Dr. Kshama Fernandes as an Independent Director on the Board	6,95,94,160	20,596	99.97%	0.03%
22.03.2024	Appointment of Mr. R. Venkatraman as an Independent Director on the Board	5,16,64,593	1,44,25,980	78.17%	21.83%
	Re-appointment of Mr. R. Raghuttama Rao as an Independent Director to hold office for a further term of 5 consecutive years w.e.f. 1 st April 2024	6,23,05,202	37,85,371	94.27%	5.73%

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

The Special Resolution for the appointment of Mrs. Anuradha Rao as an Independent Director of the Company for a period of five (5) years with effect from 1st April 2024 was passed through postal ballot on 13th May 2024. No other Special Resolution is proposed to be passed through postal ballot.

XVII. VIGIL MECHANISM / WHISTLE BLOWER POLICY

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

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

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

XVIII. DISCLOSURES

- There were no materially significant related party transactions having potential conflict with the interests of the Company at large.
- Information pertaining to the Credit Ratings assigned by various Credit Rating Agencies for the Company's short term and long term borrowings, including fixed deposits, has been provided in the Board's Report on page no. 13 and as part of the Notes to the Accounts (Note: 44.08) on page no. 219
- All the mandatory requirements specified in Regulations 17 to 27 and Regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 have been complied with.
- The Company will continue to adopt other non-mandatory requirements as appropriate.
- The Company has a record of unqualified financial statements since inception.

XIX. POLICIES ON MATERIAL SUBSIDIARIES AND RELATED PARTY TRANSACTIONS

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

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

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

XX. MEANS OF COMMUNICATION

- The unaudited financial results for first three quarters of the financial year 2023-24 and the audited financial results for the year ended 31st March 2024 have been published in "Business Line" (English) and "Makkal Kural" (Tamil).
- The results and press releases were also displayed on the Company's website at <https://www.sundaramfinance.in/investor-info>
- Shareholders have been provided with an opportunity to provide their email addresses for receiving correspondence and annual report in electronic form.
- The Notice of the 71st 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 Securities and Exchange Board of India vide Circular dated 7th October 2023 to those shareholders who have registered their email id with the Company/Depositories.

XXI. OTHER DISCLOSURES

- Fees paid to Statutory Auditors for all services (FY: 2023-24)

Sl. No.	Name of the Company	Total Fees Paid* (₹ in lakhs)	
		B.K. Khare & Co.	N.C. Rajagopal & Co.
1.	Sundaram Finance Limited	67.98	77.52
2.	Sundaram Fund Services Limited	-	3.54
	Total	67.98	81.06

* including GST

- Loans made to companies in which Directors are interested:

Sl. No.	Name of the Company	Amount* (₹ in cr.)
1.	Sundaram Industries Private Limited	2.08
2.	TVS Mobility Private Limited	43.16
3.	WIL Car Wheels Limited	31.78
	Total	77.02

* outstanding as on 31.03.2024

- Details of material subsidiary and their Statutory Auditor.

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

- Disclosure in relation to Prevention of Sexual Harassment at Workplace is available as part of the Board's Report.

- The Prevention, Prohibition and Redressal Policy against Sexual Harassment of women at work place is available under the following web link:

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

XXII. GENERAL SHAREHOLDER INFORMATION

Annual General Meeting

Date	Time	Mode
14 th August 2024	10.00 AM	Video Conference / Other Audio Visual Means (OAVM)

- Financial Year – 1st April 2023 to 31st March 2024
- Book Closure dates – 1st August 2024 to 14th August 2024 (both days inclusive)
- Dates of payment of dividend

Interim	On 1 st March 2024	₹14.00 per share (140%)
Final	On or after 16 th August 2024	₹16.00 per share (160%)

- The Company's shares are listed on:
National Stock Exchange of India Limited
Exchange Plaza, 5th Floor
Plot No. C/1, G Block
Bandra-Kurla Complex
Bandra (E), Mumbai 400 051
- The Company has paid the listing fees for the financial years 2023-24 & 2024-25 to the above stock exchange.
- NSE Stock Code: SUNDARMEIN
- ISIN : INE660A01013
- Details of outstanding shares in Sundaram Finance Limited Unclaimed Shares Suspense Account.

Particulars	Aggregate Number of shareholders	Outstanding shares lying in Sundaram Finance Limited Unclaimed Shares Suspense Account
Opening Balance as on 1 st April 2023	12	3,550
Less: Shares transferred / delivered during 2023-24	2	800
Less: Shares transferred to Investor Education and Protection Fund Authority on 11.05.2023	1	200
Closing Balance as on 31 st March 2024	9	2,550

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

Particulars	Aggregate Number of shareholders	Outstanding shares lying in Sundaram Finance Limited IEPF Account
Opening Balance as on 1 st April 2023	285	1,03,540
Less: Shares transferred / delivered during 2023-24	1	4,800
Add: Transfer of shares to Investor Education and Protection Fund Authority, Ministry of Corporate Affairs during 2023-24		
(i) Shares transferred on 11.05.2023 (including 200 shares transferred from USSA)	3	800
(ii) Shares transferred on 15.09.2023	4	2,740
Balance as on 31 st March 2024	291	1,02,280

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

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

Nature of Dividend	Transferable to IEPF on	Nature of Dividend	Transferable to IEPF on
Final Dividend 2016-17	21 st August 2024	Interim Dividend 2020-21	22 nd February 2028
Interim Dividend 2017-18	28 th May 2025	Final Dividend 2020-21	6 th October 2028
Final Dividend 2017-18	20 th August 2025	Interim Dividend 2021-22	10 th March 2029
Interim Dividend 2018-19	4 th March 2026	Final Dividend 2021-22	26 th August 2029
Final Dividend 2018-19	19 th August 2026	Interim Dividend 2022-23	9 th March 2030
Interim Dividend 2019-20	12 th March 2027	Final Dividend 2022-23	21 st August 2030
Final Dividend 2019-20	24 th August 2027	Interim Dividend 2023-24	6 th March 2031

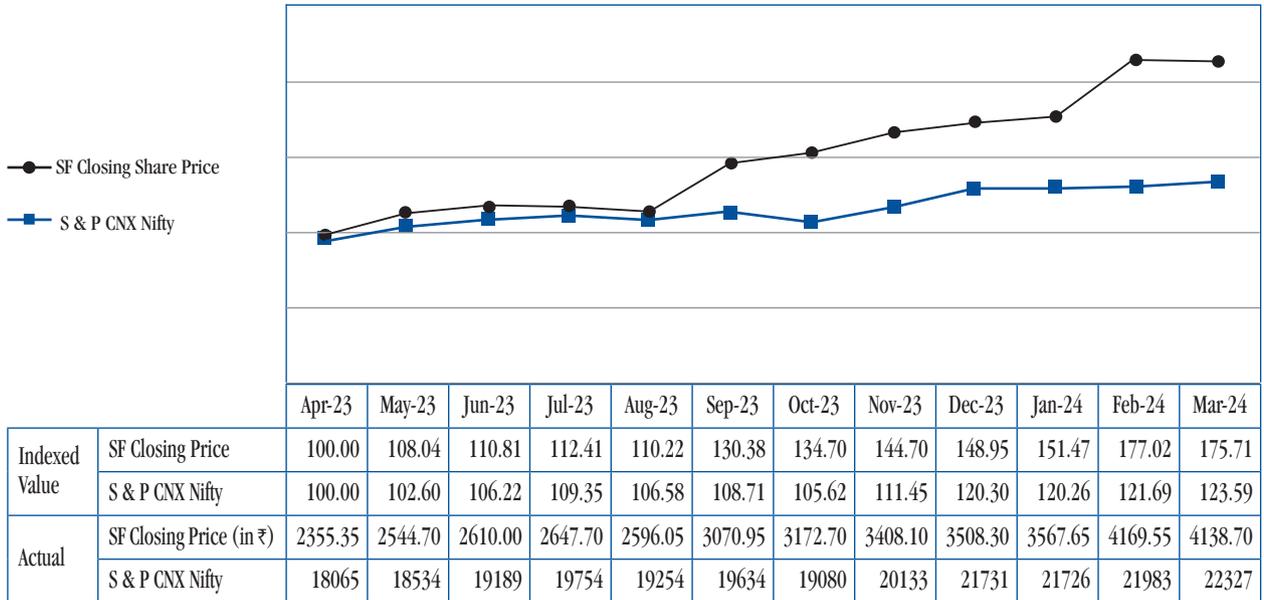
Reminders are sent to members for encashing unclaimed and unpaid dividends, on a regular basis, in addition to the reminders through e-mails and phone contacts. Members who have not yet made claims are, therefore, requested to contact the Company / Registrar and Share Transfer Agents immediately by e-mail,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

MARKET PRICE DATA ON THE NATIONAL STOCK EXCHANGE

(in ₹)

Month	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	
NSE	High	2,405.65	2,585.00	2,650.35	2,684.10	2,687.00	3,260.00	3,330.00	3,433.40	3,800.00	3,865.00	4,268.80	4,297.95
	Low	2,266.05	2,317.05	2,510.40	2,515.55	2,493.10	2,570.35	2,942.70	3,105.55	3,191.20	3,447.00	3,462.00	3,622.25

SHARE PRICE PERFORMANCE



- Share transfers were processed and share certificates despatched within the specified time limit from lodgment in accordance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- Dematerialisation requests have been confirmed within the specified time limit.
- M/s Cameo Corporate Services Ltd, Registrars and Share Transfer Agents of the Company have attended to the share transfer formalities regularly. The Registrar and Share Transfer Agents can be contacted by the investors at the following address:

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

Debenture Trustee	Ms. Anjalee Athalye Senior Vice President - Operations IDBI Trusteeship Services Limited Asian Building, Ground Floor, No.17, R. Kamani Marg Ballard Estate, Mumbai – 400 001 Tel: 022 40807018 Fax: 022 66311776 Email: anjalee@idbitrustee.com
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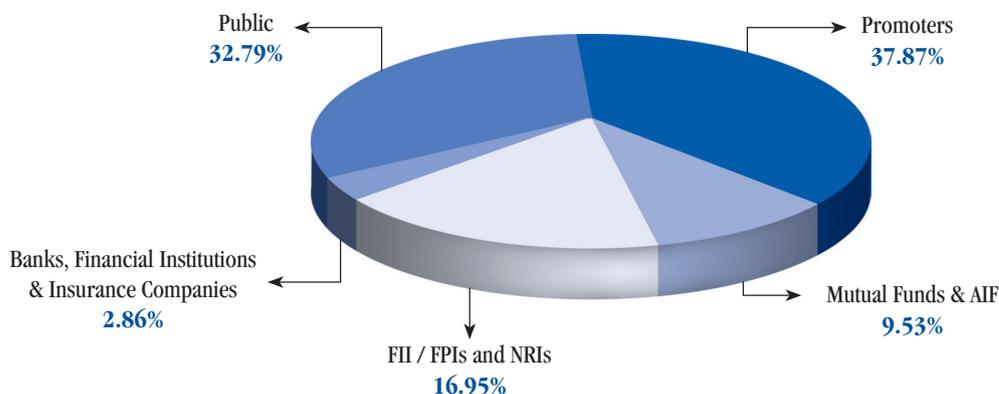
DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH 2024

No of equity shares	Total Shareholders	Total Shares	Total % of capital
Upto 250	37,621	9,04,894	0.81
251 to 500	1,843	7,01,828	0.63
501 to 1000	1,312	9,96,098	0.90
1001 to 5000	1,795	43,47,763	3.91
5001 to 10000	358	27,01,111	2.43
10001 to 50000	443	1,01,93,131	9.17
50001 to 100000	114	84,42,374	7.60
100001 and above	200	8,28,16,661	74.55
Total	43,686	11,11,03,860	100.00

Total shares held in dematerialised form 98.58%

Public shareholding in dematerialised form 97.71%

SHAREHOLDING PATTERN AS ON 31.03.2024



For your queries / grievances / complaints, please contact:

Mr. P.N. Srikant
 CCO & Company Secretary
 Sundaram Finance Limited
 21, Patullos Road, Chennai - 600 002
 Ph : 044-2888 1207
 Fax : 044-2855 0290
 E mail : investorservices@sundaramfinance.in

Rajiv C. Lochan
 Managing Director

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

To,

The Members, SUNDARAM FINANCE LIMITED,
(CIN - L65191TN1954PLC002429)
21, Patullos Road, Chennai – 600002.

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

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 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	Mr. Santhanam Viji	00139043	17/01/1986
2	Mr. Thiruvallur Thattai Srinivasaraghavan	00018247	01/02/1998
3	Mr. Srivats Ram	00063415	28/03/2022
4	Mr. Sreenivasan Prasad	00063667	28/10/2008
5	Mr. Pudugramam Narayanaswamy Venkatachalam	00499442	28/01/2011
6	Ms. Shobhana Ramachandhran	00273837	27/01/2014
7	Mr. Mahalingam Seturaman	00121727	26/05/2014
8	Mr. Raghavendra Raghuttama Rao	00146230	01/04/2019
9	Mr. Ganesh Lakshminarayan	00012583	12/08/2020
10	Mrs. Bhavani Balasubramanian	09194973	06/02/2023
11	Dr. Kshama Fernandes	02539429	11/08/2023
12	Mr. Ramachandran Venkatraman	07119686	05/02/2024
13	Mr. Harsha Viji	00602484	24/09/2010
14	Mr. Rajiv Lochan Chellappa	05309534	25/11/2016
15	Mr. Ayalur Natarajan Raju	00036201	01/06/2014

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

For **M DAMODARAN & ASSOCIATES LLP**

M. DAMODARAN

Managing Partner

Membership No.: 5837

COP. No.: 5081

FRN: L2019TN006000

P/R 3847/2023

ICSI UDIN: F005837F000400605

Place: Chennai

Date: 20.05.2024

SUNDARAM FINANCE LIMITED

CRITERIA FOR EVALUATION

(as amended on 29th March 2019)

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

- 1. Composition of the Board and availability of multi-disciplinary skills**
Whether the Board comprises of Directors with sufficient qualifications and experience in diverse fields to make SF a versatile institution.
- 2. Commitment to good Corporate Governance Practices**
 - a) Whether the Company practises high ethical and moral standards.
 - b) Whether the Company is fair and transparent in all its dealings with the stake holders.
- 3. Adherence to Regulatory Compliance**
Whether the company adheres to the various Government Regulations - Local, State and Central, in time.
- 4. Track record of financial performance**
 - a) Whether the Company has been consistently recording satisfactory and profitable financial performance year on year adding to shareholder value.
 - b) 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. Fulfilment of Independence Criteria

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

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

REMUNERATION POLICY OF SUNDARAM FINANCE LIMITED

(as amended on 6th February 2023)

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

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

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

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

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

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

I Definitions

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

II Board Diversity

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

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

III Remuneration Pattern

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

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

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

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

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

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

IV Implementation of the Remuneration Policy

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

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

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

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

Certificate on Corporate Governance

To,

The Members of SUNDARAM FINANCE LIMITED,
Chennai.

I, M Damodaran, Managing Partner of M Damodaran & Associates LLP, Practicing Company Secretaries have examined the compliance of the conditions of Corporate Governance by Sundaram Finance Limited (CIN: L65191TN1954PLC002429), Chennai for the year ended on 31st March, 2024, as stipulated in regulations 17 to 27, clauses (b) to (i) and (t) of Regulation 46(2), and paragraphs C, D and E of Schedule V of Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Regulations').

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

In my opinion and to the best of my information and according to the explanations given to me, I certify that the company has complied with the conditions of Corporate Governance stipulated in the above mentioned SEBI Regulations for the year ended 31st March, 2024.

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: 20.05.2024

For **M DAMODARAN & ASSOCIATES LLP**

M.DAMODARAN

Managing Partner

FCS No.: 5837

COP. No.: 5081

FRN: L2019TN006000

PR 3847/2023

ICSI UDIN: F005837F000400572

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 arm's length transactions under third proviso thereto.

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

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

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

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

Chennai
24th May 2024

S. VIJI
Chairman

Policy On Related Party Transactions

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

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

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

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

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

ANNUAL REPORT ON CSR ACTIVITIES FOR THE FINANCIAL YEAR 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://www.sundaramfinance.in/assets/app_docs/investor-info/corporate_governance/policies/companies_act/csr.pdf?v=1.3

2. The Composition of the CSR Committee:

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

Besides, CSR contributions were approved by resolutions passed in circulation on 5 occasions.

* Retired on 31st March 2024

** Mr. Harsha Viji became the Chairman of the Committee w.e.f. 1st April 2024.

Mr. L. Ganesh was appointed as a Member of the Committee w.e.f. 1st April 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.

- **CSR Policy link:**

https://www.sundaramfinance.in/assets/app_docs/investor-info/corporate_governance/policies/companies_act/csr.pdf?v=1.3

- **Composition of CSR Committee:**

https://www.sundaramfinance.in/assets/app_docs/investor-info/corporate_governance/composition_of_various_committees_27052024.pdf?v=1.0

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

Not applicable

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

https://www.sundaramfinance.in/assets/app_docs/investor-info/regulatory_disclosure/impact_assessment_report/2023-2024/impact_assessment_report.pdf?v=1.1

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

(₹ in lakhs)

5.	a.	Average net profit of the company as per sub-section (5) of section 135	1,10,220.24
	b.	Two percent of average net profit of the company as per section 135(5)	2,204.40
	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	800.62
	e.	Total CSR obligation for the financial year (5b+5c-5d)	1,403.78

(₹ in lakhs)

6.	a.	Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project) - Annexure III (ii)	1,322.83
	b.	Amount spent in Administrative Overheads	70.19
	c.	Amount spent on Impact Assessment, if applicable	18.59
	d.	Total amount spent for the Financial Year (6a+6b+6c)	1,411.61

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

Total Amount Spent for the Financial Year. (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per sub-section (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	Date of Transfer	Name of the Fund	Amount	Date of Transfer
₹1,411.61 lakhs	NIL				

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

Sl. No.	Particulars	Amount (₹ in lakhs)
(i)	(a) Two percent of average net profit of the company as per section 135(5)	2,204.40
	(b) Less: Excess amount set-off for the financial year	800.62
	(c) CSR obligation for the financial year	1,403.78
(ii)	Total amount spent for the Financial Year	1,411.61
(iii)	Excess amount spent for the Financial Year [(ii)-(i)(c)]	7.83
(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)]	7.83

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

1	2	3	4	5	6		7	8
Sl. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under sub-section (6) of Section 135 (in ₹)	Balance Amount in Unspent CSR Account under sub-section (6) of Section 135 (in ₹)	Amount spent in the Financial Year (in ₹)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub-section (5) of Section 135, if any		Amount remaining to be spent in succeeding Financial Years (in ₹)	Deficiency, if any
					Amount (in ₹)	Date of Transfer		
NIL								

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

Yes No

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

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

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

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

Not Applicable.

Mr. Rajiv C. Lochan
Managing Director

Mr. Harsha Viji
Chairperson - CSR Committee

Date : 24.05.2024

Place : Chennai

Sundaram Medical Foundation

Executive Summary

India's healthcare landscape blends public-private sectors, modern-traditional medicine, driving improved life expectancy and reduced mortality. Sundaram Medical Foundation (SMF), a Chennai-based not-for-profit, offers comprehensive, accessible healthcare since 1990. Renowned for community welfare, SMF delivers multi-specialty care, emphasizing early disease detection. The Sundaram Finance Group, a conglomerate established in 1954, supports SMF's endeavors. The group's commitment to excellence and community welfare aligns with SMF's mission. Six group companies contributed ₹18.95 Crores, reflecting a collective commitment to SMF's mission and the broader goal of accessible healthcare. This money was given for building a centralized housing quarters for the nurses working at SMF. To assess its impact, Social Audit Network (SAN) evaluated the group's support for SMF's housing quarters project.

Sundaram Medical Foundation (SMF) is dedicated to providing quality, affordable, and community-centric healthcare. Founded on principles of medical excellence, infection prevention, and patient safety, SMF aims to be a model of healthcare delivery in India. With a range of services including inpatient and outpatient care, preventive health programs, and community outreach initiatives, SMF ensures comprehensive healthcare for its patients, irrespective of socioeconomic status. With over 220 beds and a workforce of 1100+ staff, SMF provides free treatment to a significant portion of its patients.

Patient safety is paramount, with measures such as ID bands, safety equipment, and attendant accompaniment. Community outreach programs address various health concerns, while home care services ensure continuity of care post-discharge. SMF also prioritizes education and training, serving as a training center for medical professionals and offering facilities like pharmacies and TV lounges for patient comfort. The collaborative efforts of doctors and nurses ensure holistic care, with over 60% of medical staff having long-standing commitments to SMF's mission.

SMF Hospital currently provides decentralized accommodation for nurses across four hostels within a 5km radius. However, this setup incurs significant overhead costs and logistical challenges. To address this, SMF recognizes the need for centralized nursing quarters near the hospital. Proximity to the workplace improves response times during emergencies, enhances staffing efficiency,

and supports seamless coordination among healthcare teams. Additionally, it promotes a better work-life balance for nurses and reduces commuting costs and fatigue. SMF has identified a land in Madavaram village for constructing the nursing quarters. The construction timeline anticipates 2 years from the date of registration with the Bhoomi Pooja scheduled for the coming months.

Providing nursing quarters for SMF nurses directly addresses the challenge of high attrition rates among them, ensuring continuity of care and enhancing job satisfaction and retention. By offering convenient accommodation near the hospital, nurses can achieve a better work-life balance, leading to improved performance and morale. This initiative demonstrates SMF's commitment to staff well-being, attracting and retaining top talent in the healthcare industry. Additionally, nursing quarters strengthen emergency response capabilities, ensuring quick access to care during critical situations and bolstering the hospital's reputation for reliable healthcare provision.

SMF excels in managing patient wait times, with efficient resource allocation and high bed utilization rates contributing to streamlined services. Operating room efficiency ensures minimal downtime between procedures, reducing patient waitlists. Financial analysis indicates cost-effectiveness, with the hospital spending generously on discounted charges for needy patients. Nursing staff-to-patient ratios demonstrate efficient utilization, with optimized staffing levels across departments. While initial investment in nursing quarters may be required, the long-term benefits include reduced turnover rates, cost savings, and enhanced staff productivity and efficiency, ultimately contributing to SMF's continued success in providing quality healthcare.

SMF's commitment to accessible healthcare is demonstrated through its provision of free or subsidized treatment, reducing healthcare disparities. Its efforts in workforce development and community engagement promote economic growth and education. Environmental sustainability initiatives showcase its broader impact on environmental conservation. Emphasis on patient-centered care and staff well-being fosters a culture of compassion and respect. Thus, SMF's role extends beyond healthcare, acting as a community pillar, stimulating the local economy, and promoting overall community health and resilience.

Laxmi Charities

Executive Summary

Starting from 1973, Laxmi Charities has been reaching out to the students in Tamil Nadu, recognizing their academic performances and providing scholarships to support their studies. The program is in alignment with the CSR policy of Sundaram Finance Limited that promotes education by providing financial assistance to the deserving educational institutions, meritorious and needy students, including special education and employment enhancing vocation skills, especially among children, women, elderly and the differently abled. The program is also in alignment with SDG4 of the UNSDGs in the Agenda 2030 and the activity (ii) of the Schedule VII of the Section 135.

Sundaram Finance Limited supported Laxmi Charities with a CSR outlay of ₹2,00,00,000/- for the FY 22-23. The grants were disbursed to the meritorious students from the economically weaker sections of the society. An estimated total 7,019 (2,880 males & 4,139 females) students were conferred the scholarship amount ranging from secondary, higher secondary and the college students. The amount ranges from ₹4,500 to the secondary and higher secondary students, ₹7,500 to the Diploma or regular undergraduate courses and ₹16,000 for professional courses.

The team of Give Grants conducted a third-party assessment to evaluate the program's effectiveness, efficiency and its impact during this period. The assessment deployed 'mixed method' for understanding relevance, preparedness, effectiveness and efficiency of the program. A determined sample of 220 stakeholder comprising 210 beneficiaries and 10 program team members of Laxmi Charities were assessed virtually and in-person respectively.

The findings of the assessment reveal that the intervention has been 'Highly Relevant' to the socio-economic and geographical

context of the beneficiaries w.r.t. the state of Tamil Nadu. Students and parents testified the program giving them a ray of hope and confidence on future during distress. The project investments on sustaining higher education participation in Tamil Nadu is significant and have contributed to Tamil Nadu's Gross Enrolment Rate to higher education, far above the national average of 28.4%. (Source: AISHE 2021-22).

The eligibility criteria for the students to be able to apply for the scholarship is 75% which, depending on the vulnerability, is adjusted to 65% from case-to-case basis. The beneficiaries are selected from the low income families. 67.5% of the beneficiary families earn less than ₹1 lakh per year. Furthermore, 99% of them have an annual family income lesser than ₹3 lakhs. 85.6% families are single income families, where only 12.6% women participate in livelihood activities. Women work only when the father losses the job or passes away. 1.9% family incomes are supported by young adults due to father's demise and mother being always a home-maker.

The assessment further enlightens that the beneficiary students are excellent academic performers and have a potential to improve the quality of life for their families as they complete their studies. Cumulatively, 84.7% of the children in CGPA valuation scored 8 and above (i.e. $\leq 76\%$, following the equation $9.5 * \text{GPA score} = \text{score in percentage}$). On percentage valuation system, 79.3% of the children scored more than 75% marks.

The scholarships were reported to be processed in 3 months from the date of being confirmed for one. For 61.3% of beneficiaries, the amount was processed within two months of the confirmed scholarship. 92.4% of the beneficiaries have rated scholarship and

it's processing 'excellent'. Parents and beneficiaries, however, have hinted the concern that the physical verifications of the students that happen on a week day which hampers their availability to the school/college. Evenings or weekends have been suggested as ideal hours for physical verifications.

For 11.1% of beneficiaries, the scholarship was the only source of financial support. For 31.3% of beneficiaries, the scholarship would have affected their academic process.

Scholarship has sustained family economies as well. While 1% of the families resort to sell their assets, cumulatively 47.6% of the households would have been in debt 6.3% of gold loan risking their savings, 1% from families/relatives, 24.5% on formal credits, 15.9% struggling to manage financial expenses to manage the fees with their income. The scholarship disbursements were timely and fulfilled immediate academic requirements.

While the scholarship disbursements have been efficient, only 59.5% of the students from the secondary, higher secondary and

the undergraduate courses have been able to meet the course expenses. For almost 29.3% of the students course fees are high and hence the scholarship amount fulfills partial academic requirement. The academic performers who have sought admission in government institutions are able to meet the expenses from the scholarship amount.

59.5% of recipient beneficiaries are continuing the academic course hence it will be imperative to provide career counselling, nuances to consider while appearing for placement interviews. While the scholarship disbursement are one time, the impact of student's educational development leading to a professional career and thereby improved quality of life can only be attributed if the amount is disbursed to the same student for 2 years atleast. For now, the program relies on 'word-of-mouth' publicity. However, going forward, students can be provided a welcome kit as a 'brand recall'.

Medical Research Foundation (Sankara Nethralaya)

Executive Summary

The eye care sector in India is crucial, given the high prevalence of eye disorders like cataracts and glaucoma. The government and NGOs are working to improve eye care services, but challenges like a shortage of skilled personnel and rural accessibility persist. Sankara Nethralaya, a renowned eye care institution, focuses on providing high-quality services to all, regardless of their ability to pay. They conduct research, offer education programs, and have received recognition for their contribution to providing quality eyecare and research.

The World Health Organization (WHO) estimates that approximately 2.2 billion people globally have vision impairment or blindness, with various causes ranging from refractive errors to retinal detachment. To address these issues, precise diagnostic and surgical equipment are crucial. Sankara Nethralaya chose to procure the Zeiss Lumera 700 operating microscope due to its advanced features and capabilities, for enhancing surgical procedures. A total of ₹150 lakhs was donated to Sankara Nethralaya by the Sundaram Finance Group for the period 2022-2023 to procure the Zeiss Lumera 700 operating microscope.

Sundaram Finance commissioned Social Audit Network India, to evaluate the impact of this microscope in providing high-quality eye care services with the state-of-the-art operating microscope.

The microscope was chosen for the following reasons

- Provides real-time 3D visualization during surgery with intra-operative Optical Coherence Tomography (OCT).
- High-resolution optics and advanced illumination systems for clear, detailed visualization and precision.
- Integrated Technology comprising of camera systems, image capture, and illumination modes for documentation and teaching.
- Ergonomic and comfortable working positions for surgeons, reducing fatigue during long surgeries.

- Precise visualization provides safety and reduces the risk of accidental damage to critical structures during an operation.

The procurement of the Zeus microscope has been very relevant and effective as it achieves Sankara Nethralaya's objectives of providing quality care through improved surgical outcomes and reduced complications. It also ensures cost-effective surgeries with high utilization and reduced operating times. It brings numerous social benefits for both the medical team and patients. Enhanced precision enables surgeons to conduct intricate procedures, resulting in improved surgical outcomes and quicker recovery, thus enhancing patients' quality of life. Reduced errors during surgery diminish the necessity for reoperations, lessening emotional and financial burdens on patients and families. The microscope aids in training junior doctors and nurses, fostering a skilled medical workforce and ultimately benefiting society. Patients experience higher satisfaction due to better surgical outcomes and reduced discomfort during recovery. Additionally, minimized trauma during surgery, shortened surgical duration, and reduced healthcare costs contribute to overall patient well-being.

The surgeons consulted appreciate its advanced features and ease of use. They performed delicate procedures with unprecedented accuracy, reducing complications and improving patient outcomes. Its versatility also aided them in training and educating medical professionals. The Nurses appreciated the reduction in surgical time and manual adjustments. The patients expressed confidence in the hospital's advanced technology and experienced doctors.

The availability of advanced technology in eye care instills hope in patients facing complex conditions and fuels ongoing research, advancing medical knowledge. It fosters further advancements in healthcare, benefiting society at large and making it indispensable in modern ophthalmology and a valuable asset for Sankara Nethralaya.

Shanmugha Arts, Science, Technology & Research Academy (SASTRA)

Executive Summary

In India, mechanical engineering technology contributes significantly to the economy, with a substantial portion of technology imports and product values attributed to this field. Despite the theoretical emphasis in college education, practical industrial training with heavy machinery is not universally integrated into curricula. Recognizing this gap, Sundaram Finance has partnered with SASTRA Deemed University (a prestigious institution renowned for its science, technology, and liberal arts education) to establish an industrial training center for mechanical engineering students, providing hands-on experience in advanced manufacturing. The university's parent body, Vee See Bee Trust, established Shanmugha Precision Forging (SPF) as an in-house industrial training center for mechanical engineering students.

Sundaram Finance commissioned Social Audit Network India, to evaluate the program's overall impact on providing industrial training to engineering students and vocational training to underprivileged individuals.

SPF offers hands-on training in precision forging, a manufacturing technique used to produce high-quality metal components for industries such as automotive, aerospace, and defense. SPF has a state-of-the-art facility, equipped with advanced machinery including CNC machines, conventional machines, furnaces, and standards room facilities accredited by NABL. The funding of ₹70,00,000/- from Sundaram Finance has facilitated the acquisition of CNC machinery, strengthening SPF's training capabilities.

Over 400 students benefit from the industrial training program annually, gaining valuable experience in manufacturing, digitalization, quality checks, and factory management. Students from mechanical engineering studying at SASTRA Deemed University, polytechnic courses, skill development programs,

internships, and research programs benefit from hands-on training at SPF.

The facility optimizes machinery usage by integrating training with production activities, ensuring cost-effectiveness and enhanced training opportunities for students. Most students trained at SPF secure placements in reputed companies, with some returning to work at SPF or starting their own ventures.

The industrial training program aligns with various national initiatives such as Make in India, Skill India, 7 Sustainable Development Goals (SDGs), and contributes to building a skilled workforce and promoting entrepreneurship.

The Industrial training at SPF not only enhances students' technical skills but also promotes social inclusion, economic growth, and environmental sustainability. The program's financial sustainability is partially supported by revenue generated from production activities.

Based on the findings, recommendations include continued support for SPF's industrial training program, further collaboration between Sundaram Finance and SASTRA, and the exploration of additional initiatives to enhance vocational training for underprivileged individuals.

The industrial training program at SASTRA, supported by Sundaram Finance, has demonstrated its effectiveness in bridging the gap between theoretical education and practical skills. By providing hands-on experience in advanced manufacturing, the program equips students with the necessary skills to excel in their careers, contributing to the growth of the mechanical engineering sector and the overall economy. Through continued support and innovation, the program can further expand its impact, benefiting students, industries, and society at large.

Gandhigram Trust

Executive Summary

The Gandhigram Trust over the years has evolved as an institution sustaining livelihoods of the rural community through multi-thematic approaches in healthcare, education, rehabilitation and community development. Sundaram Finance Limited as a part of its CSR policy has been supporting Gandhigram Trust in enabling sustaining livelihoods of the socioeconomically marginalised communities along with the preservation, promotion and development of traditional handicrafts.

Sundaram Finance Limited supported Gandhigram Trust with a CSR outlay of ₹50,00,000 to the Gandhigram Trust for the program FY 2022-23. The grants were provided towards creating continual employment opportunities to the local artisans and rural folk, especially the women and elderly, working at the Khadi and village industry. The program also focused on the modernization of the khadi and village industry through varied marketing and sales strategies.

The team of Give Grants conducted a third-party assessment to evaluate the program's effectiveness, efficiency and its impact during this period. The assessment deployed 'mixed method' for understanding relevance, preparedness, effectiveness and efficiency of the program. A determined sample of 152 stakeholders comprising 129 beneficiaries, 11 key leadership people and 12 program team members of the Gandhigram Trust were assessed over the locations of Gandhigram, Dharumathupatti, Kasipalayam, T.Suppapuram, Tenkasi and Madurai.

The findings of the assessment reveal that the intervention has helped the families of beneficiary in having a continual source of income in addition to the traditional one such as agriculture and animal husbandry.

The employment at the Gandhigram Trust provide beneficiaries

with job security, employee benefits, flexible working hours and employment at the doorstep. More than 90% of respondent would continue to work with the organisation. The intervention contributes to around 15% of their regular income and around 20% of the education for their children. The intervention particularly helped beneficiaries during Covid-19 when the salary continued being paid in addition to the provision of relief-aid items.

Over the years, with the product diversification, the program has enabled beneficiaries 5% growth in the sales with 42% spike in the sales of cold pressed oils. The product diversification has also brought customized designs and digital artwork, certifications and SOPs for food products, modernized packaging and labelling, new sales and distribution channels, online platform for marketing and sales.

Around 73% of employees of khadi and 36% of village industry receive on-the-job training and peer mentoring in their respective units. 47% of employees of khadi and village industry have an opportunity to work cross functional units.

Efficiency and Effectiveness

- 73% of employees of Khadi and 36% of village industry received on the job training and others received peer mentoring in their respective units.
- 47% of the employees in Khadi and Village industry had an opportunity to work in cross functional units.
- The Khadi employees received wages whereas employees at Village industry received salary. Other benefits include health care facilities, education for children, Nutri-blend as a supplement and continued job even during covid times (with relief fund and food during challenging times).

Ashoka Trust for Research in Ecology and the Environment (ATREE)

Executive Summary

The Ashoka Trust for Research in Ecology and the Environment has been working on the mission to work across issues like biodiversity and conservation, climate change mitigation and development, land and water resources, forests and governance, and ecosystem services and human well-being. As a part of their action-oriented research on community-based conservation, Agasthyamalai Community Conservation Centre (ACCC) to facilitate a two-way flow of knowledge between local stakeholders and researchers and provide support for the long-term monitoring of socio-ecological systems.

Sundaram Finance Limited supported ATREE with a CSR outlay of ₹40,00,000 for the program in FY 2022-23. The grants were provided towards supporting Agasthyamalai Community Conservation Centre (ACCC) in functioning of the nature conservation and human well-being through the aspects of 1) Awareness, 2) Livelihoods, 3) Governance and 4) Research. The program has conceptualised inclusive participation of local communities, citizen, school children, women SHGs, and relevant government officials.

The team of Give Grants conducted a third-party assessment to evaluate the program's effectiveness, efficiency and its impact during this period. The assessment deployed 'mixed method' for understanding relevance, preparedness, effectiveness and efficiency of the program. A determined sample of 51 stakeholder comprising 20 school students, 15 Citizen Science Club members, 5 Biodiversity Management Committee members, 2 Scientists, 2 Principals/ Teachers, 1 Research Intern, 1 Forest Department Officials, 1 NGO SPOC for temple tourism and 1 program team member.

The findings of the assessment reveal that the intervention by ATREE is holistic, multi-faceted and multi-pronged in a region that conserves biodiverse region of Western Ghats at Agasthyamalai range.

The program has been extremely relevant from a local conservation approach. The annual bird counting, bat monitoring, moth monitoring and wetland birds monitoring have helped in understanding the inter-aligned aspects of climate change, availability of natural resources and conservation need amidst anthropological cursors. The intervention of school biodiversity education program has further included primary school students in orienting them about the ecology, biodiversity and the environment. Temple tourism particularly has rooted the biodiversity conservation by adapting waste management approach during annual festival at the pilgrim inside the protected area of Kalakad - Mundunthurai Tiger Reserve (KMTR). The long-term phenology underscores determining climate change phenomenon and the resilience developed by the tree and floral species.

The sluice construction has led to the year round water availability for irrigation to the farmers for growing paddy leading to 20% raise in their income. However, ATREE is facing a bit of challenge in scientifically advocating the importance of bat in the pest management. Most of these bats find shelter in the darker areas, often in the darker spaces of places of worship such as temples. The myth associated in the presence of bat is limiting the outreach.

The intervention of temple tourism in consortium the NGO, local communities and the forest department has led to local community being aware of hazards of waste generated during the annual festival in the month of 'Aadi'. During the festival, the forest department checks the belongings of each of the pilgrim and bars any plastic to be carried along. The forest department has mandated the setting up of make shift bio-toilets for keeping the reserve defecation free. The collaboration of ATREE with the NGO with Ambasamudram municipality has led to the pick-up of waste generated at the temple source.

The establishment of Citizen Science Club has made the local citizen know about the ways to monitor the species. The members have been able to identify 50+ moth varieties and 100+ wetland birds. The members become a key stakeholder in disseminating the information to the school students while they are on ground.

The biodiversity committee members with the help of ATREE is able to identify atleast 5 moth species and 40 wetland birds. All respondent members of Citizen Science Club and Biodiversity Committee Members unanimously attribute ATREE's intervention in enabling the community the knowledge about the conservation of species. The ability of the community to ascertain 'native' and 'exotic' or 'migrant' has resulted in reduced poaching incidences. The ability to identify the species, being aware of rich cultural geography and promoting eco-friendly lifestyle among youth and school students have been an outcome of the persistent efforts of ATREE.

The school biodiversity education program has become an anchoring intervention where every year 25 interested students undergo extensive classroom and outdoor trainings. The course has made them force to think, understand the concept and connect the dots prevailing between conservation, species and

human dependency. The curiosity has heightened their interests in understanding key peripheral yet integral subjects such as determining river flow, importance of judicious waste management, understanding of species (native, indicator and keystone), difference between venomous and non-venomous snakes etc. The program has resulted in students influencing their parents about plastic waste, food wastage, use of recycle bins and identification of species and their importance in ecology as part of the application of the knowledge in day-to-day life. The program of ATREE too has validated the same. The teachers, too, have reported behavioural shifts regarding biodiversity conservation and prevention of pollution. All students started to recommend this program to their friends. Historically, the programme has resulted students seeking professional career. The research intern informed being a part of this program and way in which it changed its outlook on species, landscape, ecology, environment and anthropological cursors.

The program continues to achieve intended outcomes as the program isn't designed for a particular financial year. The school biodiversity program has potential in influencing interested students in biodiversity conservation.

Details of CSR amount spent against other than ongoing projects for the financial year 2023-24

Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Purpose	Local Area (Yes/No)	Location of the Project.		Amount spent for the Project (₹ in Lakhs)	Mode of Implementation (Yes/No)	Mode of implementation - Through implementing agency.	
					State.	District.			Name	CSR Registration Number
1.	Promoting preventive and general health care	Health Care	To acquire CT Scanning Equipment and an ERP Application	Yes	Tamil Nadu	Chennai	225.00	No	Sundaram Medical Foundation	CSR00018426
		Health Care	Mental health services to vulnerable communities.	No	Karnataka	Bangalore	40.00	No	Live Love Laugh Foundation	CSR00012198
		Health Care	To cater services to many people from poor socio economic backgrounds through their trained nurse assistants. Maintenance costs of the premises and purchase of medical equipment & materials to provide medical care.	Yes	Tamil Nadu	Chennai	35.00	No	Schizophrenia Research Foundation (SCARF)	CSR00000884
		Health Care	Construction of new hospital building.	Yes	Tamil Nadu	Rainipet	30.00	No	Thirumalai Charity Trust	CSR00000287
		Health Care	Expenses to be incurred in connection with cancer treatment of poor children.	Yes	Tamil Nadu	Chennai	25.00	No	Sri Ramachandra Educational and Health Trust	CSR00001622
		Health Care	Patient care subsidies and cost of essential medications/treatments/therapies.	Yes	Tamil Nadu	Chennai	25.00	No	The Voluntary Health Services	CSR00003444
		Health Care	Equipping the Operating Theatre and Dialysis Department with advanced surgical and medical equipment.	Yes	Tamil Nadu	Chennai	25.00	No	Hindu Mission Hospital, Tambaram	CSR00005035
		Health Care	Providing dialysis support to the under privileged patients.	Yes	Tamil Nadu	Chennai	15.00	No	Tamilnad Kidney Research Foundation (TANKER)	CSR00001422
		Health Care	Cancer awareness and screening.	Yes	Tamil Nadu	Chennai	10.00	No	Udhavum Ullangal Public Charitable Trust	CSR00000897
		Health Care	Purchase of new ambulance.	Yes	Tamil Nadu	Chennai	10.00	No	Hindu Mission Health Services (Nanganallur)	CSR00012258
		Health care	Pain and Palliative Care.	Yes	Tamil Nadu	Chennai	10.00	No	RMD Pain & Palliative Care Trust	CSR00000406
		Health care	To conduct training programmes and to set up resource rooms in the school.	Yes	Tamil Nadu	Chennai	10.00	No	Madras Dyslexia Association	CSR00000202
		Health care	To support the operational expenses for running the Ammini Diagnostic Medical Centre.	Yes	Tamil Nadu	Chennai	9.00	No	Swami Vivekananda Medical Mission (Chennai)	CSR00054764

Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Purpose	Local Area (Yes/No)	Location of the Project.		Amount spent for the Project (₹ in Lakhs)	Mode of Implementation (Yes/No)	Mode of implementation - Through implementing agency.	
					State.	District.			Name	CSR Registration Number
		Health Care	Medical Centre for the needy to provide free consultation and medicines.	Yes	Tamil Nadu	Chennai	5.00	No	Srinivasa Youngmen's Association (SYMA)	CSR000006343
		Health Care	To support the Rehabilitation Centre for Persons with Spinal Cord Injury.	Yes	Tamil Nadu	Tiruvannamalai	5.00	No	Soulfree	CSR000005305
		Health Care	To provide free specialty medical services to the tribal and poor people in Attappady	No	Kerala	Palakkad	3.00	No	Swami Vivekananda Medical Mission	CSR000002488
		Health care & Social Welfare	To support the expenses to be incurred towards maintenance and running of their rehabilitation centre.	Yes	Tamil Nadu	Coimbatore	2.50	No	The United Educational & Social Welfare Trust	CSR000000029
		Health Care & Education	Equipment for therapies, improving classroom infrastructure and supporting educational/training projects.	Yes	Tamil Nadu	Chennai	2.00	No	Arvind Foundation	CSR000003559
SUB TOTAL							486.50			
2.	Promoting Education by providing financial assistance to deserving and meritorious students and also educational institutions which work for this cause	Education	Education to deserving students.	Yes	Tamil Nadu	Chennai	250.00	No	Laxmi Charities	CSR000005940
		Education	Research and Academic Education.	Yes	Tamil Nadu	Thanjavur	65.00	No	Shamugha Arts, Science, Technology & Research Academy (SASTRA)	CSR000001064
		Education & Social Welfare	To provide quality education and to meet their ongoing projects	Yes	Tamil Nadu	Chennai	35.00	No	Swami Vivekananda Rural Development Society, Chennai (STS)	CSR000001905
		Education	Expenses to be incurred towards payment of salaries to teachers/non-teaching staff, as well as food, accommodation and educational requirements of the students.	Yes	Tamil Nadu	Chennai	25.00	No	Ramakrishna Mission Students Home	CSR000006101
		Education	Regular preservation and maintenance of their library books.	Yes	Tamil Nadu	Chennai	20.00	No	The Kuppaswami Sasri Research Institute	CSR000008155
		Education	Art for play, through which they will be building innovative art inspired playgrounds.	Yes	Tamil Nadu	Chennai	20.00	No	RainbowFish Educational Trust - IAEDA	CSR000008660
		Education	Empowering children / youth.	No	Karnataka	Bangalore	10.00	No	Children Movement for Civic Awareness (CMCA)	CSR000000784

Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Purpose	Local Area (Yes/No)	Location of the Project.		Amount spent for the Project (₹ in Lakhs)	Mode of Implementation (Yes/No)	Mode of implementation - Through implementing agency.	
					State.	District.			Name	CSR Registration Number
		Education & Health Care	Orphanage with Skill Development Centre facilities in North Chennai for the destitute boys and unemployed youth, Free evening study centres all over Tamilnadu and to operate mobile medical units covering various parts of Chennai and its surrounding areas.	Yes	Tamil Nadu	Chennai	10.00	No	Sevabharathi	CSR00004180
		Education	Expanding the capacity of their women care centre and for meeting operational expenses.	No	Karnataka	Bangalore	10.00	No	WeLive Foundation	CSR000042316
		Education	Annual maintenance expenses and construction of additional classrooms.	Yes	Tamil Nadu	Thiruvallur	10.00	No	Bhagawan Sri Sathya Sai Educational Trust	CSR000013155
		Education	To financially support deserving poor students to pursue their education.	Yes	Tamil Nadu	Chennai	10.00	No	Om Charitable Trust	CSR00002768
		Education	To maintain free transport to village students over 50 kms radius from college and to update the facilities of the institution's infrastructure.	Yes	Tamil Nadu	Thiruchirappalli	10.00	No	Sri Ranganatha Paduka Vidyala Trust (Srimad Andavan Arts & science college)	CSR000056033
		Education	Education of underprivileged girl children.	Yes	Tamil Nadu	Chennai	5.00	No	All India Movement for Seva	CSR00003273
		Education	Menstrual Health and Hygiene Management Education.	Yes	Tamil Nadu	Chennai	5.00	No	Iniya Udayam Charitable Trust	CSR00004181
		Education	To develop the infrastructure facility of the school to provide a better learning experience for the students.	No	Gujarat	Kutch	5.00	No	Eklavya Education Trust	CSR000055021
		Education	Value education workshops for school and college students	Yes	Tamil Nadu	Chennai	5.00	No	Vivekananda Cultural Centre	CSR00002806
		Education	To meet the expenses to be incurred for imparting skill development training.	No	Kerala	Wayanad	5.00	No	Wayanad Girijana Seva Trust	CSR000011224
		Education	Construction of new building for the school.	Yes	Tamil Nadu	Virudhunagar	3.00	No	The Hindu High School Committee	CSR000042303
		Education	Empowering young girls and women by equipping them with the requisite trade/technical skills to meet their livelihood.	Yes	Tamil Nadu	Viluppuram	3.00	No	Swami Vivekananda Rural Community College	CSR000009350
		Education & Women empowerment	To support vocational training and self-employment.	No	Karnataka	Bangalore	3.00	No	Cheshire Disability Trust	CSR00004844

Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Purpose	Local Area (Yes/No)	Location of the Project		Amount spent for the Project (₹ in Lakhs)	Mode of Implementation (Yes/No)	Mode of implementation - Through implementing agency.		
					State.	District.			Name	CSR Registration Number	
		Education	Quality education through STEM Learning in Government/ Aided schools	No	Karnataka	Bangalore	3.00	No	Samarthanam Trust for the Disabled	CSR000000063	
		Education & Animal Welfare	Towards running tuition centre and maintenance of goshala.	Yes	Tamil Nadu	Chennai	3.00	No	Chakkaram Foundation	CSR00002742	
		Education	Free online education program for State board schools in rural areas of Tamil Nadu.	Yes	Tamil Nadu	Chennai	3.00	No	Open Mentor Trust	CSR00021428	
		Education	Educational development of under-privileged people in tribal areas.	Yes	Tamil Nadu	Tirunelveli	2.00	No	Bodhi Tree Foundation	CSR00020098	
		Education	Funding for Pre-Primary Support Programmes.	Yes	Tamil Nadu	Chennai	2.00	No	Maitri	CSR00047960	
		Education	Construction of classrooms and upgradation of school facilities.	Yes	Tamil Nadu	Madurai	2.00	No	Sri Ramakrishna Math	CSR00002806	
		Education	Construction of separate building blocks for housing children and adults separately.	Yes	Tamil Nadu	Kanchipuram	2.00	No	Paradise Home (Special School & Adult Mentally Challenged Home)	CSR00013719	
		Education, Health & Women empowerment	To support the children's day care centre and provide educational assistance to deserving students.	Yes	Tamil Nadu	Chennai	2.00	No	Social Service Trust	CSR00022242	
		Education	To meet the expenses relating to procurement of solar panels, computers, etc., and maintenance of the school.	Yes	Tamil Nadu	Chennai	1.00	No	The Children's Garden School Society	CSR00004719	
		Education	To meet the expenses to be incurred towards the maintenance of the school.	Yes	Tamil Nadu	Cuddalore	1.00	No	Sri Lakshmi Hayagriva Trust	CSR00008372	
		Education	Expenses to be incurred towards the maintenance and running of their institution.	Yes	Tamil Nadu	Chennai	1.00	No	Lotus Blind Welfare Trust of India	CSR00021568	
SUB TOTAL							531.00				

Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Purpose	Local Area (Yes/No)	Location of the Project		Amount spent for the Project (₹ in Lakhs)	Mode of Implementation	Mode of implementation - Through implementing agency.																																					
					State.	District.			Name	CSR Registration Number																																				
3.	Environmental sustainability, Ecological balance, Conservation of Natural resources	Ecology / Environment	Programs on wildlife - Wild Shaale and the Elephant program	No	Karnataka	Bangalore	50.00	No	Centre for Wildlife Studies	CSR00002135																																				
											Ecology / Environment	Restoration of grasslands, wetlands and temple Nandavanams.	No	Karnataka	Bangalore	40.00	No	Ashoka Trust for Research in Ecology and the Environment (ATREE)	CSR00004694																											
																				Ecology / Environment	Maintenance of park.	Yes	Tamil Nadu	Chennai	26.33	Yes	Nageswara Rao Park Maintenance	Direct																		
																													Ecology / Environment	Coastal Ecology.	No	Karnataka	Bangalore	25.00	No	Dakshin Foundation	CSR00007867									
																																						Ecology / Environment	Solid Waste Management Phase-II, towards Zero Waste, Sustainability and Replicability	Yes	Tamil Nadu	Nilgiris	5.00	No	Clean Coonoor	CSR00017182
SUB TOTAL																																														
147.33																																														
4.	Protection of National Heritage, Art and Culture	Art and Culture	Livelihood of stage performance artists - Kattai Koothu	Yes	Tamil Nadu	Tiruvannamalai	5.00	Yes	Arulmigu Shree Mandaveli Amman Nadaga Mandram	Direct																																				
											Art and Culture	Livelihood of stage performance artists - Kattai Koothu	Yes	Tamil Nadu	Tiruvannamalai	5.00	Yes	Shree Renugambal Kattai Koothu Nadaga Mandram	Direct																											
																				Art and Culture	5 th edition of Mumbai Margazhi Mahotsavam.	No	Maharashtra	Mumbai	5.00	No	Tender Roots Academy - Marghazhi utsavam (Banyan Tree)	CSR00000141																		
																													Art and Culture	To provide excellence in classical dance which provides senior and junior fellowships to deserving and upcoming classical artists	Yes	Tamil Nadu	Chennai	3.00	No	Kalavaahini	CSR00053685									
																																						Art and Culture	To support for the cause of divine art form.	Yes	Tamil Nadu	Thanjavur	1.00	No	Bhagavata Mela Natiya Nataaka Sangam	CSR00029877
SUB TOTAL																																														
20.00																																														

Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Purpose	Local Area (Yes/No)	Location of the Project.		Amount spent for the Project (₹ in Lakhs)	Mode of Implementation Direct (Yes/No)	Mode of implementation - Through implementing agency.	
					State.	District.			Name	CSR Registration Number
5.	Protection of National Heritage, Art and Culture	Culture and Heritage & Women empowerment	Strengthening khadi and village industries with Gandhian principles and work towards empowering rural women in selected activities.	Yes	Tamil Nadu	Dindigul	62.00	No	Gandhigram Khadi and Village Industries Public Charitable Trust	CSR000025119
			Construction of multi-purpose hall, additional floors for hosting scholars and students, restoration of old Natural Stone Mandapam and other related construction activities	Yes	Tamil Nadu	Chennai	30.00	No	Sri Vedantha Desikar Devasthanam	CSR000057138
			Promotion of Vedic Education.	Yes	Tamil Nadu	Chennai	20.00	No	Sundaram Charities	CSR000006397
			Conducting music concert for fund raising and to utilise for noble causes which includes free education & poor feeding	Yes	Tamil Nadu	Chennai	2.00	No	Bhagwan Yogamoorthy Sri Sri Sri Maha Periyava Meela Adimai Trust	CSR00002723
			To meet the running cost for the padasala.	Yes	Tamil Nadu	Mayiladuthurai	1.00	No	Smt Jayanthi Janakiraman Ninaivu Dravida Veda Agama Padasalai	CSR00001514
SUB TOTAL							115.00			
6.	Animal Welfare	Animal Welfare	Procurement of animal feed, medicines; operational expenses of rescue vehicles, salaries for vets, parawets, animal care staff, and other office expenditure.	Yes	Tamil Nadu	Chennai	5.00	No	The Blue Cross of India	CSR00002805
			To meet the operational expenses to be incurred for the rescue, treatment and rehabilitation of injured / abandoned animals.	Yes	Tamil Nadu	Chennai	2.00	No	LARA Animal Rights Trust	CSR000045298
SUB TOTAL							7.00			
7.	Social / Public Welfare	Social / Public Welfare	Construction of new 2 storied building as part of their old age home for accommodating new inmates	No	Telangana	Hyderabad	3.00	No	Sai Yadadri Seva Ashramam	CSR000028875
			Installation of 20KLD Sewage Treatment Plant and purchase of auto rickshaw for elderly residents.	Yes	Tamil Nadu	Chennai	2.00	No	Little Drops	CSR00003749
			Support for running the day care centre in Anna nagar for people with dementia and providing nutritional support for underprivileged senior citizens	Yes	Tamil Nadu	Chennai	1.00	No	Dignity Foundation	CSR000008328
SUB TOTAL							6.00			
8.	Sports Development	Sports	Training of Athletes and Para Athletes supported by OGG for 2024 Paris Olympics and Paralympics	No	Maharashtra	Bhandara	10.00	No	Foundation for Promotion of Sports and Games (OGG)	CSR00001100
			SUB TOTAL							10.00
GRAND TOTAL							1,322.83			

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

SECTION A: GENERAL DISCLOSURES

I Details of the Listed Entity

1. Corporate Identity Number (CIN) : L65191TN1954PLC002429
2. Name of the Listed Entity : Sundaram Finance Limited
3. Year of Incorporation : 1954
4. Registered Office address : 21, Patullos Road, Chennai 600 002
5. Corporate Address : 21, Patullos Road, Chennai 600 002
6. E-mail id : investorservices@sundaramfinance.in
7. Telephone : 044-28881207
8. Website : www.sundaramfinance.in
9. Financial Year reported : April 1, 2023, to March 31, 2024
10. Name of the Stock Exchange(s) where shares are listed : National Stock Exchange of India Limited (NSE)
11. Paid up capital : ₹111.10 Cr.
12. Name and contact details of the person who may be contacted in case of any queries on the BRSR report : P.N. Srikant, CCO & Company Secretary
Tel-044-28881207
Email Id: pnsrik@sundaramfinance.in
13. Reporting boundary : Disclosures made in this report are on a standalone basis.
14. Name of assurance Provider : Not Applicable
15. Type of Assurance Provider : Not Applicable

II Products / Services

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

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1	Financial and Insurance Service Main Product / Service: Interest Income on Hypothecation Loan / Hire Purchase	Financial and Credit Leasing Activity	93.43%

17. Products/services sold by the entity (accounting for 90% of the turnover):

S. No.	Product/Service	NIC Code	% of total Turnover contributed
1	Providing finance for commercial vehicles, cars, multi-utility vehicles, construction equipment, tractors, working capital finance, Leasing, SME financing and NBFC funding.	As per National Industrial Classification – 2008: Section K - Financial and Insurance Activities Division 64 – Financial service activities, except insurance and pension funding.	93.43%

III Operations**18. Number of locations where plants and/or operations/offices of the entity are situated:**

Location	Number of plants	Number of offices	Total
National	*	710	710
International	Not applicable		

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

19. Markets served by the entity:

a. No of locations:

Locations	Total
National (No of states)	21
International (No of countries)	Nil

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

Not applicable

c. A brief on types of customers

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

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

IV Employees

20. Details as at the end of Financial Year:

a. Employees and workers (including differently abled):

S. No.	Particulars	Total	Male		Female	
		(A)	No. (B)	% (B/A)	No. C	%(C/A)
Employees						
1.	Permanent (D)	5,059	4,785	94.58%	274	5.42%
2.	Other than Permanent (E)	763	760	99.61%	3	0.39%
3.	Total (D + E)	5,822	5,545	95.24%	277	4.76%
Workers						
4.	Permanent (F)	–	–	–	–	–
5.	Other than Permanent (G)	–	–	–	–	–
6.	Total (F + G)	–	–	–	–	–

b. Differently abled Employees and Workers:

S.no	Particulars	Total	Male		Female	
		(A)	No. (B)	% (B/A)	No. C	%(C/A)
Differently abled Employees						
1.	Permanent (D)	6	4	66.67%	2	33.33%
2.	Other than Permanent (E)	–	–	–	–	–
3.	Total (D + E)	6	4	66.67%	2	33.33%
Differently abled Workers						
4.	Permanent (F)	–	–	–	–	–
5.	Other than Permanent (G)	–	–	–	–	–
6.	Total (F + G)	–	–	–	–	–

21. Participation/Inclusion/Representation of women:

	Total (A)	No. and percentage of Females	
		No. (B)	%(B/A)
Board of Directors	12	2	16.67%
Key Management Personnel	2	–	–

22. Turnover rate for permanent employees and workers:

	2023-24			2022-23			2021-22		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	8.41%	0.63%	9.04%	8.47%	0.76%	9.23%	6.67%	0.97%	7.64%
Permanent Workers	–	–	–	–	–	–	–	–	–

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

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

Sl. No.	Name of the holding / subsidiary / associate companies / joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	Sundaram Home Finance Limited	Subsidiary	100.00	No
2	Sundaram Asset Management Limited	Subsidiary	100.00	No
3	Sundaram Trustee Company Limited	Subsidiary	100.00	No
4	Sundaram Fund Services Limited	Subsidiary	100.00	No
5	LGF Services Limited	Subsidiary	100.00	No
6	Royal Sundaram General Insurance Co. Ltd	Joint Venture	50.00	No

VI CSR Details

24. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013 : Yes
(ii) Turnover (₹ In Cr.) : ₹5,479.94
(iii) Net worth (₹ In Cr.) : ₹9,471.69

VII Transparency and Disclosures Compliances

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

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)	2023-24			2022-23		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	No	-	-	-	-	-	-
Investors (other than shareholders)	Yes	-	-	-	-	-	-
Shareholders	Yes	2	0	-	-	-	-
Employees and workers	Yes	-	-	-	-	-	-

Customers	Yes	3,509	68	The figures mentioned under complaints pending at the end of the year relate to complaints that were received during March 2024 and were redressed during April 2024, well within the stipulated period of 30 days	2,731	62	The figures mentioned under complaints pending at the end of the year relate to complaints that were received during March 2023 and were redressed during April 2023, well within the stipulated period of 30 days.
Value Chain Partners	No	-	-	-	-	-	-
Others (please specify)	NA	-	-	-	-	-	-

Please refer Policy on BRSR - https://www.sundaramfinance.in/assets/app_docs/investor-info/corporate_governance/policies/sebi/policies_on_brsr.pdf

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

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

Sl. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Corporate Governance	O	The Company continues to maintain the highest standards of integrity and transparency in operations, excellence in service to all stakeholders and strong Corporate Governance standards.	-	Positive Implication
2	Customer Service with focus on Financial Inclusion	O	Since inception, the Company has set an exemplary standard in delivering the Sundaram Experience to all its customers. The Company's focus has always been on ensuring that the customer is able to meet his/her needs in a sustainable manner, with access to quality services at affordable rates, delivered courteously.	-	Positive Implication

3	Employee Well Being	O	The Company has taken a number of steps to ensure that its strong and loyal employee workforce is consistently provided with opportunities for empowerment, growth and an environment of well-being.	–	Positive Implication
4	Corporate Social Responsibility	O	CSR is one of the key areas through which the Company endeavours to give back to society. The core focus areas under CSR include health care, education, ecology, and art & culture.	–	Positive Implication
5	Digital Initiatives	O	In keeping with the age of AI, the Company has embarked on a number of initiatives to support its customers and other stakeholders digitally.	–	Positive Implication
6	Regulatory Compliance	R	Regulatory Compliance occupies a crucial position in determining the Company's responsibility towards its stakeholders. Any lapse in regulatory compliance can affect the reputation of the Company negatively. The Company has always focused on ensuring that it is fully compliant with all laws and regulatory provisions relating to its operations, which has enabled it to earn the respect of all stakeholders.	Adequate steps have been taken to identify, assess, manage and report all instances of compliance risk across the various levels in the Company. The Compliance Team, with the guidance of Senior Management, plays a crucial role in effective compliance risk management.	Positive Implication
7	Data Security / Privacy	R	All the services being rendered by the Company are fully dependant on technology, which exposes the Company to a high degree of cyber / information security risk.	The Company has set up a robust cyber security management framework which is monitored by the IT Strategy Committee, Risk Management Committee and Audit Committee. All IT security related matters are subjected to periodic Information Systems Security Audit and Internal Audit. All employees of the Company are regularly sensitised and educated on matters relating to cyber security, data privacy etc.	Negative Implication

8	Climate Change	R / O	<p>Risks:</p> <p>Climate change impacts the business of the Company in different ways, viz., increased credit risk, disruption to operations, safety and well-being of customers and employees etc.</p> <p>Transitional risk comes from the potentially higher business costs from new policies, laws and other regulations designed to address climate change.</p> <p>Opportunities:</p> <p>The National priorities towards sustainability and carbon neutrality have unleashed a range of new clean fuel powered automotive technologies. These represent new opportunities for the Company in providing financing solutions to our sustainability sensitive customers.</p>	<p>In order to address the risks associated with climate change the Company has adopted measures like high degree of investment in solar, funding in the alternative fuel space and financing electric vehicles.</p>	<p>R - Negative Implication</p> <p>O - Positive Implication</p>
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SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

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

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

		<p>3. Sustainability: The Company is committed to financing clean fuel vehicles and will endeavour to remain ahead of the curve on this front, especially in the commercial vehicle space. In addition, the Company will continue to pursue clean energy options for internal energy requirements.</p>
6.	<p>Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.</p>	<p>Recognising its role towards all stakeholders at large, the Company has proactively taken the following steps:</p> <p>a) Periodic engagement with different categories of customers, business partners and other value chain partners to ensure timely and fair financial access, as well as meaningful inclusion. The Company conducts regular training and awareness programs for employees to educate them on the importance of healthy customer relationship. Further, the Company conducts periodic awareness programs for customers as part of RBI's customer awareness initiatives. 80 – 90 % of financing is targeted towards the underserved Indian small entrepreneur.</p> <p>Additionally, the Company engages periodically with depositors and shareholders in connection with unclaimed deposits, unclaimed dividends / shares, dematerialisation, nomination, electronic transfer option for receipt of dividends etc.</p> <p>b) Contribution towards the sustenance of healthcare, education, environmental sustainability, ecological balance, heritage, art & culture, disaster relief, women empowerment, and rural development, so as to reach out to the vulnerable sections of the society across the country. Periodic health awareness programmes are conducted for employees and customers, with special focus on the marginalised and vulnerable segments like drivers, women, etc. During FY2024, the Company's spending in respect of its CSR outlay included 37% towards healthcare, 40% towards education, 11% towards environment and ecology, and the balance 12% towards other focus areas. The Company carried out an impact assessment of the contributions made to six institutions, including three assessments on voluntary basis, through independent agencies.</p> <p>c) Increased focus on funding in alternative fuel space, windmills, etc., high degree of investment in solar energy, prudence in the day-to-day consumption of energy, water etc., responsible waste management and increased thrust on preservation of ecological balance under CSR. Nearly ₹2,500 cr. of disbursements in FY2024 were towards financing clean fuel vehicles (EV, CNG, LNG, etc.).</p>

Governance, leadership, and oversight

7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets, and achievements (listed entity has flexibility regarding the placement of this disclosure)

Sundaram Finance has, over the past nearly seven decades, provided access to finance to small road transport operators, small construction equipment operators, small farmers and aspirational MSME entrepreneurs. The founding purpose of the Company has been to provide these underserved stakeholders finance at reasonable rates coupled with renowned “Sundaram experience,” an unswerving commitment to customer service.

The Company has a long history of adhering to the highest standards of governance, fairness and transparency, often leading the industry in adopting regulatory and policy dispensations well ahead of timelines set by respective authorities. The founder Chairman’s initiative to move an act of Parliament and amend the SBI Act to enable bank financing to NBFCs exemplifies these standards the Company has striven to hold. The Company also has an equally long track record in contributing to the communities that we live and operate in, with the focus being largely in the areas of healthcare, education, ecology and conservation of India’s rich culture & heritage. Consequently, the more contemporary ESG considerations have been an integral part of the complexion of the Company for decades now.

The Company has always taken a long-term view and believes that Sustainability objectives are an integral part of its core purpose. The Company has increased its focus on financing clean fuel vehicles and in its endeavour to reduce its carbon footprint, has ensured that nearly all branches, regional offices and its corporate head office have embraced solar power. Its social contributions extend pan-India and encompass support to over 100 beneficiaries. The Company believes that high standards of governance are a necessary imperative for serving all its stakeholders responsibly and to promote sustainability. The Company’s considered view is that ESG responsibilities and deliverables should be measured by how wide and deep ESG parameters are integrated into the Company’s processes, operational decisions & priorities, and not so much by “outcome” metrics.

8.	Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy(ies).	Mr. Rajiv C. Lochan Managing Director DIN: 05309534
9.	Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	Same as point no. 8

10. Details of Review of NGRBCs by the Company

Subject for review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly / Quarterly / Any other – please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action.	Director									M/Q/A	-	P^	P^	M/Q/A	-	M	-	P^
Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances	Director									M/Q/A	-	P^	P^	M/Q/A	-	M	-	P^

P^ - the engagement with employees and customers is done on a day-to-day basis

11.	Has the entity carried out independent assessment/evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
		No. However, the policies and processes are reviewed on a periodic basis by the internal audit team, risk management team, compliance team and Senior Management on a regular basis, with the support and participation of the regional / functional heads. Wherever applicable, the policies are also assessed and evaluated by the statutory auditors, the Board of Directors, and its committees.								
12.	If answer to question (1) above is “No” i.e. not all Principles are covered by a policy, reasons to be stated:									
	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
	1. The entity does not consider the principles material to its business (Yes/No)	-	-	-	-	-	-	-	-	-
	2. The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)	-	-	-	-	-	-	-	-	-
	3. The entity does not have the financial or/human and technical resources available for the task (Yes/No)	-	-	-	-	-	-	-	-	-
	4. It is planned to be done in the next financial year (Yes/No)	-	-	-	-	-	-	-	-	-
	5. Any other reason (please specify)	-	NA	-	-	-	NA	-	NA	-

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

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

ESSENTIAL INDICATORS

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

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

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

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

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

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

Case Details	Name of the regulatory/enforcement agencies/judicial institutions
NA	

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

No

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

Category	2023-24	2022-23
Board of Directors	Nil	
KMPs		
Employees		
Workers		

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

Description	2023-24		2022-23	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	Nil		Nil	
Number of complaints received in relation to issues of Conflict of Interest of the KMPs				

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

Nil

8. **Number of days of accounts payables ((Accounts payable *365) / Cost of goods/services procured) in the following format:**

	2023-24	2022-23
Number of days of accounts payable	Not applicable	

9. **Open-ness of business**

Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances

& investments, with related parties, in the following format:

Parameters	Metrics	2023-24	2022-24
Concentration of Purchases	a. Purchase from trading houses as % of total purchases	Not applicable	
	b. No. of trading houses where purchases are made from		
	c. Purchases from top 10 trading houses as % of total purchases from trading houses		
Concentration of sales	a. Sales to dealers / distributors as % of total sales		
	b. Number of dealers / distributors as % of total sales		
	c. Number of dealers / distributors as % of total sales		
Share of RPTs in	a. Purchases (Purchases with related parties/ Total Purchase)	0.14%	0.27%
	Sales (Sales with related parties/ Total Sales)		
	Loans & Advances (Loans & Advances given to related parties / Total Loans & Advances)		
	Investments (Investments in related parties/ Total Investments made)		
		-	-

LEADERSHIP INDICATORS

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

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

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

Yes.

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

Principle 2: Businesses should provide Goods and Services in a manner that is Sustainable and Safe

ESSENTIAL INDICATORS

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

	2023-24	2022-23	Details of improvements in environmental and social impacts
R & D	Not Applicable		
Capex	Not Applicable		

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

Not applicable

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

Not applicable.

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

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

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

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

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

Not applicable

LEADERSHIP INDICATORS

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

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

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

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

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

Indicate Input Material	Re-cycled or re-used input material to total material	
	2023-24	2022-23
Not Applicable		

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

	2023-24			2022-23		
	Re-used	Recycled	Safely Disposed	Re-used	Recycled	Safely Disposed
Plastics (including packaging)	Not Applicable					
E-waste						
Hazardous waste						
Other waste						

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

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

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

ESSENTIAL INDICATORS

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

% of employees covered by											
Category	Total	Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day care facilities	
		Number (A)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Male	4,785	4,785	100%	4,785	100%	-	-	4,785	100%	-	-
Female	274	274	100%	274	100%	274	100%	-	-	-	-
Total	5,059	5,059	100%	5,059	100%	-	-	-	-	-	-
Other than permanent employees											
Male	760	760	100%	760	100%	-	-	-	-	-	-
Female	3	3	100%	3	100%	-	-	-	-	-	-
Total	763	763	100%	763	100%	-	-	-	-	-	-

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

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

C. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format

	2023-24	2022-23
Cost incurred on well- being measures as a % of total revenue of the company	0.25%	0.22%

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

Benefits	2023-24			2022-23		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100%	–	Y	100%		Y
Gratuity	100%	–	Y	100%		Y
ESI	15%	–	Y	1%	1%	Y
Others - please specify	–	–	–	–	–	–

3. Accessibility of workplaces

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

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

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

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

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

Gender	Permanent Employees		Permanent Workers	
	Return to work rate	Retention Rate	Return to work rate	Retention rate
Male	–	–	–	–
Female	5%	100%	–	–
Total	5%	100%	–	–

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

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

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

Category	2023-24			2022-23		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B/A)	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B/A)
Total Permanent Employees						
Male	1,077	804	74.65%	1,105	692	62.62%
Female	30	24	80.00%	28	18	64.29%
Total Permanent Workers						
Male	Not Applicable					
Female	Not Applicable					

8. Details of training given to employees and workers

Category	2023-24					2022-23				
	Total (A)	On health and safety measures		On skill upgradation		Total (D)	On health and safety measures		On skill upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/A)	No. (F)	% (F/A)
Male	4,785	4,785	100%	4,785	100%	4,510	4510	100%	4,510	100%
Female	274	274	100%	274	100%	227	227	100%	227	100%
Total	5,059	5,059	100%	5,059	100%	4,737	4737	100%	4,737	100%
Other than permanent employees										
Male	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-

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

Category	2023-24			2022-23		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
Employees						
Male	4,785	4,576	96%	4,570	4273	93.50%
Female	274	244	89%	227	206	90.75%
Total	5,059	4,820	95%	4,737	4479	94.55%
Workers						
Male	NA					
Female						
Total						

10. Health and safety management system:

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

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

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

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

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

Please refer response to Point No. 10 (b)

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

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

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

Safety Incident/Number	Category	2023-24	2022-23
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0	0
	Workers	NA	NA
Total recordable work-related injuries	Employees	0	0
	Workers	NA	NA
No. of fatalities	Employees	0	0
	Workers	NA	NA
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	NA	NA

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

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

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

	2023-24			2022-23		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working conditions	Nil					
Health & Safety						

14. Assessments for the year:

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

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

Not applicable

LEADERSHIP INDICATORS

1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N).

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

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

(B) Workers (Y/N)

Not Applicable

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

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

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

Category	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	2023-24	2022-23	2023-24	2022-23
Employees	NA		NA	
Workers				

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

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

No.

5. Details on assessment of value chain partners

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

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

Nil

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

ESSENTIAL INDICATORS

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

The Company actively interacts with individuals across different sectors involved in its business operations, focusing on nurturing and upholding one of its fundamental principles: fostering strong relationships. These regular interactions serve as the primary means through which the Company identifies all key stakeholder groups.

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

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

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

LEADERSHIP INDICATORS

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

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

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

Yes.

Based on the inputs received from customers, the Company has been conducting eye testing camps for drivers and providing them with free spectacles for many years now. Further, based on inputs received from various stakeholders, the Company has been providing financial support on a consistent basis to renowned institutions that focus extensively on awareness about physical and mental health, as well as those that focus on environmental sustainability and ecological balance, as part of its CSR initiatives. The Company also shares health tips with customers and employees on a fortnightly basis, and health awareness videos through social media platforms on important days such as Cancer Day, Diabetes Day, for the benefit of the general public.

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

–

Principle 5: Businesses should respect and promote human rights

ESSENTIAL INDICATORS

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

Category	2023-24			2022-23		
	Total (A)	No. of employees covered (B)	% (B/A)	Total (C)	No. of employees covered (D)	% (D/C)
EMPLOYEES						
Permanent	5,059	5,059	100%	4,737	4,737	100%
Other than Permanent	–	–	–	–	–	–
Total Employees	5,059	5,059	100%	4,737	4,737	100%
WORKERS						
Not applicable						

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

Category	2023-24					2022-23				
	Total	Equal to Minimum Wage		More than Minimum Wage		Total	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
EMPLOYEES										
Permanent										
Male	4,785	–	–	4,785	100%	4510	–	–	4,510	100%
Female	274	–	–	274	100%	227	–	–	227	100%
Other than Permanent										
Male	760	760	–	–	–	2,098	–	–	2,098	100%
Female	3	3	–	–	–	53	–	–	53	100%
WORKERS										
Not applicable										

3. Details of remuneration / salary / wages

a. Median remuneration / wages

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category (₹ in Lakhs)	Number	Median remuneration/ salary/ wages of respective category (₹ in Lakhs)
Board of Directors (BoD) (Whole-time directors)	3	290.14	–	–
Key Managerial Personnel (other than BoD)	2	108.75	Nil	–
Employees other than BoD and KMP*	4,780	7.96	274	8.10
Workers	–	–	–	–

b. Gross wages paid to females as % of total wages paid by the entity, in the following format:

	2023-24	2022-23
Gross wages paid to females as % of total wages	4.78%	4.73%

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

Yes.

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

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

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

	2023-24			2022-23		
	Filed during the year	Pending resolution at the end of the year	Remarks	Filed during the year	Pending resolution at the end of the year	Remarks
Sexual Harassment	Nil		NA	Nil		NA
Discrimination at workplace	Nil		NA	Nil		NA
Child Labour	Nil		NA	Nil		NA
Forced Labour/ Involuntary Labour	Nil		NA	Nil		NA
Wages	Nil		NA	Nil		NA
Other human rights related issues	Nil		NA	Nil		NA

7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2023, in the following format:

	2023-24	2022-23
Total Complaints reported under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2023 (POSH)	Nil	
Complaints on POSH as a % of female employee/ workers		
Complaints on POSH upheld		

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

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

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

No.

10. Assessments for the year:

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

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

Not applicable

LEADERSHIP INDICATORS

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

No

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

No

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

Yes

4. Details on assessment of value chain partners:

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

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

Nil

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

ESSENTIAL INDICATORS

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

Parameter	2023-24	2022-23
From renewable sources		
Total electricity consumption (A) (Giga Joules)	37,273	32,540
Total fuel consumption (B) (Giga Joules)	74	138
Energy consumption through other sources (C) (Solar) (Giga Joules)	1,688	1,150
Total energy consumption (A+B+C) (Giga Joules) (A+B+C)	39,035	33,828
From non-renewable sources		
Total electricity consumption (D)	–	–
Total fuel consumption (E)	–	–
Energy consumption through other sources (F)	–	–
Total energy consumed from non-renewable sources (D+E+F)	–	–
Total energy consumed (A+B+C+D+E+F)	–	–
Energy intensity per rupee of turnover (Total energy consumption/ turnover in rupees)	0.0000008	0.0000008
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed / Revenue from operations adjusted for PPP)	–	–
Energy intensity in terms of physical output	–	–
Energy intensity (optional) – the relevant metric may be selected by the entity	–	–

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

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

Not applicable

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

Parameter	2023-24	2022-23
Water withdrawal by source (in kilolitres)		
(i) Surface water	–	–
(ii) Groundwater	81,500	80,335
(iii) Third party water	–	–
(iv) Seawater / desalinated water	–	–
(v) Others	–	–
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	81,500	80,335
Total volume of water consumption (in kilolitres)	81,500	80,335
Water intensity per rupee of turnover (Total water consumption / Revenue from operations)	–	–
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption / Revenue from operations adjusted for PPP)	0.000002	0.000002
Water intensity in term of Physical Output	–	–
Water intensity (optional) –the relevant metric may be selected by the entity	–	–

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

4. Provide the following details related to water discharged:

Parameter	2023-24	2022-23
Water withdrawal by source (in kilolitres)		
(i) To surface water		
– No treatment	–	–
– With treatment – Please specify level of treatment	–	–
(ii) To Groundwater		
– No treatment	81,500	80,335
– With treatment – Please specify level of treatment	–	–
(iii) To Seawater		
– No treatment	–	–
– With treatment – Please specify level of treatment	–	–
(iv) Sent to third-parties		
– No treatment	–	–
– With treatment – Please specify level of treatment	–	–
(v) Others		
– No treatment	–	–
– With treatment – Please specify level of treatment	–	–
Total water discharged (in kilolitres)	81,500	80,335

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

5. **Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.**

Not applicable

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

Parameter	Please specify unit	2023-24	2022-23
NOx		Not applicable	
SOx			
Particulate matter (PM)			
Persistent organic pollutants (POP)			
Volatile organic compounds (VOC)			
Hazardous air pollutants (HAP)			
Others – please specify			

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

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

Parameter	Unit	2023-24	2022-23
Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	Not applicable	
Total Scope 2 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent		
Total Scope 1 and Scope 2 emissions per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations)			
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP)			
Total Scope 1 and Scope 2 emission intensity in terms of physical output			
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity			

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

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

Not Applicable

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

Parameter	2023-24	2022-23
Total Waste generated (in metric tonnes)		
Plastic waste (A)	–	–
E–waste (B)	8,150	8,317
Bio–medical waste (C)	–	–
Construction and demolition waste (D)		
Battery waste (E)	–	–
Radioactive waste (F)	–	–
Other Hazardous waste. Please specify, if any. (G)		
Other Non–hazardous waste generated (H). Please specify, if any. (Break–up by composition i.e. by materials relevant to the sector)	–	–
Total (A+B + C + D + E + F + G+ H)	8,150	8,317
Waste intensity per rupee of turnover (Total waste generated / Revenue from operations)	–	–
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated / Revenue from operations adjusted for PPP)	–	–
Waste intensity in terms of physical output	–	–
Waste intensity (optional) – the relevant metric may be selected by the entity	–	–
For each category of waste generated, total waste recovered through recycling, re–using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled	Not Applicable	
(ii) Re–used		
(iii) Other recovery operations		
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	Not Applicable	
(ii) Landfilling		
(iii) Other disposal operations		
Total		

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

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

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

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

S. No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
Not applicable			

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

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

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

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

LEADERSHIP INDICATORS

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

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

- (i) Name of the area
- (ii) Nature of operations

(iii) Water withdrawal, consumption and discharge in the following format:

Parameter	2023-24	2022-23
Water withdrawal by source (in kilolitres)		
(i) Surface water	–	–
(ii) Groundwater	81,500	80,335
(iii) Third party water	–	–
(iv) Seawater / desalinated water	–	–
(v) Others	–	–
Total volume of water withdrawal (in kilolitres)	81,500	80,335
Total volume of water consumption (in kilolitres)	–	–
Water intensity per rupee of turnover (Water consumed / turnover)	–	–
Water intensity (optional) – the relevant metric may be selected by the entity	–	–
Water discharge by destination and level of treatment (in kilolitres)		
(i) Into Surface water		
– No treatment	–	–
– With treatment – please specify level of treatment	–	–
(ii) To Groundwater		
– No treatment	–	–
– With treatment – please specify level of treatment	–	–
(iii) To Seawater		
– No treatment	–	–
– With treatment – please specify level of treatment	–	–
(iv) Sent to third parties		
– No treatment	–	–
– With treatment – please specify level of treatment	–	–
(v) Others		
– No treatment	–	–
– With treatment – please specify level of treatment	–	–
Total water discharged (in kilolitres)	–	–

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

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

Parameter	Unit	2023-24	2022-23
Total Scope 3 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	–	–
Total Scope 3 emissions per rupee of turnover	–	–	–
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity	–	–	–

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

3. With respect to the ecologically sensitive areas reported at Question 11 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

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

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

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

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

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

Nil

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

Nil

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

ESSENTIAL INDICATORS

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

Eight (8)

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

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

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

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

LEADERSHIP INDICATORS

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

S. No.	Public Policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of Review by Board (Annually / Half Yearly/ Quarterly/ Others –please specify)	Web link, if available
<p>Our Company has been representing on various initiatives, on its own and through FIDC, where we are an active participant.</p> <ol style="list-style-type: none"> We have taken up an issue concerning the entire industry regarding the appointment of Arbitrator, to Hon'ble Supreme Court of India, which matter has been referred to the Constitution Bench. We have also taken up a common cause of the industry on applicability of stamp duty on arbitral awards, to various High Courts and the matters are pending adjudication. We were the active participant before the Hon'ble Madras High Court challenging the FAQ of NCGTC derecognising arbitration as a legal action for the purpose of the claim on ECLGS and consequently, NCGTC accepted arbitration as a legal action, post which the Banks and NBFCs were able to lodge claims with NCGTC invoking the guarantee. 					

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

ESSENTIAL INDICATORS

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

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

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

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

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

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

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

	2023-24	2022-23
Directly sourced from MSMEs / small producers	Not Applicable	
Sourced directly from within the district and neighbouring districts		

- 5. Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost**

Location	2023-24	2022-23
Rural	–	–
Semi-urban	17.91	18.87
Urban	22.41	22.80
Metropolitan	59.67	58.33

(Place to be categorized as per RBI Classification System – rural/ semi-urban/ urban/ metropolitan)

LEADERSHIP INDICATORS

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

Details of negative social impact identified	Corrective action taken
Not Applicable	

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

S. No	State	Aspirational District	Amount spent (In INR)
1	Wayanad Girijana Seva Trust (Kerala)	Wayand	5,00,000
2	The Hindu High School Committee (Tamil Nadu)	Virudhunagar	3,00,000

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

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

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

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

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

6. Details of beneficiaries of CSR Projects:

S. No	CSR Project	No of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
1	Wayand Girijana Seva Trust – Skill training for matriculated ST youths in plumbing & wiring trades	20	100%
2	The Hindu High School Committee	600	100%
3	Children Movement for Civic Awareness	3975	100%
4	The Live Love Laugh Foundation	1100 direct beneficiaries & 2200 caregivers	100%

S. No	CSR Project	No of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
5	Sri Ramachandra Education and Health Trust – Treatment for children with malignancies	105	62%
6	Swami Vivekananda Rural Development Society (Single Teacher School)	Students – 1500 Teachers – 50	10%
7	Hindu Mission Health Service, Nanganallur	83	100%
8	The Voluntary Health Services	162	100%
9	Om Charitable Trust		
	Monthly Stipend for Students and Teachers.	Students – 5 Teachers – 5	21%
	Special studies	Students – 2 Teacher – 1	16%
	Competition	Regional competition – 441 All India competition – 219	8%
	General Education – Scholarship	Educational scholarship – 5	15%
10	Ramakrishna Mission Students Home for educating poor and underprivileged boys in the Ramakrishna Mission Students Home Residential High School	235	100%
11	Swami Vivekananda Rural Community College	20	75%

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

ESSENTIAL INDICATORS

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback customer grievances/ complaints lodged with the Company, and which shall be acted upon by the company:

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

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

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

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

	2023-24		Remarks	2022-23		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy			Nil			
Advertising						
Cyber-security						
Delivery of essential services						
Restrictive Trade Practices						
Unfair Trade Practices						
Other	3,509	68	The figures mentioned under complaints pending at the end of the year relate to complaints that were received during March 2024 and were redressed during April 2024, well within the stipulated period of 30 days	2,731	62	The figures mentioned under complaints pending at the end of the year relate to complaints that were received during March 2023 and were redressed during April 2023, well within the stipulated period of 30 days

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

	Number	Reasons for recall
Voluntary recalls	Not Applicable	

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

Yes – <https://www.sundaramfinance.in/privacy-policy>

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

Not applicable

7. Provide the following information relating to data breaches:

- a. Number of instances of data breaches – Nil
- b. Percentage of data breaches involving personally identifiable information of customers – Nil
- c. Impact, if any, of the data breaches – Nil

LEADERSHIP INDICATORS

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

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 and Regulation 24A(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To.

The Members,

SUNDARAM FINANCE LIMITED

(CIN: L65191TN1954PLC002429)

21, Patullos Road, Chennai - 600002.

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

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2024 ('Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2024 according to the provisions of:

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

- (f) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI LODR');
 - (g) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
 - (h) Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;
 - (i) Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993;
- (vi) Reserve Bank of India Act, 1934 and RBI Directions and Guidelines as applicable to the NBFCs.

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

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

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

I further report that the Board of Directors of the Company is duly constituted with proper balance of Executive, Non-Executive and Independent Directors. The 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.

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

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

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

I further report that during the audit period, the board of directors of the Company has;

- i. appointed, at its meeting held on 11th August, 2023, Mr. P. N. Srikant, Secretary & Compliance Officer of the Company, as the Chief Compliance Officer and Company Secretary of the company with effect from 11th August, 2023 in terms of circular issued by Reserve Bank of India.
- ii. appointed, at its meeting held on 29th March, 2024, Ms. Anuradha Rao as an Additional Director, to function as an Independent Director on the Board, for a term of five (5) consecutive years with effect from 1st April, 2024, subject to the approval of the shareholders.
- iii. approved, at its meeting held on 29th March, 2024, the proposal to raise funds up to ₹16,750 crores, during the financial year 2024-25, by issuance of Non-Convertible Debentures on private placement basis, in one or more tranches.
- iv. took note, at its meeting held on 29th March, 2024, of the retirement of Mr. S. Prasad, Mr. P. N. Venkatachalam and Ms. Shobhana Ramachandhran, Independent Directors of the Company, after completion of their second term of office on 31st March, 2024 in accordance with the provisions of section 149 (10) and (11) of the Companies Act, 2013.

I further report that during the audit period, the company has;

- a) issued redeemable non-convertible debentures on various dates on private placement basis.
- b) redeemed the redeemable non-convertible debentures on various dates.

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

- a) passed Special Resolution at the Annual General Meeting held on 21st July, 2023, for amending the Articles of Association of the Company, empowering the Debenture Trustees to nominate a Director on the Board, in accordance with the stipulation under Securities Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as per Section 14 and all other applicable provisions of the Companies Act, 2013.
- b) passed Special Resolution at the Annual General Meeting held on 21st July, 2023, for increasing the borrowing limit of the Company up to ₹ 50,000 crores as per Section 180(1)(c) and all other applicable provisions of the Companies Act, 2013.
- c) passed Special Resolution through postal ballot on 21st September, 2023 under sections 149, 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 and the rules made thereunder, and pursuant to regulation 16(1)(b), 17 and other applicable provisions of the SEBI LODR, for appointment of Dr. Kshama Fernandes (DIN:02539429) as an Independent Director of the Company to hold office for a term of five (5) consecutive years with effect from 11th August 2023.
- d) passed an ordinary resolution through postal ballot on 21st September, 2023 under regulation 31A of the SEBI LODR for the re-classification of the status of Mr. Pradeep Chakravarthy, from “Promoter and Promoter Group” category to “Public” category. The same has been approved by the NSE on 13th December, 2023.
- e) passed an ordinary resolution through postal ballot on 22nd March, 2024 under regulation 31A of the SEBI LODR for the re-classification of the status of Mr. Jaideep Chakravarthy, from “Promoter and Promoter Group” category to “Public” category and the approval of the NSE is awaited.
- f) passed Special Resolution through postal ballot on 22nd March, 2024 under sections 149, 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 and the rules made thereunder, and pursuant to regulation 16(1)(b), 17 and other applicable provisions of the SEBI LODR, for appointment of Mr. R. Venkatraman (DIN: 07119686) as an Independent Director of the Company to hold office for a term of five (5) consecutive years with effect from 5th February 2024.
- g) passed Special Resolution through postal ballot on 22nd March, 2024 under sections 149, 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 and the rules made thereunder, and pursuant to regulation 16(1)(b), 17 and other applicable provisions of the SEBI LODR, for re-appointment of Mr. R. Raghuttama Rao (DIN: 00146230) as an Independent Director of the Company to hold office for a further term of five (5) consecutive years with effect from 1st April 2024.

Place: Chennai
Date: 20.05.2024

For **M DAMODARAN & ASSOCIATES LLP**
M. DAMODARAN
Managing Partner
Membership No.: 5837
COP. No.: 5081
FRN: L2019TN006000
PR 3847/2023
ICSI UDIN: F005837F000400484

Disclaimer Certificate

To,
The Members,
SUNDARAM FINANCE LIMITED
(CIN: L65191TN1954PLC002429)
21, Patullos Road,
Chennai - 600002.

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

1. Maintenance of secretarial records is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on the audit conducted by me.
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 a test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Wherever 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 the 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: 20.05.2024

For **M DAMODARAN & ASSOCIATES LLP**
M. DAMODARAN
Managing Partner
Membership No.: 5837
COP. No.: 5081
FRN: L2019TN006000
PR 3847/2023
ICSI UDIN: F005837F000400484

**Secretarial Compliance Report of Sundaram Finance Limited
for the year ended 31.03.2024**

(Pursuant to Regulation 24A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Master Circular No. SEBI/HO/CFD/PoD2/CIR/P/2023/120 dated July 11, 2023)

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

- a) all the documents and records made available to me and explanation provided by **Sundaram Finance Limited** (“the Company”),
- b) the filings/ submissions made by the Company to the stock exchanges,
- c) website of the Company,
- d) any other document/ filing, as may be relevant, which has been relied upon to make this certification, for the year ended **March 31, 2024** (“Review Period”) in respect of compliance with the provisions of:
 - i. Securities and Exchange Board of India Act, 1992 (“SEBI Act”) and the regulations, circulars, guidelines issued there under; and
 - ii. Securities Contracts (Regulation) Act, 1956 (“SCRA”), rules made there under and the regulations, circulars, guidelines issued there under by the Securities and Exchange Board of India (“SEBI”);

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

- a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘SEBI LODR’);
- b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- d) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
- e) Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
- f) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- g) Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client and ESOP.
- h) Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;

and based on the above examination, I hereby report that, during the review period:

- a) The Company has complied with the provisions of the above regulations and circulars/ guidelines issued thereunder.
- b) The Company was not required to take any actions as there were no observations made by the Secretarial Auditor in previous reports.
- c) There was no appointment/re-appointment of Statutory Auditors of the Company during the review period. Hence, the compliance of paragraph 6.1 and 6.2 of Section V-D of Chapter V of SEBI Master Circular SEBI/HO/CFD/PoD2/CIR/P/2023/120 dated July 11, 2023 is not applicable.

I hereby further report that, during the review period the compliance status of the Company with the following requirements:

Sr. No.	Particulars	Compliance Status (Yes/No/NA)	Observations/Remarks by PCS
1.	Secretarial Standards: The compliances of the Company are in accordance with the applicable Secretarial Standards (SS) issued by the Institute of Company Secretaries India (ICSI).	Yes	Nil
2.	Adoption and timely updation of the Policies: <ul style="list-style-type: none"> All applicable policies under SEBI Regulations are adopted with the approval of board of directors of the Company All the policies are in conformity with SEBI Regulations and has been reviewed & timely updated, as per the regulations/ circulars/ guidelines issued by SEBI. 	Yes	Nil
3.	Maintenance and disclosures on Website: <ul style="list-style-type: none"> The Company is maintaining a functional website. Timely dissemination of the documents/ information under a separate section on the website. Web-links provided in annual corporate governance reports under Regulation 27(2) are accurate and specific which re-directs to the relevant document(s)/ section of the website. 	Yes	Nil
4.	Disqualification of Director: None of the Director(s) of the Company are disqualified under Section 164 of Companies Act, 2013 as confirmed by the Company.	Yes	Nil
5.	Details related to Subsidiaries of the Company have been examined w.r.t.: <ul style="list-style-type: none"> (a) Identification of material subsidiary companies. (b) Disclosure requirement of material as well as other subsidiaries. 	Yes	Nil
6.	Preservation of Documents: The Company is preserving and maintaining records as prescribed under SEBI Regulations and disposal of records as per Policy of Preservation of Documents and Archival policy prescribed under SEBI LODR Regulations, 2015.	Yes	Nil
7.	Performance Evaluation: The Company has conducted performance evaluation of the Board, Independent Directors and the Committees at the start of every financial year as prescribed in SEBI Regulations.	Yes	Nil
8.	Related Party Transactions: <ul style="list-style-type: none"> (a) The Company has obtained prior approval of Audit Committee for all related party transactions; (b) The Company has provided detailed reasons along with confirmation whether the transactions were subsequently approved/ratified/rejected by the Audit Committee, in case no prior approval has been obtained. 	Yes Not Applicable	Nil

9.	Disclosure of events or information: The Company has provided all the required disclosure(s) under Regulation 30 along with Schedule III of SEBI LODR Regulations, 2015 within the time limits prescribed thereunder.	Yes	Nil
10.	Prohibition of Insider Trading: The Company is in compliance with Regulation 3(5) & 3(6) of SEBI (Prohibition of Insider Trading) Regulations, 2015.	Yes	Nil
11.	Actions taken by SEBI or Stock Exchange(s), if any: No action(s) has been taken against the Company / its promoters/ directors/ subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under SEBI Regulations and circulars/ guidelines issued thereunder.	NA	No action(s) has been taken against the Company / its promoters/ directors/ subsidiaries either by SEBI or by Stock Exchanges
12.	No additional non-compliances observed: No additional non-compliance observed under any of the SEBI regulations/circulars/guidance notes etc.	Yes	Nil

For **M DAMODARAN & ASSOCIATES LLP**
M. DAMODARAN
Managing Partner
Membership No.: 5837
COP. No.: 5081
FRN: L2019TN006000
PR 3847/2023
ICSI UDIN: F005837F000400539

Place: Chennai
Date: 20.05.2024

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

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

Names of the Directors / Key Managerial Personnel	Ratio to Median Remuneration (times)	Ratio to Mean Remuneration (times)	Inc / Dec in Remuneration
Mr. S.Viji, Chairman	4.13	2.83	25.84%
Mr. T. T. Srinivasaraghavan	3.87	2.65	20.14%
Mr. Srivats Ram	2.88	1.97	41.82%
Mr. P.N. Venkatachalam #	3.15	2.16	21.31%
Mr. S. Mahalingam ^	3.00	2.06	17.29%
Mr. S. Prasad #	4.48	3.07	10.56%
Ms Shobhana Ramachandhran #	3.13	2.14	13.37%
Mr. R. Raghuttama Rao	3.37	2.31	12.29%
Mr. L. Ganesh	2.91	1.99	47.57%
Mrs. Bhavani Balasubramanian	3.22	2.21	-
Dr. Kshama Fernandes*	1.97	1.35	-
Mr. R. Venkatraman**	0.96	0.66	-
Mr. Harsha Viji, Executive Vice Chairman	93.72	64.18	11.02%
Mr. Rajiv C. Lochan, Managing Director	79.34	54.34	-5.25%
Mr. A.N. Raju, Deputy Managing Director	62.50	42.81	1.67%
Mr. M. Ramaswamy, Chief Financial Officer	36.83	25.23	4.76%
Mr. P. N. Srikant, CCO & Company Secretary	9.95	6.82	17.32%

* with effect from 11.08.2023

upto 31.03.2024

** with effect from 05.02.2024

^ upto 25.05.2024

- (iii) The percentage increase in the median remuneration of employees in the financial year: 14.23%
- (iv) The number of permanent employees on the rolls of the Company: 5,059
- (v) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

The average increase in salaries of employees other than managerial personnel in 2023-24 was 14%. Percentage increase in the managerial remuneration for the year was 10%.

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

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

(VII) NAMES OF TOP TEN EMPLOYEES IN TERMS OF REMUNERATION DRAWN DURING THE YEAR 2023-24

Sl. No	Name of the Employee	Designation	Remuneration (₹ in cr)	Nature of Employment	Qualification and Experience	Date of Commencement of Employment	Date of Birth	Age	Last employment	% of equity shares	Relative of any director
1	Mr. Harsha Viji	Executive Vice Chairman	6.35	Contractual	B.Com, ACA, MBA (Ann Arbor, Michigan) Has more than 2 decades of experience in areas of specialisation particularly, strategy formulation, joint venture negotiations, new business development etc.	14-11-2005	28-08-1975	48	McKinsey & Company	1.63	Son of Mr. S. Viji, Chairman
2	Mr. Rajiv C. Lochan	Managing Director	5.38	Contractual	B.Tech. (IIT), MS (MIT), MBA (Columbia Business School) Has nearly 3 decades of experience in the field of management especially in the area of finance, social sector and public health. Formerly MD & CEO of The Hindu Group and Partner at McKinsey & Company.	03-06-2020	23-07-1971	52	Kasturi and Sons Ltd., publishers of The Hindu	0.01	-
3	Mr. A.N. Raju	Deputy Managing Director	4.24	Contractual	B.Sc (Engineering), MBA Has nearly 4 decades of experience in Automobile, Engineering, Finance and General Management.	02-07-1997	15-05-1959	64	G.E. Capital Services India Limited	0.04	-
4	Mr. M. Ramaswamy	Chief Financial Officer	2.50	Others	B.Sc. Statistics, ACA Has nearly 4 decades of experience in accounts, taxation and treasury in financial services industry.	07-06-1986	28-07-1961	62	Brahmayya & Co.	0.03	-

Sl. No	Name of the Employee	Designation	Remuneration (₹ in cr)	Nature of Employment	Qualification and Experience	Date of Commencement of Employment	Date of Birth	Age	Last employment	% of equity shares	Relative of any director
5	Mr. Sudheer Warriar	Chief Technology & Digital Officer	1.63	Others	B.E. (Computer Science) Has 3 decades of experience in information & technology industry	03-01-2022	20-05-1967	56	Tata Consultancy Services	-	-
6	Mr. Moahan Ananda Venkatesan	Senior Vice President & Head - Tamil Nadu	1.26	Others	B. Com, ACA, CPA (Australia), Certified Internal Auditor (Institute of Internal Auditors, Australia). Has nearly 4 decades of experience in banking and finance industry	01-04-2021	02-10-1962	61	Sundaram Home Finance Ltd	0.31	-
7	Mr. Rajesh Venkat	Senior Vice President & Head - Western Region & Analytics	1.18	Others	B.A. (Economics), MBA Has nearly 2 decades of experience in financial services industry	01-07-2017	27-08-1974	49	Sundaram Business Services Limited	-	-
8	Mr. N. Ramachandran	Executive Director	1.14	Others	M.Com Has over 4 decades of experience in automobile & financial industry	01-12-1980	23-05-1957	66	-	-	-
9	Mr. K. Sankarakumar	Senior Vice President - Corporate Finance - SME	0.92	Others	M.Sc., Maths, PGDM Has over 3 decades of experience in automobile & financial services industry.	01-05-2004	07-05-1961	62	Maruthi Udyog Ltd.	-	-
10	Mr. M. J. Kulkarni	National Head - MH & CE	0.92	Others	B.Com., PGDMM Has over 3 decades of experience in automobile & financial industry	11-09-1985	08-03-1960	63	M G Automobiles	-	-

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

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

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

S. No	Particulars	Sundaram Finance Employee Stock Option Scheme - 2008
a)	Options Granted from the introduction of the Scheme	2,77,878
	Stock Appreciation Rights (SARs) from the introduction of SARs #	4,918
b)	Exercise Price	₹10/- per share (at par)
c)	Options vested	2,29,123
	SAR vested	3,461
d)	Options exercised	2,25,286
	SAR paid	3,461
e)	The total number of shares arising as a result of exercise of Option.	2,25,286
f)	Options lapsed/cancelled*	2,147
	SAR lapsed/cancelled**	142
g)	Variation of terms of Options	Not Applicable
h)	Money realized by exercise of Option (Amount ₹)	22,52,860
i)	Total number of Options in force	50,445
j)	Total number of SAR in force	1,315

S. No	Particulars	Sundaram Finance Employee Stock Option Scheme - 2008
k)	Employee-wise details of Options / SARs granted on 26th May 2023 (Grant 15) & 24th May 2024 (Grant 16)	
		Options
	i) Key Managerial Personnel	
	1. Mr. Rajiv C Lochan, Managing Director	4,545
	2. Mr. A N Raju, Deputy Managing Director	2,921
	3. Mr. M Ramaswamy, Chief Financial Officer	1,600
	4. Mr. P N Srikant, CCO & Company Secretary	246
	ii) Any other employee who receives a grant in any one year of Option amounting to 5% or more of Option granted during that year/s:	Not Applicable
	iii) Identified employees who were granted Option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant	Not Applicable

SARs granted as per Scheme

* 750 Options - were cancelled as per the advise of the Regulator during 2020-2021

400 Options - were cancelled before vesting as per terms of the Scheme during 2021-2022

218 options - were cancelled before vesting as per terms of the scheme during 2022-23 and

779 options - were cancelled before vesting as per terms of the scheme during 2023-24

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

** 88 SARs - were cancelled before vesting as per terms of the scheme during 2023-24

Other details relating to Stock Options granted have been furnished vide Note No. 41 forming part of the Notes to the Accounts.

Financial Highlights

(₹ in cr.)

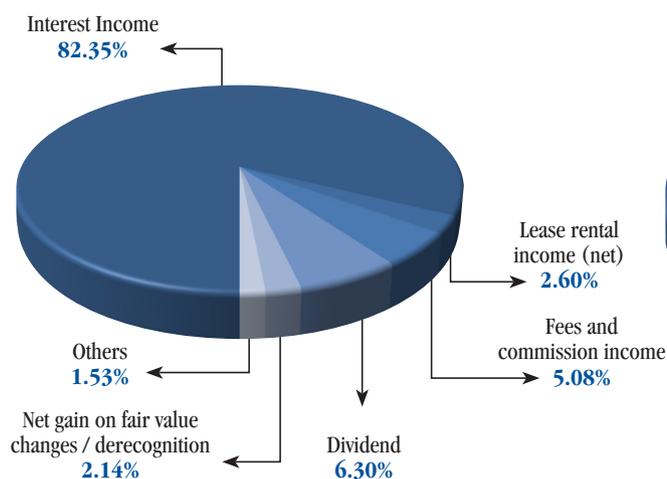
Year	Paid-up Capital	Reserves	Deposits	Borrowings	Total Receivables	PBDT	PAT	Dividend %	Dividend Amount
1954	0.02		0.10	0.10	0.10				
1972	1.00	0.58	8.35	8.37	9.86	0.73	0.30	16.00	0.16
1976	1.50	0.99	13.57	14.44	19.87	1.78	0.67	16.00	0.24
1978	2.00	1.37	14.65	19.47	27.18	2.01	0.77	18.00	0.36
1982	3.00	3.00	45.20	58.42	76.60	4.28	1.58	20.00	0.60
1986	6.00	6.59	104.10	125.60	184.66	10.35	2.67	16.00	0.96
1990-91	12.00	30.24	201.02	334.29	483.21	34.69	12.01	25.00	3.00
1995-96	24.00	204.31	550.44	1,138.69	1,637.05	127.50	64.92	35.00	8.40
2004-05	27.78	655.22	740.25	3,806.38	4,488.30	144.55	75.99	75.00	21.87
2008-09	55.55	1,097.12	940.06	6,275.77	9,203.53	257.47	150.73	65.00	36.11
2012-13	111.10	1,974.72	1,476.99	11,487.36	17,644.58	674.11	410.11	90.00	99.99
2019-20	111.10	5,436.26	3,676.19	27,393.99	35,088.37	1,018.10	723.95	130.00	144.43
2020-21	111.10	6,068.36	4,021.00	28,251.05	35,735.56	1,126.55	809.05	180.00	199.98
2021-22	111.10	6,781.99	4,103.19	27,887.81	33,774.42	1,249.54	903.41	200.00	222.21
2022-23	111.10	7,626.30	4,709.17	32,815.35	39,950.44	1,513.50	1,088.31	270.00	299.98
2023-24	111.10	9,360.59	5,584.93	40,925.11	51,385.36	1,962.27	1,454.01*	300.00	333.30

* includes an amount of ₹ 120.45 cr. towards exceptional income on account of sale of shares in Sundaram Finance Holdings Limited.

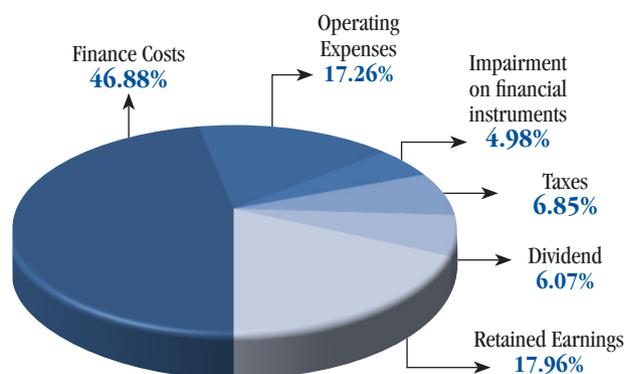
Sources and Distribution of Income (2023-24)

₹5494.38 cr.

SOURCES



DISTRIBUTION



INDEPENDENT AUDITORS' REPORT

To the Members of Sundaram Finance Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying Standalone Financial Statements of Sundaram Finance Limited (“the Company”), which comprise the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of 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 the Indian Accounting Standards prescribed under Section 133 of the Act read with the companies (Indian Accounting Standards) Rules, 2015 as amended, (“Ind AS”) and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, its profit and total Comprehensive Income, its changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, 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 matters to be communicated in our report.

Sr. No	Key Audit Matter	How the Key Audit Matter was addressed in our audit
1	Information Technology	
	<p>Evaluation of Company's IT systems and Controls:</p> <p>The Company's key financial accounting and reporting processes are dependent on Information Technology Systems. Appropriate IT general controls and IT application controls are required to ensure reliability in Financial Reporting.</p> <p>We have considered this to be a Key Audit Matter taking into account the significance of the IT environment and related controls in processing large number of transactions on a daily basis across multiple modules.</p>	<p>As part of our audit procedures with respect to this matter, we:</p> <ul style="list-style-type: none"> • Obtained an understanding of the company's IT policy, IT environment & infrastructure and the controls in place; • Tested the design and operating effectiveness of IT general controls and application controls, change management controls, user access management and data backup management, involving the assistance of IT specialist; and • Evaluated the reports of the independent Information Systems Auditor, pertaining to IT general controls and application controls, as well as the adequacy of the management's actions to address the observations, if any.
2	Impairment Loss Allowance / ECL on Loans	
	<p>Under Ind AS 109, "Financial Instruments", allowance for loan losses is determined using Expected Credit Loss ('ECL') estimation model. The estimation of ECL on financial instruments requires management judgement and estimates, and include the following elements to be considered.</p> <ul style="list-style-type: none"> • Variables - The key variables which are involved in the computation of ECL include staging, exposure at default, probability of default ("PD") and loss given default ("LGD"), which need to be verified for their correctness and basis of estimation. • Data inputs - The application of ECL model requires complete and accurate data inputs from the loan books of the Company. • Quantitative Factors – The PD and LGD of each loan depends on both the Company's ECL policy as well as certain quantitative factors such as level of security, geography, credit bureau scores, arrears and other macro-economic factors as well. <p>We have considered this to be a Key Audit Matter on account of the level of judgment and estimation involved, extensiveness of the Company's ECL model, updates made to the model from time to time and overall importance of ECL in Financial reporting and compliance.</p>	<p>Our audit procedures were focussed on assessing the appropriateness of the management's judgement and estimates used in the impairment analysis, as well as verifying the completeness and accuracy of the data involved. As part of these audit procedures, we:</p> <ul style="list-style-type: none"> • Reviewed the Company's ECL Policy, including the updates made during the year; • Assessed the design, implementation and operating effectiveness of controls over accuracy and completeness of the source data, stage-wise classification of loans, identification of NPA accounts and measurement of provision; • Tested the relevance and reasonableness of the economic forecasts, weights, and model assumptions applied, while determining the Probability of Default (PD) and Loss Given Default (LGD); • Ensured that updates to the model have been appropriately given effect to while computing the ECL amount; • Re-performed the ECL computation, to the extent feasible; • Ensured adequacy of disclosures made with respect to impairment of loans in the Financial Statements; and • Assessed as to whether the disclosures on key judgements, assumptions, qualitative and quantitative data including relevant regulatory compliance and disclosures with respect to impairment of loans in the Financial Statements are adequate, and obtained written management representations as appropriate.

Information Other than the Financial Statements and Auditors' Report thereon

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

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

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

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

Responsibilities of Management and Those charged with Governance for the Standalone Financial Statements

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

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

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

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

Auditors' Responsibilities for the audit of the Financial Statements

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

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

We also:

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

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

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

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

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

Report on other Legal and Regulatory requirements

1. As required by the Companies (Auditor's Report) Order, 2020("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid Standalone Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
 - (e) On the basis of the written representations received from the directors as on March 31, 2024, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024, from being appointed as a director in terms of Section 164(2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls with reference to Standalone Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to Financial Statements.
 - (g) In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 read with Schedule V to the Act.
 - (h) With respect to the other matters to be included in the Auditors' Report in accordance with the requirements of Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The Company has disclosed the impact of pending litigations on its financial position in its Standalone Financial Statements – Refer Note 43.03 to the Standalone Financial Statements.
 - (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - (iii) During the year, there has been no delay in transferring the amounts required to be transferred to the Investor Education and Protection Fund.

- (iv) (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- (c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) above contain any material misstatement.
- (v) The interim dividend declared and paid by the Company during the year and until the date of this audit report is in accordance with section 123 of the Companies Act 2013.

As stated in Note 43.15 to the Standalone Financial Statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

- (vi) Based on our examination which included test checks, the company has 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. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with.

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

Shirish Rahalkar
Partner
Membership Number: 111212
UDIN: 24111212BKERWG6740

Place: Mumbai
Date: 24 May, 2024

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

V. Chandrasekaran
Partner
Membership No. 024844
UDIN:24024844BKCDAT8464

Place: Chennai
Date: 24 May, 2024

Annexure A to the Independent Auditors' report on the Standalone Financial Statements of Sundaram Finance Limited for the year ended 31 March 2024

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

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

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of its property, plant and equipment.

(B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) The Company has a regular programme of physical verification of its property, plant and equipment and investment properties by which the property, plant and equipment and investment properties are verified by the management according to a phased programme designed to cover all the items over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its property, plant and equipment and investment properties. In accordance with the programme, the Company has physically verified certain property, plant and equipment and investment properties during the year and no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of the immovable property are held in the name of the Company.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, it has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, no proceedings have been initiated against the Company for holding Benami property under the "Benami Transactions (Prohibition) Act, 1988 and Rules made thereunder.
- (ii) (a) The Company is in the business of providing loans and does not have any physical inventories. Accordingly, the provision of clause 3(ii)(a) of the Order is not applicable to it.
- (b) Based on the information and explanations given to us, and as disclosed in Note no. 20, the Company has been sanctioned working capital limits from banks in excess of ₹5 crores in aggregate, on the basis of security of book debts during the year. The periodic statements filed by the Company with such banks are in agreement with the books of accounts.

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- (iii) (a) Since the Company's principal business is to give loans, the provisions of clause 3(iii)(a) of the Order are not applicable to it.
- (b) In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the Company, the terms and conditions of the grant of all loans & advances and investments made are not observed to be prejudicial to the Company's interest.
- (c) & (d) The company, being a Non-Banking Financial Company ('NBFC'), registered under provisions of the Reserve Bank of India Act, 1934 and rules made thereunder, in pursuance of its compliance with provisions of the said Act/Rules, particularly, the Income Recognition, Asset Classification and Provisioning Norms, monitors repayments of principal and payment of interest by its borrowers as stipulated. In cases where repayment of principal or payment of interest is not received as stipulated, the cognizance thereof is taken by the Company in course of its periodic regulatory reporting.
- (e) Since the Company's principal business is to give loans, the provisions of clause 3(iii)(e) of the Order are not applicable to it.
- (f) According to the information and explanations given to us, the Company has not granted any loans or advances in the nature of loans to Promoters or related parties as defined in clause (76) of section 2 of the Companies Act, 2013 either repayable on demand or without specifying any terms or period of repayment.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act, with respect to loans granted, guarantees provided and investments made by the Company. The Company has not provided any security during the year to the parties covered under Sections 185 and 186 of the Act.
- (v) According to the information and explanations given to us, in respect of deposits accepted by the company or amounts which are deemed to be deposits, the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules made thereunder, where applicable, have been complied with. According to the information and explanations given to us, there is no order passed by the Company Law Board or National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunal during the year against the company on these matters.
- (vi) The Central Government has not prescribed the maintenance of cost records under sub section (1) of section 148 of the Act for any of the services rendered by the Company. Accordingly, the provision of the clause (vi) of the Order is not applicable.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records provided to us, the Company is generally regular in depositing amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Employees' Provident Fund, Income tax, Sales tax, Service tax, Goods and Services Tax, Cess and other material statutory dues, with the appropriate authorities. There are no undisputed statutory dues payable in respect to the above statutes, outstanding as at March 31, 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 on the basis of our examination of the records of the Company, it did not have dues which have not been deposited as on March 31, 2024, on account of any disputes, except the following:

Name of the statute	Nature of dues	Amount ₹ Crores	Period to which the amount relates	Forum where dispute is pending
Value Added Tax	Value Added Tax	0.17	2010-11 to 2014-15	Joint Commissioner
Value Added Tax	Value Added Tax	0.60	2006-07 to 2013-14	Tribunal
Income Tax Act, 1961	Income Tax	0.95*	2016-17	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	0.06	2017-18	Commissioner of Income Tax (Appeals)

* Adjusted with refund received.

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

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

- (d) Based on the information and explanations given to us and the audit procedures performed by us, we report that the Group has one Core Investment Company.
- (xvii) In our opinion and according to the information and explanations given to us, the Company has not incurred cash loss during this financial year as well as in the immediately preceding financial year.
- (xviii) There has been no resignation of the Statutory Auditors during the year.
- (xix) In our opinion and according to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, along with details provided in Note 44.04 to the Ind AS Financial statements which describe the maturity analysis of assets & liabilities and other information accompanying the Ind AS Financial Statements and also our knowledge of the plans of Board of Directors and of Management, we are of the opinion that no material uncertainty exists as on the date of the audit report and that the company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the Balance Sheet date, will get discharged by the Company as and when they fall due.
- (xx) (a) According to the information and explanations given to us, the Company has no unspent amount that needs to be transferred to a Fund specified in Schedule VII to the Act in compliance with second proviso to sub-section (5) of Section 135 of the Act.
- (b) According to the information and explanations given to us, the Company has no unspent amount which needs to be transferred to a special account in compliance with sub-section (6) of Section 135 of the Act.

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

Shirish Rahalkar
Partner
Membership Number: 111212
UDIN: 24111212BKERWG6740

Place: Mumbai
Date: 24 May, 2024

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

V. Chandrasekaran
Partner
Membership No. 024844
UDIN:24024844BKCDAT8464

Place: Chennai
Date: 24 May, 2024

Annexure B to the Independent Auditors' report on the Financial Statements of Sundaram Finance Limited for the year ended 31 March 2024

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

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

We have audited the internal financial controls with reference to the Standalone Financial Statements of Sundaram Finance Limited ("the Company") as at 31 March 2024 in conjunction with our audit of the standalone Financial Statements of the Company for the year ended on that date.

Management's responsibility for Internal Financial Controls

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

Auditor's responsibility

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

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

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

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

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

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

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2024, based on the criteria for internal financial controls with reference to standalone financial statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Shirish Rahalkar
Partner
Membership Number: 111212
UDIN: 24111212BKERWG6740

Place: Mumbai
Date: 24 May, 2024

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

V. Chandrasekaran
Partner
Membership No. 024844
UDIN:24024844BKCDAT8464

Place: Chennai
Date: 24 May, 2024

Standalone Balance Sheet

as at 31st March, 2024

(₹ in crores)

Particulars	Note	March 31, 2024	March 31, 2023
ASSETS			
Financial Assets			
Cash and cash equivalents	5	523.97	137.27
Bank Balances	6	894.42	932.98
Derivative financial instruments (net)	7	-	1.03
Receivables	8		
(i) Trade receivables		27.89	25.56
(ii) Other receivables		17.69	6.86
Loans	9	42,076.81	33,755.20
Investments	10	6,382.92	5,062.82
Other Financial assets	11	17.88	16.03
Non-Financial Assets			
Current tax assets (Net)	12	247.97	324.09
Deferred tax assets (Net)	12	15.16	172.77
Investment Property	13	98.62	99.05
Property, Plant and Equipment	14	474.96	345.16
Right-of-use assets	15	69.02	59.89
Intangible assets under development	16	1.30	0.60
Other intangible assets	16	14.31	8.41
Other non-financial assets	17	124.89	110.98
Total Assets		50,987.81	41,058.70
LIABILITIES AND EQUITY			
Liabilities			
Financial Liabilities			
Payables	18		
I) Trade Payables			
(i) Total outstanding dues of micro enterprises and small enterprises		2.20	2.41
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		129.78	99.55
II) Other Payables			
(i) Total outstanding dues of micro enterprises and small enterprises		-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		9.85	9.20
Debt securities	19	13,334.13	13,721.13
Borrowings (Other than debt securities)	20	19,349.98	11,986.91
Deposits	21	5,745.23	4,806.04
Subordinated liabilities	22	2,447.55	2,240.86
Other financial liabilities	23	412.34	387.93
Non-Financial Liabilities			
Provisions	24	47.59	38.91
Other non-financial liabilities	25	37.47	28.36
Equity			
Equity share capital	26	111.10	111.10
Other equity *		9,360.59	7,626.30
Total Liabilities and Equity		50,987.81	41,058.70

Material Accounting policies and Notes to the Standalone Financial Statements 1-48

* Refer Statement of Changes of Equity

As per our report of even date attached

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

Shirish Rahalkar
Partner
Membership No. 111212
Place : Mumbai

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

V Chandrasekaran
Partner
Membership No. 024844
Place : Chennai
Date : May 24, 2024

S. Viji
Chairman

Rajiv C. Lochan
Managing Director

Harsha Viji
Executive Vice Chairman

A.N. Raju
Deputy Managing Director

Bhavani Balasubramanian
Director

M. Ramaswamy
Chief Financial Officer

P.N. Srikant
CCO & Company Secretary

Statement of Standalone Profit and Loss

for the year ended 31st March, 2024

(₹ in crores)

Particulars	Note	2023-24	2022-23
Revenue from operations			
Interest Income	27	4,524.57	3,472.07
Lease Rental income (Net)		142.60	92.06
Fees and Commission Income	28	278.91	239.38
Dividend Income		346.41	134.67
Income from other Services		13.61	13.08
Recovery of Bad debts		56.13	35.74
Net gain on fair value changes	29	117.71	59.17
Total Revenue from operations		5,479.94	4,046.17
Other Income	30	14.44	63.74
Total Income		5,494.38	4,109.91
Expenses			
Finance cost	31	2,575.79	1,780.26
Employee benefit expenses	32	548.53	447.04
Administrative & other expenses	33	267.83	234.86
Depreciation & amortisation		131.75	93.54
Impairment/Provisions on financial instruments	34	273.81	134.25
Total expenses		3,797.71	2,689.95
Profit/(loss) before exceptional items and tax		1,696.67	1,419.96
Exceptional item	35	133.85	-
Profit/(loss) before tax		1,830.52	1,419.96
Tax expense		376.51	331.65
Current tax		401.77	319.43
Deferred tax		(25.26)	12.22
Profit/(loss) after tax for the Period		1,454.01	1,088.31
Other Comprehensive Income			
A (i) Items that will not be reclassified to profit or loss :			
Fair value change on Equity / Preference shares		786.60	-
Remeasurements of the defined benefit plans		(7.68)	(3.61)
(ii) Income tax relating to items that will not be reclassified to profit or loss		(181.20)	0.91
Sub-total (A)		597.72	(2.70)
B (i) Items that will be reclassified to profit or loss:			
Fair value change on cashflow hedge		(1.03)	0.42
(ii) Income tax relating to items that will be reclassified to profit or loss		0.26	(0.11)
Sub-total (B)		(0.77)	0.31
Other Comprehensive Income (A + B)		596.95	(2.39)
Total Comprehensive Income for the Period		2,050.96	1,085.92
Earnings per equity share (on PAT)			
Basic & diluted (Face Value of ₹10/- each)		130.87	97.95

Material Accounting policies and Notes to the Standalone Financial Statements

1-48

As per our report of even date attached

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

Shirish Rahalkar
Partner

Membership No. 111212
Place : Mumbai

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

V Chandrasekaran
Partner

Membership No. 024844
Place : Chennai

Date : May 24, 2024

S. Viji
Chairman

Rajiv C. Lochan
Managing Director

Harsha Viji
Executive Vice Chairman

A.N. Raju
Deputy Managing Director

Bhavani Balasubramanian
Director

M. Ramaswamy
Chief Financial Officer

P.N. Srikant
CCO & Company Secretary

Statement of Changes in Equity for the year ended 31st March, 2024

a) Equity Share Capital

(₹ in crores)

Particulars	Amount
Balance as at 31st March, 2023	111.10
Changes in equity share capital during the year	-
Balance as at 31 March, 2024	111.10

b) Other equity

(₹ in crores)

Particulars	Reserves and Surplus					Other Comprehensive Income		Total
	Capital Reserve	Share Options Outstanding Account	Statutory Reserve	General Reserve	Retained Earnings	Equity / Preference shares through OCI	Effective portion of cash flow hedge	
Balance as at 31st March, 2022	6.60	2.17	1,708.97	3,503.90	1,559.89	-	0.46	6,781.99
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-
Restated balance as at 31st March, 2022	6.60	2.17	1,708.97	3,503.90	1,559.89	-	0.46	6,781.99
(A) Profit After tax for the year					1,088.31			1,088.31
(B) Other comprehensive income:								
Remeasurements of the defined benefit plans					(2.70)			(2.70)
Profit on sale of equity investments					-			-
Fair value change on cashflow hedge							0.31	0.31
Total Comprehensive income for the year (A)+(B)	-	-	-	-	1,085.61	-	0.31	1,085.92
Dividend payout (Final) - FY 21-22					(111.10)			(111.10)
Dividend payout (Interim) - FY 22-23					(133.32)			(133.32)
Options Granted during the year		3.04						3.04
Cost of shares transferred on exercise of option		(0.02)						(0.02)
Deferred Employee Compensation Cost		(0.21)						(0.21)
Movement on account of Share Options		(1.88)		1.88				-
Transfer to Statutory reserve					(217.66)			(217.66)
Transfer from Retained earnings			217.66					217.66
Balance as at March 31, 2023	6.60	3.10	1,926.63	3,505.78	2,183.42	-	0.77	7,626.30
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-
Restated balance as at March 31, 2023	6.60	3.10	1,926.63	3,505.78	2,183.42	-	0.77	7,626.30

Particulars	Reserves and Surplus					Other Comprehensive Income		Total
	Capital Reserve	Share Options Outstanding Account	Statutory Reserve	General Reserve	Retained Earnings	Equity / Preference shares through OCI	Effective portion of cash flow hedge	
(A) Profit After tax for the year					1,454.01			1,454.01
(B) Other comprehensive income:								
Remeasurements of the defined benefit plans					(5.75)			(5.75)
Fair value change on Equity / Preference shares						603.47		603.47
Fair value change on cashflow hedge							(0.77)	(0.77)
Total Comprehensive income for the year (A)+(B)	-	-	-	-	1,448.26	603.47	(0.77)	2,050.96
Dividend payout (Final) - FY 22-23					(166.66)			(166.66)
Dividend payout (Interim) - FY 23-24					(155.56)			(155.56)
Options Granted during the year		5.27						5.27
Cost of shares transferred on exercise of option		(0.03)						(0.03)
Shares Forfeited		(0.22)						(0.22)
Deferred Employee Compensation Cost		0.53						0.53
Movement on account of Share Options		(1.82)		1.82				-
Transfer to Statutory reserve					(290.80)			(290.80)
Transfer from Retained earnings			290.80					290.80
Balance as at March 31, 2024	6.60	6.83	2,217.43	3,507.60	3,018.66	603.47	-	9,360.59

Description of nature and purpose of other equity:

- Capital Reserve: Represents reserve created on account of amalgamations and arrangements
- Share Options Outstanding Account: Represents reserve on grant of option to employees of the company / group company under Employee Stock option Scheme.
- Statutory reserve: Represents reserve created as per Section 45-IC of the Reserve Bank of India Act, 1934.
- General reserve: Represents amount appropriated from retained earnings.
- FVOCI Reserve represents the cumulative gains / losses arising on the fair valuation of equity / preference instruments measured at fair value through Other Comprehensive Income.

As per our report of even date attached

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

Shirish Rahalkar
Partner
Membership No. 111212
Place : Mumbai

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

V Chandrasekaran
Partner
Membership No. 024844
Place : Chennai
Date : May 24, 2024

S. Viji
Chairman

Rajiv C. Lochan
Managing Director

Harsha Viji
Executive Vice Chairman

A.N. Raju
Deputy Managing Director

Bhavani Balasubramanian
Director

M. Ramaswamy
Chief Financial Officer

P.N. Srikant
CCO & Company Secretary

Cash Flow Statement for the year ended 31st March, 2024

(₹ in crores)

	2023-2024		2022-2023	
<u>A. CASH FLOW FROM OPERATING ACTIVITIES:</u>				
Profit before tax	1,830.52		1,419.96	
Add: Finance costs	<u>2,575.79</u>	4,406.31	<u>1,780.26</u>	3,200.22
Depreciation and Amortisation expense		131.75		93.54
Impairment/Provisions on financial instruments		273.81		134.25
(Gain)/loss on sale of property, plant and equipment		2.50		2.18
Share-based payment expense		4.28		2.54
Interest income from Investments		(159.06)		(74.68)
Net gain on fair value changes		(117.71)		(59.17)
Dividend income		(346.41)		(134.67)
Profit on sale of equity investment in Subsidiary		(133.85)		-
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		<u>4,061.62</u>		<u>3,164.21</u>
(Increase) / Decrease in Leased assets - net of sales	(201.75)		(164.33)	
(Increase) / Decrease in Bank deposits	41.21		(457.34)	
(Increase) / Decrease in SLR Investments (net)	(142.99)		65.70	
(Increase) / Decrease in trade and other receivables	(13.25)		(14.05)	
(Increase) / Decrease in Loans	(8,525.74)		(5,513.76)	
(Increase) / Decrease in Other financial assets	(1.86)		68.10	
(Increase)/ Decrease in Non financial assets	(21.95)		(30.13)	
(Increase) / Decrease in Other non-financial assets	(38.50)		(158.05)	
Increase / (Decrease) in trade and other payables	30.67		15.36	
Increase /(Decrease) in financial liabilities	39.34		0.72	
Increase /(Decrease) in other non-financial liabilities and provisions	<u>7.73</u>	<u>(8,827.09)</u>	<u>0.10</u>	<u>(6,187.68)</u>
Cash generated from / (used in) Operations		(4,765.47)		(3,023.47)
Financial costs	(2,157.48)		(1,685.27)	
Income Taxes Paid	(299.90)	<u>(2,457.38)</u>	(272.25)	<u>(1,957.52)</u>
NET CASH FROM / (USED IN) OPERATING ACTIVITIES (A)		<u>(7,222.85)</u>		<u>(4,980.99)</u>

(₹ in crores)

	2023-2024	2022-2023
<u>B. CASH FLOW FROM INVESTING ACTIVITIES:</u>		
Payment for purchase and construction of property, plant and equipment	(45.58)	(16.51)
Payment for purchase and construction of investment properties	-	(40.14)
Payment for purchase and generation of intangible assets/ movement in Intangibles under development	(18.66)	(15.69)
Sale of investment in Equity instruments (Subsidiary)	151.31	-
Purchase of other investments	(26,145.33)	(17,197.41)
Sale of other investments	25,827.89	17,512.04
Proceeds from sale of property, plant and equipment, intangible assets and investment property	12.48	23.18
Interest received from Investments	117.84	66.95
Dividend income	346.41	134.67
NET CASH FROM / (USED IN) INVESTING ACTIVITIES (B)	246.36	467.09
<u>C. CASH FLOW FROM FINANCING ACTIVITIES:</u>		
Payment of Lease liability	(18.83)	(16.30)
Debt securities, deposits, sub-ordinated liabilities and other borrowings:		
Availment	35,595.27	21,838.80
Repayment	(27,891.03)	(17,004.91)
Dividend Paid	(322.22)	(244.43)
NET CASH FROM / (USED IN) FINANCING ACTIVITIES (C)	7,363.19	4,573.16
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A)+(B)+(C)	386.70	59.26
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	137.27	78.01
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	523.97	137.27
COMPONENTS OF CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		
Cash, Cheques & drafts on hand	97.66	63.13
Balances with Banks	426.31	74.14
	523.97	137.27

As per our report of even date attached

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

Shirish Rahalkar
Partner
Membership No. 111212
Place : Mumbai

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

V Chandrasekaran
Partner
Membership No. 024844
Place : Chennai
Date : May 24, 2024

S. Viji
Chairman

Rajiv C. Lochan
Managing Director

Harsha Viji
Executive Vice Chairman

A.N. Raju
Deputy Managing Director

Bhavani Balasubramanian
Director

M. Ramaswamy
Chief Financial Officer

P.N. Srikant
CCO & Company Secretary

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

General information:

Sundaram Finance Limited ('the Company') is a Public Limited Company incorporated in India, having Corporate Identification Number (CIN) - L65191TN1954PLC002429 with its registered office located at No.21, Patullos Road, Chennai – 600 002. The Company is registered as a Non-Banking Finance Company (Deposit taking) with Reserve Bank of India and is primarily engaged in the business of financing of Commercial vehicles, Cars, Construction equipment and other vehicles in the retail segment.

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

1. BASIS OF PREPARATION AND PRESENTATION

1.1 Statement of Compliance

The Balance Sheet, the Statement of Profit and Loss and the Statement of Changes in Equity are prepared and presented in the format prescribed in the Division III of Schedule III to the Companies Act, 2013 (the "Act"). The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash Flows". The Balance Sheet, Statement of Profit and Loss, Statement of Cash Flow and Statement of Changes in Equity are together referred as the financial statement of the Company.

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

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

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

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

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

1.2 Accounting Convention

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

2. MATERIAL ACCOUNTING POLICIES

2.1 Revenue recognition

A) Interest Income

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

B) Lease Income

Lessors Accounting

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

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

NOTES TO THE ACCOUNTS (Contd.)

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

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

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

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

Lessee Accounting

The Company's lease asset classes primarily consist of leases for land and buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- (i) the contract involves the use of an identified asset
- (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and
- (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in

which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

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

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

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

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

C) Fees and commission income

Fee income towards servicing of loan to loan customers are recognised when they become measurable and when it is probable to expect their ultimate collection.

Servicing fees on securitisation transactions are recognised upon completion of services.

Commission and brokerage income earned from distribution of financial services are recognised as and when they are due.

D) Dividend Income

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

E) Recoveries

The Company recognises income on recoveries of financial assets written off on realisation or when the

NOTES TO THE ACCOUNTS (Contd.)

right to receive the same without any uncertainties of recovery is established.

2.2 Evaluation of Business Model:

The Company monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those instruments.

The Company considers all relevant information and evidence available when making the business model assessment such as:

- a. how the performance of the business model and the financial assets held within that business model are evaluated and reported to the Company's key management personnel.
- b. the risks that affect the performance of the business model (and the financial assets held within that business model) and the way in which those risks are managed.

At initial recognition of a financial asset, the Company determines whether newly recognised financial assets are part of an existing business model or whether they reflect a new business model. The Company reassesses its business model at each reporting year to determine whether the business model has changed since the preceding year.

2.3 Measurement of fair values

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

2.4 Financial instruments

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

Financial assets / liabilities

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

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

Classification and subsequent measurement:

Financial Assets

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

At Amortised Cost

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

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

Such Financial assets are subsequently measured at amortised cost using the Effective Interest rate method.

NOTES TO THE ACCOUNTS (Contd.)

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 the principal outstanding.

At Fair Value through Profit or Loss (FVTPL)

Any financial instrument, which does not meet the criteria for categorisation as amortized cost or as Fair Value Through Other Comprehensive Income (FVTOCI), is classified as at Fair Value Through P&L (FVTPL). In addition, the Company may elect to classify a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). Debt instruments included within the FVTPL category are measured at fair value with all changes recognised in the profit and loss.

Equity Investments

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

All other equity investments are designated at Fair Value Through Other Comprehensive Income (FVTOCI). The fair value changes on the instrument, excluding dividends, are recognised under Other Comprehensive Income (OCI). There is no recycling of the amounts from OCI to the statement of profit and loss on sale of investment.

Investment in Compulsorily Convertible Preference Shares (CCPS)

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

Fair value hierarchy

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

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

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

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

Financial liabilities

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

2.5 Impairment of Financial Assets

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

The accounting standard, Ind AS 109 does not specifically prescribe any methodology for computing ECL. However, entities are required to adopt sound and market acceptable methodologies which are in line with the size, complexity and

NOTES TO THE ACCOUNTS (Contd.)

risk-profile of the financial entity for computing the ECL. The Company uses three main components to measure ECL. These are, Exposure at Risk (EAR), Probability of Default (PD) and Loss Given Default (LGD). Exposure at Risk (EAR) is defined as the sum of Principal outstanding and interest accrued at the reporting date. PD is defined as the probability of borrowers defaulting on their obligations. LGD represents the economic loss, adjusted for cure rate, as a percentage of exposure at the time of default.

As per Ind AS 109, the Expected Credit Losses on financial instruments are classified under three stages.

Stage 1: Every financial asset is classified as stage 1, upon initial recognition. In addition, stage 1 contains all transactions with limited default risk.

Stage 2: Financial assets whose default risk has risen significantly since initial recognition and which are not classified as cases with limited default risk.

Stage 3: Financial assets that display objective evidence of impairment at the reporting date.

Accordingly, loan assets are categorised under three different stages, as under:

Stage 1: Where instalments are Current and 1-30 days overdue.

Stage 2: Where instalments are 31 days – 90 days overdue and

Stage 3: Where instalments are overdue beyond 90 days

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.

Lifetime Expected Credit Loss represent the expected credit

loss from default events over the expected life of a financial asset.

The Probability of Default (PD) model has been developed for all the major asset classes using a statistical and iterative approach. The design and construction of the model involves identification of various credit parameters and variables that have a strong and direct correlation to propensity of default.

The PD model reflects to the probability of default, taking into consideration the inherent credit quality of the borrower and the residual tenor of each contract. It relies not only historical information and the current economic environment, but also considers forward-looking information such as the forecasts on the macroeconomic outlook, including emerging risks.

The PD for stage 3 contracts is considered at 100%.

Where a customer has one contract in stage 3 and one or more contracts in stage 1 / stage 2, the PD for all the contracts is considered at 100%.

The PD is considered @ 100% for (a) Customers in stage 3 and (b) Customers who were earlier in stage 3 and currently in stage 1/ Stage 2 whose arrears have not been fully updated since their slippage into Stage 3.

As per ECL policy, the company provides 100% for the identified fraud cases and accounts where recoverability is uncertain.

Loss Given Default (LGD)

LGD represents the economic loss, adjusted for cure rate, as a percentage of exposure at the time of default. Economic loss is the estimated shortfall in realisation of dues, in the event of default. Contracts that have turned delinquent do not necessarily involve ultimate losses, since many of them are resolved through corrective actions. The cure rate is the probability of a 'non-performing' (i.e. defaulted) contract reverting to a 'performing' (i.e. non-default) status in a year.

Similarly, LGD has been estimated using the past write off experiences and collateral approach. The model of ECL so computed is yearly evaluated and impact thereof is recognised in the Statement of Profit and Loss.

NOTES TO THE ACCOUNTS (Contd.)

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.

Policy on write off: Loans are written off when the value of underlying security/other collateral is not sufficient to cover the loan exposure or where the underlying security / customer are not traceable. In such cases, the company takes legal recourse for recovery of shortfall of dues, if any.

De-recognition of financial assets and financial liabilities

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

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

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

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

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

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

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net

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

2.6 Employee Benefits

Short term Employee benefits

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

Post-Employment benefits

Defined contribution plans

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

Defined benefit plans

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

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

Re-measurement of the net defined benefit liability/ (asset) comprising actuarial gains and losses and the

NOTES TO THE ACCOUNTS (Contd.)

return on the plan assets (excluding amounts included in net interest on the net defined benefit liability /asset) are recognised in other comprehensive income.

- 2. Provident Fund:** Contributions are made to the company's Employees Provident Fund Trust in accordance with the fund rules. The interest rate payable by the trust to the beneficiaries every year is notified by the Government. The company has an obligation to make good the shortfall, if any, between the return from the Investment of the trust and the notified interest rate based on actuarial valuation. The monthly contribution made by the Company is recognised as employee benefit expense in the Statement of Profit and Loss.

Other Long-Term Employee Benefits

Leave Encashment: The company accounts its liability based on an actuarial valuation, as at the balance sheet date, using the Projected Unit Credit method.

2.7 Share Based Payments:

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

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

The equity settled shares vest in a graded manner over the vesting period. The fair value determined on the grant date of equity settled share payment is expensed on straight line basis over the vesting period of the respective tranches of such grants based on company's estimate of equity instruments that will eventually vest with a corresponding increase in equity. At the end of each financial year, the company revises its estimate of the number of equity instruments that are expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit and loss in such a way that the cumulative expense reflects the revised estimate with a corresponding adjustment to equity.

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

The Option carries neither right to Dividend nor voting rights.

2.8 Income Taxes

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

Current tax

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

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

Deferred tax

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

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

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

NOTES TO THE ACCOUNTS (Contd.)

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

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

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

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

Current and Deferred tax for the Year

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

2.9 Property, plant and equipment (PPE)

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

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

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

Freehold land is not depreciated.

An item is recognised as property plant and equipment if and only if it is probable that future economic benefits associated with the item will flow to the company and its costs can be measured reliably. Subsequent expenditure is added to the carrying amount or recognized as separate asset, when the Company expects future economic benefits from that item.

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

Estimated useful lives of the assets, based on technical assessment, which are different in certain cases from those prescribed in Schedule II of the Companies Act 2013, are as follows:

Assets	(in Years)				
	Plant and machinery	Computers-End user services	Computers-Servers and Network	Vehicles	Office equipment
Own	15	7	10	5	8
Operating lease	5	3	6	4	-

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

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

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

2.10 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

NOTES TO THE ACCOUNTS (Contd.)

future economic benefit associated with the expenditure will flow to the company.

The fair value of investment property has been determined by property valuer, having recognised qualifications and experience.

Depreciation is provided on written down value method by adopting useful life of 60 years in the case of Building as prescribed under schedule II of the Companies Act, 2013 after retaining 5% of Original cost as residual value for Buildings.

2.11 Intangible assets

Intangible assets are identified non-monetary assets without physical existence. Intangible assets with finite useful lives that are acquired separately are capitalized and carried at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets are recognized in books only when it is probable that future economic benefits associated with the asset will flow to the company and the cost can be measured reliably.

The cost of the intangible asset shall include the purchase price, including non-refundable duties and taxes, all the directly attributable costs to bring the intangible to the present location, working condition and intended use.

Intangible assets represent Computer software whose cost is amortized over their expected useful life 2 to 5 years on a straight-line basis.

The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Impairment loss, if any, is provided to the extent, the carrying amount of assets exceeds their recoverable amount. Recoverable amount is the higher of an assets net selling price and the present value of estimated future cash flows expected to arise from the continuing use of the asset and from its disposal at the end of its useful life.

Intangible Assets under development

Development expenditure on new products is capitalized as intangible asset if all the following are demonstrated.

- Technical feasibility of completing the asset
- Intention to complete the asset
- The ability to use or sell the asset
- Probability that the intangible asset will generate future economic benefits
- Availability of the adequate technical, financial and other resources to complete the intangible asset
- The ability to measure reliably the expenditure attributable during the development stage.

2.12 Dividend

The final Dividend on shares is recorded as a liability on the date of approval by the Shareholders and interim dividends are accounted on payment basis as they are revocable till actually paid.

2.13 Cash flow Statement

Cash flows are reported using the indirect method, whereby net profit after tax is adjusted for the effects of transactions of non-cash nature, tax and any deferrals or accruals of past or future cash receipts or payments. The cash flows are prepared for the operating, investing and financing activities of the Company. Cash comprises of cash on hand and demand deposits with banks. Cash equivalents are short-term deposits with banks (with an original maturity of three months or less from the date of placement) and cheques on hand. Short term and liquid investments being subject to more than insignificant risk of change in value, are not included as part of cash and cash equivalents.

2.14 Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised only when the company has a present obligation (legal or constructive) as a result of past events, and it is probable that it is required to settle the obligation, and a reliable estimate can be made of the amount of obligation.

NOTES TO THE ACCOUNTS (Contd.)

The amount recognised as a provision is the best estimate of the consideration required to settle the obligation at the reporting date, considering the risk and uncertainties surrounding the obligation.

Contingent liabilities

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

There is a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

2.15 Earnings Per Share

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

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

3. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of financial statements in accordance with Ind AS requires use of estimates and assumptions for some items, which might have an effect on their recognition and measurement in the balance sheet and statement of profit and loss. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. The actual results may differ from these estimates. The Company's management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Any revision to the accounting estimates is recognized prospectively in the current and future periods.

Accounting estimates and judgements are used in various line items in the financial statements for e.g.:

- Business model assessment [Refer note no. 2.2]
- Fair value of financial instruments (Refer note no. 2.3)
- Impairment of financial assets [Refer note no. 2.5]

4. OTHER ACCOUNTING POLICIES :

Service income

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

Foreign Currency transaction

Transactions in foreign currency are accounted at the exchange rates prevailing on the date of the transaction. The foreign currency borrowing being a monetary liability is restated to INR (being the functional currency of the Company) at the prevailing rates of exchange at the end of every reporting period with the corresponding exchange gain/loss being recognised in profit or loss. The Company enters into forward exchange contracts, forward rate agreements, coupon only swaps and interest rate swaps. The Company undertakes such transactions for hedging its balance sheet. The foreign currency borrowing and derivative swaps are treated as separate transactions.

The derivatives (swaps, forward rate agreements and forward contracts) are classified at fair value through profit or loss (FVTPL) under Ind AS 109, Financial Instruments with the resultant gain or loss being taken to profit or loss.

Derivatives & Hedge Accounting

The company designates certain derivatives held for risk management as hedging instruments in qualifying hedging relationships. These derivatives qualify for hedge accounting and meet the criteria for cash flow hedge. The effective portion of the gain or loss arising on the fair value measurement of the hedging instrument is recognised in other comprehensive income.

NOTES TO THE ACCOUNTS (Contd.)

Note 5: Cash and cash equivalents

(₹ in crores)

Particulars	March 31, 2024	March 31, 2023
Cash on hand	7.17	7.94
Balances with Banks	426.31	74.14
Cheques, drafts on hand	90.49	55.19
TOTAL	523.97	137.27

Note 6: Bank Balance other than specified in Note 5 above

(₹ in crores)

Particulars	March 31, 2024	March 31, 2023
Unpaid dividend account	3.58	3.43
Balances with banks*	890.84	929.55
TOTAL	894.42	932.98

* Bank deposits include :

- ₹629.16 crores (as on 31.03.2023: ₹464.23 crores) provided as collateral for assets securitised.
- In accordance with the Reserve Bank of India directives, the company has created a floating charge on the bank deposits of ₹222.50 crores (as on 31.03.2023: ₹225.00 crores) towards statutory liquidity requirements in favour of trustees representing the deposit holders of the Company.
- A Bank Guarantee amounting to ₹1.82 crores (as on 31.03.2023: ₹1.82 crores) has been provided for demand raised under TNVAT Act in respect of VAT on sale of repossessed vehicles.
- Bank Guarantee amounting to ₹0.27 crores (as on 31.03.2023: ₹0.48 crores) for Legal proceedings with respect to repossessed assets.
- Bank deposit of ₹1.19 crores (as on 31.03.2023: ₹7.00 crores) placed for obtaining Letter of Credit on behalf of our Customers.

NOTES TO THE ACCOUNTS (Contd.)

Note 7 : Derivative Financial Instruments

The details of the outstanding derivative instruments and their fair values are as below:

Part I

(₹ in crores)

Particulars	March 31, 2024			March 31, 2023		
	Notional amount	Fair Value		Notional amount	Fair Value	
		Assets	Liabilities		Assets	Liabilities
(i) Currency derivatives:						
- Currency swaps	-	-	-	-	-	-
- Forward Contracts	-	-	-	-	-	-
Subtotal (i)	-	-	-	-	-	-
(ii) Interest rate derivatives:						
- Forward Rate Agreements & Interest Rate Swaps	-	-	-	125.00	1.03	-
Subtotal (ii)	-	-	-	125.00	1.03	-
Total Derivative Financial Instruments (i)+(ii)	-	-	-	125.00	1.03	-
Derivative Financial Asset / Liability (net)	-	-	-	-	1.03	-

Part II - Included in above (Part I) are derivatives held for hedging and risk management purposes as follows:

(₹ in crores)

Particulars	March 31, 2024			March 31, 2023		
	Notional amount	Fair Value		Notional amount	Fair Value	
		Assets	Liabilities		Assets	Liabilities
(i) Cash flow hedging:						
- Interest rate derivatives	-	-	-	125.00	1.03	-
(ii) Net investment hedging				-	-	-
Total Derivative Financial Instruments (i)+(ii)	-	-	-	125.00	1.03	-
Derivative Financial Asset / Liability (net)	-	-	-	-	1.03	-

Notes:

- 1) The interest rate risk and exchange rate risk on the borrowings of the Company are managed using various derivative instruments which are entered from time to time. The risk management strategy and the use of derivatives are explained in Note 38 - Financial Risk Management Framework and Note 44.03 - Derivatives.
- 2) The Company has designated the Interest rate derivatives (IRS/FRA), which were entered to mitigate interest rate risk on its Subordinated Non Convertible Debentures and Rupee Term Loans, as hedging instruments.

NOTES TO THE ACCOUNTS (Contd.)

Note 8: Receivables

(₹ in crores)

Particulars	March 31, 2024	March 31, 2023
Trade receivables		
- Secured, considered good		
- Unsecured, considered good	27.98	25.55
- Receivables - credit impaired	0.01	0.24
Less: Impairment loss on the above	(0.10)	(0.23)
Sub-total - Trade receivables	27.89	25.56
Other receivables		
- Secured, considered good	9.90	5.02
- Unsecured, considered good	8.02	1.84
Less: Impairment loss on the above	(0.23)	-
Sub-total - Other receivables	17.69	6.86
TOTAL	45.58	32.42

NOTES TO THE ACCOUNTS (Contd.)

Trade Receivables ageing schedule as at 31st March, 2024

(₹ in crores)

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 Months	6 months to 1 year	1 to 2 years	2 to 3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	–	22.18	0.03	–	0.01	0.01	22.23
(ii) Undisputed Trade Receivables – considered doubtful	–	0.01	–	–	–	–	0.01
(iii) Disputed Trade Receivables considered good	–	–	–	–	–	–	–
(iv) Disputed Trade Receivables considered doubtful	–	–	–	–	–	–	–
(v) Unbilled revenue – considered good	5.75	–	–	–	–	–	5.75

Trade Receivables ageing schedule as at 31st March, 2023

(₹ in crores)

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 Months	6 months to 1 year	1 to 2 years	2 to 3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	–	21.99	0.12	0.07	–	–	22.18
(ii) Undisputed Trade Receivables – considered doubtful	–	0.03	0.03	0.06	0.12	–	0.24
(iii) Disputed Trade Receivables – considered good	–	–	–	–	–	–	–
(iv) Disputed Trade Receivables – considered doubtful	–	–	–	–	–	–	–
(v) Unbilled revenue – considered good	3.37	–	–	–	–	–	3.37

NOTES TO THE ACCOUNTS (Contd.)

Note 9: Loans
Carried at amortised cost

(₹ in crores)

Particulars	March 31, 2024	March 31, 2023
Hypothecation loans	41,073.18	33,037.30
Term Loans	957.69	774.77
Advance for business assets	286.13	236.46
Amount retained on Assets securitised / assigned	1.25	9.05
Loans repayable on Demand	47.10	54.26
Bills Purchased and Bills Discounted	22.59	17.49
Net investment in lease	87.05	39.63
Other loans @	45.64	46.20
Total Loans - Gross	42,520.63	34,215.16
Less: Impairment loss allowance	(443.82)	(459.96)
Total Loans - Net	42,076.81	33,755.20
Of the above		
Secured by tangible assets	41,972.59	33,384.90
Covered by Bank/Government Guarantees	196.69	533.84
Secured by Deposits	8.02	7.88
Unsecured	343.33	288.54
Total Loans - Gross	42,520.63	34,215.16
Less: Impairment loss allowance	(443.82)	(459.96)
Total Loans - Net	42,076.81	33,755.20
Loans in India		
Public Sector	-	-
Others *	42,520.63	34,215.16
Total Loans - Gross	42,520.63	34,215.16
Less: Impairment loss allowance	(443.82)	(459.96)
Total Loans in India - Net - (A)	42,076.81	33,755.20
Loans outside India	-	-
Less: Impairment loss allowance	-	-
Total Loans outside India - Net - (B)	-	-
Total loans (A) + (B)	42,076.81	33,755.20

@ includes loans to employees, loan against deposits and net investment in hire purchase.

* includes loans to Individuals, Sole proprietorship, Partnership, LLPs, Private and Public Limited companies.

There are no Loans or Advances in the nature of loans granted to promoters, directors, KMPs and the related parties that are:

- (a) repayable on demand or
- (b) without specifying any terms or period of repayment

NOTES TO THE ACCOUNTS (Contd.)

Note 10: Investments

(₹ in crores)

Particulars	Note No.	Face Value (₹)	March 31, 2024		March 31, 2023	
			Holding (Number)	Carrying Amount	Holding (Number)	Carrying Amount
At Cost:						
Equity Instruments						
- Subsidiaries						
Sundaram Asset Management Company Limited	i	10	9,62,51,566	261.12	2,39,50,384	236.58
Sundaram Home Finance Limited		10	10,12,54,438	1,153.79	10,12,54,438	1,153.27
Sundaram Fund Services Limited		10	4,50,03,000	0.64	4,50,03,000	24.45
Sundaram Trustee Company Limited		10	50,000	2.29	50,000	2.29
LGF Services Limited		10	2,50,000	0.05	2,50,000	0.05
Sundaram Finance Holdings Limited	ii & iii	5	-	-	5,21,76,605	114.21
				1,417.89		1,530.85
- Joint Ventures						
Royal Sundaram General Insurance Co. Limited		10	22,45,00,000	585.66	22,45,00,000	585.34
				2,003.55		2,116.19
Total - A						
At fair value through other comprehensive income:						
Equity Instruments						
Experian Credit Information Company of India Private Limited		10	1,12,00,000	11.20	1,12,00,000	11.20
Sundaram Finance Holdings Limited	ii & iii	5	4,42,03,076	882.51	-	-
				893.71		11.20
Preference Shares						
Series A Compulsorily Convertible Preference Shares of RBSG Capital Private Limited	iv	10	10,15,148	5.65	7,14,286	3.12
				899.36		14.32
Total - B						
At fair value through profit or loss:						
- Mutual Funds						
Sundaram Liquid Fund		1,000	25,92,381	552.79	33,36,355	663.22
HDFC Ultra Short Term Fund		10	10,72,24,045	151.07	-	-
Nippon India Ultra Short Duration Fund		1,000	1,87,199	75.48	-	-
ICICI Prudential Ultra Short Term Fund		10	2,77,17,976	75.48	-	-
SBI Corporate Bond Fund		10	-	-	3,92,19,262	52.26
Sundaram Banking and PSU Debt Fund		10	-	-	2,85,55,808	104.65

NOTES TO THE ACCOUNTS (Contd.)

(₹ in crores)

Particulars	Note No.	Face Value (₹)	March 31, 2024		March 31, 2023	
			Holding (Number)	Carrying Amount	Holding (Number)	Carrying Amount
Sundaram Corporate Bond Fund		10	-	-	1,49,53,239	52.33
Sundaram Overnight Fund		1,000	-	-	16,79,706	200.11
SBI Liquid Fund		1,000	-	-	9,94,000	350.22
Kotak Corporate Bond Fund		1,000	-	-	1,60,914	52.72
Sundaram Mutual Fund - Seed Capital	v		-	29.01	-	22.60
				883.83		1,498.11
- Alternative Investment Funds						
Sponsor investments						
Sundaram Alternative Opportunities Series – High Yield Secured Debt Fund II	vi		-	5.00	-	5.03
High Yield Secured Real Estate Fund III	vi		-	5.00	-	4.50
Sundaram High Yield Secured Real Estate Fund IV	vi		-	2.50	-	-
Sundaram Alternates - Emerging Corporate Credit Opportunities Fund - Series 1	vi		-	1.75	-	1.25
Sundaram India Premier Fund	vi	1000	85,420	17.29	98,567	14.75
Sundaram Alternative Opportunities Fund - ACORN	vi	1,00,000	816	17.95	816	13.24
ATLAS	vi	1,00,000	1,000	13.12	1,000	10.05
ATLAS II	vi	1,00,000	814	10.14	300	2.96
Others						
Sundaram Alternative Opportunities Series – High Yield Secured Debt Fund II			-	80.75	-	45.24
High Yield Secured Real Estate Fund III			-	55.00	-	-
Sundaram High Yield Secured Real Estate Fund IV			-	35.00	-	-
Sundaram Alternates - Emerging Corporate Credit Opportunities Fund - Series 1			-	61.25	-	18.75
Lok Capital Growth Fund		100	-	-	9,69,307	30.77
Trifecta Venture Debt Fund III		100	45,95,500	45.98	33,70,500	34.63
Amicus Capital Partners India Fund II		100	4,81,996	4.82	-	-
				355.55		181.17
				1,239.38		1,679.28
Less: Provision for AIF investments ^				(69.61)		-
Total - C				1,169.77		1,679.28

NOTES TO THE ACCOUNTS (Contd.)

(₹ in crores)

Particulars	Note No.	Face Value (₹)	March 31, 2024		March 31, 2023	
			Holding (Number)	Carrying Amount	Holding (Number)	Carrying Amount
At amortised cost:						
Debt securities						
- Government Securities:						
Central Government Loans	iii	100	1,55,89,300	157.07	1,55,89,300	157.08
State Government Loans	iii	100	4,57,50,000	464.99	3,22,50,000	326.90
				622.06		483.98
- Treasury Bills:	iii	100	5,25,00,000	519.85	5,00,00,000	496.77
- Non-Convertible Debentures:						
Navi Finserv Limited		1,000	10,00,000	99.71	-	-
Vivriti Capital Limited		1,00,000	5,000	50.43	5,000	50.43
Creditaccess Grameen Limited	iii	1,000	4,77,500	48.05	-	-
Five Star Business Finance Limited	iii	1,00,000	4,000	40.85	-	-
Muthoot Microfin Limited	iii	1,00,000	2,500	25.04	-	-
Belstar Microfinance Limited	iii	1,00,000	2,500	19.00	-	-
Annapurna Finance Private Limited		1,00,000	2,500	18.71	-	-
Aye Finance Private Limited		1,00,000	2,500	18.70	-	-
Lendingkart Finance Limited		1,00,000	2,500	15.65	-	-
Kosamattam Finance Limited	iii	1,000	2,50,000	14.97	-	-
Keertana Finserv Private Limited	iii	1,00,000	1,500	8.21	-	-
Navi Finserv Limited		10,00,000	-	-	1,000	99.40
Spandana Spoorthy Financial Limited	iii	10,00,000	-	-	250	25.00
				359.32		174.83
- Commercial Paper:						
Northern Arc Capital Limited		5,00,000	6,000	286.69	-	-
HDFC Securites Limited		5,00,000	2,000	99.60	-	-
Tata Capital Limited		5,00,000	2,000	99.47	-	-
L&T Finance Holdings Limited		5,00,000	2,000	98.88	-	-
Bajaj Finance Limited		5,00,000	2,000	98.80	-	-
IIFL Samasta Finance Limited		5,00,000	1,000	48.25	-	-

Particulars	Note No.	Face Value (₹)	March 31, 2024		March 31, 2023	
			Holding (Number)	Carrying Amount	Holding (Number)	Carrying Amount
Vivriti Capital Limited		500000	-	-	300	13.63
				731.69		13.63
- Pass Through Certificates:				78.37		84.38
				2,311.29		1,253.58
Less: Allowance for Impairment loss				(1.06)		(0.55)
Total - D				2,310.23		1,253.03
Total Investments * A+B+C+D (Net of allowance for impairment loss)				6,382.92		5,062.82

^ Provision made in compliance to the RBI circular on Investments in AIFs vide notification dated 19th December 2023 & 27th March 2024 respectively.

* All investments of the company are in India.

Notes:

- i) (a) During the year, Sundaram Asset Management Company Limited, wholly owned subsidiary of our company, has issued bonus shares in the proportion of 3:1 and allotted 7,18,51,152 paid up equity shares of ₹10/- each.
- (b) Pursuant to the demerger of fund accounting business of Sundaram Fund Services (SFS), wholly owned subsidiary of our company into Sundaram Asset Management Company Limited (SAMC), wholly owned subsidiary of our company, during Dec-2023 the company has been allotted 1 equity share of ₹10/- each in SAMC for every 100 equity shares of ₹10/- each held in SFS.
- ii) During March 2024, The Company transferred 79,73,529 equity shares of ₹5/- each held in Sundaram Finance Holding Limited (SFHL), for total consideration of ₹151.72 Cr. representing 3.59% Stake. Consequently SFHL has ceased to be a subsidiary of the Company. The Company has decided to recognise this investment at fair value through other comprehensive income as per Ind AS 109.
- iii) Represent Quoted Investments.
- iv) During the year, the company subscribed to the rights issue of Compulsorily Convertible Preference Shares (CCPS) offered by RBSG Capital Private Limited for 3,00,862 CCPS of ₹10/- each at a premium of ₹44.51 per share, amounting to ₹1.64 cr.
- v) Represents investments in the growth option of the open-ended schemes of Sundaram Mutual Fund in compliance with the seed capital requirements as stipulated by SEBI (Mutual Funds) Regulations, 1996, as amended from time to time. The same cannot be redeemed unless the scheme is wound up.
- vi) Represents sponsor investments, in compliance with SEBI (Alternative Investment Funds) Regulations, 2012 and the same cannot be redeemed unless the Fund is wound up.
- vii) In accordance with the Reserve Bank of India directives, the company has created a floating charge on the statutory liquid assets comprising investment in Government Securities of face value ₹613.39 cr. (amortised cost - ₹622.06 cr.).

NOTES TO THE ACCOUNTS (Contd.)

Note 11: Other Financial assets

(₹ in crores)

Particulars	March 31, 2024	March 31, 2023
Carried at amortised cost		
- Security deposits	9.27	9.00
- Redemption Receivable from MF Investments	-	1.43
- Other advances	8.84	5.81
Less: Impairment loss on the above	(0.23)	(0.21)
TOTAL	17.88	16.03

NOTE 12: Disclosure pursuant to Ind AS 12 "Income Taxes"

a) Major components of tax expense / (income) :

(₹ in crores)

Sl.no.	Particulars	2023-24	2022-23
(a)	Profit or Loss section :		
(i)	Current income tax :		
	Current income tax expense	401.77	319.43
	Tax expense of prior periods	-	-
(ii)	Deferred tax :		
	Tax expense on origination and reversal of temporary differences	(25.26)	12.22
	Effect of previously unrecognised tax losses used to reduce tax expense	-	-
	Income tax expense reported in Profit or Loss [(i) + (ii)]	376.51	331.65
(b)	Other Comprehensive Income (OCI) section :		
(i)	Items not to be reclassified to profit or loss in subsequent periods :		
	Current tax expense/(income) :		
	On remeasurement of defined benefit plans	181.20	(0.91)
	Deferred tax expense/(income) :		
	On Equity/Preference Shares	(1.93)	(0.91)
	On Equity/Preference Shares	183.13	-
(ii)	Items to be reclassified to profit or loss in subsequent periods :		
	(A) Deferred tax expense/(income) :		
	On MTM of cash flow hedges	(0.26)	0.11
	Income tax expense reported in Other Comprehensive Income [(i) + (ii)]	180.94	(0.80)
	Income tax expense reported in retained earnings	557.45	330.85

NOTES TO THE ACCOUNTS (Contd.)

b) Reconciliation of tax expense and the accounting profit multiplied by domestic tax rate applicable in India :

(₹ in crores)

Sl. No.	Particulars	2023-24	2022-23
(a)	Profit before tax and exceptional items	1,696.67	1,419.96
(b)	Profit on exceptional items	133.85	-
(c)	Profit before tax	1,830.52	1,419.96
(d)	Corporate tax rate as per Income Tax Act 1961	25.17%	25.17%
(e)	Tax on Accounting profit (e)=(a)*(d)	460.70	357.38
(f)	(i) Tax on income deductible / exempt from tax :		
	(A) Dividend income (deduction u/s. 80M)	63.66	27.11
	(ii) Tax on expenses not tax deductible :		
	CSR expenses/Donations	3.44	6.05
	(iii) Tax on exceptional items	13.40	-
	(iv) Tax effect on various other items	10.58	4.66
	Total effect of tax adjustments [(i) -(ii) + (iii) + (iv)]	84.20	25.72
(g)	Tax expense recognised during the year (g)=(e)-(f)	376.51	331.65
(h)	Effective tax Rate (h)=(g)/(c)	20.57%	23.36%

c) Components of deferred tax assets / (liabilities) recognised in Balance Sheet and Statement of Profit or Loss :

(₹ in crores)

Sl. No.	Particulars	Balance sheet		Statement of Profit or Loss	
		March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
(a)	Items disallowed u/s.43B of the Income Tax Act 1961	7.58	5.44	2.14	0.39
(b)	Provision for doubtful debts and advances	90.37	95.02	(4.65)	(16.35)
(c)	Difference between book depreciation and tax depreciation	38.76	33.80	4.96	0.29
(d)	Fair value change on Equity / Preference shares (OCI)	(183.13)	-	(183.13)	-
(e)	Other temporary differences	61.58	38.51	23.07	3.35
	Deferred tax (expense)/income	-	-	(157.62)	(12.33)
	Net deferred tax assets/(liabilities)	15.16	172.77		

NOTES TO THE ACCOUNTS (Contd.)

d) Reconciliation of deferred tax assets / (liabilities):

(₹ in crores)

Sl. no.	Particulars	March 31, 2024	March 31, 2023
(a)	Opening balance as at April 1	172.77	185.10
(b)	Tax income/(expense) during the period recognised in :		
	(i) Statement of Profit and Loss in Profit or Loss section	25.26	(12.22)
	(ii) Statement of Profit and Loss under OCI section	(182.87)	(0.11)
	(iii) Retained earnings	-	-
	Closing balance	15.16	172.77

Note 13 : Investment Property

(₹ in crores)

Particulars	Land*	Building*	Total
GROSS BLOCK AT COST			
As at 31.03.2023	90.61	11.54	102.15
Additions	-	-	-
Deductions	-	-	-
Asset Transfer from PPE	-	-	-
As at 31.03.2024	90.61	11.54	102.15
DEPRECIATION			
Upto 31.03.2023	-	3.10	3.10
Additions	-	0.43	0.43
Deductions	-	-	-
Asset Transfer from PPE	-	-	-
Upto 31.03.2024	-	3.53	3.53
Carrying Value as at 31.03.2024	90.61	8.01	98.62

NOTES TO THE ACCOUNTS (Contd.)

(₹ in crores)

Particulars	Land	Building	Total
GROSS BLOCK AT COST			
As at 31.03.2022	55.99	16.13	72.12
Additions	40.14	-	40.14
Deductions	5.52	4.59	10.11
Asset Transfer from PPE	-	-	-
As at 31.03.2023	90.61	11.54	102.15
DEPRECIATION			
Upto 31.03.2022	-	3.46	3.46
Additions	-	0.59	0.59
Deductions	-	0.95	0.95
Asset Transfer from PPE	-	-	-
Upto 31.03.2023	-	3.10	3.10
Carrying Value as at 31.03.2023	90.61	8.44	99.05

Title deeds of all the Immovable Properties are held in the name of the Company.

The fair value measurement for all the investment property has been done by Registered Valuer.

The fair valuation of the investment property is ₹303.17 crores (31.03.2023 : ₹273.65 crores).

* A property at R K Pet, Thiruvalur, Tamilnadu (Cost ₹10.85 crores) is held for sale.

Items relating to Investment property recognised in Profit & Loss account for the year ended are as given below:

(₹ in crores)

Particulars	2023-24	2022-23
Rental income	5.96	6.42
Direct Operating expenses on properties generating rental income	0.34	0.54
Direct Operating expenses on properties not generating rental income	0.06	0.02

The investment properties are freely realisable.

There is no contractual obligation to purchase, construct or develop investment property.

NOTES TO THE ACCOUNTS (Contd.)

Note 14: Property, Plant and equipment

(₹ in crores)

Particulars	Freehold Land	Freehold Buildings	Leasehold office / Residential Premises	Plant and Machinery and Computers	Furniture and Fixtures	Vehicles	Office Equipment	Assets on Operating Lease			Total	
								Plant and Machinery and Computers	Vehicles	Medical Equipment		
GROSS BLOCK AT COST												
As at 31.03.2023	27.84	14.77	6.33	59.58	13.41	31.00	11.43	18.52	350.04	11.43	544.35	
Additions	-	1.88	0.31	19.34	5.55	15.04	4.20	8.66	217.59	-	272.57	
Deductions	-	-	-	2.18	0.51	7.48	0.43	5.43	63.33	-	79.36	
Asset Transfer to IP											-	
As at 31.03.2024	27.84	16.65	6.64	76.74	18.45	38.56	15.20	21.75	504.30	11.43	737.56	
DEPRECIATION												
Upto 31.03.2023	-	4.72	1.59	40.07	7.80	14.62	5.93	12.11	105.38	6.97	199.19	
Additions	-	0.75	0.29	8.15	1.97	5.99	1.46	3.92	88.18	1.41	112.12	
Deductions	-	-	-	1.87	0.33	5.63	0.29	4.68	35.91	-	48.71	
Asset Transfer to IP											-	
Upto 31.03.2024	-	5.47	1.88	46.35	9.44	14.98	7.10	11.35	157.65	8.38	262.60	
Carrying Value as at 31.03.2024	27.84	11.18	4.76	30.39	9.01	23.58	8.10	10.40	346.66	3.05	474.96	

NOTES TO THE ACCOUNTS (Contd.)

(₹ in crores)

Particulars	Freehold Land	Freehold Buildings	Leasehold office / Residential Premises	Plant and Machinery and Computers	Furniture and Fixtures	Vehicles	Office Equipment	Assets on Operating Lease			Total	
								Plant and Machinery and Computers	Vehicles	Medical Equipment		
GROSS BLOCK AT COST												
As at 31.03.2022	28.60	13.89	6.26	54.78	11.49	25.32	9.92	16.47	228.76	11.43	406.92	
Additions	-	1.14	0.07	6.32	2.28	9.63	1.86	2.28	180.60	-	204.18	
Deductions	0.76	0.26	-	1.52	0.36	3.95	0.35	0.23	59.32	-	66.75	
Asset Transfer to IP											-	
As at 31.03.2023	27.84	14.77	6.33	59.58	13.41	31.00	11.43	18.52	350.04	11.43	544.35	
DEPRECIATION												
Upto 31.03.2022	-	4.06	1.29	34.12	6.73	13.33	5.15	9.28	83.07	4.92	161.95	
Additions	-	0.74	0.30	7.23	1.33	4.17	1.01	3.04	56.91	2.05	76.78	
Deductions	-	0.08	-	1.28	0.26	2.88	0.23	0.21	34.60	-	39.54	
Asset Transfer to IP												
Upto 31.03.2023	-	4.72	1.59	40.07	7.80	14.62	5.93	12.11	105.38	6.97	199.19	
Carrying Value as at 31.03.2023	27.84	10.05	4.74	19.51	5.61	16.38	5.50	6.41	244.66	4.46	345.16	

Title deeds of all the Immovable Properties are held in the name of the Company.

No Revaluation of Property, Plant and Equipment has been carried out during the year.

Refer Note 19 for Mortgage on Immovable Property.

The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

NOTES TO THE ACCOUNTS (Contd.)

Note 15 : Right of use - Assets

(₹ in crores)

Particulars	ROU Land	ROU Buildings	Finance Lease	Total
			Land	
GROSS BLOCK AT COST				
As at 31.03.2023	4.39	107.87	0.39	112.65
Additions	2.36	27.60	-	29.96
Deductions	-	8.01	-	8.01
As at 31.03.2024	6.75	127.46	0.39	134.60
DEPRECIATION				
Up to 31.03.2023	3.96	48.80	-	52.76
Additions	0.86	15.10	-	15.96
Deductions	-	3.14	-	3.14
Upto 31.03.2024	4.82	60.76	-	65.58
Carrying Value as at 31.03.2024	1.93	66.70	0.39	69.02

(₹ in crores)

Particulars	ROU Land	ROU Buildings	Finance Lease	Total
			Land	
GROSS BLOCK AT COST				
As at 31.03.2022	4.39	77.74	0.39	82.52
Additions	-	31.81	-	31.81
Deductions	-	1.68	-	1.68
As at 31.03.2023	4.39	107.87	0.39	112.65
DEPRECIATION				
Up to 31.03.2022	3.08	35.85	-	38.93
Additions	0.88	12.95	-	13.83
Deductions	-	-	-	-
Upto 31.03.2023	3.96	48.80	-	52.76
Carrying Value as at 31.03.2023	0.43	59.07	0.39	59.89

NOTES TO THE ACCOUNTS (Contd.)

Note 16: Other Intangibles Assets & Intangible Assets Under Development

(₹ in crores)

Particulars	Computer Software		Total	Intangibles Under Development*
	Purchased	Self Generated		
GROSS BLOCK AT COST				
As at 31.03.2023	18.68	17.49	36.17	0.60
Additions	0.30	8.83	9.13	9.53
Deductions	-	-	-	8.83
As at 31.03.2024	18.98	26.32	45.30	1.30
DEPRECIATION				
Up to 31.03.2023	17.73	10.03	27.76	-
Additions	0.57	2.66	3.23	-
Deductions	-	-	-	-
Upto 31.03.2024	18.30	12.69	30.99	-
Carrying Value as at 31.03.2024	0.68	13.63	14.31	1.30

* ₹1.30 crores aging is less than 1 year. No Revaluation of Intangible assets is done during the year

(₹ in crores)

Particulars	Computer Software		Total	Intangibles Under Development
	Purchased	Self Generated		
GROSS BLOCK AT COST				
As at 31.03.2022	18.67	9.95	28.62	-
Additions	0.01	7.54	7.55	8.14
Deductions	-	-	-	7.54
As at 31.03.2023	18.68	17.49	36.17	0.60
DEPRECIATION				
Up to 31.03.2022	16.45	8.96	25.41	-
Additions	1.28	1.07	2.35	-
Deductions	-	-	-	-
Upto 31.03.2023	17.73	10.03	27.76	-
Carrying Value as at 31.03.2023	0.95	7.46	8.41	0.60

NOTES TO THE ACCOUNTS (Contd.)

Note 17: Other Non-Financial Assets

(₹ in crores)

Particulars	March 31, 2024	March 31, 2023
Balances with Government authorities	96.77	84.28
Prepaid expenses	17.74	11.39
SF employee welfare trust	2.88	2.91
Stamp and stamp papers on hand	3.24	2.90
Capital Advances	0.63	1.37
Others Assets *	3.63	8.13
TOTAL	124.89	110.98

* Amount paid for which goods / services are to be received.

Note 18: Payables

(₹ in crores)

Particulars	March 31, 2024	March 31, 2023
Trade payables		
(i) Total outstanding dues of micro enterprises and small enterprises		
Outstanding Liability *	2.20	2.41
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		
Dealer Balances	120.63	89.28
Outstanding Liabilities	9.15	10.27
Sub-Total	129.78	99.55
Other payables		
(i) Total outstanding dues of micro enterprises and small enterprises	–	–
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	9.85	9.20
Sub-Total	9.85	9.20

*Subsequently liability is discharged

NOTES TO THE ACCOUNTS (Contd.)

Trade Payables ageing schedule as at 31st March 2024

(₹ in crores)

Outstanding for following periods from due date of payment						
Particulars	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	0.02	2.18				2.20
(ii) Others	2.01	94.71	33.01			129.73
(iii) Disputed dues – MSME						-
(iv) Disputed dues - Others						-
(v) Unbilled	0.05					0.05

Trade Payables ageing schedule as at 31st March 2023

(₹ in crores)

Outstanding for following periods from due date of payment						
Particulars	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i)MSME		2.41				2.41
(ii)Others	2.43	88.06	9.04	0.02		99.55
(iii) Disputed dues – MSME						-
(iv) Disputed dues - Others						-
(v) Unbilled						-

Note 19: Debt Securities

(₹ in crores)

Particulars	March 31, 2024	March 31, 2023
Carried at amortised cost		
Non-Convertible debentures	11,403.71	11,291.62
Commercial paper	1,930.42	2,429.51
Total	13,334.13	13,721.13
Of the above		
- Debt securities in India	13,334.13	13,721.13
- Debt securities in outside India	-	-
Total	13,334.13	13,721.13

The Secured Non - Convertible Debentures are secured by mortgage of immovable property ranking pari passu with charges created in favour of the trustees and Hypothecation of specific Loan receivables / Hire purchase/ Lease agreements with a cover of 100%/ 125%, as per the terms of issue.

NOTES TO THE ACCOUNTS (Contd.)

Note 20: Borrowings other than debt securities

(₹ in crores)

Particulars	March 31, 2024	March 31, 2023
Secured:		
Term Loan from banks	17,303.54	9,903.29
Working capital demand loans and Cash credit	2,043.60	2,083.62
Unsecured:		
Others	2.84	-
TOTAL	19,349.98	11,986.91
Of the above		
Borrowings in India	19,349.98	11,986.91
Borrowings Outside India	-	-
TOTAL	19,349.98	11,986.91

The term loan from banks are secured by hypothecation of specific assets covered by a charge on hypothecation loan receivable /Hire purchase/Lease Agreements.

Term loans were deployed for the purpose for which they were obtained.

Working capital demand loans and cash credit are secured by a charge on hypothecation loan receivable/hire purchase /lease agreement , ranking pari passu ,excluding assets which are specifically charged to others.

Funds raised on short term basis have not been utilised for long term purposes.

Quarterly Returns or Statements of current assets filed by the Company with Banks or Financial Institutions are in agreement with the Books of Accounts.

The Company has not been declared as wilful defaulter by any Bank or Financial Institution or other lender or government or any government authority

Note 21: Deposits

(₹ in crores)

Particulars	March 31, 2024	March 31, 2023
Carried at amortised cost		
- Public Deposits	5,745.23	4,806.04
TOTAL	5,745.23	4,806.04

Note 22: Subordinated Liabilities

(₹ in crores)

Particulars	March 31, 2024	March 31, 2023
Carried at amortised cost		
Subordinated Non Convertible Debentures	2,447.55	2,240.86
Of the above		
- Subordinated Liabilities in India	2,447.55	2,240.86
- Subordinated Liabilities outside India	-	-
Total	2,447.55	2,240.86

NOTES TO THE ACCOUNTS (Contd.)

Maturity Pattern of borrowings:

(₹ in crores)

Implicit Interest rate * (%)	March 31, 2024				March 31, 2023				
	Maturities	<1 year	1 - 3 years	>3 years	Total	<1 year	1 - 3 years	>3 years	Total
Secured Debentures									
>= 4 to 5					1,737.95				1,737.95
>= 5 to 6	1,664.31	253.43		1,917.74	1,842.81	1,849.56			3,692.37
>= 6 to 7	571.95	750.00		1,321.95	599.58	500.00	750.00		1,849.58
>= 7 to 8	1,395.42	3,461.07	3,307.53	8,164.02	1,116.83	1,955.00	939.89		4,011.72
Total	3,631.68	4,464.50	3,307.53	11,403.71	5,297.17	4,304.56	1,689.89		11,291.62
Long Term Loans									
>=3 to 4	147.27	39.53		186.80	437.14	243.24	2.31		682.69
>= 4 to 5	366.00	282.28	0.01	648.29	490.06	631.67	4.14		1,125.87
>= 5 to 6	224.90	178.56	0.07	403.53	556.19	416.81	10.45		983.45
>= 6 to 7	1,049.14	1,297.74	64.64	2,411.52	1,052.00	1,438.94	184.77		2,675.70
>= 7 to 8	3,499.40	6,178.89	1,484.83	11,163.12	1,135.25	1,711.82	1,088.41		3,935.47
>= 8 to 9	200.00	400.00	390.00	990.00	83.49	333.30	83.30		500.09
Total	5,486.71	8,377.00	1,939.55	15,803.26	3,754.13	4,775.78	1,373.38		9,903.29
Subordinated Liabilities									
>= 7 to 8	20.03		800.00	820.03	14.51		600.00		614.51
>= 8 to 9	49.58	150.00	1,075.00	1,274.58	48.86		1,225.00		1,273.86
>= 9 to 10	187.94	40.00	125.00	352.94	12.49	215.00	125.00		352.49
Total	257.55	190.00	2,000.00	2,447.55	75.86	215.00	1,950.00		2,240.86

The Secured Non - Convertible Debentures which are issued and allotted till 26-Nov-2020 are secured by mortgage of immovable property ranking pari passu with charges created in favour of the trustees and Hypothecation of specific Loan receivables / Hire purchase/ Lease agreements with a cover of 100%, as per the terms of issue.

The Secured Non - Convertible Debentures which are issued and allotted on or after 27-Nov-2020 are secured by Hypothecation of specific Loan receivables / Hire Purchase / Lease agreements with a cover of 100% /125% as per the terms of issue.

The Term loans from banks are secured by hypothecation of specific assets covered by a charge on Hypothecation Loan Receivables/Hire purchase / Lease agreements.

* Monthly cost

Reconciliation of movement in borrowings to cash flows from financing activities

(₹ in crores)

Particulars	April 01, 2023	Cashflows	Others*	March 31, 2024
Debt securities	13,721.13	(713.84)	326.85	13,334.13
Borrowings (Other than debt securities)	11,986.91	7330.67	32.39	19,349.98
Deposits	4,806.04	887.94	51.25	5,745.23
Subordinated liabilities	2,240.86	199.48	7.22	2,447.56
Total	32,754.94	7,704.24	417.71	40,876.89

NOTES TO THE ACCOUNTS (Contd.)

Particulars	April 01, 2022	Cashflows	Others*	March 31, 2023
Debt securities	13,751.20	(127.11)	97.04	13,721.13
Borrowings (Other than debt securities)	7,363.11	4,605.03	18.77	11,986.91
Deposits	4,214.24	605.96	(14.16)	4,806.04
Subordinated liabilities	2,501.24	(250.00)	(10.38)	2,240.86
Total	27,829.79	4,833.88	91.27	32,754.94

*Others represents the effect of interest accrued but not paid on borrowing and amortization of initial cost of borrowing.

Note 23: Other Financial Liabilities

(₹ in crores)

Particulars	March 31, 2024	March 31, 2023
Amount due on assets securitised or assigned	8.04	20.25
Unpaid matured deposits and interest accrued thereon	48.23	60.41
Advance received from customers	28.56	16.65
Unpaid dividend	3.58	3.43
Payable to employees	104.39	89.03
Lease liability	66.82	56.81
Other liabilities **	152.72	141.35
TOTAL	412.34	387.93

** Other liabilities include amount payable to creditors for expenses, payable to customers for security deposit received, commission payable to non-whole time directors.

Note 24: Provisions

(₹ in crores)

Particulars	March 31, 2024	March 31, 2023
Provision for employee benefits	29.41	20.17
Provision for Other expenses ^	18.18	18.74
Total	47.59	38.91

^ Provision for other expenses include provision made for legal cases / claims

Note 25: Other Non-Financial Liabilities

(₹ in crores)

Particulars	March 31, 2024	March 31, 2023
Revenue received in advance	0.86	0.58
Other Liabilities #	36.61	27.78
TOTAL	37.47	28.36

mainly include government dues, taxes payable, GST payable and salary deductions payable

NOTES TO THE ACCOUNTS (Contd.)

Note 26: Equity Share Capital

(₹ in crores)

Particulars	March 31, 2024	March 31, 2023
Authorised capital		
27,81,00,000 Equity Shares of ₹10/- each	278.10	278.10
Issued, Subscribed and fully paid-up		
11,11,03,860 Equity Shares of ₹10/- each	111.10	111.10

The Company has only one class of equity shares having a par value of ₹10/- per share. Each holder of equity shares is entitled to one vote per share. The final dividend is subject to the approval of the shareholders in the ensuing annual general meeting.

a) Reconciliation of the number of shares outstanding at the beginning and at the end of the year

Particulars	March 31, 2024	March 31, 2023
At the beginning of the year	11,11,03,860	11,11,03,860
Changes in equity share capital during the current year	–	–
At the end of the year	11,11,03,860	11,11,03,860

b) Share holder holding more than 5% of shares:

Name of the Share holder	Axis Mutual Fund	
	March 31, 2024	March 31, 2023
No of shares	NIL	61,26,653
% of holding	NIL	5.51%

c) Aggregate number of equity shares issued for consideration other than cash / Bonus shares during the period of five years immediately preceding the reporting date: Nil

d) **Share holding of promoters - refer annexure**
Shares held by promoters at the end of the year

Date	Promoter name	No.of shares	% of total shares	% change during the year
31.03.2023	As per table below	4,27,63,719	38.49	-
31.03.2024		4,20,75,181	37.87	-0.62

NOTES TO THE ACCOUNTS (Contd.)

Annexure - Note 26 (d) : Shareholding of Promoters

	Name of the Promoters	PAN	Shareholders Type	No. of Shares as on 31 st March 2024	% of shares	No. of Shares as on 31 st March 2023	% of shares	% Change
1	Mr. Srivats Ram	APKPS8819Q	Promoter	17,01,322	1.53	17,01,322	1.53	-
2	Mrs. Nivedita Ram	AADPN0585A	Promoter	16,49,516	1.48	16,49,516	1.48	-
3	Mr. Harsha Viji	AABPH5786K	Promoter Group	18,05,692	1.63	16,91,704	1.52	0.11
4	Mr. Arjun Rangarajan	AFMPA1593H	Promoter Group	13,08,270	1.18	13,08,270	1.18	-
5	Mr. Sriram Viji	ABCPS3880K	Promoter Group	12,78,620	1.15	12,78,620	1.15	-
6	Mrs. Gita Ram	ACUPG1484G	Promoter Group	11,39,680	1.03	11,39,680	1.03	-
7	Late Mr. S. Sundaram	ABAPS0106L	Promoter	4,000	0.00	4,000	0.00	-
8	Mrs. S. Hema	AABPH2369C	Promoter Group	3,34,968	0.30	3,34,968	0.30	-
9	Mrs. Usha Raghavan	AAAPR8232R	Promoter	5,89,992	0.53	5,89,992	0.53	-
10	Mr. Srikanth Ramanujam	AIJPS9413N	Promoter	9,14,052	0.82	9,14,052	0.82	-
11	Mr. S. Viji	AAFV2927C	Promoter	12,75,704	1.15	12,75,704	1.15	-
12	Mrs. Vijaya Rangarajan	ACFPR6155E	Promoter	10,86,265	0.98	10,86,265	0.98	-
13	Mrs. Chitra Viji	AACPC0420E	Promoter Group	8,34,034	0.75	8,34,034	0.75	-
14	Mrs. Prema Ramanujam	AACPR3435L	Promoter Group	6,43,412	0.58	6,43,412	0.58	-
15	Mrs. Lily Vijayaraghavan	AABPL7289D	Promoter	4,15,292	0.37	5,45,436	0.49	-0.12
16	Mrs. Vijaya Rangarajan & Mr. Santhanam Ram	ACFPR6155E	Promoter Group	6,09,896	0.55	6,09,896	0.55	-
17	Mr. S. Ram	ADCPR0378R	Promoter	5,06,788	0.46	5,06,788	0.46	-
18	Mrs. Choodamani Narayanan	AADPN2665B	Promoter	5,09,094	0.46	5,09,094	0.46	-
19	Mr. Narayanan Ramji (HUF)	AAAHN0119F	Promoter Group	1,36,160	0.12	1,36,160	0.12	-
20	Mrs. Anuradha Raghavan	AABPR3006N	Promoter	3,97,264	0.36	3,97,264	0.36	-
21	Mr. Jaideep Chakravarthy	AADPJ4258L	Promoter	6,85,198	0.62	6,85,198	0.62	-
22	Mr. Pradeep Chakravarthy*	AACPC0448A	Promoter	-	-	6,67,986	0.60	-0.60
23	Mrs. Lily Vijayaraghavan & Mrs. Sashi Parthasarathy	AABPL7289D	Promoter	1,97,576	0.18	3,05,112	0.27	-0.09
24	Mr. Sharath Vijayaraghavan (HUF)	AALHS3553D	Promoter Group	2,01,798	0.18	2,09,000	0.19	-0.01
25	Mr. K. Vasudevan	AAAPV2148Q	Promoter	2,87,492	0.26	2,87,492	0.26	-
26	Mrs. Lakshmi Vasudevan	AGFPV2469M	Promoter Group	2,80,016	0.25	2,80,016	0.25	-
27	Mr. R. Ramanujam	AABPR9212J	Promoter Group	4,09,622	0.37	4,09,622	0.37	-
28	Mr. Aditya S. Ramanujam	ARIPR0950R	Promoter Group	2,61,548	0.24	2,61,548	0.24	-

* reclassified as public in accordance with Reg. 31A of the SEBI (LODR) Regulations, 2015.

NOTES TO THE ACCOUNTS (Contd.)

	Name of the Promoters	PAN	Shareholders Type	No. of Shares as on 31 st March 2024	% of shares	No. of Shares as on 31 st March 2023	% of shares	% Change
29	Ms. Tulsi S Ramanujam	BDHPR4276C	Promoter Group	2,67,767	0.24	2,67,767	0.24	-
30	Mr. Sharath Vijayaraghavan	AAAPV4274F	Promoter	1,74,844	0.16	1,74,844	0.16	-
31	Mrs. Lily Vijayaraghavan & Mr. Badri Vijayaraghavan	AABPL7289D	Promoter	1,97,776	0.18	1,97,776	0.18	-
32	Mrs. Lily Vijayaraghavan & Mr. Sharath Vijayaraghavan	AABPL7289D	Promoter	1,97,776	0.18	1,97,776	0.18	-
33	Mr. T.T. Narendran, Mrs. Vimala Rangaswamy & Mrs. Padmini Narendran	AAAPN8006H	Promoter	1,62,988	0.15	1,62,988	0.15	-
34	Mrs. Indira Krishnaswami	AABPI0060M	Promoter Group	1,62,180	0.15	1,62,180	0.15	-
35	Mr. T.T. Srinivasaraghavan (HUF)	AAAHT0056R	Promoter Group	1,23,192	0.11	1,23,192	0.11	-
36	Mr. Daya Ambirajan	AYMPA5797J	Promoter Group	2,70,539	0.24	2,70,539	0.24	-
37	Mr. S. Viji (HUF)	AAFHS9812K	Promoter Group	-	-	1,13,988	0.10	-0.10
38	Mr. S. Kishore & Mr. A.M. Srinivasan	ALRPK5324P	Promoter Group	4,63,612	0.42	4,63,612	0.42	-
39	Mrs. Bagyam Raghavan & Mr. T.T. Venkatraghavan	AABPR2372R	Promoter Group	1,13,308	0.10	1,13,308	0.10	-
40	Mr. T.T. Srinivasaraghavan & Mr. T.T. Narendran	AABTA7395M	Promoter Group	1,18,000	0.11	1,18,000	0.11	-
41	Mr. T.T. Srinivasaraghavan & Mrs. Bagyam Raghavan	AABTV8927C	Promoter Group	1,18,000	0.11	1,18,000	0.11	-
42	Mr. T.T. Narendran & Mrs. Padmini Narendran	AAATD8906G	Promoter Group	90,000	0.08	90,000	0.08	-
43	Mr. Narayanan Ramji	AAUPS6022N	Promoter	1,12,148	0.10	1,12,148	0.10	-
44	Mr. S Raghavan	AACPR1872R	Promoter Group	1,03,492	0.09	1,03,492	0.09	-
45	Mrs. Padmini Narendran & Mr. T.T. Hayagreevan	AAAPN8007G	Promoter Group	1,09,412	0.10	1,09,412	0.10	-
46	Mr. N Krishnan	AACPK6061H	Promoter	1,12,192	0.10	1,12,192	0.10	-
47	Mr. N Krishnan (HUF)	AAAHK2718M	Promoter Group	1,01,592	0.09	1,01,592	0.09	-
48	Mr. T.T. Narendran (HUF)	AAAHT0077L	Promoter Group	95,068	0.09	95,068	0.09	-
49	Mrs. Vimala Rangaswamy, Mr. T.T. Narendran & Mrs. Padmini Narendran	AABPR2371N	Promoter Group	95,024	0.09	95,024	0.09	-

NOTES TO THE ACCOUNTS (Contd.)

	Name of the Promoters	PAN	Shareholders Type	No. of Shares as on 31st March 2024	% of shares	No. of Shares as on 31st March 2023	% of shares	% Change
50	Mr. T.T. Narendran & Mrs. Padmini Narendran	AAATH9184Q	Promoter Group	80,000	0.07	80,000	0.07	-
51	Mr. T.T. Srinivasaraghavan, Mrs. Vimala Rangaswamy & Mrs. Bagyam Raghavan	AAGPS0089M	Promoter	85,084	0.08	85,084	0.08	-
52	Mrs. Vimala Rangaswamy, Mr. T.T. Srinivasaraghavan & Mr. T.T. Venkatraghavan	AABPR2371N	Promoter Group	82,664	0.07	82,664	0.07	-
53	Mr. Srivats Ram (HUF)	AAPHS9705K	Promoter Group	77,200	0.07	77,200	0.07	-
54	Mr. Vishnu Vijayaraghavan	AGAPV6283G	Promoter Group	1,50,984	0.14	1,50,984	0.14	-
55	Mrs. Rupa Srikanth	ADQPR9034C	Promoter Group	70,188	0.06	70,188	0.06	-
56	Mrs. Aruna Sankaranarayanan	AKFPS1892R	Promoter Group	56,840	0.05	56,840	0.05	-
57	Mrs. Rama Sridharan	AUOPS3865M	Promoter	55,920	0.05	55,920	0.05	-
58	Late Mr. T.T. Rangaswamy (Karta of HUF 1)	AAAHT0031Q	Promoter Group	49,324	0.04	49,324	0.04	-
59	Mr. Thiruvallore Thattai Narendran & Mr. Thiruvallur Thattai Hayagreevan	AAAPN8006H	Promoter	49,200	0.04	-	-	0.04
60	Mr. Thiruvallur Thattai Venkatraghavan & Mr. Thiruvallur Thattai Srinivasaraghavan	AILPV0649P	Promoter Group	48,628	0.04	-	-	0.04
61	Late Mr. T. T. Rangaswamy, Mr. T. T. Narendran & Mr. T. T. Hayagreevan	AABPR2403B	Promoter	-	-	49,200	0.04	-0.04
62	Late Mr. T. T. Rangaswamy, Mr. T. T. Venkatraghavan & Mr. T. T. Srinivasaraghavan	AABPR2403B	Promoter	-	-	48,628	0.04	-0.04
63	Mr. K Vasudevan & Mrs. Lakshmi Vasudevan	AAAPV2148Q	Promoter	46,392	0.04	46,392	0.04	-
64	Mrs. Lakshmi Vijayaraghavan	AABPL7182P	Promoter Group	42,955	0.04	42,955	0.04	-
65	Mr. Shriram Vijayaraghavan (HUF)	AAUHS1066A	Promoter Group	1,05,000	0.09	1,05,000	0.09	-
66	Mr. Shreen Raghavan	AAJPS6234R	Promoter Group	94,892	0.09	94,892	0.09	-

NOTES TO THE ACCOUNTS (Contd.)

	Name of the Promoters	PAN	Shareholders Type	No. of Shares as on 31 st March 2024	% of shares	No. of Shares as on 31 st March 2023	% of shares	% Change
67	Mr. R. Ramanujam & Mr. Ananth Ramanujam	AABPR9212J	Promoter Group	25,600	0.02	25,600	0.02	-
68	Ms. Tarika Ram (Minor)	BDHPR4279P	Promoter Group	1,64,380	0.15	1,64,380	0.15	-
69	Ms. Gitanjali Jeevan Jose, Rep By M/G Mrs. Divya Jeevan Jose	AOTPJ0570M	Promoter Group	10,000	0.01	10,000	0.01	-
70	Master P Siddhartha Jeevan, Rep By M/G Mrs. Divya Jeevan Jose	ERCPS8634D	Promoter Group	10,000	0.01	10,000	0.01	-
71	Mr. R. Ramanujam (HUF)	AAFHR3792D	Promoter Group	9,992	0.01	9,992	0.01	-
72	Mr. R. Ramanujam & Mrs. Prema Ramanujam	AABPR9212J	Promoter Group	9,736	0.01	9,736	0.01	-
73	Mr. Sumanth Ramanujam	AAKPS4078E	Promoter Group	9,27,129	0.83	9,27,129	0.83	-
74	Mr. S. Viji & Mrs. Chitra Viji	AAFV2927C	Promoter	8,684	0.01	8,684	0.01	-
75	Mr. Srikanth Ramanujam (HUF)	AANHS3825C	Promoter Group	8,000	0.01	8,000	0.01	-
76	Master Ranjan Ambirajan	AYMPA5659H	Promoter Group	1,57,633	0.14	1,57,633	0.14	-
77	Mr. Shreen Raghavan (HUF)	ABAHS7352C	Promoter Group	5,115	0.00	5,115	0.00	-
78	Mr. Srikanth Ramanujam & Mrs. Rupa Srikanth	AIJPS9413N	Promoter	4,472	0.00	4,472	0.00	-
79	Mr. Sriram Viji & Mrs. Chitra Viji	ABCPS3880K	Promoter Group	3,156	0.00	3,156	0.00	-
80	Mr. Harsha Viji & Mrs. Chitra Viji	AABPH5786K	Promoter Group	3,156	0.00	3,156	0.00	-
81	Mr. Srinivasan Ravindran	AACPR6159H	Promoter	2,39,680	0.22	2,39,680	0.22	-
82	Mr. S. Ravindran	AAAHS0352M	Promoter Group	2,51,680	0.23	2,51,680	0.23	-
83	Mrs. Thanjam Ravindran	ACQPR1429N	Promoter Group	5,62,670	0.51	5,62,670	0.51	-
84	Mr. Shreyas Ravindran and Mr. Srinivasan Ravindran	BGYPS6976G	Promoter Group	1,36,342	0.12	1,36,342	0.12	-
85	Mr. C.B. Srinivasan	AICPS2728M	Promoter Group	9,600	0.01	9,600	0.01	-
86	Mr. A.M. Srinivasan & Mr. S. Kishore	BHJPS8016D	Promoter Group	3,50,452	0.32	3,50,452	0.32	-
87	Mr. A.M. Srinivasan	BHJPS8016D	Promoter Group	120	0.00	120	0.00	-
88	Kavitha Gorur Keshav & Mr. T.T. Hayagreevan	ARAPK4690F	Promoter Group	10,000	0.01	10,000	0.01	-

NOTES TO THE ACCOUNTS (Contd.)

	Name of the Promoters	PAN	Shareholders Type	No. of Shares as on 31st March 2024	% of shares	No. of Shares as on 31st March 2023	% of shares	% Change
89	Nakshatra Hayagreevan (Minor)	AZYPN1903G	Promoter Group	10,000	0.01	10,000	0.01	-
90	Ms. Sanjana Tara Ramanujam	CPKPS6207J	Promoter Group	99,524	0.09	99,524	0.09	-
91	Master T.T. Samitinjayan Rep by F / G Mr. T.T. Hayagreevan	BTVPT2424C	Promoter Group	10,000	0.01	10,000	0.01	-
92	Mr. Badri Vijayaraghavan	AGLPB3996P	Promoter	1,30,144	0.12	-	-	0.12
93	M/s. India Motor Parts & Accessories Limited	AAACI0931P	Promoter Group	28,98,600	2.61	28,98,600	2.61	-
94	M/s. Raghuvamsa Holdings Private Limited	AABCR8425L	Promoter Group	18,51,634	1.67	18,51,634	1.67	-
95	M/s. Uthirattadhi Sriram Holdings Private Limited	AAACU5632K	Promoter Group	14,79,560	1.33	14,79,560	1.33	-
96	M/s. Silver Oak Holdings Private Limited	AAACS4942G	Promoter Group	14,36,914	1.29	14,36,914	1.29	-
97	M/s. Rohini Holdings Private Limited	AAACR1407P	Promoter Group	12,94,362	1.17	12,94,362	1.17	-
98	M/s. Padmalakshmi Holdings Private Limited	AAACP1633M	Promoter Group	12,92,832	1.16	12,92,832	1.16	-
99	M/s. Allegro Holdings Private Limited	AAACA2912L	Promoter Group	12,47,100	1.12	12,47,100	1.12	-
100	M/s. Revathi Holdings Private Limited	AAACR1408C	Promoter Group	12,20,460	1.10	12,20,460	1.10	-
101	M/s. Azorious Holdings Private Limited	AAACA3137F	Promoter Group	8,50,156	0.77	8,50,156	0.77	-
102	M/s. Maham Holdings Limited	AAACM2168G	Promoter Group	5,12,720	0.46	5,12,720	0.46	-
103	Mr. Ananth Ramanujam	AFGPA0011C	Promoter Group	5,81,576	0.52	5,81,576	0.52	-
104	Mr. Ananth Krishnan	AKWPK3319A	Promoter Group	1,80,000	0.16	1,80,000	0.16	-
105	Mr. Akshay Krishnan	AHPPK1860L	Promoter Group	1,80,000	0.16	1,80,000	0.16	-
106	Mr. Srinivas Raghavan	BBGPS9059F	Promoter Group	27,040	0.02	27,040	0.02	-
107	Mrs. Dangety Krishnakumari	BAWPD5849R	Promoter Group	23,324	0.02	23,324	0.02	-
108	Mrs. Sashi Parthasarathi	AZMPP4708R	Promoter Group	94,186	0.08	-	-	0.08
	Total			4,20,75,181	37.87	4,27,63,719	38.49	-0.62

NOTES TO THE ACCOUNTS (Contd.)

Note 26(e): OTHER EQUITY-RESERVES

(₹ in crores)

Particulars	March 31, 2024	March 31, 2023
Capital Reserve		
At the beginning of the year	6.60	6.60
Add: Changes during the year	-	-
At the end of the year	6.60	6.60
Share Options Outstanding Account		
At the beginning of the year	3.10	2.17
Options Granted during the year	5.27	3.04
Cost of shares transferred on exercise of option	(0.03)	(0.02)
Shares Forfeited	(0.22)	
Deferred Employee Compensation Cost	0.53	(0.21)
Transfer to general reserve	(1.82)	(1.88)
At the end of the year	6.83	3.10
Statutory Reserve		
At the beginning of the year	1926.63	1708.97
Add: Changes during the year	290.80	217.66
At the end of the year	2217.43	1926.63
General Reserve		
At the beginning of the year	3505.78	3503.90
Add: Transfer from Share Options Outstanding account	1.82	1.88
At the end of the year	3507.60	3505.78

NOTES TO THE ACCOUNTS (Contd.)

(₹ in crores)

Particulars	March 31, 2024	March 31, 2023
Retained Earnings		
At the beginning of the year	2183.42	1559.89
Profit After tax for the year	1454.01	1088.31
Remeasurements of the defined benefit plans	(5.75)	(2.70)
Dividend payout (Final)	(166.66)	(111.10)
Dividend payout (Interim)	(155.56)	(133.32)
Transfer to Statutory reserve	(290.80)	(217.66)
At the end of the year	3018.66	2183.42
Equity / Preference shares through OCI		
At the beginning of the year	-	-
Add: Changes during the year	603.47	-
At the end of the year	603.47	-
Effective portion of cash flow hedge		
At the beginning of the year	0.77	0.46
Fair value change on cashflow hedge	(0.77)	0.31
At the end of the year	-	0.77
Total equity	9360.59	7626.30

Description of nature and purpose of other equity:

- Capital Reserve: Represents reserve created on account of amalgamations and arrangements.
- Share Options Outstanding Account: Represents reserve on grant of option to employees of the company / group company under Employee Stock option Scheme.
- Statutory reserve: Represents reserve created as per Section 45-IC of the Reserve Bank of India Act, 1934.
- General reserve: Represents amount appropriated from retained earnings.
- FVOCI Reserve represents the cumulative gains / losses arising on the fair valuation of equity / preference instruments measured at fair value through Other Comprehensive Income.

NOTES TO THE ACCOUNTS (Contd.)

STATEMENT OF PROFIT AND LOSS NOTES

Note 27: Interest Income

(₹ in crores)

Particulars	2023-24	2022-23
On Financial assets measured at amortised cost:		
Loans	4,300.17	3,358.09
Investments	126.06	62.61
Deposits with Banks	65.34	39.30
On Financial assets classified at Fair value through profit or loss:		
Investments	33.00	12.07
Total	4,524.57	3,472.07

Note 28: Fees and commission income

(₹ in crores)

Particulars	2023-24	2022-23
Relating to		
- Loans	170.23	143.63
- Selldown servicing fee	17.00	27.41
- Income from other Financial Services	91.68	68.34
TOTAL	278.91	239.38

Note 29: Net gain / (loss) on fair value changes

(₹ in crores)

Particulars	2023-24	2022-23
A . Net gain on financial instruments at fair value through profit or loss		
(i) On trading portfolio	-	-
(ii) On Financial instruments designated at fair value through profit or loss	-	-
B. Others		
Net gain / (loss) on financial instruments at fair value through profit or loss on Investments	117.71	59.17
C. Total Net gain / (loss) on fair value changes (A + B)	117.71	59.17
Of the above, fair value changes:		
Realised	95.65	35.89
Unrealised	22.06	23.28
TOTAL	117.71	59.17

NOTES TO THE ACCOUNTS (Contd.)

Note 30: Other Income

(₹ in crores)

Particulars	2023-24	2022-23
Net gain/(loss) on Derecognition of property, plant and equipment	1.17	4.01
Interest income	3.46	21.80
Rental income	6.25	7.25
Other non-operating income	3.56	30.68
Total	14.44	63.74

Note 31: Finance costs

(₹ in crores)

Particulars	2023-24	2022-23
On Financial liabilities carried at amortised cost:		
Interest on		
Deposits	377.04	289.58
Term loans	1,063.39	455.80
Debt securities	931.54	823.98
Subordinated liabilities	190.96	198.78
Other interest expense and borrowing cost	12.86	12.12
Total	2,575.79	1,780.26

Note 32: Employee Benefits Expenses

(₹ in crores)

Particulars	2023-24	2022-23
Salaries and Wages	506.06	414.03
Contribution to provident and other funds	24.71	21.65
Share Based Payments to employees	4.28	2.54
Staff welfare expenses	13.48	8.82
Total	548.53	447.04

NOTES TO THE ACCOUNTS (Contd.)

Note 33: Administrative and other Expenses

(₹ in crores)

Particulars	2023-24	2022-23
Rent, taxes and energy costs	13.02	11.47
Repairs and maintenance	36.17	28.42
Communication Costs	10.15	9.87
Printing and stationery	3.86	3.13
Advertisement and publicity	1.85	1.20
Director's fees, allowances and expenses	2.68	1.88
Auditor's fees and expenses	1.46	1.40
Legal and Professional charges	8.57	8.94
Insurance	1.13	1.31
Outsourcing cost	99.79	77.00
Travel and conveyance	31.10	26.35
Corporate Social Responsibility (CSR) expenses	13.46	24.19
Other expenditure	44.59	39.70
Total	267.83	234.86

Note 34: Impairment / Provisions on financial instruments

(₹ in crores)

Particulars	2023-24	2022-23
Loans	202.25	142.25
Investments	0.51	(0.04)
Repossessed assets	1.88	(8.59)
Provision for Alternate Investment Funds (AIF) (refer note 10)	69.61	-
Others	(0.44)	0.63
TOTAL	273.81	134.25

NOTES TO THE ACCOUNTS (Contd.)

Other Notes

Note 35: Exceptional item:

During the period, the Company transferred 79,73,529 equity shares of ₹5/- each held in Sundaram Finance Holdings Limited (SFHL), representing 3.59% stake, resulting in a profit of ₹133.85 crores. SFHL has ceased to be a subsidiary of the company.

The Company has decided to recognise this investment at Fair Value through Other Comprehensive Income as per IND AS 109.

Note 36: Capital Management:

The Company's capital management strategy is to ensure that it has sufficient capital for business operations, strategic investment, and regulatory requirements and to provide reasonable return to the shareholders. Equity share capital and other equity are considered for Capital management.

The company monitors Capital Adequacy Ratio as stipulated by RBI for NBFC-Investment and credit company -Deposit taking. The Company endeavours to source diversified borrowing, depending on asset liability duration and interest rate sensitivities.

(₹ in crores)

Particulars	March 31, 2024	March 31, 2023
Tier I	6,983.98	5,871.58
Tier II	1,549.97	1,679.21
Total	8,533.95	7,550.79
Risk Weighted Assets	41,628.46	33,158.04
(a) Capital to risk-weighted assets ratio (CRAR) %	20.50	22.77
(b) Tier I CRAR %	16.78	17.71
(c) Tier II CRAR %	3.72	5.06

NOTES TO THE ACCOUNTS (Contd.)

Note 37: Financial instruments – Fair value measurements

The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy:

a. Financial Assets / Liabilities that are measured at Fair value through P&L:

(₹ in crores)

Particulars	Fair Value Hierarchy	March 31, 2024	March 31, 2023
Financial Assets			
Derivatives	Level 2	-	1.03
Investments			
Mutual Funds	Level 1	883.82	1,498.11
Alternate Investment Funds	Level 1	285.94	181.17
Financial Liabilities	-	-	-

Fair value is estimated based on the market inputs for the classification as per level 2.

b. i) Equity Shares designated at Fair value through Other Comprehensive Income (FVTOCI):

The Company designated the following investment in equity shares at FVTOCI, because the company intends to hold the investment for long-term strategic purpose.

(₹ in crores)

Particulars	March 31, 2024	March 31, 2023
Investment in Experian Credit Information Company of India Private Ltd.*	11.20	11.20
Investment in Sundaram Finance Holdings Limited #	882.51	-

* As per Ind AS 109, Cost has been considered as the best estimate of the fair value.

Valued at the closing price quoted on NSE (Level 1) and dividend income of ₹ 23.48 Cr. was recognised during the year.

ii) Compulsory Convertible Preference Shares (CCPS) designated at Fair value through Other Comprehensive Income:

(₹ in crores)

Particulars	March 31, 2024	March 31, 2023
Investment in Series A CCPS of RBSG Capital Private Limited	5.65	3.12

Valued based on the price at which incremental investment was made during the year (Level 3) and no dividend has been recognised during the year.

NOTES TO THE ACCOUNTS (Contd.)

- c. The following table shows the carrying amounts and fair values of financial assets and financial liabilities measured at amortised cost, including their levels in the fair value hierarchy:

(₹ in crores)

Particulars	Carrying Amount		Fair Value Hierarchy	Fair Value	
	March 31, 2024	March 31, 2023		March 31, 2024	March 31, 2023
Financial Assets:					
Cash and cash equivalents	523.97	137.27	Level 1	523.99	137.27
Bank Balances	894.42	932.98	Level 3	901.22	933.62
Receivables	45.58	32.42	Level 3	45.58	32.42
Loans	42,076.81	33,755.20	Level 3	41,943.13	33,619.70
Investments in Govt. securities\ T-Bills	1,141.91	980.75	Level 1	1,146.23	983.15
Investments - others	1,168.34	272.29	Level 3	1,169.61	271.51
Other Financial assets	17.88	16.03	Level 3	17.88	16.03
Total	45,868.91	36,126.94		45,747.64	35,993.70
Financial Liabilities					
Payables	141.83	111.16	Level 3	141.83	111.03
Debt Securities	13,334.13	13,721.13	Level 3	13,279.21	13,631.39
Borrowings (Other than Debt Securities)	19,349.98	11,986.91	Level 3	19,281.12	11,863.20
Deposits	5,745.23	4,806.04	Level 3	5,727.15	4,758.61
Subordinated Liabilities	2,447.55	2,240.86	Level 3	2,453.18	2,251.71
Other Financial Liabilities	412.34	387.93	Level 3	412.34	387.72
Total	41,431.06	33,254.03		41,294.83	33,003.66

Fair value is arrived at using discounted future cash flows at market rates for the classification as per level 3 hierarchy.

Note 38 : Financial Risk Management framework

Risk is an inherent and integral part of the financial services business, and the company has been judiciously managing this through an efficient risk mitigation system, with a view to achieve the Company's stated objectives of Growth with Quality and Profitability. The risks primarily include credit risk, liquidity risk and market risk.

The policies and procedures laid down by the company for the purpose of risk identification, measurement and management, compare well with contemporary best practices followed by industry peers. The Risk Management Committee and Asset Liability Management Committee, functioning under the supervision of the Audit Committee, have enunciated detailed policies for assessment of various types of risks, and fixed tolerance limits as appropriate.

NOTES TO THE ACCOUNTS (Contd.)

Note 38.1 Credit Risk

Credit risk is the risk of financial loss to the Company if a customer fails to meet his contractual obligations and arises principally from the company's loan receivables.

The company has in place a robust credit policy which clearly defines the credit filters and the terms of acceptance of proposals for financing different categories of borrowers and asset classes.

The credit appraisal process, inter alia, includes filters for stratification of customers, compliance with know your customer (KYC) norms, field investigation, credit bureau verification, exposure ceilings, asset risk and segment and geography risks. The risk metrics also address loan to value, loan tenure, based on the useful life of the asset, end-use of the asset and credit enhancements, as appropriate.

The Company's exposure is primarily to retail customers, thereby making for a well-diversified risk portfolio. The time-tested monitoring and recovery mechanism ensures timely recovery of instalments and where required, necessary action for resolution of delinquent accounts is initiated, including legal proceedings. Finally, physical presence and in-depth knowledge of the markets in which the Company operates enables early identification of emerging risks thereby facilitating prompt remedial action.

Following tables provide an overview of the gross carrying amount and credit loss allowance broken down into stages:

a. Loans and Advances*

(₹ in crores)

Gross Carrying Amount								
Stages->	March 31, 2024				March 31, 2023			
	1	2	3	Total	1	2	3	Total
Balance at the beginning of the year	32,665.67	1,228.53	576.51	34,470.71	26,575.24	1,907.35	638.55	29,121.14
New Assets Originated - net of collections	9,372.75	(648.48)	(93.95)	8,630.33	6,710.74	(968.40)	(132.37)	5,609.97
Transfers due to change in creditworthiness	(1,129.09)	845.69	283.40	-	(620.31)	289.58	330.73	-
Financial assets that have been derecognised	-	-	-	-	-	-	-	-
Write off during the year	-	-	220.27	220.27	-	-	260.40	260.40
Balance at the end of the year	40,909.33	1,425.74	545.69	42,880.76	32,665.67	1,228.53	576.51	34,470.71

* Includes operating lease of ₹ 360.13 Cr. as on March 31, 2024, and ₹255.53 Cr. as on March 31, 2023.

NOTES TO THE ACCOUNTS (Contd.)

Expected Credit Loss								
Stages->	March 31, 2024				March 31, 2023			
	1	2	3	Total	1	2	3	Total
Balance at the beginning of the year	114.09	65.92	279.96	459.97	105.52	124.27	331.82	561.61
New assets originated net of collections	(19.54)	10.46	213.22	204.14	(19.25)	(26.71)	204.72	158.75
Transfers due to change in creditworthiness	5.70	(6.67)	0.98	-	27.82	(31.64)	3.82	-
Financial assets that have been derecognised	-	-	-	-	-	-	-	-
Write off during the year	-	-	220.27	220.27	-	-	260.40	260.40
Balance at the end of the year	100.25	69.71	273.89	443.83	114.09	65.92	279.96	459.96

Concentration of Credit risk %

(i) Concentration by Geographical risk:

Particulars	March 31, 2024	March 31, 2023
South	53.99	54.80
North	28.31	27.33
West	13.34	13.46
East	4.36	4.41
Total	100.00	100.00

(ii) Concentration by Asset Class:

Particulars	March 31, 2024	March 31, 2023
Commercial Vehicles	46.89	46.66
Cars	25.71	25.88
Construction Equipment	10.83	10.77
Tractors & Farm Equipment	7.66	8.04
Others	8.91	8.65
Total	100.00	100.00

NOTES TO THE ACCOUNTS (Contd.)

b. Other Assets

The company computes Expected credit loss on other financial assets including trade receivables based on a provision matrix which is constructed using historical credit loss experience as adjusted to reflect current conditions.

(₹ in crores)

Stages->	March 31, 2024				March 31, 2023			
	1	2	3	Total	1	2	3	Total
Gross Carrying Amount	63.51	-	0.13	63.64	16.51	-	0.28	16.79
Expected Credit Loss	0.44	-	0.13	0.57	0.16	-	0.28	0.44
Net Carrying Amount	63.07	-	-	63.07	16.35	-	-	16.35

c. Loan Commitments and Financial Guarantees

(₹ in crores)

Particulars	March 31, 2024	March 31, 2023
Gross Carrying Amount	187.60	152.67
Expected Credit Loss	2.37	2.93
Net Carrying Amount	185.23	149.74

The above particulars are in respect of assets classified at stage 1.

Credit risk management practices

- (i) **Policy on write off:** Loans are written off when the value of underlying security/other collateral is not sufficient to cover the loan exposure or where the underlying security / customer are not traceable. In such cases, the company takes legal recourse for recovery of shortfall of dues, if any.
- (ii) **Narrative description of collateral:** The underlying assets, which are financed, are the primary collateral held. These are typically commercial vehicles, cars, construction equipment, farm equipment etc. Additional collateral, by way of credit enhancement, is obtained based on the management's credit evaluation of the customer.

d. Debt Securities:

All debt investments are allocated to stage 1 under initial recognition. If the rating assigned to the security at the time of investment is downgraded by two notches and / or where there is a delay in interest servicing by more than 30 days, this would result in stage 2 classification. Further downgrade of rating and/or delay in interest servicing by more than 90 days/default of payment of principal would result in stage 3 classification.

For investment in debt instruments, one-year transition matrix provided by the rating agencies is used as the PD. Loss given default (LGD) parameters assume a recovery rate of 65%, 75% and 50% for unsecured senior, unsecured subordinated and secured debt securities respectively.

NOTES TO THE ACCOUNTS (Contd.)

A breakup of investment in debt securities into different stages is given as under:

(₹ in crores)

Particulars	Gross Carrying Amount			
	March 31, 2024		March 31, 2023	
	FVTPL	Amortised Cost	FVTPL	Amortised Cost
Government Securities	-	622.06	-	483.98
Mutual Funds	883.82	-	1,498.11	-
Alternate Investment Funds	355.55	-	181.17	-
Non-Convertible Debentures	-	359.34	-	174.83
Pass Through Certificates	-	78.37	-	84.38
T Bills	-	519.85	-	496.77
Commercial Paper	-	731.69	-	13.63
Total	1,239.37	2,311.31	1,679.28	1,253.59

The Gross carrying amount in respect of investments classified under amortised cost are at stage 1.

(₹ in crores)

Particulars	Expected Credit loss	
	March 31, 2024	March 31, 2023
Balance at the beginning of the year	0.55	0.58
Additional Provisions (Net)\Provision on AIF Investments	70.39	0.20
Transfers due to change in creditworthiness	-	-
Financial assets that have been derecognised	0.27	0.23
Write off during the year	-	-
Balance at the end of the year	70.67	0.55

38.2 Liquidity Risk

Liquidity risk relates to our potential inability to meet all payment obligations when they fall due or only being able to meet them at excessive costs. The objective of the liquidity risk management framework is to ensure that the Company can fulfil its payment obligations at all times and can manage liquidity and funding risks within its risk appetite. The Asset Liability Committee regularly monitors the liquidity position and the duration of assets/liabilities and ensures that liquidity is strictly managed as per the policy.

Following are the contractual maturities of financial liabilities / financial assets at the reporting date. The amounts are gross and undiscounted and include estimated interest payments / receipts and exclude the impact of netting agreements.

NOTES TO THE ACCOUNTS (Contd.)

(₹ in crores)

March 31, 2024	Upto 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
Non-Derivative Financial Liabilities							
Payables	140.03	1.52	0.27	-	-	-	141.82
Debt Securities	2,463.28	1,486.30	2,055.81	5,367.79	1,919.87	2,159.40	15,452.45
Borrowings (Other than Debt Securities)	3,595.17	2,678.39	3,756.42	9,510.20	1,825.47	-	21,365.65
Deposits	530.10	621.11	1,206.66	4,003.64	-	-	6,361.51
Subordinated Liabilities	42.49	37.23	295.72	552.56	1,075.41	1,408.93	3,412.34
Other Financial Liabilities	213.78	43.89	1.87	97.49	15.39	39.92	412.34
Derivative Financial Liabilities	-	-	-	-	-	-	-
Total	6,984.85	4,868.44	7,316.76	19,531.68	4,836.14	3,608.25	47,146.11
Non-Derivative Financial Assets							
Cash and cash equivalents	528.80	-	-	-	-	-	528.80
Bank Balances	20.26	16.74	266.59	676.20	-	-	979.79
Receivables	39.52	-	6.06	-	-	-	45.58
Loans	6,215.42	4,920.49	8,934.35	22,762.27	5,882.53	717.21	49,432.28
Investments	1,950.03	269.63	241.66	539.31	315.75	550.39	3,866.77
Other Financial Assets	8.83	0.36	0.87	3.20	2.27	2.35	17.88
Derivative Financial Assets	-	-	-	-	-	-	-
Total	8,762.86	5,207.21	9,449.53	23,980.98	6,200.56	1,269.95	54,871.10

NOTES TO THE ACCOUNTS (Contd.)

(₹ in crores)

March 31, 2023	Upto 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
Non-Derivative Financial Liabilities							
Payables	108.31	2.87	1.12	-	-	-	112.30
Debt Securities	3,178.74	2,362.70	2,512.54	4,766.97	2,063.13	-	14,884.08
Borrowings (Other than Debt Securities)	2,676.39	1,832.36	1,855.92	5,301.16	1,483.36	-	13,149.19
Deposits	507.01	689.99	1,230.00	2,836.12	-	-	5,263.12
Subordinated Liabilities	42.43	37.10	104.20	565.62	1,137.73	1,344.19	3,231.27
Other Financial Liabilities	205.47	36.20	1.87	97.95	15.39	29.91	386.79
Derivative Financial Liabilities	-	-	-	-	-	-	-
Total	6,718.35	4,961.22	5,705.65	13,567.82	4,699.61	1,374.10	37,026.75
Non-Derivative Financial Assets							
Cash and cash equivalents	137.27	-	-	-	-	-	137.27
Bank Balances	262.26	298.64	244.21	171.94	-	-	977.05
Receivables	24.46	-	7.97	-	-	-	32.43
Loans	4,997.51	4,046.79	7,358.23	17,900.31	4,271.54	104.05	38,678.43
Investments	2,001.22	29.69	187.53	288.30	355.75	280.85	3,143.34
Other Financial Assets	2.16	0.36	0.87	2.99	2.27	7.38	16.03
Derivative Financial Assets	1.07	0.74	-	-	-	-	1.81
Total	7,425.95	4,376.22	7,798.81	18,363.54	4,629.56	392.28	42,986.36

NOTES TO THE ACCOUNTS (Contd.)

38.3 Market Risk

Market risk is the risk of loss arising from potential adverse changes in the value of the firm's assets and liabilities from fluctuation in market variables like liquidity, interest rate and foreign exchange (Currency risk).

Interest rate risk

The Company's exposure to changes in interest rates relates to the Company's outstanding floating rate assets / liabilities. Most of the Company's outstanding liability in local currency is on fixed rate basis and hence not subject to interest rate risk. Whereas the foreign currency liability is linked to international rate benchmarks and hence subject to interest rate risk. The Company hedges these risks through derivative transactions.

The interest rate profile of the Company's interest-bearing financial instruments is as follows:

(₹ in crores)		
Particulars	March 31, 2024	March 31, 2023
Financial assets		
Fixed-rate instruments		
Loans	41,433.81	33,124.75
Investments	2,310.25	1,253.03
Bank Balances	894.42	932.98
	44,638.48	35,310.76
Variable rate instruments		
Lease assets	447.18	295.18
Floating rate Loans	555.95	590.82
Total	45,641.61	36,196.77
Financial liabilities		
Fixed-rate instruments		
Debt securities / Subordinated Liabilities	15,781.68	15,961.99
Borrowings (Other than debt securities)	11,366.72	8,747.08
Deposits	5,793.46	4,866.45
	32,941.86	29,575.52
Variable rate instruments		
Financial liabilities with floating interest rate	7,983.26	3,239.83
Total	40,925.12	32,815.35

Fair value sensitivity analysis for fixed rate instruments

The Company's fixed rate instruments are carried at amortised cost and are not measured for interest rate risk, as neither the carrying amount nor the future cash flows will fluctuate because of changes in market interest rates.

Cash flow sensitivity analysis for variable rate instruments.

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

NOTES TO THE ACCOUNTS (Contd.)

(₹ in crores)

Particulars	Profit or loss / Equity		Profit or loss / Equity	
	100 bps increase	100 bps decrease	100 bps increase	100 bps decrease
	March 31, 2024		March 31, 2023	
Variable rate instruments	(44.39)	44.29	(7.07)	7.08
Forward Contract / Cross currency Interest Rate swap	-	-	-	-
Cash flow sensitivity (net)	(44.39)	44.29	(7.07)	7.08

a. Interest rate sensitivity

The major lending of the Company is in the form of Hypothecation loans at fixed rates. The loans are financed by various fixed / floating rate borrowings. While the assets financed are generally recovered over the tenure of the underlying contract equally, the liabilities are in general repayable on maturity. Hence, the interest rate risk and liquidity (mismatches in the duration of assets and liabilities) are inherent and inevitable.

To measure the above risk the Company adopts the duration gap analysis which is measured for assets and liabilities maturing in next 12 months as well as for the overall assets and liabilities. Also, for Interest rate risk management, the Duration Gap model is used on assets and liabilities maturing in the next 12 months, to assess the change in Net Interest Income (NII) for a 1% increase in interest rate. The change in NII for 1% change in interest rate as on 31.03.2024 is ₹(21.16) Cr.

b. Currency Risk

The Company does not have any outstanding foreign currency assets/liabilities and hence not exposed to currency risk.

Note 39: Financial Instruments - Transferred that are not derecognised in their entirety:

Securitisation:

The company as part of its business model periodically enters into securitisation transactions via Pass through Certificates (PTC) route and/or Direct Assignment (DA). As per RBI guidelines, the company-maintained credit enhancement for securitisation transactions which covers the expected losses and thereby retains the risk associated with the assets.

(₹ in crores)

Particulars	March 31, 2024	March 31, 2023
Carrying amount of transferred assets	4,493.68	3,541.44
Carrying amount of associated liabilities	4,693.54	3,666.61
Fair value of assets	4,430.76	3,490.50
Fair value of associated liabilities	4,672.97	3,607.13
Net position at Fair value	(242.21)	(116.63)

NOTES TO THE ACCOUNTS (Contd.)

Note 40: Employee benefits

Post-employment benefits: Defined Contribution Plans

(₹ in crores)

Amount recognised as expense in Employee benefit expense	March 31, 2024	March 31, 2023
Pension fund	7.63	6.73
Employee State Insurance scheme	0.14	0.04
Total	7.77	6.77

Defined benefit plans

Defined benefit plan exposes the Company to a number of risks, the most significant of which are detailed below:

Investment risk: This may arise from volatility in Asset value due to market fluctuations and impairment of assets due to credit losses. The defined benefit plans may hold equity type assets, which may carry volatility and associated risk.

Interest risk: A decrease in bond yields will increase plan liabilities, although this is expected to be partially offset by an increase in the value of the plan's investment in debt instruments.

Salary cost Inflation risk: The present value of some of the defined benefit plan obligations are calculated with reference to the future salaries of plan participants. Increase in salary due to adverse Inflationary pressures might lead to higher liabilities.

Longevity risk: The present value of defined benefit plan obligation is calculated by reference to the best estimate of the mortality of plan participants. Increase or decrease in such rate will affect the plan liability.

A. Gratuity (Funded)

Expected contribution to the plan for the next year is ₹10 crores.

B. Leave encashment & Compensated absences (unfunded)

The company earmarks liability towards leave benefit and provides for payments to vested employees. The benefits under the plan are in the form of a payment to employees as per the leave policy of the company.

C. Post Retirement employees medical scheme (unfunded):

The company earmarks liability towards unfunded post-retirement medical benefit and provides for payments to vested employees. The benefits under the plan are in the form of a medical benefit paid to employees post their employment within the company.

NOTES TO THE ACCOUNTS (Contd.)

Details of defined benefit plans as per actuarial valuation are as below

(₹ in crores)

Particulars	FUNDED		UNFUNDED	
	Gratuity		Retired Employee Medical Scheme	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Amounts recognised in profit or loss				
Current service cost	5.26	4.71	–	–
Past service cost	–	–	–	–
Net interest expense/(income)	0.17	0.06	0.07	0.07
Total amount included in employee benefits expense	5.43	4.78	0.07	0.07
Amounts recognised in other comprehensive income				
Remeasurement (gains)/losses				
Actuarial (gains)/losses arising from changes in				
- Financial assumptions	2.21	1.04	0.01	(0.02)
- Experience adjustments	5.58	2.42	(0.05)	(0.05)
Return on plan assets, excluding amount included in net interest expense/ (income)	(0.07)	0.24	–	–
Total amount recognised in other comprehensive income	7.72	3.68	(0.04)	(0.07)
Changes in the defined benefit obligation				
Opening defined benefit obligation	82.80	74.58	1.00	1.05
Add/(less) on account of business combination/transfers	–	–	–	–
Current service cost	5.26	4.71	–	–
Past service cost	–	–	–	–
Interest expense	5.80	5.28	0.07	0.07
Remeasurement (gains)/losses arising from changes in				
- Demographic assumptions	–	–	–	–
- Financial assumptions	2.21	1.02	0.01	(0.02)
- Experience adjustments	5.58	2.39	(0.05)	(0.05)
Benefits paid	(4.54)	(5.20)	(0.05)	(0.05)
Closing defined benefit obligation	97.11	82.80	0.98	1.00
Changes in fair value of plan assets during the year				
Opening fair value of plan assets	79.68	67.64	–	–

NOTES TO THE ACCOUNTS (Contd.)

Particulars	FUNDED		UNFUNDED	
	Gratuity		Retired Employee Medical Scheme	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Add/(less) on account of business combination	-	-	-	-
Interest income	5.98	5.22	-	-
Return on plan assets excluding interest income	0.07	0.18	-	-
Contribution by employer	11.04	12.19	0.05	0.05
Benefits paid	(4.54)	(5.20)	(0.05)	(0.05)
Actuarial gain / (loss) on plan assets	-	(0.36)	-	-
Closing fair value of plan assets	92.24	79.68	-	-
Net asset / (liability) recognised in balance sheet				
Defined benefit obligation	97.11	82.80	0.99	1.00
Fair value of plan assets	92.24	79.68	-	-
Surplus/(Deficit)	(4.87)	(3.12)	(0.99)	(1.00)

(in %)

Particulars	FUNDED		UNFUNDED	
	Gratuity		Retired Employee Medical Scheme	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
I. Actuarial assumptions				
Discount rate	6.97%	7.21%	6.90-6.97%	6.82-7.37%
Expected Return on plan assets	7.65%	7.00%		
Attrition rate (Age based)				
From Age 18 - 20 years	3.00%	3.00%		
From Age 21 - 30 years	2.00%	2.00%		
From Age 31 - 40 years	2.00%	2.00%		
From Age 41 - 58 years	1.00%	1.00%		
Salary escalation	8.00%	8.00%		

(in %)

Particulars	UNFUNDED	
	LONG TERM COMPENSATED ABSENCE - PRIVILEGE LEAVE	
	March 31, 2024	March 31, 2023
Actuarial assumptions		
Discount rate	6.97%	7.38%
Salary escalation	8.00%	8.00%
Attrition rate	8.00%	8.50%

NOTES TO THE ACCOUNTS (Contd.)

(₹ in crores)

Particulars	FUNDED		UNFUNDED	
	Gratuity		Retired Employee Medical Scheme	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
II. Quantitative sensitivity analysis for impact of significant assumptions on defined benefit obligation are as below				
Impact of				
0.5% decrease in discount rate	4.87	4.11	0.02	0.02
0.5% increase in discount rate	(4.51)	(3.83)	(0.02)	(0.02)
0.5% decrease in salary growth rate	(4.48)	(3.82)		
0.5% increase in salary growth rate	4.79	4.06		
Life expectancy -1 year	-	-	0.03	0.03
Life expectancy +1 year	-	-	(0.03)	(0.03)
Weighted average duration of the Defined benefit obligation (in years)	14.24	14.32	8.66	9.50

(₹ in crores)

Particulars	FUNDED		UNFUNDED	
	Gratuity		Retired Employee Medical Scheme	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Maturity profile of defined benefit obligation				
Year 1	1.85	7.29	0.12	0.12
Year 2	10.56	4.14	0.11	0.12
Year 3	7.26	5.53	0.10	0.11
Year 4	8.74	5.90	0.10	0.10
Year 5	5.91	6.15	0.09	0.09
Next 5 years	38.13	33.67	0.31	0.33

In the absence of detailed information regarding plan assets which is funded with Insurance Companies, the composition of each major category of plan assets, the percentage or amount for each category to the fair value of plan assets & the description of the Asset-Liability matching strategies used by the plan has not been disclosed.

NOTES TO THE ACCOUNTS (Contd.)

D. Provident Fund

The provident fund contributions to trust are managed through trust investments in addition to contribution of a portion of its provident fund liability relating to Employees Pension Scheme to Employee Provident Fund Organisation.

The fund has relatively balanced mix of investments in order to manage the risks. The investment strategy is designed based on the interest rate scenario, liquidity needs of the Plans and Pattern of the investments as prescribed under the statute.

The trustees regularly monitor the funding and investment, there are systems in place to ensure that health of the portfolio is regularly reviewed and investments do not pose significant risk of impairment.

(₹ in crores)

Particulars	March 31, 2024	March 31, 2023
Plan assets at year end at fair value	261.66	223.66
Present value of defined obligation at year end	261.45	223.21
Surplus/(deficit) as per actuarial certificate	(0.22)	0.45
Shortfall recognised in balance sheet	-	-
Active members as at year end (nos)	7,605	6,066

Assumptions used in determining the present value obligation of the interest rate guarantee under the deterministic approach:

Particulars	March 31, 2024	March 31, 2023
Discount rate	6.97%	7.38%
Yield on existing funds	7.76%	7.85%
Expected guaranteed interest rate	8.25%	8.15%

Contribution to Defined benefit Plan, recognised as expense for the year is as under:

(₹ in crores)

Particulars	March 31, 2024	March 31, 2023
Employer's contribution towards Provident Fund	10.40	8.36

Major Category of Plan Assets as % of the Total Plan Asset

(in %)

Particulars	March 31, 2024	March 31, 2023
Central Government Securities	10.87	11.61
State Government Securities	40.54	39.16
Public Sector Bonds	34.09	36.20
Private Sector Bonds	3.65	3.03
Special Deposits	2.02	2.37
Equity Fund	5.22	4.26
Short Term Deposit	3.61	3.37
Total	100.00	100.00

NOTES TO THE ACCOUNTS (Contd.)

Note 41: Share Based Payments

The Company grants ESOP to Senior Management employees in accordance with the terms of the Plan.

(a) Description of the ESOP plan (graded vesting) that existed during the period:

Particulars	Grant 15	Grant 14	Grant 14	Grant 13
Board meeting date	26.05.2023	25.05.2022	25.05.2022	28.05.2021
Options granted	21,878	10,854	6,732	9,480
Exercise price (₹ per share)	10/-	10/-	10/-	10/-
Date of grant	26.05.2023	25.05.2022	25.05.2022	28.05.2021
Vesting date / period	01.06.2026	3 years grant with 30%, 30% and the balance vesting after 1, 2 & 3 years respectively	One Year	3 years grant with 30%, 30% and the balance vesting after 1, 2 & 3 years respectively
Exercise period	01.06.2026 - 30.11.2026	Within 5 years after respective vesting	Within 5 years after respective vesting	Within 5 years after respective vesting
Market price immediately prior to grant date (₹ per share)	2,511.80	1735.65	1,735.65	2,478.15
Intrinsic value (₹ per share)	2,501.80	1,725.65	1,725.65	2,468.15

(b) Description of the Stock Appreciation Rights(SAR - graded vesting) plan that existed during the period:

Particulars	Grant 14	Grant 14	Grant 13
Board meeting date	25.05.2022	25.05.2022	28.05.2021
Options granted	1276	1258	1370
Exercise price (₹ per share)	10	10	10
Date of grant	25.05.2022	25.05.2022	28.05.2021
Vesting date / period	3 years grant with 30%, 30% and the balance vesting after 1, 2 & 3 years respectively	One year	3 years grant with 30%, 30% and the balance vesting after 1,2 & 3 years respectively
Exercise period	Within one day after respective vesting	Within one day after respective vesting	Within one day after respective vesting

NOTES TO THE ACCOUNTS (Contd.)

Group share based payments:

The company as a part of ESOP scheme has issued share options to employees of various group Companies. The company does not get reimbursed for the cost of such group share options and such costs are treated as investment in the group companies.

Effect of Share based payments transactions on financial statement of the entity:

(₹ in crores)

Particulars	March 31, 2024	March 31, 2023
Expenses recognised in Profit & Loss account	4.28	2.54
Amount recognised as Investment in Group companies	1.61	0.84

Unvested share options issued to employees of various group companies are as under:

(in numbers)

Particulars	Grant 15	Grant 14	Grant 13
Sundaram Asset Management Company Limited	3,150	-	160
Sundaram Home Finance Limited	1,894	1260	451
Royal Sundaram General Insurance Co.Ltd	1,435	-	-
Sundaram Finance Holdings Limited	188	-	-
Total	6,667	1,260	611

Measurement of fair value

The fair values of the options issued have been arrived at using the Black Scholes Model.

The key assumptions used in computing the fair value are :

(in numbers)

Particulars	Grant 15	Grant 14	Grant 13
Risk free interest rate (1 year to 3 years)	6.97%	6.38% to 7.20%	6.38% to 7.09%
Life of the option	3 years	1 to 3 years	1 to 3 years
Expected Volatility	23.73%	31.18%	50.15%
Fair value of the option (₹ per share)- ESOP Plan	2502.49	1 year: NIL	1 year: NIL
		2 year: 1,726.94	2 year: NIL
		3 year : 1,727.58	3 Year: 2,469.55
Fair value of the option (₹ per share)-SAR Plan	NIL	1 year: NIL	1 year: NIL
		2 year: 4,129.00	2 year: NIL
		3 year: 4,129.66	3 year: 4,129.00

The expected volatility is based on historical share price volatility. The life of the option has been based on general option holder behaviour.

NOTES TO THE ACCOUNTS (Contd.)

Reconciliation of the share options outstanding as on 31.03.2024

The number and weighted-average exercise prices of share options under various grants are as follows:

(in numbers)

Grant Details	Grant 15 - ESOP		Grant 14 - ESOP		Grant 13 - ESOP	
	Weighted average exercise price per option	No. of options	Weighted average exercise price per option	No. of options	Weighted average exercise price per option	No. of options
Outstanding at the beginning of the period	-	-	10	17586	10	6858
Granted during the period	10	21,878	-	-	-	-
Forfeited / expired during the period	10	427	10	352	10	256
Exercised during the period	-	-	10	7,285	10	2,323
Outstanding at the end of the period	10	21,451	10	9,949	10	4279*
Exercisable at the end of the period	-	-	10	2,515	10	545**

(in numbers)

Grant Details	Grant 15 - SAR		Grant 14 - SAR		Grant 13 - SAR	
	Weighted average exercise price per option	No. of options	Weighted average exercise price per option	No. of options	Weighted average exercise price per option	No. of options
Outstanding at the beginning of the period	-	-	10	2,534	10	959
Granted during the period	-	-	-	-	-	-
Forfeited / expired during the period	-	-	10	88	10	54
Exercised during the period	-	-	10	1,631	10	401
Outstanding at the end of the period	-	-	10	815	10	504
Exercisable at the end of the period	-	-	-	-	-	-

* represents options under 3 year grant (year 2 and 3) which are not exercisable as on 31.03.2024 and options under 1 year grant / 3 year grant (year 1) not exercised as on 31.03.2024.

** represents options under 1 year grant / 3 year grant (year 1) not exercised as on 31.03.2024.

NOTES TO THE ACCOUNTS (Contd.)

Exercise price and Contractual life for the share options outstanding at the end of the period

(in numbers)

Particulars	March 31, 2024 Grant 15	March 31, 2023 Grant 14	March 31, 2022 Grant 13
Exercise Price (₹)	10	10	10
Contractual life	27 Months	2 months to 14 months	2 months

Reconciliation of the share options outstanding as on 31.03.2023

The number and weighted-average exercise prices of share options under various grants are as follows:

(in numbers)

Grant details	Grant 14 - ESOP		Grant 13 - ESOP	
Particulars	Weighted average exercise price per option	No. of options	Weighted average exercise price per option	No. of options
Outstanding at the beginning of the period	-	-	10	14,336
Granted during the period	10	17,586	-	-
Forfeited / expired during the period	-	-	-	-
Exercised during the period	-	-	10	7478
Outstanding at the end of the period	10	17,586	10	6,858*
Exercisable at the end of the period	-	-	10	218**

(in numbers)

Grant details	Grant 14 - SAR		Grant 13 - SAR	
Particulars	Weighted average exercise price per option	No. of options	Weighted average exercise price per option	No. of options
Outstanding at the beginning of the period	-	-	10	2384
Granted during the period	10	2,534	-	-
Forfeited / expired during the period	-	-	-	-
Exercised during the period	-	-	10	1425
Outstanding at the end of the period	10	2,534	10	959*
Exercisable at the end of the period	-	-	-	-

* represents options under 3 year grant (year 2 and 3) which are not exercisable as on 31.03.2023 and options under 1 year grant / 3 year grant (year 1) not exercised as on 31.03.2023.

** represents options under 1 year grant / 3 year grant (year 1) not exercised as on 31.03.2023.

NOTES TO THE ACCOUNTS (Contd.)

Note 42: Leases

(₹ in crores)

Details	March 31, 2024		March 31, 2023	
	Gross Investment in Lease	Present value of Minimum Lease payments	Gross Investment in Lease	Present value of Minimum Lease payments
Upto 1 Year	35.25	25.75	18.31	13.60
1-5 Year	73.24	61.40	31.68	26.81
Total	108.49	87.15	49.99	40.41
Less: Unearned Finance income	21.34	-	9.58	-
Present value of Minimum Lease payments	87.15	-	40.41	-

Operating lease as lessor

Maturity pattern of Minimum Lease payments:

(₹ in crores)

Year	March 31, 2024	March 31, 2023
Less than 1 year	154.08	105.71
Later than 1 year and not later than 5 years	224.83	166.52
Total	378.91	272.23

Note 43: General

43.01 Segment Information

Segment information is presented in the consolidated financial statements as per Ind AS 108.

43.02- Corporate Social Responsibility (CSR)

(₹ in crores)

Particulars	March 31, 2024	March 31, 2023
(a) Amount required to be spent by the company during the year	22.04	19.44
(b) Amount of expenditure incurred	14.12	25.13
(c) Excess/(Shortfall) amount spent for the Financial Year (b)-(a)	(7.92)	5.69
(d) Excess from previous years	8.00	2.31
(e) Excess carried forward to subsequent years	0.08	8.00
(f) Nature of CSR activities	*	
(g) Details of related party transactions, e.g., contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard	-	-
(h) Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year has to be shown separately	-	-

* Education, Art & Culture, Culture & Heritage, preservation and rejuvenation of National heritage and heritage crafts of India, Environment, Disaster Relief, Health, Park Maintenance, Protection / Restoration of Buildings and sites of historical importance, Protection of Ecology, Rural Development, Social Welfare, Sports, Animal Welfare.

NOTES TO THE ACCOUNTS (Contd.)

43.03 Provisions contingent liabilities and contingent asset

(₹ in crores)	
Movement of provisions	Amount
Carrying amount as on 31.03.2023	18.74
Add: Provisions made during the year	2.37
Less: Amount used or reversed during the year	(2.93)
Carrying amount as on 31.03.2024	18.18

(₹ in crores)		
Contingent liabilities	March 31, 2024	March 31, 2023
a) Bank guarantee and Letter of credit	3.48	8.48
b) Claims against the company not acknowledged as debts	7.20	3.68
c) Tax disputes	1.79	9.46

Tax disputes in respect of Income Tax, Service Tax, VAT demands and are pending before various appellate forums/authorities and the cash flows would be determined only upon the receipt of decisions. The Company is of the opinion that the demands are not sustainable and expects to succeed in its appeal.

The contested tax demands have been ascertained on the basis of relief allowed by the appellate authorities, on similar issues in earlier assessment years.

43.04 Pending Litigations

The pending litigations as on 31st March 2024 have been compiled by the company and reviewed by the Statutory Auditors. The current position of the litigation has been evaluated and the effect thereof has been appropriately disclosed in the financial statements.

43.05 RELATED PARTIES DISCLOSURES:

Related party disclosures, as per INDAS 24 - 'Related Party Disclosures', for the Year ended 31st March 2024, are given below:

RELATED PARTIES:

Subsidiary Companies:

- Sundaram Home Finance Limited
- Sundaram Asset Management Company Limited
- Sundaram Asset Management Singapore Pte Limited
- Sundaram Alternate Assets Limited
- Sundaram Trustee Company Limited
- Sundaram Finance Holdings Limited (till 26th March 2024)
- Sundaram Business Services Limited (till 26th March 2024)
- LGF Services Limited
- Sundaram Fund Services Limited
- Sundaram Finance Employees Welfare trust

NOTES TO THE ACCOUNTS (Contd.)

Associates of a Subsidiary Company: (till 26th March 2024)

Sundaram Composite Structures Private Limited
 The Dunes Oman LLC (FZC)
 Axles India Limited
 Turbo Energy Private Limited
 Trans Energy Private Limited
 Sundaram Dynacast Private Limited
 Wheels India Limited
 Mind S.r.l.
 Brakes India Private Limited
 India Motor Parts & Accessories Limited
 Sundaram Hydraulics Limited*

Joint Ventures :

Royal Sundaram General Insurance Co. Limited

Key Management Personnel:

Mr. Harsha Viji, Executive Vice Chairman
 Mr. Rajiv C Lochan, Managing Director
 Mr. A.N. Raju, Deputy Managing Director
 Mr. Raghuttama Rao, Director
 Mr. P N Venkatachalam, Director
 Mr. S Mahalingam, Director
 Mr. S Prasad, Director
 Ms. Shobhana Ramachandhran, Director
 Mr. Ganesh Lakshminarayan, Director
 Ms. Bhavani Balasubramanian, Director
 Dr. Kshama Fernandes, Director
 Mr. R Venkatraman, Director
 Mr. T T Srinivasaraghavan, Director
 Mr. Srivats Ram, Director

Relatives of Key Management Personnel: (with whom the company has transactions)

Mr. S.Viji
 Mrs. Chitra Viji
 Mr. Sriram Viji
 Mrs. Geetha Chellappa
 Mrs. R.N. Mala
 Mr. Atulya Prasad
 Mrs. Lavanya Pravin
 Mr.S. Vasudevan
 Mrs Meenakshi Ganesh
 The Associated Auto Parts Private Limited

NOTES TO THE ACCOUNTS (Contd.)

Enterprises over which Key Management Personnel (KMP) and his relatives can exercise significant influence

M/s. Azorius Holdings Private Limited

M/s. Uthirattadhi Sriram Holdings Private Ltd.

* Sundaram Hydraulics Limited merged with Wheels India Limited in Sep 23.

All the arrangements and transactions entered into by the company with related parties, during Year ended 31.03.2024 were in ordinary course of business and on arm's length price.

Related Party Transactions for the Year Ended 31st March 2024:

The nature and volume of transactions for the Year ended 31st Mar 2024 with the above related parties are as follows.

(₹ in crores)

Particulars	Subsidiaries	Associates	Joint Ventures	Apr - Mar 24	Apr - Mar 23
INCOME					
Lease Rental Income	0.13	5.11	0.06	5.30	5.13
Interest Income	0.00	0.00	–	0.00	0.97
Income from Services	8.07	–	5.54	13.61	13.05
Dividend	330.69	–	15.72	346.41	134.67
Rent Receipts	4.90	0.00	0.78	5.68	6.54
Income from other Financial Services	15.86	–	24.09	39.95	28.03
Other Non Operating Income	1.00	0.00	0.07	1.07	1.54
EXPENDITURE					
Interest	0.19	1.24	15.01	16.43	9.73
Support Services	11.85	–	–	11.85	12.85
Rent Paid	1.08	–	–	1.08	1.09
Insurance Premium	–	–	1.69	1.69	1.89
Brokerage	0.00	–	–	0.00	0.03
ASSETS					
Investments - AIF Schemes	152.92	–	–	152.92	–
Investment-Sale of AIF schemes	–	45.79	22.80	68.59	–
Loans and Advances Disbursed	0.04	0.29	–	0.33	0.34
Repayment of Loans and Advances	0.04	0.29	–	0.33	0.34
Insurance Premium paid in advance	–	–	1.90	1.90	1.63
Repayment of inter corporate Loans	–	–	–	–	100.00
LIABILITIES					
Issue of Non Convertible Debentures	–	5.00	77.16	82.16	64.93
Redemption of Non Convertible Debentures	–	–	–	–	83.00
Other Liabilities	1.09	–	–	1.09	1.47
Deposits placed	4.75	4.00	–	8.75	6.00
Dividend Paid	2.60	8.49	–	11.09	8.43

NOTES TO THE ACCOUNTS (Contd.)

(₹ in crores)

Compensation paid to Key Managerial Personnel / Relatives	2023-2024	2022-2023
Short term benefits	17.95	15.80
Post retirement benefits	0.56	0.48
Share based payments	1.39	0.61

Transactions with Key Managerial Personnel/Relatives	2023-2024	2022-2023
Interest on deposits	6.41	0.92
Dividend Paid	15.26	11.57
Deposits placed	0.30	10.16
Dividend Paid to Enterprises over which KMP and his relatives is exercising significant influence	6.76	2.80

Disclosure Of Material Transactions With Related Parties

(₹ in crores)

Particulars	Related Parties	2023-2024	2022-2023
INCOME			
Lease Rental Income	Brakes India Private Limited	3.22	3.38
	Wheels India Limited	1.02	1.02
	Turbo Energy Private Limited	0.73	0.42
	Axles India Limited	0.05	0.08
	Sundaram Asset Management Company Limited	0.03	0.06
	Royal Sundaram General Insurance Co. Ltd.	0.06	0.09
	Sundaram Home Finance Limited	0.09	0.05
	Sundaram Business Services Limited	0.01	0.03
	Transenergy Private Limited	0.09	–
Interest Income	Sundaram Asset Management Company Limited	0.00	0.97
	Brakes India Private Limited	0.00	0.00
Income from Services	Sundaram Home Finance Limited	7.87	7.85
	Royal Sundaram General Insurance Co. Ltd.	5.54	5.05
	Sundaram Asset Management Company Limited	0.20	0.14

NOTES TO THE ACCOUNTS (Contd.)

(₹ in crores)

Particulars	Related Parties	2023-2024	2022-2023
Dividend	Sundaram Home Finance Limited	159.63	65.82
	Sundaram Asset Management Company Limited	146.25	38.00
	Sundaram Finance Holdings Limited	23.48	16.96
	Royal Sundaram General Insurance Co. Ltd.	15.72	13.47
	Sundaram Trustee Company Limited	1.26	0.30
	LGF Services Ltd.	0.08	0.13
Rent Receipts	Sundaram Asset Management Company Limited	2.30	2.22
	Sundaram Home Finance Limited	2.13	1.99
	Sundaram Business Services Ltd.	0.44	1.52
	Royal Sundaram General Insurance Co. Ltd.	0.78	0.71
	Sundaram Finance Holdings Limited	0.02	0.09
	Brakes India Private Limited	0.00	–
	Sundaram Alternate Assets Limited	0.01	–
Income from other Financial Services	Royal Sundaram General Insurance Co. Ltd.	24.09	15.98
	Sundaram Home Finance Limited	11.28	8.12
	Sundaram Alternate Assets Limited	4.58	3.93
Other Non Operating Income	Sundaram Asset Management Company Limited	0.43	0.54
	Sundaram Home Finance Limited	0.32	0.44
	Royal Sundaram General Insurance Co. Ltd.	0.07	0.34
	Sundaram Business Services Ltd.	0.12	0.10
	Sundaram Alternate Assets Limited	0.06	0.06
	Sundaram Finance Holdings Limited	0.07	0.06
	Indian Motor Parts and Accessories Limited	0.00	0.00

NOTES TO THE ACCOUNTS (Contd.)

Disclosure Of Material Transactions With Related Parties

(₹ in crores)

Particulars	Related Parties	2023-2024	2022-2023
EXPENDITURE			
Interest On Debentures	Royal Sundaram General Insurance Co. Ltd.	15.01	9.53
	Turbo Energy Private Ltd.	0.31	–
Interest On Deposits	Sundaram Dynacast Private Ltd	0.92	0.20
	Sundaram Business Services Limited	0.18	–
Interest On Deposits	LGF Services Limited	0.01	–
Support Services	Sundaram Finance Holdings Limited	11.85	12.85
	Sundaram Home Finance Limited	0.06	–
Rent	Sundaram Finance Holdings Limited	1.05	1.05
	Sundaram Home Finance Limited	0.03	0.04
	Royal Sundaram General Insurance Co. Ltd.	0.00	–
Insurance Premium	Royal Sundaram General Insurance Co. Ltd.	1.69	1.89
Brokerage	Sundaram Home Finance Limited	0.00	0.03

(₹ in crores)

Particulars	Related Parties	2023-2024	2022-2023
Dividend Paid	Sundaram Finance employee Welfare trust	2.60	2.00
	Turbo Energy Private Limited	0.08	0.06
	Indian Motor Parts and Accessories Limited	8.41	6.38

(₹ in crores)

Particulars	Related Parties	2023-2024	2022-2023
ASSETS			
Investments - AIF Schemes	Sundaram Home Finance Limited - AIF Schemes (Sundaram High Yield Secured Debt Fund II & III)	152.92	–
Investment-Sale of AIF schemes	Indian Motor Parts and Accessories Limited	20.34	–
	Turbo Energy Private Limited	10.17	–
	Brakes India Private Limited	15.28	–
	Royal Sundaram General Insurance Co. Ltd.	22.80	–
Loans Assets	Sundaram Home Finance Limited	182.61	–
Loans and Advances Disbursed	Sundaram Asset Management Company Limited	0.03	0.04
	Brakes India Private Ltd	0.29	0.30

Particulars	Related Parties	2023-2024	2022-2023
Repayment of Loans and Advances	Sundaram Asset Management Company Limited	0.04	0.03
	Brakes India Private Ltd	0.29	0.31
Insurance Premium paid in advance	Royal Sundaram General Insurance Co. Ltd.	1.90	1.63
Repayment of inter corporate Loans	Sundaram Asset Management Company Limited	–	100.00
LIABILITIES			
Issue of Non Convertible Debentures	Royal Sundaram General Insurance Co. Ltd.	77.16	64.93
	Turbo Energy Private Limited	5.00	
Redemption of Non Convertible Debentures	Royal Sundaram General Insurance Co. Ltd.	–	83.00
Other Liabilities	Sundaram Finance Holdings Limited	1.09	1.47
Deposits placed	Sundaram Dynacast Private Ltd	4.00	0.06
	Sundaram Business Services Limited	4.50	–
	LGF Services Ltd.	0.25	–

Balances With Related Parties as at 31st March 2024

(₹ in crores)

Balances Outstanding	Subsidiaries	Joint Venture	Key Management Personnel	Relatives of Key Management Personnel	Enterprises over which KMP and his relatives is exercising significant influence	31.03.2024	31.03.2023
ASSETS							
Investments	1,417.88	585.66	–	–	–	2,003.54	2,116.19
Loans and Advances	0.00	–	–	–	–	0.00	0.03
Other Assets	1.82	9.37	–	–	–	11.19	10.25
LIABILITIES							
Equity Holdings	4.94	–	1.86	3.40	2.33	12.53	15.51
Non Convertible Debentures	–	214.78	–	–	–	214.78	135.46
Deposits	0.25	–	8.47	48.40	–	57.12	21.82
Other Liabilities	1.71	0.46	–	–	–	2.17	3.85
Remuneration payable	–	–	10.08	–	–	10.08	9.25

NOTES TO THE ACCOUNTS (Contd.)

Balances with Related Parties as at 31st March 2024

(₹ in crores)

BALANCES OUTSTANDING	Subsidiaries	Joint Ventures	31.03.2024	31.03.2023
ASSETS				
Investments				
Investments In Equity Shares				
Sundaram Home Finance Limited	1,153.78	–	1,153.78	1,153.27
Royal Sundaram General Insurance Co. Ltd.	–	585.66	585.66	585.34
Sundaram Asset Management Company Limited	261.12	–	261.12	236.58
Sundaram Finance Holdings Limited	–	–	–	114.21
Sundaram Fund Services Limited	0.64	–	0.64	24.45
Sundaram Trustee Company Limited	2.29	–	2.29	2.29
LGF Services Ltd.	0.05	–	0.05	0.05
Total	1,417.88	585.66	2,003.54	2,116.19

Disclosure Of Material Balances With Related Parties as at 31st March 2024

(₹ in crores)

Balances Outstanding	Subsidiaries	Joint Ventures	Key Management Personnel	Relatives of Key Management Personnel	Enterprises over which KMP and his relatives is exercising significant influence	31.03.2024	31.03.2023
Fleet							
Sundaram Asset Management Company Limited	0.00	–	–	–	–	0.00	0.00
Brakes India Private Ltd	0.03	–	–	–	–	0.03	0.02
Other Assets							
Royal Sundaram General Insurance Co. Ltd.	–	9.37	–	–	–	9.37	8.55
Sundaram Home Finance Limited	1.38	–	–	–	–	1.38	1.29
Sundaram Asset Management Company Limited	0.07	–	–	–	–	0.07	-
Sundaram Business Services Limited	-	–	–	–	–	-	0.11
Sundaram Alternate Assets Limited	0.36	–	–	–	–	0.36	0.30
Indian Motor Parts and Accessories Limited	-	–	–	–	–	–	–
Total	1.81	9.37	–	–	–	11.18	10.25

NOTES TO THE ACCOUNTS (Contd.)

Balances Outstanding	Subsidiaries	Joint Ventures	Key Management Personnel	Relatives of Key Management Personnel	Enterprises over which KMP and his relatives is exercising significant influence	31.03.2024	31.03.2023
LIABILITIES							
Equity Holdings	4.94		1.86	3.40	2.33	12.53	15.51
Non Convertible Debentures							
Royal Sundaram General Insurance Co. Ltd.		214.78				214.78	135.46
Deposits							
KMP/Relatives			8.47	48.40		56.87	21.82
LGF Services Limited	0.25					0.25	
Other Liabilities							
Sundaram Home Finance Limited	1.43					1.43	1.43
Sundaram Finance Holdings Limited							1.47
Royal Sundaram General Insurance Co. Ltd.		0.46				0.46	0.46
Sundaram Asset Management Company Limited	0.27					0.27	0.27
Sundaram Business Services Limited							0.21
Sundaram Fund Services Limited							-
Remuneration payable				10.08		10.08	9.25
Total	1.70	0.46		10.08		12.24	13.10

(₹ in crores)

Maximum amount outstanding in respect of Loans and Advances	2023-2024	2022-2023
Sundaram Asset Management Company Limited	0.01	0.00
Brakes India Ltd	0.03	0.03

(₹0.00 represents amount less than ₹50,000)

NOTES TO THE ACCOUNTS (Contd.)

43.06 Estimated amount of contracts remaining to be executed on capital account

(₹ in crores)

Particulars	March 31, 2024	March 31, 2023
Estimated amount of contracts remaining to be executed on capital account (net of advance)	9.79	17.05
Uncalled commitment in Alternative Investment Fund Schemes	203.43	83.65

Other Commitments

The Company has given an undertaking not to dilute, in any manner, its shareholding below 51% in respect of the borrowings availed by one of its wholly owned subsidiaries.

43.07 Relationship with Struck off Company:

Sl. No.	Name of Struck Off Company	Nature of transactions	As at March 31, 2024	As at March 31, 2023	Relationship with the struck off company, if any, to be disclosed for related party
1	M/s Rithika Travels And Transport India Pvt Ltd	Loan	Nil	0.33	No
2	M/s Prostar Textile Mill Pvt Ltd	Loan	Nil	0.02	No
3	M/s S R Tradecentre Pvt Ltd	Loan	0.02	Nil	No
4	M/s Hcmtech India Private Limited	Admin exp	**	**	No
5	M/s Kothari Intergroup Limited	Shareholder	*	*	No
6	M/s Parivar Developers Pvt Limited	Shareholder	Nil	*	No

Note: * 1. In the absence of purchase price of shares held by the above shareholders, face value is considered for reporting purpose. Amount is Less than ₹10000/-

** 2. Admin expenses less than ₹50000/-

43.08 Registration of charges or satisfaction

(₹ in crores)

Particulars	March 31, 2024	March 31, 2023
(a) Where any charges or satisfaction yet to be registered with ROC beyond the statutory period,	Nil	Nil
(b) Details and reasons thereof shall be disclosed		

NOTES TO THE ACCOUNTS (Contd.)

43.09 Utilisation of Borrowed funds and Share Premium (Diversion of Funds):

No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend to or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

No funds have been received by the Company from any person(s) or entity(ies), including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend to or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

43.10 Undisclosed income

There is no surrender or disclosure of income separately on account of search or survey under Income tax since all transactions are recorded in the books.

43.11 Crypto Currency or Virtual Currency

Company has neither traded nor invested in Crypto currency or virtual currency during the year.

43.12 Administrative and other expenses “under Other Expenditure” include payment to Statutory Auditors towards:

(₹ in Crores)

Particulars	March 31, 2024	March 31, 2023
Auditors' fees and expenses*	1.46	1.40
Statutory fees	0.98	0.99
Tax fees	0.16	0.16
Certification fees	0.28	0.21
Reimbursement of expenses	0.04	0.04

* Including GST provision

43.13 Disclosure under the MSME Act 2006

(₹ in Crores)

Particulars	March 31, 2024	March 31, 2023
ia) Principal amount remaining unpaid*	2.20	2.41
ib) Interest amount remaining unpaid	NIL	NIL
ii) Interest and principal amount paid beyond appointed date	NIL	NIL
iii) Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointment day during the year) but without adding the interest specified under this Act.	NIL	NIL
iv) Interest accrued and remaining unpaid	NIL	NIL

* Subsequently liability is discharged

NOTES TO THE ACCOUNTS (Contd.)

43.14 Based on the current assessment of the long-term contracts in the ordinary course of business, the Company has made adequate provision for losses where required. The derivative contracts have been entered into for hedging the foreign currency liability and interest liability. Derivative contracts being in the nature of hedge contracts, the Company does not anticipate any material losses from the same.

43.15 The Board of Directors have recommended a final dividend of ₹16/-per share (160%) for the year ended 31st March 2024 in May 2024. This together with interim dividend of ₹14/- per share (140%) paid would aggregate to a total dividend of ₹30/- per share (300%).

43.16 Earnings per Share

Particulars	March 31, 2023	March 31, 2022
Profit/(Loss) attributable to equity shareholders (₹ in crores)	1,454.01	1,088.31
Weighted average number of equity shares	11,11,03,860	11,11,03,860
Earnings per share – Basic & Diluted (in ₹)	130.87	97.95
Face value of Share	10	10

43.17 Previous year's figures have been regrouped wherever necessary to conform to current year's classification.

Note 44: Balance Sheet Disclosures for NBFC in Middle Layer as per Master Directions -Reserve Bank of India Disclosures as per Master Directions - Reserve Bank of India (Non-Banking Financial Company - Scale Based Regulation) Directions, 2023

44.01 Capital to Risk (weighted) Assets Ratio

Particulars	March 31, 2024	March 31, 2023
CRAR (%)	20.50	22.77
CRAR - Tier 1 Capital (%)	16.78	17.71
CRAR - Tier 2 Capital (%)	3.72	5.06
Subordinated debt considered as Tier 2 Capital (₹ in Cr.)	1,773.00	1,806.00

44.02 Investments

(₹ in crores)

Particulars	March 31, 2024	March 31, 2023
Value of Investments		
Gross Value of Investments		
a) In India	6,453.59	5,063.37
b) Outside India	-	-
Provisions for Depreciation		
a) In India	70.67	0.55
b) Outside India	-	-
Net Value of Investments		
a) In India	6,382.92	5,062.82
b) Outside India	-	-
Movement of provisions held towards depreciation on investments		
Opening balance	0.55	0.58
Add : Provisions made during the year / Provision for AIF Investments	70.39	0.19
Less : Reversal of provisions during the year	0.27	0.22
Closing balance	70.67	0.55

NOTES TO THE ACCOUNTS (Contd.)

44.03 Derivatives

44.03.01 Forward Rate Agreement / Interest Rate Swap (FRA / IRS)

(₹ in crores)

Particulars	March 31, 2024	March 31, 2023
The notional principal of swap agreements	-	125.00
Losses which would be incurred if counterparties failed to fulfill their obligations under the agreements	-	1.34
Collateral required by NBFC upon entering into swaps	-	-
Concentration of credit risk arising from the swaps	-	100% with Banks
The fair value of the swap book	-	1.03

The details and terms of IRS / FRA are set out below:

(₹ in crores)

Derivatives	March 31, 2024	March 31, 2023	Benchmark	Terms
	Notional Principal			
Interest Rate Swap	-	125.00	OIS	Fixed Payable v/s Floating Receivable

44.03.02 Exchange Traded Interest Rate (IR) Derivatives : NIL

44.03.03 Qualitative disclosures on risk exposure of derivatives

i) Qualitative disclosures

The Company has a Board approved policy for entering into derivative transactions. Derivative transaction comprises Forward Rate Agreements, Interest Rate Swaps, Coupon only swaps, Currency and Interest rate swap and Forward Exchange contracts. The Company undertakes such transactions for hedging balance sheet assets and liabilities. The Asset Liability Management Committee and Risk Management Committee periodically monitors and reviews the risks involved.

ii) Quantitative disclosures

(₹ in crores)

Particulars		Interest Rate Derivatives	
		March 31, 2024	March 31, 2023
i)	Derivatives (Notional Principal Amount) For Hedging	-	125.00
ii)	Marked to Market Position - Asset (+) - Liability (-)	- -	1.03 -
iii)	Credit Exposure	-	0.63
iv)	Unhedged Exposures	-	-

NOTES TO THE ACCOUNTS (Contd.)

44.04 Maturity Pattern of certain items of Assets and Liabilities

As at March 31, 2024:

(₹ in crores)

	1 to 7 days	8 to 14 days	Upto 30/31 days	Over 1 month upto 2 months	Over 2 months upto 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
Deposits	87.58	30.68	77.85	142.95	184.42	568.60	1,097.85	3,603.53	-	-	5,793.46
Borrowings	46.82	-	762.49	1,416.98	1,522.40	3,790.81	7,313.59	13,031.50	4,047.08	3,200.00	35,131.67
Foreign Currency Liabilities	-	-	-	-	-	-	-	-	-	-	-
Advances	505.78	1,213.55	507.98	1,900.22	2,083.65	4,918.30	8,930.02	22,727.50	5,882.53	178.87	48,848.40
Investments	1,384.07	4.35	210.68	278.17	128.38	239.36	315.20	672.18	51.04	3,099.49	6,382.92
Foreign Currency Assets	-	-	-	-	-	-	-	-	-	-	-

NOTES TO THE ACCOUNTS (Contd.)

44.05 Exposures

44.05.01 Exposure to Real Estate Sector

(₹ in crores)

Particulars	March 31, 2024	March 31, 2023
Residential Mortgages -		
Lending - Fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented	15.42	18.51
Commercial Real Estate -		
Lending - Secured by mortgages on commercial real estates (office buildings, retail space, multi purpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc). Exposure would also include non-fund based limits	23.58	19.76
Investments in Mortgage Backed Securities (MBS) and other securitised exposures		
- Residential	-	-
- Commercial Real Estate	-	-
Total Exposure to Real Estate Sector	39.00	38.27

44.05.02 Exposure to Capital Market

(₹ in crores)

Particulars	March 31, 2024	March 31, 2023
Direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt; (listed Securities)	882.51	114.21
Advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs/ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	-	-
Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	-	-
Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e where the primary security other than shares/convertible bonds/ convertible debentures / units of equity oriented mutual funds does not fully cover the advances;	-	-
Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	-	-
Loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	-	-
Bridge loans to companies against expected equity flows / issues	-	-
All exposures to Venture Capital Funds (both registered and unregistered) - Alternate Investment fund		
Category I	-	-
Category II	297.05	140.16
Category III	58.50	41.01
Total Exposure to Capital Market	1,238.06	295.38

NOTES TO THE ACCOUNTS (Contd.)

44.05.03 Details of financing of parent company products : NIL

44.05.04 Details of Single Borrower Limit (SBL) / Group Borrower Limit (GBL) exceeded by the company : NIL

44.06 Registration obtained from other financial sector regulators during the year : NIL

44.07 Disclosure of penalties imposed by other regulators : 2023-24 - NIL

44.08 Rating Assignment by Credit Rating Agencies and migration of ratings during the year

Instrument	ICRA	CRISIL
Deposits	AAA	AAA
Debentures	AAA	AAA
Subordinated Debentures	AAA	AAA
Long Term Bank Loans	AAA	AAA
Consortium Bank Facilities	AAA	-
Commercial Paper	A1+	A1+
Short Term Bank Loans	A1+	-

Migration of ratings during the year : NIL

44.09 Provisions and Contingencies

(₹ in crores)

Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account	March 31, 2024	March 31, 2023
Provisions for depreciation on Investments	0.51	(0.04)
Provision for AIF Investments	69.61	-
Provisions towards Stage 3 assets (incl. write offs)	221.67	208.54
Provisions for Stage 1 & 2 assets	(17.98)	(74.25)
Provisions made towards Income tax	376.51	331.65

44.10 Concentration of Deposits

(₹ in crores)

Particulars	March 31, 2024	March 31, 2023
Total Deposits of twenty largest depositors	365.91	233.70
% of Twenty largest depositors	6.32%	4.80%

44.11 Concentration of Advances

(₹ in crores)

Particulars	March 31, 2024	March 31, 2023
Total Advances to twenty largest borrowers	1,047.67	978.97
% of Twenty largest borrowers	4.04%	4.68%

NOTES TO THE ACCOUNTS (Contd.)

44.12 Concentration of Exposures

(₹ in crores)

Particulars	March 31, 2024	March 31, 2023
Total Exposure to twenty largest borrowers	1,152.29	1,027.12
% of Twenty largest borrowers	2.66%	2.96%

44.13 Concentration of NPA assets

(₹ in crores)

Particulars	March 31, 2024	March 31, 2023
Total Exposure to top four NPA assets	27.01	39.53
% of Top four NPA assets to total NPA assets	3.15%	3.80%

44.14 NPA assets as a percentage to Advances in the respective segments

(in %)

Segment	March 31, 2024	March 31, 2023
Truck Operators	2.24	3.50
Auto Loans	1.30	1.76
Infrastructure Loans	2.00	3.40
Agriculture	2.13	3.44
Others	2.28	4.37

44.15 Movement of NPA assets

(₹ in crores)

Particulars	March 31, 2024	March 31, 2023
Net NPA assets to Net Advances (%)	1.25%	2.10%
Movement of NPA assets (Gross)		
Opening balance	1,039.65	703.54
Additions during the year	591.70	900.86
Reductions during the year	774.09	564.75
Closing balance	857.26	1039.65
Movement of Net NPA assets		
Opening balance	722.35	363.63
Additions during the year	277.45	568.68
Reductions during the year	461.25	209.95
Closing balance	538.56	722.35
Movement of Provision on NPA assets		
Opening balance	317.30	339.93
Provisions made during the year	314.25	332.17
Write-off / Write-back of excess provisions	312.84	354.80
Closing balance	318.70	317.30

NOTES TO THE ACCOUNTS (Contd.)

44.16 Overseas Assets (for those with Joint Ventures and Subsidiaries abroad) : NIL

44.17 Off-balance sheet SPVs sponsored (which are required to be consolidated as per accounting norms): NIL

44.18 Disclosure of complaints

1) Summary information on complaints received by the NBFCs from customers and from the Offices of Ombudsman

Sr. No	Particulars	FY 23-24	FY 22-23
	Complaints received by the NBFC from its customers		
1	Number of complaints pending at beginning of the year	62	42
2	Number of complaints received during the year	3509	2731
3	Number of complaints disposed during the year	3,503	2711
3.1	Of which, number of complaints rejected by the NBFC	NIL	NIL
4	Number of complaints pending at the end of the year	68	62
	Maintainable complaints received by the NBFC from Office of Ombudsman		
5*	Number of maintainable complaints received by the NBFC from Office of Ombudsman	103	56
5.1	Of 5, number of complaints resolved in favour of the NBFC by office of Ombudsman	103	54
5.2	Of 5, number of complaints resolved through conciliation/mediation/ advisories issued by Office of Ombudsman	NIL	1
5.3	Of 5, number of complaints resolved after passing of Awards by Office of Ombudsman against the NBFC	NIL	1
6*	Number of Awards unimplemented within the stipulated time (other than those appealed)	NIL	NIL

Note: Maintainable complaints refer to complaints on the grounds specifically mentioned in Integrated Ombudsman Scheme, 2021 (Previously The Ombudsman Scheme for Non-Banking Financial Companies, 2018) and covered within the ambit of the Scheme.

* It shall only be applicable to NBFCs which are included under The Reserve Bank - Integrated Ombudsman Scheme, 2021.

2) Top five grounds of complaints received by the NBFCs from customers

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/ decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
(1)	(2)	(3)	(4)	(5)	(6)
FY 23 - 24					
Arrear Payment related	14	309	-38%	5	NIL
NOC related	1	638	40%	8	NIL
Credit Bureau related	15	613	54%	12	NIL
Repossession related	2	164	-5%	9	NIL
COVID-19 related	3	148	-10%	3	NIL
Others	27	1637	20%	31	NIL
Total	62	3,509	22%	68	-
FY 22 - 23					
Arrear Payment related	10	426	-25%	14	NIL
NOC related	3	380	-14%	1	NIL
Credit Bureau related	4	285	-24%	15	NIL
Repossession related	7	173	14%	2	NIL
COVID-19 related	2	163	-8%	3	NIL
Others	16	1304	9%	27	NIL
Total	42	2,731	-3%	62	-

44.19 A comparison between provisions required under IRACP and impairment allowances made under Ind AS 109:

(₹ in crores)

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms (including income deferred)	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7) = (4)-(6)
Performing Assets						
Standard	Stage 1	41,214.70	91.55	41,123.15	169.78	(78.23)
	Stage 2	1,168.13	33.93	1,134.21	7.71	26.22
Sub total		42,382.83	125.48	42,257.36	177.49	(52.01)
Non-Performing Assets (NPA)						
Substandard	Stage 1	53.95	9.04	44.91	6.05	3.00
Substandard	Stage 2	257.61	35.78	221.84	31.40	4.38
Substandard	Stage 3	362.66	107.25	255.41	59.10	48.15
Sub total		674.22	152.07	522.14	96.55	55.53

NOTES TO THE ACCOUNTS (Contd.)

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms (including income deferred)	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7) = (4)-(6)
Doubtful						
Upto 1 year	Stage 3	114.14	102.71	11.43	87.61	15.10
1 to 3 years	Stage 3	62.64	57.67	4.97	51.74	5.93
More than 3 years	Stage 3	3.17	3.17	-	3.17	-
Sub total		179.95	163.55	16.40	142.51	21.03
Loss	Stage 2	-	-	-	-	-
	Stage 3	3.08	3.08	-	3.08	-
Sub total		3.08	3.08	-	3.08	-
TOTAL NPA		857.25	318.70	538.55	242.15	76.55
OFF BOOKS : Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms.	Stage 1	187.60	2.37	185.23	-	2.37
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal		187.60	2.37	185.23	-	2.37
Total (On book assets)	Stage 1	41,268.65	100.59	41,168.06	175.82	(75.23)
	Stage 2	1,425.74	69.70	1,356.04	39.11	30.60
	Stage 3	545.69	273.88	271.81	204.69	69.18
	Total	43,240.08	444.18	42,795.91	419.62	24.55

Disclosure on Resolution Framework 2.0 implemented in terms of RBI circulars RBI/2021-22/31 DOR.STR. REC.11/21.04.048/2021-22 dated 5th May 2021:

Type of Borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of the previous half-year (A) 30.09.2023	Of (A), aggregate debt that slipped into NPA during the half-year	Of (A) amount written off during the half-year	Of (A) amount paid by the borrowers during the half-year	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of this half-year 31.03.2024
Personal Loans	-	-	-	-	-
Corporate persons*	-	-	-	-	-
Of which MSMEs	-	-	-	-	-
Others (Business loan)	165.86	9.73	0.07	52.03	104.03

*As defined in Section 3(7) of the Insolvency and Bankruptcy Code 2016.

NOTES TO THE ACCOUNTS (Contd.)

44.20 Sectoral Exposure:

(₹ in crores)

Sectors	Current Year			Previous Year		
	Total Exposure	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector	Total Exposure	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector
1. Agricultural and Allied activities	3,284.33	69.85	2.13%	2,770.42	92.06	3.32%
2. Industry	-	-	-	-	-	-
3. Services						
3.1 Transport Operators	20,107.44	450.93	2.24%	16,084.10	548.99	3.41%
3.2 Commercial Real Estate	23.58	-	-	19.76	-	-
3.3 NBFCs	1,317.11	-	-	949.60	-	-
3.4 Other Services	4,643.94	92.79	2.00%	3,712.29	121.37	3.27%
Total	26,092.07	543.72	2.08%	20,765.75	670.36	3.23%
3.a Micro and Small	13,074.30	228.22	1.75%	8,293.67	193.58	2.33%
3.b Medium	1,112.47	21.24	1.91%	889.75	23.77	2.67%
3.c Large	-	-	-	-	-	-
3.d Others	11,905.30	294.26	2.47%	11,582.33	453.01	3.91%
Total	26,092.07	543.72	2.08%	20,765.75	670.36	3.23%
4. Personal Loans						
4.1 Vehicle/Auto Loans	11,000.70	138.08	1.26%	8,910.81	149.08	1.67%
Total	11,000.70	138.08	1.26%	8,910.81	149.08	1.67%
5. Others	2,862.98	105.61	3.69%	2,198.56	128.14	5.83%
Total	43,240.08	857.26	1.98%	34,645.54	1,039.65	3.00%
Off Balance sheet exposure	187.60	-	-	152.67	-	-

44.21 Intra-group Exposures:

(₹ in crores)

Particulars	March 31, 2024	March 31, 2023
Total Amount of intra-group exposures	46.99	17.34
Total amount of top 20 intra group exposures	46.99	17.34
Percentage of intra group exposures to total exposure of the NBFC on borrowers/ customers	0.11%	0.05%

44.22 Unhedged foreign currency exposure - NIL (31/03/2023 - NIL)

44.23 Breach of covenant of loan availed or debt securities issued - NIL (31/03/2023 - NIL)

44.24 Divergence in Asset Classification and Provisioning:

There was no divergence in asset classification and provisioning for the period ended 31st March 2023, requiring disclosure under the directions.

44.25 Related party disclosure

(₹ in crores)

Particulars	Subsidiaries		Associates/Joint ventures		Key Management Personnel		Relatives of Key Management Personnel		Others		Total	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Outstanding												
Borrowings	-	-	214.78	155.46	-	-	-	-	-	-	214.78	135.46
Deposits	0.25	-	-	8.00	14.77	12.95	38.32	30.40	128.09	91.38	181.43	142.73
Other Liabilities	0.27	3.39	0.46	0.46	12.96	10.53	-	-	-	-	13.69	14.38
Loans and advances	-	-	-	-	-	-	-	-	45.71	47.12	45.71	47.12
Investments	1,417.88	1,530.85	585.66	585.34	-	-	-	-	-	-	2,003.54	2,116.19
Other Assets	1.81	1.70	9.37	8.55	-	-	-	-	-	-	11.19	10.25
Transactions												
Issue of Non-Convertible Debentures	-	-	82.16	64.93	-	-	-	-	-	-	82.16	64.93
Redemption of Non Convertible Debentures	-	-	-	83.00	-	-	-	-	-	-	-	83.00
Deposits	4.75	-	4.00	6.00	1.07	1.54	-	18.58	36.36	43.60	46.18	69.72
Loans and advances disbursed	0.03	0.03	0.29	0.30	-	-	-	-	1,514.68	1,713.70	1,515.00	1,714.03
Repayment of Loans and advances	0.04	100.03	0.29	0.31	-	-	-	-	1,517.42	1,704.30	1,517.74	1,804.64
Investments	152.92	-	-	-	-	-	-	-	-	-	152.92	-
Sale of Investments	-	-	68.60	-	-	-	-	-	-	-	68.60	-

NOTES TO THE ACCOUNTS (Contd.)

Particulars	Subsidiaries		Associates/Joint ventures		Key Management Personnel		Relatives of Key Management Personnel		Others		Total	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Purchase of fixed assets	-	-	-	-	-	-	-	-	0.28	-	0.28	-
Sale of fixed assets	-	-	-	-	-	-	-	-	-	-	-	-
Loan Assets	182.61	-	-	-	-	-	-	-	-	-	182.61	-
Interest paid	0.27	-	16.24	9.73	18.29	11.23	-	-	0.16	8.00	34.98	28.96
Interest received	0.04	0.97	-	-	-	-	-	-	3.01	3.94	3.05	4.91
Dividend Income	330.69	121.20	15.72	13.47	-	-	-	-	-	-	346.41	134.67
Dividend paid	2.60	-	8.49	-	16.73	12.58	20.57	15.67	71.80	60.38	120.19	88.63
Others - income	29.95	27.21	25.82	27.09	-	-	-	-	6.27	2.12	62.05	56.42
Others - Expenses	14.63	13.97	-	1.89	32.47	21.27	-	-	1.71	1.21	48.81	38.34
Maximum Amount Outstanding												
Borrowings	-	-	215.54	152.92	-	-	-	-	-	-	215.54	152.92
Deposits	0.25	-	-	8.15	14.77	12.95	38.32	30.40	128.09	94.37	181.43	145.87
Loans and advances	-	100.00	-	0.03	-	-	-	-	3.03	149.07	3.03	249.11
Investments	1,417.88	1,530.85	585.66	585.34	-	-	-	-	-	-	2,003.54	2,116.19

NOTES TO THE ACCOUNTS (Contd.)

Note 45: Disclosure as per RBI Notification No. RBI/DOR/2021-22/85 DOR.STR.REC.53/21.04.177/2021-22
(Disclosures to be made in Notes to Accounts by originators)

(₹ in crores)

Sl. No	Particulars	March 31, 2024	March 31, 2023
1	No. of SPEs holding assets for securitisation transactions originated by the originator (only the SPVs relating to outstanding securitization exposures to be reported here)	23	16
2	Total amount of securitised assets as per books of the SPEs	4,689.68	3,664.52
3	Total amount of exposures retained by the originator to comply with MRR as on the date of balance sheet		
	a) Off-balance sheet exposures		
	• First loss		
	• Others		
	b) On-balance sheet exposures		
	• First loss	629.16	464.23
	• Others	74.86	65.36
4	Amount of exposures to securitisation transactions other than MRR		
	a) Off-balance sheet exposures		
	i) Exposure to own securitisations		
	• First loss		
	• Others		
	ii) Exposure to third party securitisations		
	• First loss		
	• Others		
	b) On-balance sheet exposures		
	i) Exposure to own securitisations		
	• First loss		
	• Others		
	ii) Exposure to third party securitisations		
	• First loss		
	• Others		
5	Sale consideration received for the securitised assets Gain/loss on sale on account of securitisation		
	- Consideration Received	8,481.38	6,359.82
	- Gain/Loss	NIL	NIL

NOTES TO THE ACCOUNTS (Contd.)

Sl. No	Particulars	March 31, 2024	March 31, 2023
6	Form and quantum (outstanding value) of services provided by way of, liquidity support, post-securitisation asset servicing, etc.	629.16	464.23
7	Performance of facility provided. Please provide separately for each facility viz. Credit enhancement, liquidity support, servicing agent etc. Mention percent in bracket as of total value of facility provided.		
	(a) Amount Paid (Initial CC)	699.86	515.58
	(b) Repayment received (CC Reset)	70.70	51.35
	(c) Outstanding amount (Outstanding CC)	629.16	464.23
8	Average default rate of portfolios observed in the past. Please provide breakup separately for each asset class i.e. RMBS, Vehicle Loans etc	CV : 1.00% Tractor : 1.08% CE : 0.64%	CV : 1.29% Tractor : 1.37% CE : 0.85%
9	Amount and number of additional/top up loan given on same underlying asset. Please provide breakup separately for each asset class i.e. RMBS, Vehicle Loans etc	NIL	NIL
10	Investor complaints (a) Directly/Indirectly received and; (b) Complaints outstanding	NIL	NIL

Note 46: Disclosure on frauds

There are 27 fraud cases reported to RBI as of 31st March 2024, involving an amount of ₹20.37 Cr., including three cases reported during the financial year 2023-24 involving ₹0.42 Cr. The company has provided for / written off the amount and has proceeded legally to recover the dues from the respective parties.

Note 47: Disclosure on Liquidity Coverage Ratio (LCR):

As part of the Liquidity Risk Management Framework for NBFCs, RBI has mandated maintenance of Liquidity Coverage Ratio (LCR) effective 1st Dec 2020. The Company is required to maintain adequate unencumbered High Quality Liquid Asset (HQLA) to meet its liquidity needs for a 30 calendar-day time horizon under a significantly severe liquidity stress scenario. The objective of the LCR is to promote the short-term resilience of the liquidity risk profile. Presently, the Company is mandated to maintain a minimum LCR of 70%, effective December 1, 2022, progressively reaching up to the required level of 100% by December 1, 2024.

The LCR is calculated by dividing the company's stock of HQLA by its total net cash outflows over a 30-day stress period. "High Quality Liquid Assets (HQLA)" means liquid assets that can be readily sold or immediately converted into cash at little or no loss of value or used as collateral to obtain funds in a range of stress scenarios. Total Net cash outflows is defined as total expected cash outflows minus total expected cash inflows in the specified stress scenario for the subsequent 30 calendar days. The main drivers of LCR are adequate HQLAs and lower net cash outflow.

Major source of borrowings for the Company are Non-Convertible Debentures, Term loans from Banks, Commercial paper and Public deposits. Details of funding concentration from Significant counter party are given above under Public disclosure. The average LCR for the quarter ended 31st March 2024 is 176.8% which is well above the regulatory requirement of 85%.

NOTES TO THE ACCOUNTS (Contd.)

(₹ in crores)

Particulars	Liquidity Coverage Ratio (LCR)							
	Jan - Mar 2024		Oct - Dec 2023		Jul-Sep 2023		Apr-Jun 2023	
	Unweighted Value (Average)	Weighted Value (Average)	Unweighted Value (Average)	Weighted Value (Average)	Unweighted Value (Average)	Weighted Value (Average)	Unweighted Value (Average)	Weighted Value (Average)
High Quality Liquid Assets								
1 **Total High Quality Liquid Assets (HQLA)	-	1,169.58		1,022.22		707.77		690.22
Cash Outflows								
2 Deposits (for deposit taking companies)	238.55	274.34	339.24	390.12	307.74	353.90	253.75	291.81
3 Unsecured wholesale funding	892.47	1,026.34	1,127.49	1,296.62	657.22	755.81	470.22	540.76
4 Secured wholesale funding	625.46	719.27	806.89	927.92	1,079.80	1,241.77	786.66	904.66
5 Additional requirements, of which								
(i) Outflows related to derivative exposures and other collateral requirements	-	-	-	-	-	-	-	-
(ii) Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
(iii) Credit and liquidity facilities	196.34	225.80	189.19	217.57	185.40	213.22	159.19	183.07
6 Other contractual funding obligations	326.53	375.51	251.78	289.55	262.31	301.66	267.06	307.12
7 Other contingent funding obligations	21.15	24.32	11.12	12.78	15.83	18.21	9.76	11.23
8 TOTAL CASH OUTFLOWS	2,300.50	2,645.57	2,725.70	3,134.56	2,508.31	2,884.56	1,946.65	2,238.65
Cash Inflows								
9 Secured lending	-	-	-	-	-	-	-	-
10 Inflows from fully performing exposures	2,213.51	1,660.13	2,314.09	1,735.57	1,914.02	1,435.52	1,867.18	1,400.39
11 Other cash inflows	2,567.28	1,925.46	2,892.11	2,169.08	2,788.09	2,091.07	2,421.85	1,816.39
12 TOTAL CASH INFLOWS	4,780.79	3,585.59	5,206.20	3,904.65	4,702.11	3,526.58	4,289.03	3,216.77

	Total Adjusted Value				
13 TOTAL HQLA	1,169.58	1,022.22	707.77	690.22	690.22
14 TOTAL NET CASH OUTFLOWS	661.39	783.64	721.14	559.66	559.66
15 LIQUIDITY COVERAGE RATIO (%)	176.8%	130.4%	98.1%	123.3%	123.3%
** Components of HQLA					
- Cash	6.66	6.97	6.75	6.65	4.65
- Balance with Banks	92.10	19.89	28.50	16.14	16.14
- Government Securities	493.88	455.14	417.88	385.44	385.44
- Treasury Bills	576.94	540.22	254.64	283.99	283.99
Total HQLA	1,169.58	1,022.22	707.77	690.22	690.22

NOTES TO THE ACCOUNTS (Contd.)

Note 48: Public Disclosure on Liquidity Risk as on March 31, 2024:

(i) Funding concentration based on significant counterparty (both deposits and borrowings)

Sl. No.	Number of Significant counter parties	Amount (₹ in crores)	% of Total Deposits *	% of Total Liabilities
1	14	27,505.21	–	66.3

* None of the Depositors hold more than 1% of the Total deposits

(ii) Top 20 large deposits

Amount (₹ in crores)	365.91
% of Total Deposits	6.3

(iii) Top 10 borrowings

Amount (₹ in crores)	24,625.42
% of Total Borrowings	60.2

(iv) Funding Concentration based on significant instrument / product

Sl. No.	Name of the Instrument / product	Amount (₹ in crores)	% of Total Liabilities
1	Non-Convertible Debentures	13,851.26	33.4
2	Term loan	17,303.54	41.7
3	Public Deposits	5,793.46	14.0
4	Commercial paper	1,930.42	4.6
5	Other Bank borrowings/ICD	2,046.44	4.9

(v) Stock Ratios:

Sl. No.	Name of the Instrument / Product	As a % of Total Public funds	As a % of Total Liabilities	As a % of Total Assets
1	Commercial Paper	4.7	4.6	3.8
2	Non-Convertible Debentures (original maturity < 1 year)	-NA-	-NA-	-NA-
3	Other Short- term Liabilities	36.9	36.4	29.6

Institutional set-up for liquidity risk management:

Board has setup the Asset Liability Management Committee (ALCO) and Risk Management Committee to manage various risks of the Company. ALCO meets on a regular basis and is responsible for ensuring adherence to the risk tolerance/limits set by the Board including the Liquidity risk of the Company. The performance of the ALCO is reviewed by Audit Committee / Board.

The Company has formulated a policy on Liquidity Risk Management Framework. Accordingly, the Company,

- Performs stress testing on a quarterly basis which enables the Company to estimate the liquidity requirements as well as adequacy and cost of the liquidity buffer under stressed conditions.
- Has also formulated a contingency funding plan as a part of the outcome of stress testing results.
- Monitors liquidity risk based on 'Stock' approach to liquidity by way of predefined internal limits for various critical ratios pertaining to liquidity risk.

The Company has diversified source of funding to ensure that there is no significant source, the withdrawal of which could trigger liquidity problems.

The Company monitors cumulative mismatches across all time buckets by establishing internal prudential limits. The Company maintains adequate liquidity buffer of readily marketable assets, to protect itself against any liquidity risk at the same time is mindful of the cost associated with it.

Notes

1. As per the circular issued by RBI on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies dated 04th November 2019, "Significant counterparty" is defined as a single counterparty or group of connected or affiliated counterparties accounting in aggregate for more than 1% of the total liabilities and "Significant instrument/product" is defined as a single instrument/product of group of similar instruments/products which in aggregate amount to more than 1% of the total liabilities.
2. Total Liabilities represent 'Total Liabilities and Equity' as per Balance sheet less Equity.
3. Public funds are as defined in Master Direction – Reserve Bank of India (Non-Banking Financial Company– Scale Based Regulation) Directions, 2023.
4. Other Short term liabilities represent all Short-term borrowings other than CPs.

As per our report of even date attached

For **B. K. Khare & Co**
Chartered Accountants
Firm Registration No. 105102W
Shirish Rahalkar
Partner
Membership No. 111212
Place : Mumbai
For N. C. Rajagopal & Co
Chartered Accountants
Firm Registration No. 003398S
V Chandrasekaran
Partner
Membership No. 024844
Place : Chennai
Date : May 24, 2024

S. Viji
Chairman

Rajiv C. Lochan
Managing Director

Harsha Viji
Executive Vice Chairman

A.N. Raju
Deputy Managing Director

Bhavani Balasubramanian
Director

M. Ramaswamy
Chief Financial Officer

P.N. Srikant
CCO & Company Secretary

SCHEDULE

(as required under Master Directions - Reserve Bank of India
(Non- Banking Financial Company - Scale Based Regulation) Directions, 2023)

(₹ in crores)

	Particulars	Amount outstanding	Amount overdue
(1)	Liabilities side:		
	Loans and advances availed by the NBFCs @		
a	Debtures : Secured	11,403.71	-
	: Unsecured	2,447.55	-
	(other than falling within the meaning of public deposits)		
b	Deferred Credits	-	-
c	Term Loans	17,303.54	-
d	Inter-corporate loans and borrowings	2.84	-
e	Commercial paper	1,930.42	-
f	Public Deposits	5,634.29	48.23 [#]
g	Other loans		
	- Bank Borrowing	2,043.60	-
	- Deposits from Corporates	159.17	-
(2)	Break-up of 1 (f) above (Outstanding public deposits) @		
a	In the form of Unsecured debtures	-	-
b	In the form of partly secured debtures i.e. debtures where there is a shortfall in the value of security	-	-
c	Other public deposits	5,634.29	48.23 [#]

[@] Includes interest accrued thereon but not due and hence not paid

[#] Represents unrenewed deposits and interest accrued thereon

(₹ in crores)

	Particulars	Amount outstanding
(3)	Assets side:	
	Break-up of Loans and Advances including bills receivables (other than those included in (4) below) :	
a	Secured	413.55
b	Unsecured (including Advance for Business Assets)	346.25
(4)	Break-up of Leased Assets and Stock on hire and hypothecation loans counting towards AFC activities:	
(i)	Lease assets including lease rentals under sundry debtors	
a	Financial Lease	-
b	Operating Lease	360.13
(ii)	Net Stock on hire including hire charges under sundry debtors	
a	Assets on hire	87.15
b	Reposessed Assets	-
(iii)	Hypothecation loans counting towards AFC activities	
a	Loans where assets have been reposessed	55.99
b	Loans other than (a) above	41,617.69

	Particulars	Amount outstanding	Market Value *
(5)	Break-up of Investments :		
	Current Investments:		
1.	Quoted:		
	Others		
	– Treasury Bills	519.85	519.63
	– Investment in Commercial Paper	396.74	396.76
2.	Unquoted:		
(i)	Units of mutual funds	854.81	854.81
(ii)	Others		
	– Investment in Commercial Paper	334.95	335.09
	Long Term Investments:		
1.	Quoted:		
(i)	Equity Shares	882.51	882.51
(ii)	Government Securities	622.06	626.60
(iii)	Others		
	– Investment in Non Convertible Debentures	240.87	241.88
2.	Unquoted:		
(i)	Equity Shares	2,014.74	3,107.98
(ii)	Compulsorily Convertible Preference Shares	5.65	5.65
(iii)	Units of mutual funds	29.01	29.01
(iv)	Others		
	– Investment in Pass Through Certificates	78.37	77.94
	– Investment in Alternative Investment Fund	355.55	285.95
	– Investment in Non Convertible Debentures	118.47	119.00
	Total	6,453.58	7,482.81

* Unquoted investments disclosed at break up / fair value / NAV.

(6)	Borrower group-wise classification of all leased assets, stock-on-hire and loans and advances:			
	Category	Amount net of provisions		
		Secured	Unsecured	Total
1.	Related Parties**			
a	Subsidiaries	0.17	-	0.17
b	Companies in the same group	41.52	-	41.52
c	Other related parties			
2.	Other than related parties	42,380.83	332.77	42,713.60
	Total	42,422.52	332.77	42,755.29

(₹ in crores)

(7)	Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted) :		
	Category	Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)
1.	Related Parties**		
a	Subsidiaries	2,275.31	1,417.88
b	Companies in the same group	1,715.19	1,479.37
c	Other related parties	–	–
2.	Other than related parties	3,492.32	3,485.66
	Total	7,482.81	6,382.92

** As per Ind AS

(₹ in crores)

(8)	Other Information	
	Particulars	Amount
(i)	Gross Non-Performing Assets	
a	Related Parties	–
b	Other than related parties	857.26
(ii)	Net Non-Performing Assets	
a	Related Parties	–
b	Other than related parties	538.55
(iii)	Assets acquired in satisfaction of debt (during the year)	–

**Consolidated
Financial
Statements**

INDEPENDENT AUDITOR'S REPORT

To the members of Sundaram Finance Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Sundaram Finance Limited ("the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group") which includes the Group's share of profit / loss in its associates and jointly controlled entity which comprise the Consolidated Balance Sheet as at March 31, 2024 and the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year then ended and a summary of 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 and based on the consideration of reports of the other auditors referred to in the Other Matters section below, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS') and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its associates and jointly controlled entity as at March 31, 2024 and their consolidated profit, their consolidated total comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group, its associates and jointly controlled entity in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters section below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Key Audit Matters

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

Sr. No	Key Audit Matter	How the Key Audit Matter was addressed in our audit
1	Information Technology	
	<p>Evaluation of Company's IT systems and Controls:</p> <p>The Company's key financial accounting and reporting processes are dependent on Information Technology Systems. Appropriate IT general controls and IT application controls are required to ensure reliability in Financial Reporting.</p> <p>We have considered this to be a Key Audit Matter taking into account the significance of the IT environment and related controls in processing large number of transactions on a daily basis across multiple modules.</p>	<p>As part of our audit procedures with respect to this matter, we:</p> <ul style="list-style-type: none"> • Obtained an understanding of the company's IT policy, IT environment & infrastructure and the controls in place; • Tested the design and operating effectiveness of IT general controls and application controls, change management controls, user access management and data backup management, involving the assistance of IT specialist; and <p>Evaluated the reports of the independent Information Systems Auditor, pertaining to IT general controls and application controls, as well as the adequacy of the management's actions to address the observations, if any.</p>
2	Impairment Loss Allowance / ECL on Loans	
	<p>Under Ind AS 109, "Financial Instruments", allowance for loan losses is determined using Expected Credit Loss ('ECL') estimation model. The estimation of ECL on financial instruments requires management judgement and estimates, and include the following elements to be considered.</p> <ul style="list-style-type: none"> • Variables - The key variables which are involved in the computation of ECL include staging, exposure at default, probability of default ("PD") and loss given default ("LGD"), which need to be verified for their correctness and basis of estimation. • Data inputs - The application of ECL model requires complete and accurate data inputs from the loan books of the Company. • Quantitative Factors – The PD and LGD of each loan depends on both the Company's ECL policy as well as certain quantitative factors such as level of security, geography, credit bureau scores, arrears and other macro-economic factors as well. 	<p>Our audit procedures were focussed on assessing the appropriateness of the management's judgement and estimates used in the impairment analysis, as well as verifying the completeness and accuracy of the data involved. As part of these audit procedures, we:</p> <ul style="list-style-type: none"> • Reviewed the Company's ECL Policy, including the updates made during the year; • Assessed the design, implementation and operating effectiveness of controls over accuracy and completeness of the source data, stage-wise classification of loans, identification of NPA accounts and measurement of provision; • Tested the relevance and reasonableness of the economic forecasts, weights, and model assumptions applied, while determining the Probability of Default (PD) and Loss Given Default (LGD); • Ensured that updates to the model have been appropriately given effect to while computing the ECL amount; • Re-performed the ECL computation, to the extent feasible; • Ensured adequacy of disclosures made with respect to impairment of loans in the Financial Statements; and

Sr. No	Key Audit Matter	How the Key Audit Matter was addressed in our audit
	We have considered this to be a Key Audit Matter on account of the level of judgment and estimation involved, extensiveness of the Company's ECL model, updates made to the model from time to time and overall importance of ECL in Financial reporting and compliance.	<ul style="list-style-type: none"> Assessed as to whether the disclosures on key judgements, assumptions, qualitative and quantitative data including relevant regulatory compliance and disclosures with respect to impairment of loans in the Financial Statements are adequate, and obtained written management representations as appropriate.

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

The Parent's Board of Directors is responsible for the other information. The other information comprises the information included in the Directors report and its Annexures, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, compare with the financial statements of the subsidiaries, associates and jointly controlled entity audited by the other auditors to the extent it relates to these entities and in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiaries, associates and jointly controlled entity, is traced from their respective financial statements audited by the other auditors.

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

Management's Responsibility for the Consolidated Financial Statements

The Parent's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group including its associates and jointly controlled entity in accordance with Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entity are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its associates and jointly controlled entity and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entity are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective

Board of Directors either intends to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so.

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

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

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

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

We also:

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

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider

quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

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

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

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

Other Matters

We did not audit the financial statements of 8 subsidiaries (including 3 stepdown subsidiaries) whose financial statements reflect total assets of ₹14,020 Crores as at March 31, 2024, total revenues of ₹2,148 Crores and net cash flows amounting to ₹(12) Crores for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit after tax of ₹335 Crores and total comprehensive income of ₹460 Crores for the year ended March 31, 2024, as considered in the consolidated financial statements, in respect of 10 associates, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associates, and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and associates is based solely on the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

1. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/ "CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Independent Auditor's report, according to the information and explanations given to us, and based on the Independent Auditor's Reports issued by the Auditors of companies included in the Consolidated financial statements, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these reports.
2. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors referred to in the Other Matters section above we report, to the extent applicable that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books, returns and the reports of the other auditors.
 - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

- d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors of the Parent as on March 31, 2024 taken on record by the Board of Directors of the Parent Company and the reports of the statutory auditors of its subsidiary companies, associate companies and jointly controlled entity incorporated in India, none of the directors of the group companies, its associate companies and jointly controlled entity incorporated in India is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls with reference to financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Parent, subsidiary companies, associate companies and jointly controlled entity incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to financial statements of those companies.
- g) In our opinion and according to the information and explanations given to us, the remuneration paid during the current year by the Parent Company is in accordance with the provisions of Section 197 read with Schedule V to the Act.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associates and jointly controlled entity - Refer Note 44.04 to the consolidated financial statements.
 - ii) The Group, associate companies and jointly controlled entity did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Parent and its subsidiary companies, associate companies and jointly controlled entity incorporated in India
 - iv)
 - (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company or any of its subsidiaries, associates and joint ventures which are companies incorporated in India to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or any of such subsidiaries, associates and joint ventures ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company any of its subsidiaries, associates and joint ventures which are companies incorporated in India to or into any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
 - (c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

-
- v) The interim dividend declared and paid by the Company during the year and until the date of this audit report is in accordance with section 123 of the Companies Act 2013.

As stated in Note 44.15 to the Consolidated Financial Statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

- vi) Based on our examination which included test checks and that performed by the respective auditors of the subsidiaries, associates and jointly controlled entity, the Companies have used accounting softwares for maintaining their books of account which have a feature of recording audit trail (edit log) facility, and the same have operated throughout the year for all relevant transactions. In the case of the jointly controlled entity, the audit trail feature of a few setup tables (reportedly not used for financial transactions) in one software module, did not operate in one particular month during the year. During the course of our audit, we and the respective auditors of the above referred subsidiaries and associates, did not come across any instance of audit trail feature being tampered with.

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

Shirish Rahalkar
Partner
Membership Number: 111212
UDIN: 24111212BKERWH4201

Place: Mumbai
Date: 24 May, 2024

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

V. Chandrasekaran
Partner
Membership No. 024844
UDIN: 24024844BKCDV3395

Place: Chennai
Date: 24 May, 2024

“ANNEXURE A” TO THE INDEPENDENT AUDITOR’S REPORT

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

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

In conjunction with our audit of the consolidated financial statements of the Sundaram Finance Limited as of and for the year ended March 31, 2024, we have audited the internal financial controls with reference to consolidated financial statements of Sundaram Finance Limited (hereinafter referred to as “Parent”) and its subsidiary companies which are companies incorporated in India, its associate companies and jointly controlled entity, which are companies incorporated in India, as of that date.

Management’s Responsibility for Internal Financial Controls

The respective Board of Directors of the Parent, its subsidiary companies, its associate companies and jointly controlled entity, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor’s Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements of the Parent, its subsidiary companies, its associate companies and jointly controlled entity, which are companies incorporated in India, based on our audit.

We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated

financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiaries, associates and jointly controlled entity, which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system with reference to consolidated financial statements of the Parent, its subsidiary companies, its associate companies and jointly controlled entity, which are companies incorporated in India.

Meaning of Internal Financial Controls with reference to financial statements.

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

Inherent Limitations of Internal Financial Controls with reference to financial statements.

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

Opinion

In our opinion to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors referred to in the Other Matters paragraph below, the Parent, its subsidiary companies, its associate companies and jointly controlled entity, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2024, based on the criteria for internal financial control with reference to consolidated

financial statements established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements insofar as it relates to 7 subsidiary companies and 8 associates, which are companies incorporated in India, is based solely on the corresponding reports of the auditors of such companies incorporated in India.

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

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

Shirish Rahalkar
Partner
Membership Number: 111212
UDIN: 24111212BKERWH4201

Place: Mumbai
Date: 24 May, 2024

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

V. Chandrasekaran
Partner
Membership No. 024844
UDIN: 24024844BKCDV3395

Place: Chennai
Date: 24 May, 2024

Consolidated Balance Sheet

as at 31st March, 2024

(₹ in crores)

Particulars	Note	March 31, 2024	March 31, 2023
ASSETS			
Financial Assets			
Cash and cash equivalents	5	545.68	188.33
Bank Balances	6	957.00	956.85
Derivative financial instruments	7	-	4.38
Receivables	8		
(I) Trade receivables		87.43	74.51
(II) Other receivables		17.69	6.86
Loans	9	54,873.68	44,631.06
Investments	10	5,731.83	8,082.06
Other Financial assets	11	62.00	24.47
Non-Financial Assets			
Current tax assets (Net)	12	342.15	432.61
Deferred tax Assets (Net)	12	44.71	181.10
Investment Property	13	76.86	94.37
Property, Plant and Equipment	14	534.95	405.91
Right-of-use assets	15	106.35	105.12
Goodwill	16	472.48	474.05
Other intangible assets	16	198.46	216.37
Intangible assets under development	16	5.26	0.60
Other non-financial assets	17	219.51	197.20
Total Assets		64,276.04	56,075.85
LIABILITIES AND EQUITY			
Liabilities			
Financial Liabilities			
Payables	18		
I) Trade Payables			
(i) Total outstanding dues of micro enterprises and small enterprises		4.04	2.58
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		169.26	123.07
II) Other Payables			
(i) Total outstanding dues of micro enterprises and small enterprises		-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		14.16	25.27
Debt securities	19	17,448.33	17,262.69
Borrowings (Other than debt securities)	20	24,390.32	16,311.26
Deposits	21	7,982.15	6,813.34
Subordinated liabilities	22	2,513.40	2,306.61
Other financial liabilities	23	534.61	473.19
Non-Financial Liabilities			
Provisions	24	84.86	68.84
Other non-financial liabilities	25	56.69	40.57
Equity			
Equity share capital	26	110.20	110.20
Other equity *	26	10,968.02	9,809.60
Non Controlling Interest		-	2,728.63
Total Liabilities and Equity		64,276.04	56,075.85

Material Accounting policies and notes to the consolidated financial statements 1-44

* Refer Statement of Changes in equity

As per our report of even date attached

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

S. Viji
Chairman

Rajiv C. Lochan
Managing Director

Harsha Viji
Executive Vice Chairman

A.N. Raju
Deputy Managing Director

Bhavani Balasubramanian
Director

M. Ramaswamy
Chief Financial Officer

P.N. Srikant
CCO & Company Secretary

Membership No. 111212
Place : Mumbai
For N. C. Rajagopal & Co
Chartered Accountants
Firm Registration No. 003398S
V Chandrasekaran
Partner
Membership No. 024844
Place : Chennai
Date : May 24, 2024

Consolidated Statement of Profit and Loss

for the Year Ended 31st March, 2024

(₹ in crores)

Particulars	Note	2023-24	2022-23
<u>Revenue from operations</u>			
Revenue from operations			
Interest Income	27	5,852.37	4,546.14
Lease Rental income (Net)		142.57	92.01
Fees and Commission Income	28	280.91	237.90
Dividend Income		17.70	15.14
Income from other Services		493.55	410.37
Recovery of Bad debts		70.35	59.86
Net gain on fair value changes	29	195.11	112.39
Net gain on derecognition of financial instruments under amortised cost category		214.56	2.05
Total Revenue from operations		7,267.12	5,475.86
Other Income	30	18.38	68.27
Total Income		7,285.50	5,544.13
<u>Expenses</u>			
Finance cost	31	3,417.86	2,409.55
Employee benefit expenses	32	832.13	673.13
Fees and commission expenses		94.67	78.86
Administrative & other expenses	33	406.76	330.78
Depreciation & amortisation		182.86	138.84
Impairment/Provisions on financial instruments	34	298.37	202.00
Total expenses		5,232.65	3,833.16
Profit/(loss) before exceptional items and tax		2,052.85	1,710.97
Exceptional item	35.4	(91.72)	-
Profit/(loss) before tax		1,961.13	1,710.97
Tax expense:			
Current tax		542.49	408.92
Deferred tax		(3.79)	20.35
Profit after tax (before adjustment for non controlling interest)		1,422.43	1,281.70
Add: Share of Profit from Associates		335.48	206.04
Add: Share of Profit from Joint Ventures		84.45	21.77
Profit after Tax		1,842.36	1,509.51

Consolidated Statement of Profit and Loss for the Year Ended 31st March, 2024 (Contd.)

Particulars	Note	2023-24	2022-23
Other Comprehensive Income (OCI)			
A (i) Items that will not be reclassified to profit or loss			
Remeasurements of the defined benefit plans		(10.92)	(2.96)
Equity and other investments through Other Comprehensive Income		1,514.92	330.86
Share of other comprehensive income from associates & Joint Ventures using equity method		122.43	17.04
(ii) Income tax relating to items that will not be reclassified to profit or loss		(292.34)	(23.12)
Sub-total (A) = (i)-(ii)		1,334.09	321.82
B (i) Items that will be reclassified to profit or loss			
Change in fair value of derivative instrument/Other Investments		(1.51)	4.44
Share of other comprehensive income from associates & Joint Ventures using equity method		32.25	(63.87)
Foreign currency Translation Reserve		3.19	12.07
(ii) Income tax relating to items that will be reclassified to profit or loss		0.38	(1.13)
Sub-total (B) = (i)-(ii)		34.31	(48.49)
Other Comprehensive Income (A + B)		1,368.40	273.33
Total Comprehensive Income for the year		3,210.76	1,782.84
Profit for the year attributable to;			
Owners of the Company		1,436.02	1327.76
Non-controlling interests		406.34	181.75
Other Comprehensive Income for the year attributable to;			
Owners of the Company		808.20	19.75
Non-controlling interests		560.20	253.58
Total Comprehensive Income for the year attributable to;			
Owners of the Company		2,244.22	1,347.51
Non-controlling interests		966.54	435.33
Earnings per equity share (on PAT)(Face value of ₹10/-each) Basic & diluted		130.31	120.49

Material Accounting policies and notes to the consolidated financial statements 1-44

As per our report of even date attached

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

Partner
Membership No. 111212
Place : Mumbai

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

Partner
Membership No. 024844
Place : Chennai
Date : May 24, 2024

S. Viji
Chairman

Rajiv C. Lochan
Managing Director

Harsha Viji
Executive Vice Chairman

A.N. Raju
Deputy Managing Director

Bhavani Balasubramanian
Director

M. Ramaswamy
Chief Financial Officer

P.N. Srikant
CCO & Company Secretary

Statement of Changes in Equity for the Year Ended March 31, 2024

a) Equity Share Capital	(₹ in crores)	
Particulars	Amount	
Balance as at 31 st March, 2022	110.19	
Add: Allotment of Shares by ESOP Trust to Employees	0.01	
Balance as at 31 st March, 2023	110.20	
Add: Allotment of Shares by ESOP Trust to Employees	0.00	
Balance as at 31st March, 2024	110.20	

b) Other equity

Statement of Changes in Equity for the period ended 31st Mar, 2023

Particulars	(₹ in crores)												
	Reserves and Surplus			Items of Other Comprehensive Income				Total Other Equity	Non Controlling Interest	Total			
Capital Reserve	Share Options Outstanding Account	Statutory Reserve	Special Reserve	General Reserve	Retained Earnings	Foreign Currency Translation Reserve	Capital Redemption Reserve	Debt instruments through Other Com-prehensive Income	Equity instrument through Other Com-prehensive Income	Effective portion of cash flow hedge			
Balance as at 31 st March, 2022	20.94	2.16	1,742.50	349.74	4,167.33	2,114.08	7.05		277.98	0.46	8,684.64	2,294.08	1,0978.71
Changes in accounting policy or prior period errors													
Restated balance as at 31 st March, 2022	20.94	2.16	1,742.50	349.74	4,167.33	2,114.08	7.05	2.40	277.98	0.46	8,684.64	2,294.08	10978.71
(A) Profit after tax for the year					1,317.81						1,317.81	181.75	1,499.56
(B) Other comprehensive income:													
(i) Items that will not be reclassified to profit or loss													
Remeasurements of the defined benefit plans					(2.21)						(2.21)	0.01	(2.20)

(₹ in crores)

Particulars	Reserves and Surplus								Items of Other Comprehensive Income				Total Other Equity	Non Controlling Interest	Total
	Capital Reserve	Share Options Outstanding Account	Statutory Reserve	Special Reserve	General Reserve	Retained Earnings	Foreign Currency Translation Reserve	Capital Redemption Reserve	Debt instruments through Other Comprehensive Income	Equity instrument through Other Comprehensive Income	Effective portion of cash flow hedge				
Change in Fair value of equity instruments										72.12			72.12	234.87	306.99
Share of other comprehensive income from associates using equity method						4.25							4.25	12.79	17.04
(ii) Items that will be reclassified to profit or loss															
Change in fair value of derivative instrument						1.18					0.31		1.49	1.82	3.31
Net gain/(loss) on Fair value of debt securities												(60.78)	(60.78)		(60.78)
Share of other comprehensive income from associates using equity method						(0.73)							(0.73)	(2.37)	(3.09)
Foreign currency Translation Reserve									5.60				5.60	6.47	12.07
Total Comprehensive income for the year (A) + (B)															
Transfer to Impairment Reserve													-	-	-
Deferred tax on Impairment Reserve provision													-	-	-
Deferred tax on Impairment Reserve provision													-	-	-
Dividend payout (Final)						(130.87)							(130.87)	(55.23)	(186.10)
Dividend payout (Interim)						(111.10)							(111.10)		(111.10)

Particulars	Reserves and Surplus						Items of Other Comprehensive Income				Total Other Equity	Non Controlling Interest	Total	
	Capital Reserve	Share Options Outstanding Account	Statutory Reserve	Special Reserve	General Reserve	Retained Earnings	Foreign Currency Translation Reserve	Capital Redemption Reserve	Debt instruments through Other Comprehensive Income	Equity instrument through Other Comprehensive Income				Effective portion of cash flow hedge
Change in the value of Holdings of associates	13.87					152.03				(1,49.21)		16.69	54.40	71.10
Options Granted during the year		3.05										3.05		3.05
Cost of shares transferred on exercise of option		(0.02)										(0.02)		(0.02)
Deferred Employee Compensation Cost		(0.21)										(0.21)		(0.21)
On account of Sundaram Finance Employees' Welfare Trust						(0.08)						(0.08)	0.05	(0.03)
Transfer to Statutory Reserve						(223.74)						(223.74)		(223.74)
Transfer to Special Reserve						(37.00)						(37.00)		(37.00)
Transfer to General Reserve												-		-
Share options lapsed during the year		(1.88)										-		-
Movement on account of Share options					1.88							-		-
Transfer from Retained earnings			223.74	37.00								260.74		260.74
Balance as at 31st March, 2023	34.81	3.10	1,966.24	386.74	4,169.21	3,083.62	12.65	(58.38)	200.89	0.77	9,799.65	2,728.63	12,528.28	

Statement of Changes in Equity for the year ended 31st March, 2024

(₹ in crores)

Particulars	Reserves and Surplus						Items of Other Comprehensive Income				Total Other Equity	Non Controlling Interest	Total	
	Capital Reserve	Share Options Outstanding Account	Statutory Reserve	Special Reserve	General Reserve	Retained Earnings	Foreign Currency Translation Reserve	Capital Redemption Reserve	Debt through Other Comprehensive Income	Equity instruments through Other Comprehensive Income				Effective portion of cash flow hedge
Balance as at 31st March, 2023	34.81	3.10	1,966.24	386.74	4,169.21	3,083.62	12.65	-	(58.38)	200.89	0.77	9,799.65	2,728.63	12,528.28
Changes in accounting policy or prior period errors														
Changes due to Demerger - Refer note 35.1	38.03					(28.08)						9.95	-	9.95
Restated balance as at 31st March, 2023	72.84	3.10	1,966.24	386.74	4,169.21	3,055.54	12.65	-	(58.38)	200.89	0.77	9,809.60	2,728.63	12,538.23
(A) Profit after tax for the year						1436.02						1,436.02	406.34	1,842.35
(B) Other comprehensive income:														
(i) Items that will not be reclassified to profit or loss														
Remeasurements of the defined benefit plans						(8.25)						(8.25)	0.06	(8.18)
Change in Fair value of equity instruments/other investments										756.69		756.69	463.15	1,219.84
Share of other comprehensive income from associates using equity method						28.64						28.64	93.79	122.43
(ii) Items that will be reclassified to profit or loss														
Change in fair value of derivative and other instruments						(0.08)					(0.77)	(0.86)	(0.27)	(1.13)

Particulars	Reserves and Surplus						Items of Other Comprehensive Income				Total Other Equity	Non Controlling Interest	Total	
	Capital Reserve	Share Options Outstanding Account	Statutory Reserve	Special Reserve	General Reserve	Retained Earnings	Foreign Currency Translation Reserve	Capital Redemption Reserve	Debt instruments through Other Comprehensive Income	Equity instruments and other through Other Comprehensive Income				Effective portion of cash flow hedge
Share of other comprehensive income from associates using equity method					0.37			30.69				31.06	1.20	32.26
Foreign currency Translation Reserve						0.90						0.90	2.29	3.19
Total Comprehensive income for the year (A)+(B)												2,244.22	966.54	3,210.76
Dividend payout (Final)					(155.56)							(155.56)	(76.46)	(232.01)
Dividend payout (Interim)					(163.42)							(163.42)		(163.42)
Changes in the % of equity share holding in an erstwhile Subsidiary (refer note : 35.4)	(20.00)				(30.86)	(6.87)				(346.86)		(772.58)	(3,618.75)	(4,391.33)
Other IND AS Adjustment												0.15		0.15
Options granted during the year		5.27										5.27	0.04	5.31
Cost of shares transferred on exercise of option		(0.03)										(0.03)		(0.03)
Deferred Employee Compensation Cost		0.53										0.53		0.53
On account of Sundaram Finance Employees' Welfare Trust					0.08							0.08		0.08
Transfer to Statutory Reserve					(306.26)							(306.26)		(306.26)
Transfer to Special Reserve					(31.71)							(31.71)		(31.71)
Share Options lapsed during the year		(0.22)										(0.22)		(0.22)

Particulars	Reserves and Surplus							Items of Other Comprehensive Income					Total Other Equity	Non Controlling Interest	Total	
	Capital Reserve	Share Options Outstanding Account	Statutory Reserve	Special Reserve	General Reserve	Retained Earnings	Foreign Currency Translation Reserve	Capital Redemption Reserve	Debt instruments through Other Comprehensive Income	Equity instruments through Other Comprehensive Income	Effective portion of cash flow hedge					
Transfer to /from Retained earnings to CRR					(15.00)			15.00								
Transfer to General Reserve		(1.82)			1.82											
Transfer from Retained earnings			306.26	31.71									337.97			337.97
Balance as at 31st March, 2024	52.85	6.83	2,272.50	418.45	4,140.17	3,472.52	6.68	15.00	(27.69)	610.72	-	10,968.02	-	-	10,968.02	

Statement of Changes in Equity for the year ended 31st Mar, 2024

Description of nature and purpose of other equity:

- Capital Reserve: Represents reserve created on account of amalgamations and arrangements
- Share Options Outstanding Account: Represents reserve on grant of option to employees of the company / group company under Employee Stock option Scheme.
- General reserve: Represents amount appropriated from retained earnings.
- Statutory reserve: Represents reserve created as per Section 45-IC of the Reserve Bank of India Act, 1934.
- Special reserve: Represents reserve created as per Section 36(1) (viii) of Income Tax Act, 1961 and Section 29C of the National Housing Bank Act, 1987.
- Capital redemption reserve Represents reserves created as per companies act
- FVOCI Reserve represents the cumulative gains / losses arising on the fair valuation of equity / preference instruments measured at fair value through Other Comprehensive Income.

As per our report of even date attached

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

Partner
Membership No. 111212
Place : Mumbai
For **N. C. Rajagopal & Co**
Chartered Accountants
Firm Registration No. 003398S
V Chandrasekaran

Partner
Membership No. 024844
Place : Chennai
Date : May 24, 2024

S. Viji
Chairman

Harsha Viji
Executive Vice Chairman

Rajiv C. Lochan
Managing Director

A.N. Raju
Deputy Managing Director

Bhavani Balasubramanian
Director

M. Ramaswamy
Chief Financial Officer

P.N. Srikant
CCO & Company Secretary

Consolidated Cash Flow Statement

for the year ended 31st March 2024

(₹ in crores)

	2023-24		2022-23	
	Audited		Audited	
A. CASH FLOW FROM OPERATING ACTIVITIES:				
Profit before tax	1,961.13		1,710.97	
Add: Finance costs	3,417.86	5,378.99	2,409.55	4,120.52
Depreciation and Amortisation expense		182.86		138.84
Impairment on financial instruments		298.37		202.00
(Gain)/loss on sale of property, plant and equipment		2.21		2.15
Share-based payment expense		5.57		3.30
Net gain on fair value changes		(195.11)		(112.39)
Loss on sale of equity investment in Subsidiary		91.72		-
Dividend income		(17.70)		(15.14)
Interest Income from investments		(193.52)		(112.72)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		5,553.39		4,226.56
(Increase)/ Decrease in Leased assets - net of sales	(201.75)		(164.33)	
(Increase)/ Decrease in Bank deposits	(1,906.70)		(439.52)	
(Increase)/ Decrease in SLR Investments (net)	(142.99)		65.70	
(Increase)/ Decrease in trade and other receivables	(31.29)		(33.54)	
(Increase)/ Decrease in Loans	(8,523.16)		(7,377.37)	
(Increase)/ Decrease in Other financial assets	(36.94)		74.09	
(Increase)/ Decrease in Non financial assets	(28.44)		(53.76)	
(Increase)/ Decrease in Other non-financial assets	(41.88)		(171.50)	
Increase/ (Decrease) in trade and other payables	34.97		21.04	
Increase/(Decrease) in financial liabilities	88.73		10.64	
Increase/(Decrease) in other non-financial liabilities and provisions	20.12	(10,769.33)	(1.87)	(8,070.42)
Cash generated from Operations		(5,215.93)		(3,843.86)
Financial costs	(2,884.24)		(2,288.10)	
Income Taxes Paid	(385.71)	(3,269.95)	(372.33)	(2,660.43)
NET CASH FROM / (USED IN) OPERATING ACTIVITIES (A)		(8,485.88)		(6,504.29)
B. CASH FLOW FROM INVESTING ACTIVITIES:				
Purchase and construction of property, plant and equipment		(83.35)		(25.35)
Purchase of investment in Equity instruments (Subsidiaries)		(2.30)		205.41
Sale of investment in Equity instruments(Subsidiary)		151.31		-

(₹ in crores)

	2023-24	2022-23
	Audited	Audited
Purchase of other investments	(34,063.59)	(17,616.44)
Sale of other investments	34,087.02	17,925.71
Loss on sale of equity investment in Subsidiary	(183.73)	-
Payment for purchase and construction of investment properties	-	(57.57)
Proceeds from sale of property, plant and equipment, intangible assets and investment property	12.51	23.77
Interest received from Investments	155.31	103.76
Dividend income	15.72	109.22
NET CASH FROM / (USED IN) INVESTING ACTIVITIES (B)	88.90	668.51
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Payment of Lease Liability	(47.27)	(32.43)
Availment	40,107.89	23,219.66
Repayment	(30,987.32)	(16,999.89)
Dividend Paid	(318.97)	(297.20)
NET CASH FROM / (USED IN) FINANCING ACTIVITIES (C)	8,754.33	5,890.14
NET INCREASE IN CASH AND CASH EQUIVALENTS (A)+(B)+(C)	357.35	54.36
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	188.33	133.97
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	545.68	188.33
COMPONENTS OF CASH AND CASH EQUIVALENTS		
AT THE END OF THE YEAR		
Cash, Cheques & drafts on hand	104.98	72.73
Balances with Banks	440.70	115.60
	545.68	188.33

As per our report of even date attached
For B. K. Khare & Co
Chartered Accountants
Firm Registration No. 105102W
Shirish Rahalkar
Partner
Membership No. 111212
Place : Mumbai
For N. C. Rajagopal & Co
Chartered Accountants
Firm Registration No. 003398S
V Chandrasekaran
Partner
Membership No. 024844
Place : Chennai
Date : May 24, 2024

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Chairman

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Executive Vice Chairman

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Director

M. Ramaswamy
Chief Financial Officer

P.N. Srikant
CCO & Company Secretary

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

MATERIAL ACCOUNTING POLICIES

1.1 Reporting Entity

Sundaram Finance Limited (the "Company") is domiciled in India, having Corporate Identification Number (CIN) - L65191TN1954PLC002429, with its registered office located at No 21 Patullos road, Chennai 600002. The Company has been incorporated under the provisions of the Indian Companies Act 1913 and its equity shares are listed on the National Stock Exchange (NSE) in India.

The consolidated financial statement comprises the company, its subsidiaries and the Group's interest in joint ventures (referred collectively as the Group). The Company, together with its subsidiaries and joint venture is engaged in the business of financing of Commercial vehicles, Cars, construction equipment, other vehicles and Housing Finance in the retail segment, business of Investments, Mutual Funds, General Insurance, Retail Distribution of a wide array of financial services and products, Information Technology, Business Processing, and support services.

1.2 Statement of Compliance

The Balance Sheet, the Statement of Profit and Loss and the Statement of Changes in Equity are prepared and presented in the format prescribed in the Division III of Schedule III to the Companies Act, 2013 (the "Act"). The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash Flows". The Balance Sheet, Statement of Profit and Loss, Statement of Cash Flow and Statement of Changes in Equity are together referred as the financial statement.

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

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

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

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

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

1.3 Accounting Convention

The consolidated financial statements have been prepared and presented on the historical cost basis except for certain financial instruments that are measured at fair value at the end of each reporting period.

1.4 Basis of Consolidation

The consolidated financial statement of the subsidiaries has been prepared on the following basis:

The consolidated financial statements incorporate the financial statements of the company and the entities controlled by the company. Control is achieved when the company has the power over the investee and is exposed or has right to variable returns from its involvement with the investee and has the ability to use its power to affect its returns.

The consolidated financial statement of the group combines the financial statement of the parent and its subsidiaries line by line by adding together the like items of the assets, liabilities, income and expenses. All the intra group assets, liabilities, income, expenses, unrealised profits/losses on intra group transaction are eliminated on consolidation.

Subsidiaries are consolidated from the effective date the control commences and ceases when the control is lost.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

If the parent loses control over the subsidiary, the parent.

- (i) Derecognises
 - (a) the assets (including any goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost; and
 - (b) the carrying amount of any non-controlling interests in the former subsidiary at the date when control is lost (including any components of other comprehensive income attributable to them).
- (ii) Recognises
 - (a) the fair value of the consideration received, if any, from the transaction, event or circumstances that resulted in the loss of control
 - (b) if the transaction, event or circumstances that resulted in the loss of control involves a distribution of shares of the subsidiary to owners in their capacity as owners, that distribution; and
 - (c) any investment retained in the former subsidiary at its fair value at the date when control is lost.

Reclassifies to the Statement of Profit and Loss or transfer directly to retained earnings if required by other Ind ASs, the amounts recognised in other comprehensive income in relation to the subsidiary.

Recognises any resulting difference as a gain or loss in profit or loss attributable to the parent.

Goodwill on consolidation

Goodwill represents the purchase consideration in excess of the Group's interest in the net fair value of identifiable assets, liabilities and contingent liabilities of the acquired entity. When the net fair value of the identifiable assets, liabilities and contingent liabilities acquired exceeds purchase consideration, the fair value of net assets acquired is reassessed and the bargain purchase gain is recognized in capital reserve.

Goodwill is measured at cost less accumulated impairment losses.

Impairment

Goodwill is tested for impairment on an annual basis and whenever there is an indication that the recoverable amount is less than its carrying amount. An impairment loss on goodwill is recognized in the Consolidated Statement of Profit and Loss and is not reversed in the subsequent period.

Non-controlling interest represents that part of the total comprehensive income and net assets of the subsidiaries, attributable to interests which are not owned directly or indirectly by the Group.

The consolidated financial statements of the Joint ventures have been prepared on the following basis: Interest in Joint ventures is accounted for using the equity method. An investment in Joint venture is initially recognised at cost and adjusted thereafter to recognise the Group's share of profit or loss and other comprehensive income. Gain or loss in respect of changes in other equity of Joint ventures resulting in dilution of stake in the Joint ventures is recognised in the Statement of Profit and Loss.

2. Material Accounting policies

2.1 Revenue recognition

A) Interest Income

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

B) Lease Income**Lessor Accounting**

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

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

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

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

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

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

Lessee Accounting

The Group's lease asset classes primarily consist of leases for land and buildings. 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.

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

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

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

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

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

C) Fees and commission income

Fee income towards servicing of loan to loan customers are recognised when they become measurable and when it is probable to expect their ultimate collection.

Servicing fees on securitisation transactions are recognised upon completion of services.

Commission and brokerage income earned from

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

distribution of financial services are recognised as and when they are due.

D) Dividend Income

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

E) Recoveries

The Group recognises income on recoveries of financial assets written off on realisation or when the right to receive the same without any uncertainties of recovery is established.

2.2 Evaluation of Business Model:

The Group monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Group's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those instruments.

The Group considers all relevant information and evidence available when making the business model assessment such as:

- a. how the performance of the business model and the financial assets held within that business model are evaluated and reported to the Group's key management personnel.
- b. the risks that affect the performance of the business model (and the financial assets held within that business model) and the way in which those risks are managed.

At initial recognition of a financial asset, the Group determines whether newly recognised financial assets are part of an existing business model or whether they reflect a new business model. The Group reassesses its business

model at each reporting year to determine whether the business model has changed since the preceding year.

2.3 Measurement of fair values

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

2.4 Financial instruments

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

Financial assets / liabilities

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

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

Classification and subsequent measurement:

Financial Assets

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

At Amortised Cost

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

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

Such Financial assets are subsequently measured at amortised cost using the Effective Interest rate method.

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 the principal outstanding.

At Fair Value through Profit or Loss (FVTPL)

Any financial instrument, which does not meet the criteria for categorisation as amortized cost or as Fair Value Through Other Comprehensive Income (FVTOCI), is classified as at Fair Value Through P&L (FVTPL). In addition, the Group may elect to classify a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). Debt instruments included within the FVTPL category are measured at fair value with all changes recognised in the profit and loss.

Amortization Policy on Brokerage Expenses – Mutual Fund:

Incurred towards Amortized over a period of

- Equity Linked Savings Schemes 36 Months

- Open Ended Equity Schemes-Lump sum 12 Months
- Open Ended Equity Schemes-SIP 36 Months
- Closed Ended Schemes- Over the tenor of the Scheme

Amortization Policy on Brokerage Expenses – AIF:

Brokerage is amortized in proportion to Fees charged on AUM or Fees Charged on commitment amount as the case may be.

Equity Investments

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

All other equity investments are designated at Fair Value Through Other Comprehensive Income (FVTOCI). The fair value changes on the instrument, excluding dividends, are recognised under Other Comprehensive Income (OCI). There is no recycling of the amounts from OCI to the statement of profit and loss on sale of investment.

Investment in Compulsorily Convertible Preference Shares (CCPS)

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

Fair value hierarchy

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

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

Financial liabilities

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

Contract Asset and Contract Liability.

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

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

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

2.5 Impairment of Financial Assets

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

The accounting standard, Ind AS 109 does not specifically prescribe any methodology for computing ECL. However, entities are required to adopt sound and market acceptable methodologies which are in line with the size, complexity and risk-profile of the financial entity for computing the ECL. The Group uses three main components to measure ECL. These are, Exposure at Risk (EAR), Probability of Default (PD) and

Loss Given Default (LGD). Exposure at Risk (EAR) is defined as the sum of Principal outstanding and interest accrued at the reporting date. PD is defined as the probability of borrowers defaulting on their obligations. LGD represents the economic loss, adjusted for cure rate, as a percentage of exposure at the time of default.

As per Ind AS 109, the Expected Credit Losses on financial instruments are classified under three stages.

Stage 1: Every financial asset is classified as stage 1, upon initial recognition. In addition, stage 1 contains all transactions with limited default risk.

Stage 2: Financial assets whose default risk has risen significantly since initial recognition and which are not classified as cases with limited default risk.

Stage 3: Financial assets that display objective evidence of impairment at the reporting date.

Accordingly, loan assets are categorised under three different stages, as under:

Stage 1: Where instalments are Current and 1-30 days overdue.

Stage 2: Where instalments are 31 days – 90 days overdue and

Stage 3: Where instalments are overdue beyond 90 days

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.

Lifetime Expected Credit Loss represent the expected credit loss from default events over the expected life of a financial asset.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

The Probability of Default (PD) model has been developed for all the major asset classes using a statistical and iterative approach. The design and construction of the model involves identification of various credit parameters and variables that have a strong and direct correlation to propensity of default.

The PD model reflects to the probability of default, taking into consideration the inherent credit quality of the borrower and the residual tenor of each contract. It relies not only historical information and the current economic environment, but also considers forward-looking information such as the forecasts on the macroeconomic outlook, including emerging risks.

The PD for stage 3 contracts is considered at 100%.

Where a customer has one contract in stage 3 and one or more contracts in stage 1 / stage 2, the PD for all the contracts is considered at 100%.

The PD is considered @ 100% for (a) Customers in stage 3 and (b) Customers who were earlier in stage 3 and currently in stage 1/ Stage 2 whose arrears have not been fully updated since their slippage into Stage 3.

As per ECL policy, the Group provides 100% for the identified fraud cases and accounts where recoverability is uncertain.

Loss Given Default (LGD)

LGD represents the economic loss, adjusted for cure rate, as a percentage of exposure at the time of default. Economic loss is the estimated shortfall in realisation of dues, in the event of default. Contracts that have turned delinquent do not necessarily involve ultimate losses, since many of them are resolved through corrective actions. The cure rate is the probability of a 'non-performing' (i.e. defaulted) contract reverting to a 'performing' (i.e. non-default) status in a year.

Similarly, LGD has been estimated using the past write off experiences and collateral approach. The model of ECL so computed is yearly evaluated and impact thereof is recognised in the Statement of Profit and Loss.

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.

Policy on write off: Loans are written off when the value of underlying security/other collateral is not sufficient to cover the loan exposure or where the underlying security / customer are not traceable. In such cases, the Group takes legal recourse for recovery of shortfall of dues, if any.

De-recognition of financial assets and financial liabilities

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

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

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

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

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

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

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet when the Group has

a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

2.6 Employee Benefits

Short Term Employee Benefits

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

Post-Employment Benefits

Defined contribution plans

1. Superannuation

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

2. Employees' Pension Scheme and Employees' State Insurance Scheme

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

3. Provident Fund

Contributions of the subsidiaries and associates of the Group are made to the Government administered Provident Fund and Employees' pension scheme under the Employees' Provident Fund Act and through Employees' State Insurance scheme on behalf of its employees. The contributions are charged to statement of Profit and Loss.

Defined benefit plans

1. Gratuity

The Group makes an annual contribution to a Gratuity Fund administered by trustees and managed by LIC / SBI Life Insurance Company Limited. The Group accounts

its liability based on actuarial valuation as at the balance sheet date, using the Projected Unit Credit method.

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

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

2. Provident Fund

Contributions of the Company are made to the Company's Employees Provident Fund Trust in accordance with the fund rules. The interest rate payable by the trust to the beneficiaries every year is notified by the Government. The Company has an obligation to make good the shortfall, if any, between the return from the Investment of the trust and the notified interest rate based on actuarial valuation. The monthly contribution made by the Company is recognised as employee benefit expense in the Statement of Profit and Loss

Other Long-Term Employee Benefits

1. Leave Encashment:

The Group accounts its liability based on actuarial valuation as at the balance sheet date, using the Projected Unit Credit method.

2. Share Based Payments:

Employee Stock Options

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

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

The equity settled shares vest in a graded manner over the vesting period. The fair value determined on the grant date of equity settled share payment is expensed on straight line basis over the vesting period of the respective tranches of such grants based on Group's estimate of equity instruments that will eventually vest with a corresponding increase in equity. At the end of each financial year, the Group revises its estimate of the number of equity instruments that are expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit and loss in such a way that the cumulative expense reflects the revised estimate with a corresponding adjustment to equity.

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

The Option carries neither right to Dividend nor voting rights.

2.7 Income Taxes

Income tax expense comprises current and deferred income tax. Income tax expense is recognised in net profit in the Consolidated Statement of Profit and Loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in other comprehensive income.

a) Current income tax

Current income tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. The Group offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net

basis, or to realize the asset and settle the liability simultaneously.

b) Deferred income tax

Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date.

A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

MAT Credit Entitlement is in the form of unused tax credits and is accordingly grouped under Deferred Tax Assets.

2.8 Business Combination

Business combinations have been accounted as per the acquisition method prescribed in Ind AS 103.

When a business combination is achieved in stages, any previously held equity interest in the acquired is remeasured at its acquisition-date fair value and the resulting gain or loss, if any, is recognised in the consolidated statement of profit and loss or other comprehensive income, as appropriate.

The excess of

- (i) Sum of
 - the consideration transferred

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

- the amount of any non-controlling interests in the acquired entity and
 - the acquisition-date fair value of any previously held equity interest in the acquired entity
- over
- ii) The acquisition-date fair value of the net identifiable assets acquired is recognized as “Goodwill” else as “Gain on bargain purchase”.

Any “Gain on a bargain purchase” is recognized in other comprehensive income and accumulated in equity as Capital Reserve if there exists clear evidence of the underlying reasons for classifying the business combination as resulting in a bargain purchase, otherwise the gain is recognized directly in equity as Capital Reserve.

Transaction costs in connection with a business combination are expensed as incurred.

2.9 Property plant and equipment (PPE)

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

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

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

The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Freehold land is not depreciated.

An item is recognized as property plant and equipment if and only if it is probable that future economic benefits associated with the item will flow to the Group and its costs can be measured reliably. Subsequent expenditure is added to the carrying amount or recognized as separate asset, when the Group expects future economic benefits from that item.

Depreciation commences when the asset is ready for their intended use and is recognized to write off, the cost of assets less their residual values over their useful lives, using the written down value method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Estimated useful lives of the assets, based on technical assessment, which are different in certain cases from those prescribed in Schedule II of the Companies Act 2013, are as follows:

Assets	Own	Operating Lease
Plant and Machinery	15	5
Computer and end user devices	3-7	3
Computer servers and network	6-10	6
Vehicles	5	4
Office equipment	3-8	-
Electrical installations	15	-
Furniture and Fixtures	3-10	-

Assets	Operating Lease
Improvement to lease hold premises	Equally over the maximum period of the lease initially agreed upon and in case of improvement to existing leased premises, over the balance lease period

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

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

An item of the property plant equipment is derecognized upon

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

disposal or when no future economic benefits are expected to arise from the continued use of asset. Any gain or loss arising on the disposal or retirement of the item of property plant equipment is determined as the difference between the sale proceeds and carrying amount of the asset and is recognized in profit and loss. When the use of property changes from owner-occupied to investment property, the property is reclassified as investment property at its Carrying amount on the date of reclassification.

2.10 Investment property

Properties held to earn rental income or for capital appreciation or both and that are not occupied by the Group is classified as Investment Property.

It is measured initially at cost of acquisition including transaction costs, borrowing cost and other directly attributable cost in bringing the asset to its working condition for its intended use.

Subsequent expenditure is capitalized to the asset carrying amount only when it is probable that the future economic benefit associated with the expenditure will flow to the Group.

The fair value of investment property has been determined by property value, having appropriate recognized professional qualifications and recent experience in the location and category of the property being valued.

Depreciation is provided on written down value method by adopting useful life prescribed under schedule II to the Companies Act, 2013 after retaining 5% of Original cost as residual value for Buildings. The useful life of buildings is between 30 to 60 years.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefit are expected from the disposal. Any gain or loss arising on derecognition of the property is recognised in the statement of profit and loss in the same period.

2.11 Discontinued Operations

Discontinuing operation is a component of an entity that either

has been disposed of or is classified as “Held for sale”.

Assets and Liabilities in connection with Discontinuing operations are classified under “Held for sale” if their carrying amount is intended to be recovered principally through sale rather than through continued use.

The condition for classification of “Held for sale” is met when the Assets and liabilities are available for immediate sale and the same is highly probable of being completed within one year from the date of classification under “Held for sale”.

Assets “Held for sale” are measured at lower of carrying amount and fair value less cost to sell.

2.12 Intangible assets

Intangible assets are identified non-monetary assets without physical existence.

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

Intangible assets are recognized in books only when it is probable that future economic benefits associated with the asset will flow to the Group and the cost can be measured reliably.

The cost of the intangible asset shall include the purchase price, including non-refundable duties and taxes, all the directly attributable costs to bring the intangible to the present location, working condition and intended use.

Intangible assets represent Computer software whose cost is amortized over their expected useful life 2 to 5 years on a straight-line basis.

The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Impairment loss, if any, is provided to the extent, the carrying amount of assets exceeds their recoverable amount. Recoverable amount is the higher of an assets net selling

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

price and the present value of estimated future cash flows expected to arise from the continuing use of the asset and from its disposal at the end of its useful life. The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

Intangible Assets under development

Development expenditure on new products is capitalized as intangible asset if all the following are demonstrated.

- Technical feasibility of completing the asset.
- Intention to complete the asset.
- The ability to use or sell the asset.
- Probability that the intangible asset will generate future economic benefits.
- Availability of the adequate technical, financial, and other resources to complete the intangible asset.
- The ability to measure reliably the expenditure attributable during the development stage.

2.13 Dividend

The final Dividend on shares is recorded as a liability on the date of approval by the Shareholders and interim dividends are accounted on payment basis as they are revocable till actually paid.

2.14 Cash flow Statement

Cash flows are reported using the indirect method, whereby net profit after tax is adjusted for the effects of transactions of non-cash nature, tax and any deferrals or accruals of past or future cash receipts or payments. The cash flows are prepared for the operating, investing and financing activities of the Group. Cash comprises of cash on hand and demand deposits with banks. Cash equivalents are short-term deposits with banks (with an original maturity of three months or less from the date of placement) and cheques on hand. Short term and liquid investments being subject to more than insignificant risk of change in value, are not included as part of cash and cash equivalents.

2.15 Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognized only when the group has a present obligation (legal or constructive) as a result of past event, and it is probable that it is required to settle the obligation, and a reliable estimate can be made of the amount of obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the obligation at the reporting date, considering the risk and uncertainties surrounding the obligation.

Contingent liabilities

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more future uncertain events not wholly within the control of the group (or)

There is a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation, or a reliable estimate of the amount cannot be made.

2.16 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.

2.17 Operating Segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components, and for which discrete financial information is available. Operating segments are reported in a manner consistent with the internal reporting provided to the Chief

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Operating Decision Maker (CODM). The Chairman of the Group is responsible for allocating resources and assessing performance of the operating segments and accordingly is identified as the CODM. The Group's CODM reviews financial information presented, for purposes of making operating decisions and assessing financial performance of the Group.

3. Critical accounting judgments and key sources of estimation uncertainty

On assessment of the estimates made under the Previous GAAP financial statements, the group has concluded that there is no necessity to revise the estimates under Ind AS, as there is no objective evidence of an error in those estimates. However, estimates that were required under Ind AS but not required under Previous GAAP are made by the group for the relevant reporting dates reflecting conditions existing as at that date.

The preparation of financial statements in accordance with Ind AS requires use of estimates and assumptions for some items, which might have an effect on their recognition and measurement in the balance sheet and statement of profit and loss. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. The actual results may differ from these estimates. The Group's management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Any revision to the accounting estimates is recognized prospectively in the current and future periods.

Accounting estimates and judgements are used in various line items in the financial statements for e.g.:

- Business model assessment [Refer note no. 2.2]
- Fair value of financial instruments (Refer note no. 2.3)
- Impairment of financial assets [Refer note no. 2.5]

4. Other Accounting Policies :

Service income

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

Trusteeship Fee, investment management and advisory fees

The trusteeship fee, investment management and advisory fee are accounted on accrual basis.

Foreign Currency transaction

Transactions in foreign currency are accounted at the exchange rates prevailing on the date of the transaction. The foreign currency borrowing being a monetary liability is restated to INR (being the functional currency of the Group) at the prevailing rates of exchange at the end of every reporting period with the corresponding exchange gain/ loss being recognised in profit or loss. The Group enters into forward exchange contracts, forward rate agreements, coupon only swaps and interest rate swaps. The Group undertakes such transactions for hedging its balance sheet. The foreign currency borrowing and derivative swaps are treated as separate transactions.

The derivatives (swaps, forward rate agreements and forward contracts) are classified at fair value through profit or loss (FVTPL) under Ind AS 109, Financial Instruments with the resultant gain or loss being taken to profit or loss.

Derivatives & Hedge Accounting

The Group designates certain derivatives held for risk management as hedging instruments in qualifying hedging relationships. These derivatives qualify for hedge accounting and meet the criteria for cash flow hedge. The effective portion of the gain or loss arising on the fair value measurement of the hedging instrument is recognised in other comprehensive income.

Particulars of Consolidation

The financial statements of the following subsidiaries have been consolidated as per Ind AS 110 "Consolidated Financial Statements".

Name of the Company	% of Holdings as on	
	31.03.2024	31.03.2023
Sundaram Asset Management Company #	100	100

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Name of the Company	% of Holdings as on	
	31.03.2024	31.03.2023
Sundaram Trustee Company	100	100
LGF Services Limited	100	100
Sundaram Finance Employee Welfare Trust	100	100
Sundaram Finance Holdings Limited *	-	23.49
Sundaram Home Finance Limited	100	100
Sundaram Fund Services Limited	100	100

* Sundaram Finance Holdings Limited:

During the period, the Company transferred 79,73,529 equity shares of ₹5/- each held in Sundaram Finance Holdings Limited (SFHL), representing 3.59% stake. Due to the dilution of equity holdings, it has ceased to be a subsidiary of the company. The Company has designated to recognise this investment at Fair Value through Other Comprehensive Income as per IND AS 109.

The Investments in the following Subsidiaries/ Associates companies of Sundaram Finance Holdings Limited have been considered for the company's consolidation.

Name of the Company	% of Holdings as on 31.03.2023
Subsidiaries:	
Sundaram Business Services Limited	100.00
Associates	
The Dunes Oman LLC (FZC) (Sultanate of Oman)	43.69
Sundaram Hydraulics Limited	25.71
Axles India Limited	38.81
Turbo Energy Private Limited	32.00
Trans energy Limited	42.41
Sundaram Dynacast Private Limited	26.00

Name of the Company	% of Holdings as on 31.03.2023
Wheels India Limited	23.85
Mind S.r.l, Italy	48.86
Sundaram Composite Structures Private Limited	49.00
Brakes India Private Limited	23.57
India Motor Parts & Accessories Limited	20.00

The investments in the following subsidiaries of Sundaram Asset Management Company (SAMC) have been considered for the company's consolidation

Name of the Company	% of Holdings as on	
	31.03.2024	31.03.2023
Subsidiaries		
Sundaram Asset Management Singapore Pte Ltd	100	100
Sundaram Alternate Assets Limited	100	100
SAMC Support Services Private Limited ®	-	100
SAMC Services Private Limited (Formerly Principal Retirement Advisors Private Limited) ®	-	100
SAMC Trustee Private Limited (Formerly Principal Trustee Company Private Limited) ®	-	100

® liquidated during the period

The investment in the following joint venture has been consolidated as per "Ind AS 28 -Investment in Associates and Joint ventures".

Name of the Company	% of Holdings as on	
	31.03.2024	31.03.2023
Royal Sundaram General Insurance Company Limited	50.00	50.00

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Note 5: Cash and cash equivalents

(₹ in crores)

Particulars	31 st March 2024	31 st March 2023
Cash on hand	7.78	8.65
Balances with Banks	440.70	115.60
Cheques, drafts on hand	97.20	64.08
TOTAL	545.68	188.33

Note 6: Bank Balance other than specified in Note 5 above

(₹ in crores)

Particulars	31 st March 2024	31 st March 2023
Unpaid dividend account	4.08	4.30
Balances with banks*	952.92	952.55
TOTAL	957.00	956.85

* Balances with banks include,

- ₹644.79 crores (as on 31.03.2023 - ₹485.28 crores) provided as collateral for assets securitised.
- In accordance with the Reserve Bank of India directives, the Group has created a floating charge on the statutory liquid assets comprising bank deposits of ₹222.50 crores (as on 31.03.2023 - ₹225 crores) in favour of trustees representing the deposit holders of the Company.
- Deposits given as margin for Bank Guarantee amounting to - ₹1.82 crores (as on 31.03.2023 - ₹1.82 crores) has been provided for demand raised under TNVAT Act in respect of VAT on sale of repossessed vehicles.
- Deposits given as margin for Bank Guarantee amounting to ₹0.27 crores (as on 31.03.2023 - ₹0.48 crores) for Legal proceedings with respect to repossessed assets.
- Bank deposit of ₹1.19 crores (as on 31.03.2023 - ₹7 crores) placed for obtaining Letter of Credit on behalf of our Customers.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Note 7 : Derivative Financial Instruments

The details of the outstanding derivative instruments and their fair values are as below;

Part I

(₹ in crores)

Particulars	31 st March 2024			31 st March 2023		
	Notional amount	Fair Value		Notional amount	Fair Value	
		Assets	Liabilities		Assets	Liabilities
(i) Currency derivatives:						
- Currency swaps	-	-	-	-	-	-
- Forward Contracts	-	-	-	-	3.35	-
Subtotal (i)		-	-	-	3.35	-
(ii) Interest rate derivatives:						
- Forward Rate Agreements & Interest Rate Swaps			-	187.50	1.03	-
Subtotal (ii)	-	-	-	187.50	1.03	-
Total Derivative Financial Instruments (i) + (ii)	-	-	-	187.50	4.38	-
Derivative Financial Asset / Liability (net)		-			4.38	

Part II - Included in above (Part I) are derivatives held for hedging and risk management purposes as follows:

(₹ in crores)

Particulars	31 st March 2024			31 st March 2023		
	Notional amount	Fair Value		Notional amount	Fair Value	
		Assets	Liabilities		Assets	Liabilities
(i) Cash flow hedging:						
- Currency derivatives	-	-	-	-	3.35	-
- Interest rate derivatives	-	-	-	187.50	1.03	-
(ii) Undesignated derivatives	-	-	-	-	-	-
Total Derivative Financial Instruments (i) + (ii)	-	-	-	187.50	4.38	-
Derivative Financial Asset / Liability (net)		-			4.38	

Notes:

- 1) The interest rate risk and exchange rate risk on the borrowings of the Company are managed using various derivative instruments which are entered from time to time. The risk management strategy and the use of derivatives are explained in Note 38 - Financial Risk Management Framework.
- 2) The Company has designated the Interest rate derivatives (IRS/FRA), which were entered to mitigate interest rate risk on its Subordinated Non Convertible Debentures and Rupee Term Loans, as hedging instruments.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Note 8 Receivables

(₹ in crores)

Particulars	31 st March 2023	31 st March 2022
Trade receivables		
- Secured, considered good	-	-
- Unsecured, considered good	87.52	74.56
- Receivables which have significant increase in Credit Risk	-	-
- Receivables - credit impaired	0.01	0.24
Less: Impairment loss on the above	(0.10)	(0.29)
Sub-total - Trade receivables	87.43	74.51
Other receivables		
- Secured, considered good	9.90	5.02
- Unsecured, considered good	8.02	1.84
Less: Impairment loss on the above	(0.23)	-
Sub-total - Other receivables	17.69	6.86
TOTAL	105.12	81.37

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Trade Receivables ageing schedule as at 31st March 2024

(₹ in crores)

Outstanding for following periods from due date of payment							
Particulars	Not Due	Less than 6 Months	6 months to 1 year	1 to 2 years	2 to 3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	–	24.01	0.03	–	0.01	0.01	24.06
(ii) Undisputed Trade Receivables – considered doubtful	–	0.01	–	–	–	–	0.01
(iii) Disputed Trade Receivables- considered good	–	–	–	–	–	–	–
(iv) Disputed Trade Receivables - considered doubtful	–	–	–	–	–	–	–
(v) Unbilled revenue – considered good	5.75	–	–	–	–	–	5.75
(vi) Trade receivable considered good - Unsecured	0.33	57.38	–	–	–	–	57.71
Total	6.08	81.40	0.03	–	0.01	0.01	87.53

Trade Receivables ageing schedule as at 31st March 2023

(₹ in crores)

Outstanding for following periods from due date of payment							
Particulars	Not Due	Less than 6 Months	6 months to 1 year	1 to 2 years	2 to 3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	6.47	64.53	0.12	0.07	–	–	71.19
(ii) Undisputed Trade Receivables – considered doubtful	–	0.03	0.03	0.06	0.12	–	0.24
(iii) Disputed Trade Receivables- considered good	–	–	–	–	–	–	–
(iv) Disputed Trade Receivables - considered doubtful	–	–	–	–	–	–	–
(v) Unbilled revenue – considered good	3.37	–	–	–	–	–	3.37
Total	9.84	64.56	0.15	0.13	0.12	–	74.80

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Note 9: Loans

(₹ in crores)

Particulars	31 st March 2024	31 st March 2023
Hypothecation loans	41,073.18	33,037.30
Term Loans	957.69	774.77
Housing Loans	8,316.28	7,130.29
Non Housing Loans	4,703.36	4,003.98
Advance for business assets	286.13	236.46
Amount retained on Assets securitised / assigned	1.25	9.05
Loans repayable on Demand	47.10	54.26
Bills Purchased and Bills Discounted	22.59	17.49
Net investment in lease	87.05	39.63
Other loans @	47.34	52.81
Total Loans - Gross	55,541.97	45,356.04
Less: Impairment loss allowance	(668.29)	(724.98)
Total Loans - Net	54,873.68	44,631.06
Of the above		
Secured by tangible assets	54,993.92	44,525.66
Covered by Bank/Government Guarantees	196.69	533.84
Secured by Deposits placed	8.02	7.88
Unsecured	343.34	288.66
Total Loans - Gross	55,541.97	45,356.04
Less: Impairment loss allowance	(668.29)	(724.98)
Total Loans - Net	54,873.68	44,631.06
Loans in India		
Public Sector	-	-
Others *	55,541.97	45,356.04
Total Loans - Gross	55,541.97	45,356.04
Less: Impairment loss allowance	(668.29)	(724.98)
Total Loans in India - Net - (A)	54,873.68	44,631.06
Loans outside India	-	-
Less: Impairment loss allowance	-	-
Total Loans outside India - Net - (B)	-	-
Total loans (A) + (B)	54,873.68	44,631.06

@ includes loans to employees and loan against deposits

* includes loans to Individuals, Sole proprietorship, Partnership, LLPs, Private and Public Limited companies.

* Loans including installment and interest outstanding amounts to ₹24.29 Crores (31st March 2023 - ₹33.80 Crores) in respect of properties which are held for disposal under Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002.

There are no Loans or Advances in the nature of loans granted to promoters, directors, KMPs and the related parties that are:

- repayable on demand or
- without specifying any terms or period of repayment

Note 10: Investments

(₹ in crores)

Particulars	Face Value (₹)	31st March 2024		31st March 2023	
		Holding number	Carrying Amount	Holding number	Carrying Amount
Measured as per equity method					
Investments in Equity Instruments					
- Joint Ventures					
Royal Sundaram General Insurance Co. Limited			820.81		721.38
			820.81		721.38
- Associates*					
The Dunes Oman LLC (FZC)	1 ^		-	1834,980	109.18
Axles India Limited	10		-	9891,754	82.12
Turbo Energy Private Limited	10		-	2560,000	569.82
Transenergy Limited	100		-	192,713	16.82
Sundaram Dynacast Private Limited	10		-	1170,000	19.62
Wheels India Limited	10		-	5740,117	282.05
Mind S.r.l	1 #		-	734,675	20.84
Sundaram Composite Structures Private Ltd	10		-	19600,000	16.57
Brakes India Private Limited	100		-	411,606	840.29
India Motor Parts & Accessories Limited	10		-	2496,033	214.51
			-		2,171.82
Total - A			820.81		2,893.20
At fair value through other comprehensive income:					
Investment in Equity Instruments			947.91		942.10
Investment in Preference Shares			5.65		3.12
Investment in Mutual Funds			-		35.76
Investment in Alternative Investment Funds			1.37		
Total - B			954.93		980.98
At fair value through profit or loss:					
Investment in Mutual Funds			1,039.99		2,314.62
Investment in Alternative Investment Funds			364.11		339.59
Investment in Equity Instruments			0.77		0.88
Investment in Preference Securities			-		6.86
Total - C			1,404.87		2,661.95
At amortised cost:					
Investment in Government Securities ** @			924.58		771.55
Investment in Non-Convertible Debentures @			361.15		174.82

Particulars	Face Value (₹)	31st March 2024		31st March 2023	
		Holding number	Carrying Amount	Holding number	Carrying Amount
Investment in Pass Through Certificates			82.02		89.73
Investment in Commercial Paper			731.69		13.63
Investment in Bonds			-		-
Investment in Equity Instruments			2.60		
Investment in Treasury Bills @			519.85		496.77
Total - D			2621.89		1,546.50
Less: Allowance for Impairment loss ^			(70.67)		(0.57)
Total - D			2,551.22		1,545.93
Total Investments A+B+C+D (Net of allowance for impairment loss)			5,731.83		8,082.06

^ Provision made in compliance to the RBI circular on Investments in AIFs vide notification dated 19th Dec 2023 & 27th Mar 2024 respectively.

** During March 2024, the company has transferred 79,73,529 equity shares of ₹5/- each held in Sundaram Finance Holding Limited (SFHL), representing 3.59% stake, for a total consideration of ₹151.72 cr.

Pursuant to the transfer, the group /company's shareholding in SFHL has revised to 19.90% and hence SFHL ceased to be our subsidiary company by virtue of IND AS 24. Further, the company has decided to recognise this investment at Fair Value through Other Comprehensive Income as per IND AS 109 with all subsequent changes in fair value being recognised in other comprehensive income."

** In accordance with the RBI / NHB directives, the group has created a floating charge on the statutory liquid assets comprising investment in Government Securities of face value ₹904.89 cr. (amortised cost - ₹924.58 cr.).

@ Represent Quoted Investments.

^ Face value in Omani Riyal

Face value in Euro

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Note 11: Other Financial assets

(₹ in crores)

Particulars	March 31, 2024	March 31, 2023
Carried at amortised cost		
- Security deposits	15.90	15.65
- Redemption Receivable from MF Investments	-	1.43
- Receivables on assigned loans	36.64	-
- Other advances	10.41	7.90
- Unbilled Revenue	-	0.23
Less: Impairment loss on the above	(0.95)	(0.74)
TOTAL	62.00	24.47

Note 12: Tax Reconciliation

Disclosure pursuant to Ind AS 12 "Income Taxes"

(a) Major components of tax expense/(income):

(₹ in crores)

Sl.no.	Particulars	2023-24	2022-23
(a)	Profit or Loss section :		
	(i) Current income tax :		
	Current income tax expense	542.49	408.92
	(ii) Deferred tax :		
	Tax expense on origination and reversal of temporary differences	(3.79)	20.35
	Income tax expense reported in Profit or Loss [(i) + (ii)]	538.70	429.27
(b)	Other Comprehensive Income (OCI) section :		
	(i) Items not to be reclassified to profit or loss in subsequent periods:		
	Current tax expense/(income) :	(292.34)	23.12
	fair value of equity investments	(292.34)	23.12
	(ii) Items to be reclassified to profit or loss in subsequent periods :		
	(A) Deferred tax expense/(income) :		
	On MTM of cash flow hedges	0.38	1.13
	Income tax expense reported in Other Comprehensive Income [(i) + (ii)]	(291.96)	24.26
	Income tax expense reported in retained earnings	246.74	453.53

b) Reconciliation of tax expense and the tax on accounting profit at applicable tax rate

(₹ in crores)

Sl.no.	Particulars	2023-24	2022-23
(a)	Profit before tax and exceptional items	2,052.85	1,710.97
(b)	Loss on exceptional items	(91.72)	-
(c)	Profit before tax	1,961.13	1,710.97
(d)	Tax on Accounting profit	648.94	458.31
(e)	(i) Tax on income exempt from tax :		
	(A) Dividend income	63.66	27.11
	(ii) Tax on expenses not tax deductible :		
	(A) CSR expenses/Donations/others	8.09	10.45
	(iii) Tax effect on various other items	41.27	12.38
(f)	Total effect of tax adjustments [(i) to (iii)] (f)=(i)-(ii)+(iii)	96.84	29.04
(g)	Tax on exceptional items	13.40	
(h)	Tax expense recognised during the year (h)=(d)-(f)-(g)	538.70	429.27

c) Reconciliation of Deferred Taxes for the Year Ended 2023-24

Particulars	01.04.2023	Recognised Through Profit and Loss Account	Recognised Through Other Comprehensive Income	Recognised Through Retained Earnings	31.03.2024
Difference between book depreciation and tax depreciation	29.44	5.47	-	-	34.90
Loans and impairment on loans	68.79	(14.48)		-	54.31
Investments	73.02	(14.96)	(295.08)	152.54	(84.48)
Others	9.85	27.73	3.12	(0.74)	39.98
Total	181.10	3.76	(291.97)	151.80	44.71

Reconciliation of Deferred Taxes for the Year Ended 2022-23

Particulars	01.04.2022	Recognised Through Profit and Loss Account	Recognised Through Other Comprehensive Income	Recognised Through Retained Earnings	31.03.2023
Difference between book depreciation and tax depreciation	30.00	(0.56)	-	-	29.44
Loans and impairment on loans	83.55	(14.76)		-	68.79
Investments	30.34	42.47	0.21		73.02
Others	10.44	(0.67)	0.11	-	9.85
Total	154.33	26.47	0.32	-	181.10

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Note 13: Investment Property

(₹ in crores)

Particulars	Land	Building	Total
GROSS BLOCK AT COST			
As at 31.03.2023	93.37	2.64	96.01
Additions	-	-	-
Deductions	-	-	-
Asset Transfer from PPE	-	-	-
Other Adjustments*	17.43	0.42	17.85
As at 31.03.2024	75.94	2.22	78.16
DEPRECIATION			
Upto 31.03.2023	-	1.64	1.64
Additions	-	0.07	0.07
Deductions	-	-	-
Asset Transfer from PPE	-	-	-
Other Adjustments*	-	0.41	0.41
Upto 31.03.2024	-	1.29	1.29
Carrying Value as at 31.03.2024	75.94	0.93	76.87

* Sundaram Finance Holdings Limited has ceased to be a subsidiary

Note 13: Investment Property

(₹ in crores)

Particulars	Land	Building	Total
GROSS BLOCK AT COST			
As at 31.03.2022	41.32	7.23	48.55
Additions	57.57	-	57.57
Deductions	5.52	4.59	10.11
Asset Transfer from PPE	-	-	-
As at 31.03.2023	93.37	2.64	96.01
DEPRECIATION			
Upto 31.03.2022	-	2.39	2.39
Additions	-	0.20	0.20
Deductions	-	0.95	0.95
Asset Transfer from PPE	-	-	0.00
Upto 31.03.2023	-	1.64	1.64
Carrying Value as at 31.03.2023	93.37	1.00	94.37

The fair value measurement for all the investment property has been carried out by Registered valuer.

The Fair value of the investment property is ₹120.36 crores (2022-23: ₹110.06 crores)

* A property at R K Pet, Thiruvalur, Tamilnadu (Cost ₹10.85 crores) is held for sale.

Items relating to investment property recognised in Profit & Loss Account for the year ended are given below:

(₹ in crores)

Particulars	2023-24	2022-23
Rental income	3.42	3.37
Direct Operating expenses on properties generating rental income	0.01	0.30
Direct Operating expenses on properties not generating rental income	0.06	0.02

The investment properties are freely realisable.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Note 14: Property, Plant and equipment

(₹ in crores)

Particulars	Freehold Land	Freehold Buildings	Leasehold office / Residential Premises	Plant and Machinery and Computers	Furniture and Fixtures	Vehicles	Office Equipment	Assets on Operating Lease				
								Plant and Machinery and Computers	Vehicles	Medical Equipments		
GROSS BLOCK AT COST												
As at 31.03.2023	60.34	29.08	10.98	83.55	17.97	38.05	17.70	18.52	350.04	11.43	637.66	
Additions	-	1.92	0.97	24.03	8.69	17.63	6.78	8.66	217.59	-	286.27	
Deductions	-	-	1.75	2.79	0.63	8.40	0.64	5.43	63.33	-	82.97	
Asset Transfer to IP	-	-	-	-	-	-	-	-	-	-	-	
Translation Adjustments	-	-	-	-	-	-	-	-	-	-	-	
Other Adjustments*	1.61	0.91	-	3.90	0.69	0.01	0.81	-	-	-	7.93	
As at 31.03.2024	58.73	30.09	10.20	100.89	25.34	47.27	23.03	21.75	504.30	11.43	833.03	
DEPRECIATION												
Upto 31.03.2023	-	9.67	5.48	53.60	10.20	18.26	10.08	12.11	105.38	6.97	231.75	
Additions	-	1.25	0.74	13.11	3.08	8.22	2.41	3.92	88.18	1.41	122.32	
Deductions	-	-	1.64	2.43	0.53	6.50	0.45	4.68	35.92	-	52.15	
Asset Transfer to IP	-	-	-	-	-	-	-	-	-	-	-	
Translation Adjustments	-	-	-	-	-	-	-	-	-	-	-	
Other Adjustments*	-	0.12	-	2.65	0.46	0.01	0.60	-	-	-	3.84	
Upto 31.03.2024	-	10.80	4.58	61.63	12.29	19.97	11.44	11.35	157.64	8.38	298.08	
Carrying Value as at 31.03.2024	58.73	19.29	5.62	39.26	13.05	27.30	11.59	10.40	346.66	3.05	534.95	

* Sundaram Finance Holdings Limited has ceased to be a subsidiary

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

(₹ in crores)

Particulars	Freehold Land	Freehold Buildings	Leasehold office / Residential Premises	Plant and Machinery and Computers	Furniture and Fixtures	Vehicles	Office Equipment	Assets on Operating Lease				
								Plant and Machinery and Computers	Vehicles	Medical Equipments		
GROSS BLOCK AT COST												
As at 31.03.2022	61.10	28.00	10.30	73.66	14.66	30.99	15.89	16.47	228.76	11.43	491.26	
Additions	-	1.34	0.65	14.44	3.79	12.53	2.51	2.28	180.60	-	218.14	
Deductions	0.76	0.26	0.02	4.57	0.49	5.47	0.71	0.23	59.32	-	71.83	
Asset Transfer to IP	-	-	-	-	-	-	-	-	-	-	-	
Other Adjustments	-	-	-	-	-	-	-	-	-	-	-	
Translation Adjustments	-	-	0.05	0.02	0.01	-	0.01	-	-	-	0.09	
As at 31.03.2023	60.34	29.08	10.98	83.55	17.97	38.05	17.70	18.52	350.04	11.43	637.66	
DEPRECIATION												
Upto 31.03.2022	-	8.45	4.72	46.39	8.75	16.28	8.81	9.28	83.07	4.92	190.67	
Additions	-	1.30	0.73	11.13	1.81	6.00	1.79	3.04	56.91	2.05	84.76	
Deductions	-	0.08	0.02	3.93	0.37	4.02	0.53	0.21	34.60	-	43.76	
Asset Transfer to IP	-	-	-	-	-	-	-	-	-	-	-	
Other Adjustments	-	-	-	-	-	-	-	-	-	-	-	
Translation Adjustments	-	-	0.05	0.01	0.01	-	0.01	-	-	-	0.08	
Upto 31.03.2023	-	9.67	5.48	53.60	10.20	18.26	10.08	12.11	105.38	6.97	231.75	
Carrying Value as at 31.03.2023	60.34	19.41	5.50	29.95	7.77	19.79	7.62	6.41	244.66	4.46	405.91	

No Revaluation of Property, Plant and Equipment has been carried out during the year

Benami property : Nil

Refer No. 18 on Mortgage of Immovable Property

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Note 17: Other Non-Financial Assets

(₹ in crores)

Particulars	31 st March 2024	31 st March 2023
Stamp and stamp papers on hand	3.24	2.90
Prepaid expenses	100.59	89.02
Balances with Government authorities	106.16	92.06
Capital Advances	1.91	2.87
Other advances*	7.61	10.35
TOTAL	219.51	197.20

* Amount paid for which goods / services are to be received.

Note 18: Payables

(₹ in crores)

Particulars	31 st March 2024	31 st March 2023
Trade payables		
(i) Total outstanding dues of micro enterprises and small enterprises		
Outstanding Liability	4.04	2.58
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		
Dealer Balances	120.63	89.28
Outstanding Liability	48.63	33.79
TOTAL	169.26	123.07
Other payables		
(i) Total outstanding dues of micro enterprises and small enterprises	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	14.16	25.27
TOTAL	14.16	25.27

Trade Payables ageing schedule as at 31st March 2024

(₹ in crores)

Particulars	Outstanding for following periods from due date of payment					Total
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	0.60	3.44				4.04
(ii) Others	15.55	120.65	33.01	-	-	169.21
(iii) Disputed dues – MSME						-
(iv) Disputed dues - Others						-
(v) Unbilled	0.05					0.05
Total	16.20	124.09	33.01	-	-	173.30

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Trade Payables ageing schedule as at 31st March 2023

(₹ in crores)

Particulars	Outstanding for following periods from due date of payment					Total
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME		2.58				2.58
(ii) Others	2.43	111.51	9.05	0.08		123.07
(iii) Disputed dues – MSME						-
(iv) Disputed dues - Others						-
Total	2.43	114.09	9.05	0.08	-	125.65

Note 19 : Debt Securities

(₹ in crores)

Particulars	31 st March 2024	31 st March 2023
Carried at amortised cost		
Non-Convertible debentures	15,226.80	14,441.77
Commercial paper	2,221.53	2,820.92
TOTAL	17,448.33	17,262.69
Of the above		
Debt securities in India	17,448.33	17,262.69
Debt securities outside India	-	-
TOTAL	17,448.33	17,262.69

The Secured Non - Convertible Debentures are secured by mortgage of immovable property ranking pari passu with charges created in favour of the trustees and Hypothecation of specific Loan receivables / Hire purchase/ Lease agreements with a cover of 100%/125%, as per the terms of issue.

Note 20 : Borrowings other than debt securities

(₹ in crores)

Particulars	31 st March 2024	31 st March 2023
Carried at amortised cost		
Secured		
Term Loan from banks	20,093.16	11,825.16
Term Loan from National Housing Bank (Refinance Loan)	1,871.80	2,379.92
Working capital demand loans and Cash credit	2,422.53	2,106.18
Unsecured		
Others	2.83	-
TOTAL	24,390.32	16,311.26
Of the above		
Borrowings in India	24,390.32	16311.26
Borrowings Outside India	-	-
TOTAL	24,390.32	16,311.26

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

The term loan from banks are secured by hypothecation of specific assets/Loan assets/negative lien on assets covered by a charge on loan receivable /Hire purchase/Lease Agreements.

The Refinance from NHB is secured by negative lien on assets / specific charge on loan assets of a Subsidiary Company other than Statutory Liquid Assets having floating charge in favour of Trustees. It is repayable in quarterly instalments.

Term loans were deployed for the purpose for which they were obtained.

Working capital demand loans and cash credit are secured by a charge on hypothecation loan receivable/hire purchase /lease agreement, ranking pari passu, excluding assets which are specifically charged to others.

Funds raised on short term basis have not been utilised for long term purposes.

Quarterly Returns or Statements of current assets filed by the Group with Banks or Financial Institutions are in agreement with the Books of Accounts.

The Group has not been declared as wilful defaulter by any Bank or Financial Institution or other lender or government or any government authority.

Note 21: Deposits

(₹ in crores)

Particulars	31 st March 2024	31 st March 2023
Carried at amortised cost		
- Public Deposits	7,970.68	6,801.91
- From Companies	11.47	11.43
TOTAL	7,982.15	6,813.34

Note 22: Subordinated Liabilities

(₹ in crores)

Particulars	31 st March 2024	31 st March 2023
Carried at amortised cost		
Subordinated Non Convertible Debentures		
- India	2,513.40	2,306.61
- Outside India	-	-
TOTAL	2,513.40	2,306.61

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Note 23: Other Financial Liabilities

(₹ in crores)

Particulars	31 st March 2024	31 st March 2023
Amounts due on assets securitised or assigned	36.96	21.57
Unpaid matured deposits and interest accrued thereon	81.79	80.77
Unpaid dividend	3.58	3.43
Payable to Employees	124.14	103.01
Advance received from customers	28.56	16.65
Lease Liability	107.54	105.13
Other liabilities*	152.03	142.63
TOTAL	534.61	473.19

* Other liabilities include amount payable to creditor for expenses, payable to customers for security deposits received and commission payable to non-whole-time directors..

Note 24: Provisions

(₹ in crores)

Particulars	31 st March 2024	31 st March 2023
Provision for employee benefits	66.45	49.53
Provision for Other expenses [^]	18.41	19.31
TOTAL	84.86	68.84

[^] Provision for other expenses include provision made for legal cases / claims

Note 25: Other Non-Financial Liabilities

(₹ in crores)

Particulars	31 st March 2023	31 st March 2022
Other Liabilities #	55.13	38.98
Revenue received in advance	1.56	1.59
TOTAL	56.69	40.57

Others mainly include government dues, taxes payable, GST payable and salary deductions payable.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Note 26 : Equity Share Capital

(₹ in crores)

Particulars	31 st March 2024	31 st March 2023
Authorised Capital		
27,81,00,000 Equity Shares of ₹10/- each	278.10	278.10
Issued and Subscribed :		
11,11,03,860 Equity Shares of ₹10/- each fully paid up	111.10	111.10
Less:		
896906 (2023-906507) Equity Shares of ₹10/- each held by ESOP trust but not yet allotted to Employees	0.90	0.90
Adjusted , Issued and Subscribed Share Capital	110.20	110.20

a) Reconciliation of the number of shares outstanding at the beginning and at the end of the year :

Particulars	31 st March 2024	31 st March 2023
Issued and Subscribed :		
Balance at the beginning of the Year	11,11,03,860	11,11,03,860
Less: Shares held by Sundaram Finance Employees' Welfare Trust	8,96,906	9,06,507
Adjusted , Issued and Subscribed Share Capital	11,02,06,954	11,01,97,353

(Refer note no 26d of the Standalone Financial statements for shareholding of promoters)

- b) The Company has only one class of equity shares having a par value of 10/- per share. Each holder of equity shares is entitled to one vote per share. The final dividend is subject to the approval of the shareholders in the ensuing annual general meeting.
- c) Aggregate number of equity shares issued for consideration other than cash / Bonus shares during the period of five years immediately preceding the reporting date: Nil
- d) Share holder holding more than 5% of shares:

Name of the Share holder	Axis Mutual Fund	
	31.03.2024	31.03.2023
No of shares	NIL	61,26,653
% of holding	NIL	5.51%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Note 26 (e) : Other Equity

(₹ in crores)

Particulars	March 31, 2024	March 31, 2023
Capital Reserve		
At the beginning of the year	72.84	20.94
Change in the % of equity share holding in an erstwhile Subsidiary (refer note : 35.4)	(20.00)	13.87
Change in the value due to Demerger of a subsidiary	-	38.03
At the end of the year	52.85	72.84
Capital Redemption Reserve		
At the beginning of the year		
Additions during the year	15.00	
At the end of the year	15.00	
Share Options Outstanding Account		
At the beginning of the year	3.10	2.16
Options Granted during the year	5.27	3.05
Cost of shares transferred on exercise of option	(0.03)	(0.02)
Deferred Employee Compensation Cost	0.53	(0.21)
Transfer to general reserve	(1.82)	(1.88)
Share Options lapsed during the year	(0.22)	-
At the end of the year	6.83	3.10
Statutory Reserve		
At the beginning of the year	1,966.24	1,742.50
Add: Changes during the year	306.26	223.74
At the end of the year	2,272.50	1,966.24
Special Reserve		
At the beginning of the year	386.74	349.74
Add: Changes during the year	31.71	37.00
At the end of the year	418.45	386.74
General Reserve		
At the beginning of the year	4,169.21	4,167.33
Add: Transfer from Share Options Outstanding account	1.82	1.88
Change in the % of equity share holding in an erstwhile Subsidiary (refer note : 35.4)	(30.86)	
At the end of the year	4,140.17	4,169.21

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

(₹ in crores)

Particulars	March 31, 2024	March 31, 2023
Retained Earnings		
At the beginning of the year	3,055.53	2,114.08
Profit After tax for the year	1,436.02	1,327.76
Other comprehensive income:		
(i) Items that will not be reclassified to profit or loss		
Remeasurements of the defined benefit plans	(8.22)	(2.21)
Share of other comprehensive income from associates using equity method	28.64	4.25
(ii) Items that will be reclassified to profit or loss		
Change in fair value of derivative instrument/other investment	(0.13)	1.18
Share of other comprehensive income from associates using equity method	0.37	(0.73)
On account of Sundaram Finance Employees' Welfare Trust	0.08	(0.08)
Dividend payout (Final)	(163.42)	(130.87)
Dividend payout (Interim)	(155.56)	(111.10)
Change in the value due to Demerger of a subsidiary		(38.03)
IND AS adjustment	0.15	
Change in the % of equity share holding in an erstwhile Subsidiary (refer note : 35.4)	(367.97)	
Change in the value of Holdings of associates		152.03
Transfer to Statutory reserve	(306.26)	(223.74)
Transfer to Special reserve	(31.71)	(37.00)
Transfer to Capital Redemption reserve	(15.00)	
At the end of the year	3,472.52	3,055.53
Foreign Currency Translation Reserve		
At the beginning of the year	12.65	7.05
Add: Changes during the year	0.90	5.60
Change in the % of equity share holding in an erstwhile Subsidiary (refer note : 35.4)	(6.87)	
At the end of the year	6.68	12.65
Debt instruments through Other Comprehensive Income		
At the beginning of the year	(58.38)	2.40
Add: Changes during the year	30.69	(60.78)
At the end of the year	(27.69)	(58.38)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

(₹ in crores)

Particulars	March 31, 2024	March 31, 2023
Equity instrument through Other Comprehensive Income		
At the beginning of the year	200.89	277.98
Change in the Fair value of equity and preference investments	614.48	72.12
Change in the % of equity share holding in an erstwhile Subsidiary (refer note : 35.4)	(204.65)	(149.21)
At the end of the year	610.72	200.89
Effective portion of cash flow hedge		
At the beginning of the year	0.77	0.46
Fair value change on cashflow hedge	(0.77)	0.31
At the end of the year	-	0.77
Non Controlling Interest		
At the beginning of the year	2,728.63	2,294.08
Profit After tax for the year	406.34	181.75
Other comprehensive income:		
(i) Items that will not be reclassified to profit or loss		
Remeasurements of the defined benefit plans		0.00
Change in Fair value of equity instruments	560.21	234.87
Share of other comprehensive income from associates using equity method		12.79
(ii) Items that will be reclassified to profit or loss		
Change in fair value of derivative instrument		1.82
Share of other comprehensive income from associates using equity method		(2.37)
Foreign Currency Translation Reserve		6.47
On account of Sundaram Finance Employees' Welfare Trust		
Dividend payout (Final)	(76.47)	(55.23)
Change in the value of Holdings and reserves	45.49	54.40
Options Granted during the year	0.04	0.05
Change in the % of equity share holding in an erstwhile Subsidiary, reversal of NCI (refer note : 35.4)	(3,664.24)	
At the end of the year	-	2,728.63
Total Equity	10,968.02	12,538.23

Description of nature and purpose of other equity:

- Capital Reserve: Represents reserve created on account of amalgamations and arrangements
- Share Options Outstanding Account: Represents reserve on grant of option to employees of the company / group company under Employee Stock option Scheme.
- General reserve: Represents amount appropriated from retained earnings.
- Statutory reserve: Represents reserve created as per Section 45-IC of the Reserve Bank of India Act, 1934.
- Special reserve: Represents reserve created as per Section 36(1)(viii) of Income Tax Act, 1961 and Section 29C of the National Housing Bank Act, 1987.
- Capital redemption reserve Represents reserves created as per companies act
- FVOCI Reserve represents the cumulative gains / losses arising on the fair valuation of equity / preference instruments measured at fair value through Other Comprehensive Income.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

(₹ in crores)

STATEMENT OF PROFIT AND LOSS NOTES

Note 27: Interest Income

(₹ in crores)

Particulars	2023-24	2022-23
On Financial assets measured at amortised cost:		
Loans	5,593.64	4,392.76
Investments	150.43	84.39
Deposit with Banks	67.03	40.66
On Financial assets classified at Fair value through profit or loss :		
Investments	41.27	28.33
Total	5,852.37	4,546.14

Note 28: Fees and Commission Income

(₹ in crores)

Particulars	2023-24	2022-23
Relating to		
- Loans	184.06	152.09
- Sell-down servicing fee	17.52	27.41
- Income from other Financial Services	76.77	56.29
- Trusteeship Fees	2.56	2.11
TOTAL	280.91	237.90

Note 28: Net gain/(loss) on fair value changes

(₹ in crores)

Particulars	2023-24	2022-23
A . Net gain/(loss) on financial instruments at fair value through profit or loss		
(i) On trading portfolio	-	-
- Investments	-	-
- Derivatives	-	-
- Others	-	-
(ii) On Financial instruments designated at fair value through profit or loss	-	-
B. Others		
Net gain/(loss) on financial instruments at fair value through profit or loss on		
- Investments	195.11	112.39
- Derivatives	-	-
C. Total Net gain/(loss) on fair value changes (A + B)	195.11	112.39
Of the above, fair value changes:		
- Realised	138.57	74.76
- Unrealised	56.54	37.63
TOTAL	195.11	112.39

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Note 30: Other Income

(₹ in crores)

Particulars	2023-24	2022-23
- Derecognition of property, plant and equipment	1.48	4.04
- Foreign currency transaction and translation (other than considered as finance cost)	3.48	0.67
Others		
- Interest income	6.61	24.83
- Rental income	3.42	3.37
- Other non-operating income	3.39	35.36
TOTAL	18.38	68.27

Note 31: Finance costs

(₹ in crores)

Particulars	2023-24	2022-23
On Financial liabilities carried at amortised cost:		
Interest on		
Deposits	532.27	424.76
Term loans	1,421.76	705.04
Debt securities	1,245.81	1,014.32
Subordinated liabilities	197.03	247.24
Other interest expense and borrowing cost	20.99	18.19
TOTAL	3,417.86	2,409.55

Note 32: Employee Benefits Expenses

(₹ in crores)

Particulars	2023-24	2022-23
Salaries and Wages	757.25	615.32
Contribution to provident and other funds	43.00	37.39
Share Based Payments to employees	5.57	3.30
Staff welfare expenses	26.31	17.12
TOTAL	832.13	673.13

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Note 33: Administrative and other Expenses

(₹ in crores)

Particulars	2023-24	2022-23
Rent, taxes and energy costs	21.77	17.54
Repairs and maintenance	59.58	45.13
Communication Costs	18.58	15.53
Printing and stationery	6.26	5.21
Advertisement and publicity	4.44	15.41
Director's fees, allowances and expenses	5.07	3.90
Auditor's fees and expenses	3.36	2.70
Legal and Professional charges	38.12	21.59
Insurance	2.83	2.93
Outsourcing cost	98.49	77.19
Travel and conveyance	43.28	34.77
Corporate Social Responsibility (CSR) expenses	20.23	30.23
Other expenditure	84.75	58.65
TOTAL	406.76	330.78

Note 34: Impairment on Financial Instruments

(₹ in crores)

Particulars	2023-24	2022-23
On Financial instruments measured at amortised cost:		
Loans	226.19	205.99
Investments	0.50	3.90
Repossessed assets	1.88	(8.59)
Others	0.19	0.70
Provision for Alternate Investment Funds (AIF) (refer note 10)	69.61	-
TOTAL	298.37	202.00

Note 35: Business Combinations

35.1 During the year, the Scheme of arrangement for the de-merger of the fund accounting business of Sundaram Fund Services Limited (SFSL), wholly owned subsidiary, into Sundaram Asset Management Company Limited, another wholly owned subsidiary of the Group, was approved by the National Company Law Tribunal (NCLT), Chennai and the suitable effects have been considered with effect from appointed date of the Scheme being April 01, 2022.

This transaction has been accounted as per Appendix C to Ind AS 103 - "Business combinations of entities under common control" using the pooling of interest method. The financial information in the Consolidated Financial Statements in respect of prior period have been restated as if the business combination had occurred from the beginning of the preceding period in the financial statements. Accordingly, the Consolidated Balance Sheet as at 01st April 2022 and the Consolidated Statement of Profit and Loss for the year ended 31st March 2023 have been restated.

This business combination is not a retrospective application of an accounting policy, retrospective restatement or retrospective reclassification as defined under Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors. Appendix C to Ind AS 103 requires only restatement of comparative information and does not require a third balance sheet at the beginning of the preceding period.

The assets and liabilities of the fund accounting division of SFSL have been taken over at their respective carrying amounts as at 01st April 2022. The difference between the amount recorded as Share Capital issued as purchase consideration and the book value of the assets and liabilities has been recorded as Capital Reserve

Consequently, the Consolidated financials has been re casted for the year ended 31st Mar 2023 which impacted an increase in Profit / Reserves to the extent of ₹9.96 crores due to the reduction in Tax amount.

35.2 The Hon'ble National Company Law Tribunal, Mumbai, vide order dated 25th August 2023, approved the dissolution of SAMC Support Services Private Limited, wholly owned subsidiary of Sundaram Asset Management Company Limited, through Voluntary Liquidation. There is no financial impact to the Group on account of such arrangement.

35.3 During the previous year, a scheme of arrangement has been approved on 4th August 2022 approving merger of a subsidiary SAMC Services Private Limited (formerly known as Principal Retirement Advisors Private Limited) with another subsidiary Sundaram Alternate Assets Limited which has been approved by Hon'ble NCLT on December 13, 2023. In accordance with the Scheme of Amalgamation, 53,158 equity shares having face value of ₹10/- each have been allotted to the company on January 29, 2024. There is no financial impact to the Group on account of such amalgamation.

35.4 Exceptional item:

During the period, the Company transferred 79,73,529 equity shares of ₹5/- each held in Sundaram Finance Holdings Limited (SFHL), representing 3.59% stake. SFHL has ceased to be a subsidiary of the group, resulting in a loss of ₹91.72 crores as per IND AS 110.

The Company has decided to recognise this investment at Fair Value through Other Comprehensive Income as per IND AS 109.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Note 36: Capital Management:

The Group's capital management strategy is to ensure that it has sufficient capital for business operations, strategic investment, regulatory requirements and to provide reasonable return to the shareholders. Equity share capital and other equity are considered for Capital management.

The Group endeavour to source diversified borrowing, depending on asset liability duration and interest rate sensitivities.

The Group monitors the Capital adequacy ratio, Debt equity ratio and Solvency ratio for the purpose of adequacy of capital.

Note 37: Revenue

Disaggregate revenue information: Since the requirement of application of Ind AS 115 on Company's revenue is insignificant, the company believes that disaggregation of data about the nature, amount, timing of our revenues is not required.

Remaining performance obligation

The remaining performance obligation disclosure provides aggregate amount of transaction price yet to be recognised at the end of reporting period and an explanation as to when the company expects to recognise these amounts in revenue.

The aggregate value of performance obligations that are completely or partially unsatisfied as at March 31, 2024 is nil (2022-23 - nil)

Note 38: Financial instruments – Fair value measurements

The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy:

a. Financial Assets / Liabilities that are measured at Fair value through P&L/OCI:

(₹ in crores)

Particulars	Fair Value Hierarchy	March 31, 2024	March 31, 2023
Financial Assets			
Derivatives	Level 2	-	4.38
Investments			
Mutual Funds	Level 1	1,094.18	2,350.38
Alternate Investment Funds	Level 1	295.88	339.59
Equity Instruments	Level 2	0.77	0.88
Preference Securities	Level 2	-	6.86

Fair value is estimated based on the market inputs for the classification as per level 2.

b. i) Equity Shares designated at Fair value through Other Comprehensive Income:

The Group designated the investments in equity shares (other than subsidiaries, associates and joint ventures) at FVTOCI, because the Group intends to hold these investments for long-term strategic purpose.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

(₹ in crores)

Particulars	Fair Value Hierarchy	March 31, 2024	March 31, 2023
^ Sundaram Finance Holdings Limited (SFHL)	Level 1	882.51	-
^ Sundaram Clayton Limited	Level 1	-	731.41
^ Lucas-TVS Limited	Level 3	-	80.70
^ Delphi TVS Technologies Limited	Level 3	-	15.30
^ Vishnu Forge Industries Limited	Level 3	-	1.50
^ D2C Consulting Services Private Limited	Level 3	-	0.04
^ Fettle Tone LLP	Level 3	-	101.95
*Experian Credit Information Company of India Pvt. Ltd.	Level 3	11.20	11.20
*UMW Industries Limited	Level 3	-	-
Total		893.71	942.10

^ SFHL ceased to be a subsidiary company. (Refer Note no. 35.4)

^ Dividend income of ₹24.11 cr. was recognised during the year. (FY 22-23- ₹94.74 cr.)

*As per Ind AS 109, Cost has been considered as the best estimate of the fair value.

ii) Investment derecognised during the year that was measured at fair value through OCI:

(₹ in crores)

Particulars	2023-24		2022-23	
	Fair value at the date of De-recognition	Cumulative gain/ (loss) on disposal	Fair value at the date of de-recognition	Cumulative gain/ (loss) on disposal
^ Sundaram Clayton Limited	-	-	235.21	(32.16)

^ Refer point b (i) above.

iii) Compulsory Convertible Preference Shares (CCPS) designated at Fair value through Other Comprehensive Income:

(₹ in crores)

Particulars	March 31, 2024	March 31, 2023
Investment in Series A CCPS of RBSG Capital Private Limited	5.65	3.12

Valued based on the price at which incremental investment was made during the year (Level 3) and no dividend has been recognised during the year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

- c. The following table shows the carrying amounts and fair values of financial assets and financial liabilities measured at amortised cost, including their levels in the fair value hierarchy:

(₹ in crores)

Particulars	Carrying Amount		Fair Value Hierarchy	Fair Value	
	31 st March 2024	31 st March 2023		31 st March 2024	31 st March 2023
Financial Assets:					
Cash and cash equivalents	545.68	188.33	Level 1	545.70	188.33
Bank Balances	957.00	956.85	Level 3	963.80	957.49
Receivable	105.12	81.37	Level 3	105.09	81.37
Loans	54,873.68	44,631.06	Level 3	54,751.83	44,498.99
Investments in Government Securities	1,444.43	771.55	Level 1	1,445.87	767.81
Investment (Others)	1,173.80	774.38	Level 3	1,175.31	773.43
Other Financial Assets	62.00	24.47	Level 3	62.00	24.47
Total	59,161.71	47,428.01		59,049.61	47,291.89
Financial Liabilities:					
Payables	187.84	152.06	Level 3	187.84	151.93
Debt Securities	17,448.33	17,262.69	Level 3	17,420.56	17,202.36
Borrowings (Other than Debt Securities)	24,390.33	16,311.26	Level 3	24,466.81	16,195.96
Deposits	7,982.15	6,813.34	Level 3	7,980.36	6,733.42
Subordinated Liabilities	2,513.40	2,306.61	Level 3	2,519.02	2,319.10
Other Financial Liabilities	534.62	472.04	Level 3	534.62	471.84
Total	53,056.66	43,318.00		53,109.22	43,074.62

Fair value is arrived at using discounted future cash flows at market rates for the classification as per level 3 hierarchy.

Note 39 : Financial Risk Management framework

Risk is an inherent and integral part of the financial services business and the Group has been judiciously managing this through an efficient risk mitigation system, with a view to achieve the Group's stated objectives of Growth with Quality and Profitability. The risks primarily include credit risk, liquidity risk and market risk.

The policies and procedures laid down by the Group for the purpose of risk identification, measurement and management, compare well with contemporary best practices followed by industry peers. The various committees constituted by the respective Group's Boards such

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

as Risk Management Committee, Asset Liability Management Committee, Investment Committee etc. have enunciated detailed policies for assessment of various types of risks, and fixed tolerance limits as appropriate.

39.1 Credit Risk

Credit risk is the risk of financial loss to the Group if a customer fails to meet his contractual obligations, and arises principally from the Group's loan receivables.

The Group has in place a robust credit policy which clearly defines the credit filters and the terms of acceptance of proposals for financing different categories of borrowers and asset classes.

The credit appraisal process, inter alia, includes filters for stratification of customers, compliance with know your customer (KYC) norms, Field investigation, Credit bureau verification, exposure ceilings, asset risk and segment and geography risks. The risk metrics also address Loan to Value, loan tenure, based on the useful life of the asset, end-use of the asset and credit enhancements, as appropriate.

The Group's exposure is primarily to retail customers, thereby making for a well-diversified risk portfolio. The time tested monitoring and recovery mechanism ensures timely recovery of instalments and where required, necessary action for resolution of delinquent accounts is initiated, including legal proceedings. Finally, physical presence and in-depth knowledge of the markets in which the Group operates enables early identification of emerging risks thereby facilitating prompt remedial action.

Following tables provide an overview of the gross carrying amount and credit loss allowance broken down into stages:

a. Loans and Advances*

(₹ in crores)

Gross Carrying Amount								
Stages->	March 31, 2024				March 31, 2023			
	1	2	3	Total	1	2	3	Total
Balance at the beginning of the year	42,961.53	1,822.03	828.03	45,611.60	35,112.81	2,418.39	921.77	38,452.97
New Assets Originated - net of collections	13,887.17	(608.03)	(85.65)	13,193.49	10,476.81	(963.34)	(124.58)	9,388.89
Transfers due to change in creditworthiness	(1,281.93)	937.91	322.94	(21.08)	(900.10)	447.24	423.91	(28.95)
Financial assets that have been derecognised	2,308.74	107.14	85.07	2,500.95	1,725.58	78.86	81.48	1,885.92
Write off during the year	0.79	0.68	283.23	284.71	2.41	1.40	311.59	315.40
Balance at the end of the year	53,257.24	2,044.09	697.01	55,998.36	42,961.53	1,822.03	828.03	45,611.60

* Includes operating lease of ₹360.13 Cr. as on 31st March 2024 and ₹255.53 Cr. as on 31st March, 2023.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

(₹ in crores)

Stages->	Expected Credit Loss							
	March 31, 2024				March 31, 2023			
	1	2	3	Total	1	2	3	Total
Balance at the beginning of the year	156.95	160.95	407.10	724.98	147.46	201.03	469.35	817.84
New Assets Originated - net of collections	5.45	14.81	235.01	255.27	2.12	(19.97)	234.30	216.45
Transfers due to change in creditworthiness	8.33	(6.94)	12.50	13.89	20.73	(3.44)	39.49	56.78
Financial assets that have been derecognised	9.16	20.46	11.38	41.00	10.96	15.27	24.45	50.68
Write off during the year	0.79	0.68	283.23	284.71	2.41	1.40	311.60	315.41
Balance at the end of the year	160.77	147.68	359.98	668.43	156.95	160.95	407.10	724.98

Concentration of Credit risk %

(i) Concentration by Geographical risk

Particulars	March 31, 2024	March 31, 2023
South	61.78	64.69
North	22.94	21.06
West	11.59	10.51
East	3.68	3.74
Total	100.00	100.00

(ii) Concentration by Asset Class:

Particulars	March 31, 2024	March 31, 2023
Commercial Vehicles	35.96	35.26
Cars	19.72	19.55
Housing	14.90	15.66
Non Housing	8.41	8.78
Construction Equipment	8.31	8.14
Tractors & Farm Equipment	5.87	6.07
Others	6.83	6.54
Total	100.00	100.00

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

b. Other Assets

The Group computes Expected credit loss on other financial assets including trade receivables based on a provision matrix which is constructed using historical credit loss experience as adjusted to reflect current conditions.

(₹ in crores)

Stages->	March 31, 2024				March 31, 2023			
	1	2	3	Total	1	2	3	Total
Gross Carrying Amount	164.99	-	0.19	165.18	73.07	0.47	0.41	73.95
Expected Credit Loss	1.10	-	0.19	1.29	0.63	0.02	0.39	1.04
Net Carrying Amount	163.89	-	-	163.89	72.44	0.45	0.02	72.91

c. Loan Commitments and Financial Guarantees:

(₹ in crores)

Stages->	March 31, 2024				March 31, 2023			
	1	2	3	Total	1	2	3	Total
Gross Carrying Amount	999.76	1.41	-	1,001.18	870.68	1.09	-	871.77
Expected Credit Loss	5.74	0.01	-	5.74	5.97	-	-	5.97
Net Carrying Amount	994.02	1.40	-	995.44	864.71	1.09	-	865.80

Credit risk management practices

- (i) **Policy on write off:** Loans are written off when the value of underlying security/other collateral is not sufficient to cover the loan exposure or where the underlying security / customer are not traceable. In such cases, the Group takes legal recourse for recovery of shortfall of dues, if any.
- (ii) **Narrative description of collateral:** The underlying assets, which are financed, are the primary collateral held. These are typically commercial vehicles, cars, construction equipment, farm equipment, properties mortgaged, hypothecation of loan receivables etc. Additional collateral, by way of credit enhancement, is obtained based on the management's credit evaluation of the customer.

d. Debt Securities:

All debt investments are allocated to stage 1 under initial recognition. If the rating assigned to the security at the time of investment is downgraded by two notches and / or where there is a delay in interest servicing by more than 30 days, this would result in stage 2 classification. Further downgrade of rating and/or delay in interest servicing by more than 90 days/default of payment of principal would result in stage 3 classification.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

For investment in debt instruments, one-year transition matrix provided by the rating agencies is used as the PD. Loss given default (LGD) parameters assume a recovery rate of 65%, 75% and 50% for unsecured senior, unsecured subordinated and secured debt securities respectively.

A breakup of investment in debt securities into different stages is given as under:

(₹ in crores)

Particulars	March 31, 2024		March 31, 2023	
	Gross Carrying Amount		Gross Carrying Amount	
	FVTPL	Amortised Cost	FVTPL	Amortised Cost
Government securities	-	924.58	-	771.55
Mutual Fund	1,039.98	-	2,314.62	-
Alternative Investment Funds	364.10	-	339.59	-
Pass through certificates	-	82.03	-	89.73
Non-Convertible Debentures	-	361.15	-	174.82
T-Bills	-	519.85	-	496.77
Commercial paper	-	731.69	-	13.63
Preference Securities	-	-	6.86	-
Total	1,404.08	2,619.30	2,661.07	1,546.50

The Gross carrying amount in respect of investments classified under amortised cost are at stage 1.

(₹ in crores)

Particulars	Expected Credit loss	
	March 31, 2024	March 31, 2023
Balance at the beginning of the year	0.57	0.61
Additional Provisions (Net) / Provision on AIF Investments	70.39	0.19
Transfers due to change in creditworthiness	-	-
Financial assets that have been derecognised	0.27	0.22
Write off during the year	0.01	0.01
Balance at the end of the year	70.68	0.57

The expected credit loss pertains to investments classified under amortised cost at Stage 1.

39.2 Liquidity Risk

Liquidity risk relates to our potential inability to meet all payment obligations when they fall due or only being able to meet them at excessive costs. The objective of the liquidity risk management framework is to ensure that the Group can fulfil its payment obligations at all times and can manage liquidity and funding risks within its risk appetite. The Asset Liability Committee regularly monitors the liquidity position and the duration of assets/liabilities and ensures that liquidity is strictly managed as per the policy.

Following are the contractual maturities of financial liabilities / financial assets at the reporting date. The amounts are gross and undiscounted and include estimated interest payments / receipts and exclude the impact of netting agreements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

(₹ in crores)

March 31, 2024	Upto 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
Non Derivative Financial Liabilities							
Payables	183.15	2.19	0.28	0.02	0.12	2.08	187.83
Debt Securities	2,806.29	2,282.58	2,449.14	7,367.67	2,552.07	3,021.41	20,479.16
Borrowings (Other than Debt Securities)	4,070.12	3,111.12	4,677.95	11,905.44	3,033.93	517.10	27,315.66
Deposits	752.50	894.54	1,479.04	5,321.57	514.01	-	8,961.66
Subordinated Liabilities	42.50	37.23	366.64	552.56	1,075.41	1,408.93	3,483.27
Other Financial Liabilities	247.44	48.00	8.94	112.02	21.62	43.31	481.31
Derivative Financial Liabilities	-	-	-	-	-	-	-
Total	8,101.99	6,375.66	8,981.98	25,259.26	7,197.16	4,992.83	60,908.90
Non Derivative Financial Assets							
Cash and cash equivalents	538.40	-	-	-	-	-	538.40
Bank Balances	32.91	22.35	323.05	676.20	-	-	1,054.51
Receivables	99.06	-	6.06	-	-	-	105.12
Loans	6,763.86	5,471.29	10,037.23	26,918.20	9,528.82	14,200.19	72,919.59
Investments	2,005.89	298.55	337.91	601.34	369.56	782.57	4,395.81
Other Financial Assets	9.98	0.43	2.51	5.10	4.36	39.62	62.00
Derivative Financial Assets	-	-	-	-	-	-	-
Total	9,450.10	5,792.62	10,706.77	28,200.83	9,902.74	15,022.37	79,075.44

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

(₹ in crores)

March 31, 2023	Upto 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
Non-Derivative Financial Liabilities							
Payables	146.83	3.02	1.27	0.32	0.30	0.32	152.06
Debt Securities	3,583.07	2,484.98	3,119.06	6,566.37	2,695.82	767.95	19,217.25
Borrowings (Other than Debt Securities)	2,871.68	2,194.19	2,475.65	7,292.02	2,746.30	855.01	18,434.85
Deposits	657.57	911.05	1,604.30	3,900.95	413.89	-	7,487.76
Subordinated Liabilities	42.44	37.10	104.20	636.64	1,137.73	1,344.19	3,302.30
Other Financial Liabilities	245.62	39.28	7.94	116.05	23.92	39.25	472.06
Derivative Financial Liabilities	-	-	-	-	-	-	-
Total	7,547.21	5,669.62	7,312.42	18,512.35	7,017.96	3,006.72	49,066.28
Non-Derivative Financial Assets							
Cash and cash equivalents	188.33	-	-	-	-	-	188.33
Bank Balances	263.13	304.28	259.85	173.66	-	-	1,000.92
Receivables	72.90	0.45	8.00	0.02	-	-	81.37
Loans	5,589.52	7,442.73	7,882.63	21,212.43	5,268.91	11,738.83	59,135.06
Investments	2,679.75	62.25	187.84	481.83	427.45	608.68	4,447.80
Other Financial Assets	3.38	1.81	1.64	6.48	4.36	7.88	25.55
Derivative Financial Assets	1.07	0.74	1.34	0.50	1.50	-	5.15
Total	8,798.08	7,812.26	8,341.31	21,874.92	5,702.22	12,355.39	64,884.18

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

39.3 Market Risk

Market risk is the risk of loss arising from potential adverse changes in the value of the firm's assets and liabilities from fluctuation in market variables like liquidity, interest rate and foreign exchange (Currency risk) and equity prices.

a. Interest rate risk

The Group's exposure to changes in interest rates relates to its investment in debt securities/ outstanding floating rate liabilities. Most of the Group's outstanding liability in local currency is on fixed rate basis and hence not subject to interest rate risk. Whereas the foreign currency liability is linked to international rate benchmarks and hence subject to interest rate risk. The Group hedges these risks by way of entering into derivative transactions.

The interest rate profile of the Group's interest bearing financial instruments is as follows:

	(₹ in crores)	
Particulars	March 31, 2024	March 31, 2023
Financial Assets		
Fixed rate Instruments		
Loans	42,041.08	33,702.33
Investments	2,618.23	1,545.93
Bank Balances	957.00	956.85
Sub Total (A)	45,616.31	36,205.11
Variable rate Instruments		
Lease assets	447.18	886.01
Loans	12,745.55	10,298.25
Sub Total (B)	13,192.73	11,184.26
Total (A) + (B)	58,809.04	47,389.37
Financial Liabilities		
Fixed rate Instruments		
Debt Securities	19,154.66	18,804.30
Borrowings (Other than debt securities)	12,144.46	9,295.36
Deposits	8,063.94	6,894.11
Sub Total (C)	39,363.05	34,993.77
Variable rate Instruments		
Financial liabilities with floating interest rate	13,052.94	7,780.88
Sub Total (D)	13,052.94	7,780.88
Total (C) + (D)	52,415.98	42,774.65

Fair value sensitivity analysis for fixed rate instruments

The Group's fixed rate instruments which are carried at amortised cost are not measured for interest rate risk. In respect of other instruments, the risks are measured through fair value.

Cash flow sensitivity analysis for variable rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

(₹ in crores)

Particulars	March 31, 2024		March 31, 2023	
	100 bps increase	100 bps decrease	100 bps increase	100 bps decrease
Variable rate instruments	35.52	(35.64)	52.29	(53.03)
Cross currency Interest Rate Swap	-	-	-	-
Cash flow sensitivity (Net)	35.52	(35.64)	52.29	(53.03)

Interest rate sensitivity

The major lending of the Group is in the form of Hypothecation loans at fixed rates and Housing/ Loan against property at floating rates. The loans are financed by various fixed / floating rate borrowings. While the assets financed are generally recovered over the tenure of the underlying contract equally, the liabilities are in general repayable on maturity. Hence, the interest rate risk and liquidity (mismatches in the duration of assets and liabilities) are inherent and inevitable.

To measure the above risk in respect of lending business, the Group adopts the duration gap analysis which is measured for assets and liabilities maturing in next 12 months as well as for the overall assets and liabilities. Also, for Interest rate risk management, the Duration Gap model is used on assets and liabilities maturing in the next 12 months, to assess the change in Net Interest Income (NII) for a 1% increase in interest rate.

b. Currency Risk

The Group is exposed to currency risk to the extent that there is a mismatch between the currencies in which borrowings are denominated and the respective functional currency, i.e. INR. The transactions of the Group are primarily denominated in INR.

Exposure to currency risk on account of Services business:

Particulars	Currency	March 31, 2024		March 31, 2023	
		Foreign Currency	₹ in crores	Foreign Currency	₹ in crores
Cash and Cash Equivalents	AUD	-	-	28,98,425	15.95
Cash and Cash Equivalents	AED	19,064	0.04	20,141	0.05
Bank Balances	AED	55,683	0.13	73,554	0.16
Bank Balances	SGD	-	-	2,58,460	1.60
Trade Receivables	AUD	-	-	9,36,024	5.15
Investments	USD	200	0.00	200	0.00
Other Financial Assets	AED	3,477	0.01	3,161	0.01
Trade Payable	AUD	-	-	41,250	0.23
Other Financial Liabilities	AED	1,44,274	0.33	2,17,830	0.49

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

The foreign currency risk is mitigated by derivative contracts. The outstanding contracts as at the Balance Sheet date are as follows:

Particulars	March 31, 2024		March 31, 2023	
	Buy	Sell	Buy	Sell
Forward Contract: Cashflow Hedge				
AUD/INR (in A\$ '000)	-	-	-	9,800.00
AUD/INR (₹ in cr)	-	-	-	59.30

Equity Risk:

The Group has investments in listed/unlisted companies, which are measured at FVTPL and FVTOCI. The valuation is dependent on market conditions.

Note 40: Financial Instruments - Transferred that are not derecognised in their entirety

Securitisation:

The Group as part of its business model periodically enters into securitisation transactions via Pass Through Certificates (PTC) route and/or Direct Assignment (DA). As per RBI guidelines, the Group maintained credit enhancement for securitisation transactions which covers the expected losses and thereby retains the risk associated with the assets.

(₹ in crores)

Particulars	March 31, 2024	March 31, 2023
Carrying amount of transferred assets	4,586.15	3,660.72
Carrying amount of associated liabilities	4,784.40	3,784.63
Fair value of assets	4,523.23	3,609.78
Fair value of associated liabilities	4,763.83	3,725.14
Net position at Fair value	(240.61)	(115.36)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Note 41: Employee benefits**Post-employment benefits: Defined Contribution plan**

(₹ in crores)

Amount recognised as expense in Employee benefit expense	2023-24	2022-23
Contribution to Provident Fund	20.43	14.20
Contribution to Pension Fund	8.63	9.78
Contribution to Superannuation Fund	0.19	0.11
Contribution to State Insurance Scheme	0.15	0.06
Contribution to Labour Welfare Fund	0.05	0.06
Total	29.45	24.20

Defined benefit plans

Defined benefit plan exposes the Group to a number of risks, the most significant of which are detailed below:

Investment risk: This may arise from volatility in Asset value due to market fluctuations and impairment of assets due to credit losses. The defined benefit plans may hold equity type assets, which may carry volatility and associated risk.

Interest risk: A decrease in bond yields will increase plan liabilities, although this is expected to be partially offset by an increase in the value of the plan's investment in debt instruments.

Salary cost Inflation risk: The present value of some of the defined benefit plan obligations are calculated with reference to the future salaries of plan participants. Increase in salary due to adverse Inflationary pressures might lead to higher liabilities.

(₹ in crores)

Particulars	FUNDED		UNFUNDED	
	Gratuity		Retired Employee Medical Scheme	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Amounts recognised in profit or loss				
Current service cost	8.45	7.63	-	-
Past service Cost	-	-	-	-
Net interest expense/(income)	0.45	0.44	0.07	0.07
Total amount included in employee benefits expense	8.90	8.07	0.07	0.07
Amounts recognised in other comprehensive income				
Re measurement (gains)/losses: Actuarial (gains)/losses arising from changes in				
- Financial assumptions	2.89	0.75	0.01	(0.02)
- Experience adjustments	8.30	1.98	(0.05)	(0.05)
Return on plan assets, excluding amount included in net interest expense/ (income)	(0.05)	0.30	-	-
Total amount recognised in other comprehensive income	11.14	3.03	(0.04)	(0.07)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Particulars	FUNDED		UNFUNDED	
	Gratuity		Retired Employee Medical Scheme	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Changes in the defined benefit obligation				
Opening defined benefit obligation	107.89	99.09	1.00	1.05
Add/(less) on account of business combination/transfers	0.30	0.22		
Current service cost	8.45	7.63		
Past service cost				
Interest expense	7.50	6.85	0.07	0.07
Remeasurement (gains)/losses arising from changes in				
- Demographic assumptions	0.28			
- Financial assumptions	2.74	1.23	0.01	(0.02)
- Experience adjustments	8.30	1.95	(0.05)	(0.05)
Liabilities assumed / (settled)				
Benefits paid	(7.17)	(9.17)	(0.05)	(0.05)
Closing defined benefit obligation	127.68	107.81	0.99	1.00
Opening fair value of plan assets	101.36	85.26		
Add/(less) on account of business combination	0.06	0.22		
Return on plan assets excluding Interest income	7.57	6.65		
Contribution by employer	13.62	18.23	0.05	0.05
Benefits paid	(7.17)	(9.17)	(0.05)	(0.05)
Actuarial gain / (loss) on plan assets	(0.01)	0.24		
Assets acquired / (settled)	0.32	0.43		
Closing fair value of plan assets	115.76	101.30		
Net asset / (liability) recognised in balance sheet				
Defined benefit obligation	127.88	107.81	0.99	1.00
Fair value of plan assets	115.75	101.30		
Surplus/(Deficit)	(11.93)	(6.51)	(0.99)	(1.00)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

(in %)

Particulars	FUNDED		UNFUNDED	
	Gratuity		Retired Employee Medical Scheme	
	31.03.2024	31.03.2023	31.03.2024	31.03.2023
I. Actuarial assumptions				
Discount rate %	6.96 - 7.20	7.15 - 7.45	6.90 - 60.97	6.82 - 7.37
Expected Return on plan assets %	6.97 - 7.65	7 - 7.23		
Attrition rate (Age Based)	1 to 10	1 to 10		
Salary escalation %	5 to 8	5 to 8		

(in %)

Particulars	UNFUNDED	
	LONG TERM COMPENSATED ABSENCE - PRIVILEGE LEAVE	
	31.03.2024	31.03.2023
Actuarial assumptions		
Discount rate %	6.96 - 7.21	7.15 - 7.45
Salary escalation %	5 to 8	5 to 8
Attrition rate	1 to 10	1 to 10

In the absence of detailed information regarding plan assets which is funded with Insurance Companies, the composition of each major category of plan assets, the percentage or amount for each category to the fair value of plan assets & the description of the Asset-Liability matching strategies used by the plan have not been disclosed.

Provident Fund

The provident fund contributions to trust are managed through trust investments in addition to contribution of a portion of its provident fund liability relating to Employees Pension Scheme to Employees Provident Fund Organisation.

The fund has a relatively balanced mix of investments in order to manage the risks. The investment strategy is designed based on the interest rate scenario, liquidity needs of the Plans and pattern of investment as prescribed under the statute.

The trustees regularly monitor the funding and investment, there are systems in place to ensure that the health of the portfolio is regularly reviewed, and investments do not pose any significant risk of impairment.

Major Category of Plan Assets as % of the Total Plan Assets

(in %)

Particulars	March 31, 2024	March 31, 2023
Central Government Securities	10.87	11.61
State Government Securities	40.54	39.16
Public Sector Bonds	34.09	36.20
Private Sector Bonds	3.65	3.03
Special Deposits	2.02	2.37
Equity Fund	5.22	4.26
Short Term Deposit	3.61	3.37
Total	100.00	100.00

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Note 42: Share Based Payments

The Company grants ESOP to Senior Management employees in accordance with the terms of the Plan.

(a) Description of the ESOP plan (graded vesting) that existed during the period:

Particulars	Grant 15	Grant 14	Grant 14	Grant 13
Board meeting date	26.05.2023	25.05.2022	25.05.2022	28.05.2021
Options granted	21,878	10,854	6,732	9,480
Exercise price (₹ per share)	10	10	10	10
Date of grant	26.05.2023	25.05.2022	25.05.2022	28.05.2021
Vesting date / period	01.06.2026	3 years grant with 30%, 30% and the balance vesting after 1,2 & 3 years respectively	One Year	3 years grant with 30%, 30% and the balance vesting after 1,2 & 3 years respectively
Exercise period	01.06.2026 - 30.11.2026	Within 5 years after respective vesting	Within 5 years after respective vesting	Within 5 years after respective vesting
Market price immediately prior to grant date (₹ per share)	2,511.80	1,735.65	1,735.65	2,478.15
Intrinsic value (₹ per share)	2,501.80	1,725.65	1,725.65	2,468.15

(b) Description of the Stock Appreciation Rights (SAR – graded vesting) plan that existed during the period:

Particulars	Grant 14	Grant 14	Grant 13
Board meeting date	25.05.2022	25.05.2022	28.05.2021
Options granted	1,276	1,258	1,370
Exercise price (₹ per share)	10	10	10
Date of grant	25.05.2022	25.05.2022	28.05.2021
Vesting date / period	3 years grant with 30%, 30% and the balance vesting after 1,2 & 3 years respectively	One Year	3 years grant with 30%, 30% and the balance vesting after 1,2 & 3 years respectively
Exercise period	Within one day after respective vesting	Within one day after respective vesting	Within one day after respective vesting

Group share based payments:

The company as a part of ESOP scheme has issued share options to employees of various group Companies. The company does not get reimbursed for the cost of such group share options and such costs are treated as investment in the group companies.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Effect of Share based payments transactions on financial statement of the entity:

(₹ in crores)

Particulars	March 31, 2024	March 31, 2023
Expenses recognised in Profit & Loss account	4.28	2.54
Amount recognised as Investment in Group companies	1.17	0.84

Unvested share options issued to employees of various group companies are as under:

(in numbers)

Particulars	Grant 15	Grant 14	Grant 13
Sundaram Asset Management Company Limited	3,150	-	160
Sundaram Home Finance Limited	1,894	1,260	451
Royal Sundaram General Insurance Co.Ltd	1,435	-	-
Sundaram Finance Holdings Limited	188	-	-
Total	6,667	1,260	611

Measurement of fair value

The fair values of the options issued have been arrived at using the Black Scholes Model.

The key assumptions used in computing the fair value are :

(in numbers)

Particulars	Grant 15	Grant 14	Grant 13
Risk free interest rate (1 year to 3 years)	6.97%	6.38% to 7.07%	6.38% to 7.07%
Life of the option	3 years	1 to 3 years	1 to 3 years
Expected Volatility	23.70%	22.73%	22.73%
Fair value of the option (₹ per share)-ESOP Plan	2,502.49	1 year: NIL	1 year: NIL
		2 year: 1,726.94	2 year: NIL
		3 year : 1,727.58	3 Year: 2,469.55
Fair value of the option (₹ per share)-SAR Plan	NIL	1 year: NIL	1 year: NIL
		2 year: 4,129.00	2 year: NIL
		3 year: 4,129.66	3 year: 4,129.00

The expected volatility is based on historical share price volatility. The life of the option has been based on general option holder behaviour.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Reconciliation of the share options outstanding as on 31.03.2024

The number and weighted-average exercise prices of share options under various grants are as follows:

(in numbers)

Grant details	Grant 15 - ESOP		Grant 14 - ESOP		Grant 13 - ESOP	
	Weighted average exercise price per option	No. of options	Weighted average exercise price per option	No. of options	Weighted average exercise price per option	No. of options
Outstanding at the beginning of the period	-	-	10	17,586	10	6,858
Granted during the period	10	21,878				
Forfeited / expired during the period	10	427	10	352	10	256
Exercised during the period			10	7,285	10	2,323
Outstanding at the end of the period	10	21,451	10	9,949	10	4,279*
Exercisable at the end of the period			10	2,515	10	545**

(in numbers)

Grant details	Grant 15 - SAR		Grant 14 - SAR		Grant 13 - SAR	
	Weighted average exercise price per option	No. of options	Weighted average exercise price per option	No. of options	Weighted average exercise price per option	No. of options
Outstanding at the beginning of the period	-	-	10	2,534	10	959
Granted during the period	-	-	-	-	-	-
Forfeited / expired during the period	-	-	10	88	10	54
Exercised during the period	-	-	10	1,631	10	401
Outstanding at the end of the period	-	-	10	815	10	504
Exercisable at the end of the period	-	-	-	-	-	-

* represents options under 3 year grant (year 2 and 3) which are not exercisable as on 31.03.2024 and options under 1 year grant / 3 year grant (year 1) not exercised as on 31.03.2024.

** represents options under 1 year grant / 3 year grant (year 1) not exercised as on 31.03.2024

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Exercise price and Contractual life for the share options outstanding at the end of the period

(in numbers)

Particulars	March 31, 2024 Grant 14	March 31, 2023 Grant 13	March 31, 2022 Grant 13
Exercise Price (₹)	10	10	10
Contractual life	27 Months	2 months to 14 months	2 months

Reconciliation of the share options outstanding as on 31.03.2023

The number and weighted-average exercise prices of share options under various grants are as follows:

(in numbers)

Grant details	Grant 14 – ESOP		Grant 13-ESOP	
Particulars	Weighted average exercise price per option	No. of options	Weighted average exercise price per option	No. of options
Outstanding at the beginning of the period	-	-	10	14,336
Granted during the period	10	17,586	-	-
Forfeited / expired during the period	-	-	-	-
Exercised during the period	-	-	10	7,478
Outstanding at the end of the period	10	17,586	10	6,858*
Exercisable at the end of the period	-	-	10	218**

(in numbers)

Grant details	Grant 13 - SAR		Grant 12 - SAR	
Particulars	Weighted average exercise price per option	No. of options	Weighted average exercise price per option	No. of options
Outstanding at the beginning of the period	-	-	10	2,384
Granted during the period	10	2,534	-	-
Forfeited / expired during the period	-	-	-	-
Exercised during the period	-	-	10	1425
Outstanding at the end of the period	10	2,534	10	959*
Exercisable at the end of the period	-	-	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Note 43: Leases

(₹ in crores)

Details	March 31, 2024		March 31, 2023	
	Gross Investment in Lease	Present value of Minimum Lease payments	Gross Investment in Lease	Present value of Minimum Lease payments
Upto 1 Year	35.25	25.75	18.31	13.60
1-5 Year	73.24	61.40	31.68	26.81
Total	108.49	87.15	49.99	40.41
Less: Unearned Finance income	21.34		9.58	
Present value of Minimum Lease payments	87.15		40.41	

Operating lease as lessor

Maturity pattern of Minimum Lease payments:

(₹ in crores)

Year	March 31, 2024	March 31, 2023
Less than 1 year	154.08	105.71
Later than 1 year and not later than 5 years	224.83	166.52
Total	378.91	272.23

Note 44: General

44.01 : Provisions Movement

Movement of provisions	Amount (₹ in crores)
Carrying amount as on 31.03.2023	19.31
Add: Provisions made during the year	2.70
Less: Amount used or reversed during the year	(3.60)
Carrying amount as on 31.03.2024	18.41

44.02 : Contingent Liabilities

(₹ in crores)

Contingent liabilities	31.03.2024	31.03.2023
a) On Cheques discounted	-	-
b) Bank guarantee and Letter of credit	3.61	8.73
c) Claims against the company not acknowledged as debts	7.20	24.95
d) Tax disputes	85.59	93.23
e) Retrospective bonus	0.34	0.34

Tax disputes in respect of Income Tax, Service Tax, VAT demands and are pending before various appellate forums/authorities and the cash flows would be determined only upon the receipt of decisions. The Company is of the opinion that the demands are not sustainable and expects to succeed in its appeal.

The contested tax demands have been ascertained on the basis of relief allowed by the appellate authorities, on similar issues in earlier assessment years.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

44.03 Segment Reporting

Business Segments	Asset Financing		Other Operations		Eliminations		Consolidated Total	
	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23
REVENUE								
Segment Revenue	6,445.57	4,981.12	821.55	494.73			7,267.12	5,475.85
Inter segment sales	(6.70)	(1.07)	386.47	176.03	379.77	174.96		-
Total Revenue	6,438.87	4,980.05	1,208.02	670.76	379.77	174.96	7,267.12	5,475.85
RESULT								
Segment Result	1,659.65	1,548.32	746.66	262.57	346.58	134.60	2,059.73	1,676.29
Unallocated income (net of expense)							(98.60)	34.68
Profit before tax							1,961.13	1,710.97
Less: Income tax							538.70	429.27
Net Profit (before adjustment for non controlling interest)							1,422.43	1,281.69
Add: Share of Profit in Associates/Joint control Entities							419.93	227.81
Less: Non controlling interest							406.34	181.75
Profit after Tax							1,436.02	1,327.76
OTHER INFORMATION	31.03.2024	31.03.2023	31.03.2024	31.03.2023	31.03.2024	31.03.2023	31.03.2024	31.03.2023
Segment Assets	61,068.43	50,008.31	3,512.91	6,386.78	1,441.27	1,588.68	63,140.07	54,806.41
Unallocated Assets							1,135.97	1,269.44
Total Assets							64,276.04	56,075.85
Segment Liabilities	53,041.88	43,251.74	157.21	212.62	1.27	36.94	53,197.82	43,427.42
Total Liabilities							53,197.82	43,427.42
Capital Expenditure	358.07	270.83	9.00	21.78		-	367.07	292.61
Depreciation	148.89	106.80	36.58	34.56	1.97	2.52	183.50	138.84
Non-cash expenses other than depreciation	69.61	198.05	0.00	3.95		-	69.61	202.00

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

44.04 Pending Litigations

The pending litigations as on 31st March 2024 have been compiled by the company and reviewed by the Statutory Auditors. The current position of the litigation has been evaluated and the effect thereof has been appropriately disclosed in the financial statements.

44.05 Estimated amount of contracts remaining to be executed on capital account

(₹ in crores)

Particulars	31.03.2024	31.03.2023
Estimated amount of contracts remaining to be executed on capital account (net of advance)	14.54	89.77
Uncalled commitment in Alternative Investment Fund Schemes	231.34	93.65

44.06 Registration of charges or satisfaction:

(₹ in crores)

Particulars	31.03.2024	31.03.2023
(a) Where any charges or satisfaction yet to be registered with ROC beyond the statutory period,	Nil	Nil
(b) Details and reasons thereof shall be disclosed	Nil	Nil

44.07 : Utilisation of Borrowed funds and Share Premium (Diversion of Funds):

No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Group to or in any other person(s) or entity(ies), including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend to or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

No funds have been received by the Group from any person(s) or entity(ies), including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Group shall, whether, directly or indirectly, lend to or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

44.08 Undisclosed income

There is no surrender or disclosure of income separately on account of search or survey under Income tax since all transactions are recorded in the books.

44.09 Crypto Currency or Virtual Currency

The Group has neither traded nor invested in Crypto currency or virtual currency during the year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

44.10 Administrative and other expenses “under Other Expenditure” include payment to Statutory Auditors towards:

(₹ in crores)

Particulars	2023-24	2022-23
Auditors' fees and expenses*	3.01	2.70
Statutory fees	2.05	1.93
Tax fees	0.35	0.29
Certification fees	0.56	0.39
Reimbursement of expenses	0.05	0.09

* Including GST provision

44.11 RELATED PARTIES DISCLOSURES:Related party disclosures, as per INDAS 24 for the year ended 31st March 2024, are given below:**RELATED PARTIES:****Associates of a Subsidiary Company: (till 26th March 2024)**

Sundaram Composite Structures Private Limited

The Dunes Oman LLC (FZC)

Axles India Ltd.

Turbo Energy Private Ltd.

Trans Energy Private Ltd.

Sundaram Dynacast Private Ltd.

Wheels India Limited

Mind S.r.l.

Brakes India Private Limited

India Motor Parts & Accessories Limited

Sundaram Hydraulics Ltd*

Joint Ventures :

Royal Sundaram General Insurance Co. Ltd.

Key Management Personnel:

Mr. Harsha Viji, Executive Vice Chairman

Mr. Rajiv C Lochan, Managing Director

Mr. A.N. Raju, Deputy Managing Director

Mr. Raghuttama Rao, Director

Mr. P N Venkatachalam, Director

Mr. S Mahalingam, Director

Mr. S Prasad, Director

Ms. Shobhana Ramachandhran, Director

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Mr. Ganesh Lakshminarayan, Director
 Ms. Bhavani Balasubramanian, Director
 Dr Kshama Fernandes, Director
 Mr. R Venkatraman, Director
 Mr.T T Srinivasaraghavan, Director
 Mr.Srivats Ram, Director

Relatives of Key Management Personnel: (with whom the company has transactions)

Mr. S.Viji
 Mrs. Chitra Viji
 Mr. Sriram Viji
 Mrs.Geetha Chellappa
 Mrs. R.N. Mala
 Mr. Atulya Prasad
 Mrs. Lavanya Pravin
 Mr.S. Vasudevan
 Mrs Meenakshi Ganesh

The Associated Auto Parts Private Limited

Enterprises over which Key Management Personnel (KMP) and his relatives can exercise significant influence:

M/s. Azorius Holdings Private Limited
 M/s. Uthirattadhi Sriram Holdings Private Ltd.

*Sundaram Hydraulics Ltd merged with Wheels India Limited in Sep 23

All the arrangements and transactions entered into by the company with related parties, for the Year ended 31.03.2024 were in ordinary course of business and on arm's length price.

Related Party Transactions for the Year ended 31st March 2024

The nature and volume of transactions for the Year ended 31st March 2024 with the above related parties are as follows:

(₹ in crores)

Particulars	Associates	Joint Ventures	2023-24	2022-23
INCOME				
Lease Rental Income	5.02	0.06	5.08	5.00
Interest Income	0.00		0.00	0.00
Income from Services	0.20	6.59	6.79	6.07
Dividend	129.85	15.72	145.56	97.22
Rent Receipts	0.81	0.78	1.58	1.38
Income from other Financial Services		24.09	24.09	15.98
Other Non Operating Income	0.01	0.07	0.08	0.34

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

(₹ in crores)

EXPENDITURE				
Interest	0.90	28.34	29.24	16.48
Insurance Premium		2.39	2.39	2.23
Professional Fees	0.81		0.81	0.71
ASSETS				
Purchase of Shares	23.40		23.40	23.88
Investment-Sale of AIF schemes	45.79	22.80	68.60	
Sale of Shares	13.17		13.17	
Capital Reduction	21.56		21.56	
Insurance Premium paid in advance		1.90	1.90	1.63
Loans and Advances Disbursed	0.29		0.29	0.30
Repayment of Loans and Advances	0.29		0.29	0.31
LIABILITIES				
Issue of Non Convertible Debentures	5.00	77.16	82.16	64.93
Redemption of Non Convertible Debentures				83.00
Deposits placed	4.00		4.00	6.00
Dividend Paid	8.49		8.49	6.44

(₹ in crores)

Compensation paid to Key Managerial Personnel	2023-24	2022-23
Short term benefits	17.95	15.80
Post retirement benefits	0.56	0.48
Share based payments	1.39	0.61

(₹ in crores)

Transactions with Key Managerial Personnel	2023-24	2022-23
Interest on deposits	6.41	0.92
Dividend Paid	15.26	11.57
Deposits Made	0.30	10.16
Dividend Paid to Enterprises over which KMP and his relatives is exercising significant influence	6.76	2.80

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Disclosure Of Material Transactions With Related Parties

(₹ in crores)

Particulars	Related Parties	2023-24	2022-23
INCOME			
Lease Rental Income	Brakes India Private Limited	3.22	3.38
	Wheels India Limited	1.02	1.02
	Turbo Energy Private Ltd.	0.73	0.42
	Axles India Limited	0.05	0.08
	Royal Sundaram General Insurance Co. Ltd.	0.06	0.09
Interest Income	Brakes India Private Limited	0.00	0.00
Income from Services	Royal Sundaram General Insurance Co. Ltd.	6.59	5.90
	Wheels India Limited	0.15	0.17
	Brakes India Private Limited	0.05	0.01
	Turbo Energy Private Ltd.	-	-
Dividend	Turbo Energy Private Ltd.	68.86	34.56
	Brakes India Private Limited	39.93	31.49
	Royal Sundaram General Insurance Co. Ltd.	15.72	13.47
	Wheels India Limited	2.28	6.37
	Axles India Limited	8.90	3.96
	Indian Motor Parts and Accessories Limited	5.99	5.39
	Sundaram Dynacast Private Limited	3.39	1.87
	Transenergy Private Limited	0.49	0.12
Rent Receipts	Royal Sundaram General Insurance Co. Ltd.	0.78	0.71
	Turbo Energy Private Ltd.	0.42	0.38
	Brakes India Private Limited	0.38	0.29
Income from other Financial Services	Royal Sundaram General Insurance Co. Ltd.	24.09	15.98
Other Non Operating Income	Royal Sundaram General Insurance Co. Ltd.	0.07	0.34
	India Motor Parts and Accessories Limited	0.01	0.00

Disclosure Of Material Transactions With Related Parties

(₹ in crores)

Particulars	Related Parties	2023-2024	2022-2023
EXPENDITURE			
Interest	Royal Sundaram General Insurance Co. Ltd.	28.34	16.28
	Sundaram Dynacast Private Ltd	0.59	0.20
	Turbo Energy Private Ltd.	0.31	-
Professional Fees	Brakes India Private Limited	0.81	0.71
Insurance Premium	Royal Sundaram General Insurance Co. Ltd.	2.39	2.23

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

(₹ in crores)

Particulars	Related Parties	2023-24	2022-23
ASSETS			
Purchase of Shares	Indian Motor Parts and Accessories Limited		7.50
	Wheels India Limited		8.30
	Transenergy Private Limited		8.09
	Sundaram Composite Structures Private Limited	23.40	
Investment-Sale of AIF schemes	Indian Motor Parts and Accessories Limited	20.34	
	Turbo Energy Private Limited	10.17	
	Brakes India Private Limited	15.28	
	Royal Sundaram General Insurance Co. Ltd.	22.80	
Sale of Shares	Mind S.r.l.	8.45	
	Sundaram Composite Structures Private Limited	4.72	
Loans and Advances Disbursed	Brakes India Private Limited	0.29	0.30
Repayment of Loans and Advances	Brakes India Private Limited	0.29	0.31
Capital Reduction	Dunes Oman LLC	21.56	
Insurance Pemium paid in advance	Royal Sundaram General Insurance Co. Ltd.	1.90	1.63
LIABILITIES			
Issue of Non Convertible Debentures	Royal Sundaram General Insurance Co. Ltd.	77.16	64.93
	Turbo Energy Private Limited	5.00	
Redemption of Non Convertible Debentures	Royal Sundaram General Insurance Co. Ltd.		83.00
Deposits placed	Sundaram Dynacast Pvt Ltd	4.00	6.00

(₹ in crores)

Dividend Paid Details	2023-24	2022-23
Turbo Energy Private Limited	0.08	0.06
India Motor Parts and Accessories Limited	8.41	6.38

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Balances With Related Parties as at 31st March 2023

(₹ in crores)

BALANCES OUTSTANDING	Joint Ventures	Key Management Personnel	Relatives of Key Management Personnel	Enterprises over which KMP and his relatives is exercising significant influence	31.03.2024	31.03.2023
ASSETS						
Investments	585.66				585.66	2,758.53
Loans and Advances						0.02
Other Assets	9.72				9.72	9.32
LIABILITIES						
Equity Holdings		1.86	3.40	2.33	7.59	10.52
Non Convertible Debentures	399.70				399.70	263.97
Deposits		8.47	48.40		56.87	21.82
Other Liabilities	0.46				0.46	0.46
Remuneration payable		10.08			10.08	9.25

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Balances With Related Parties as at 31st March 2024

(₹ in crores)

Balances Outstanding	Associates	Joint Venture	31.03.2024	31.03.2023
ASSETS				
Investments in Equity Shares				
Royal Sundaram General Insurance Co. Ltd		585.66	585.66	585.34
Flometallic India Private Limited				-
The Dunes Oman LLC (FZC)				109.18
Sundaram Hydraulics Limited				-
Axles India Limited				82.12
Turbo Energy Private Limited				569.82
Transenergy Limited				16.82
Sundaram Dynacast Private Limited				19.62
Wheels India Limited				282.05
Sundaram Composite Structures Private Ltd				16.57
-Mind S.r.l Italy				22.21
Brakes India Private Limited				840.29
India Motor Parts & Accessories Limited				214.51
Total		585.66	585.66	2,758.53

* Associates of a Subsidiary Company: Till 26th March 2024

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)
Disclosure Of Material Balances With Related Parties as at 31st March 2024

(₹ in crores)

Balances Outstanding	Associates	Joint Ventures	Key Management Personnel	Relatives of Key Management Personnel	Enterprises over which KMP and his relatives is exercising significant influence	31.03.2024	31.03.2023
Other Assets							
Royal Sundaram General Insurance Co. Ltd.		9.72				9.72	9.26
Turbo Energy Private Ltd.							0.04
Wheels India Limited							0.02
Indian Motor Parts and Accessories Limited							0.00
Total		9.72				9.72	9.32
Hypothecation Loans							
Brakes India Private Limited							0.02
LIABILITIES							
Equity Holdings			1.86	3.40	2.33	7.59	10.52
Non Convertible Debentures							
Royal Sundaram General Insurance Co. Ltd.		399.70				399.70	263.97
Deposits			8.47	48.40		56.87	21.82
Other Liabilities							
Royal Sundaram General Insurance Co. Ltd.		0.46				0.46	0.46
Remuneration payable			10.08			10.08	9.25
Total		0.46	10.08			10.54	9.71

₹ 0.00 represents amount less than ₹50000

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

44.12 Additional information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary/Joint Control Entities

(₹ in Crores)

Name of the entity	Net Assets, i.e., Total assets minus total liabilities (Consolidated)		Share in Consolidated profit or loss		Share in the consolidated Other Comprehensive Income		Share in Consolidated Total Comprehensive Income							
	31.03.2024	31.03.2023	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23						
	As % of net assets	Amount	As % of profit or loss	Amount	As % of OCI	Amount	As % of TCI	Amount						
Sundaram Finance Limited	74.97	9,471.69	60.05	1,454.01	65.91	1,088.31	43.62	596.95	(0.87)	(2.39)	54.12	2,050.96	56.43	1,085.92
Subsidiaries:														
Sundaram Finance Holdings Ltd. (Consolidated)	-	-	5.15	124.77	3.38	55.80	12.57	172.01	28.49	77.86	7.83	296.78	6.95	133.66
Sundaram Asset Management Company Ltd. (Consolidated)	3.41	431.12	4.62	111.91	5.17	85.30	0.76	10.36	1.69	4.62	3.23	122.27	4.67	89.92
Sundaram Home Finance Ltd	14.88	1,880.26	9.74	235.83	13.05	215.41	(0.12)	(1.65)	0.03	0.09	6.18	234.18	11.20	215.50
Sundaram Fund Services Ltd	0.01	1.10	0.01	0.28	(0.01)	(0.20)	(0.00)	(0.02)	0.01	0.01	0.01	0.26	(0.01)	(0.18)
Sundaram Trustee Company Ltd.	0.03	3.90	0.07	1.60	0.08	1.26	-	-	-	-	0.04	1.60	0.07	1.26
IGF Services Ltd	0.03	3.52	0.00	0.11	0.00	0.03	-	-	-	-	0.00	0.11	0.00	0.03
Sundaram Finance Employee Welfare Trust	0.17	21.93	0.09	2.07	0.11	1.74	-	-	-	-	0.05	2.07	0.09	1.74
Non Controlling Interests in Subsidiaries	-	-	16.78	406.34	11.01	181.75	40.94	560.20	92.78	253.58	25.50	966.54	22.62	435.33
Joint Control Entities														
Royal Sundaram General Insurance Co. Ltd	6.50	820.81	3.49	84.45	1.32	21.77	2.23	30.54	(22.12)	(60.45)	3.03	114.99	(2.01)	(38.69)
	100.00	12,634.33	100.00	2,421.38	100.00	1,651.19	100.00	1,368.40	100.00	273.33	100.00	3,789.76	100.00	1,924.50
Adjustment arising out of Consolidation		(1,556.11)		(579.02)		(141.67)		-		-		(579.00)		(141.66)
		11,078.22		1,842.36		1,509.51		1,368.40		273.33		3,210.76		1,782.84

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

44.13 Disclosure under the MSME Act, 2006

(₹ in crores)

Particulars	31.03.2024	31.03.2023
ia) Principal amount remaining unpaid*	4.04	2.58
ib) Interest amount remaining unpaid	NIL	NIL
ii) Interest and principal amount paid beyond appointed date	NIL	NIL
iii) Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointment day during the year) but without adding the interest specified under this Act.	NIL	NIL
iv) Interest accrued and remaining unpaid		

* Subsequently liability is discharged

44.14 Based on the current assessment of the long-term contracts in the ordinary course of business, the Company has made adequate provision for losses where required. The derivative contracts have been entered into for hedging the foreign currency liability and interest liability. Derivative contracts being in the nature of hedge contracts, the Company does not anticipate any material losses from the same.

44.15 The Board of Directors have recommended a final dividend of ₹16/- per share (160%) for the year ended 31st March 2024 in May 2024. This together with interim dividend of ₹14/- per share (140%) paid would aggregate to a total dividend of ₹30/- per share (300%).

42.16 Earnings per Share

Particulars	Year Ended 31.03.2024	Year Ended 31.03.2023
Profit/(Loss) attributable to equity shareholders (₹ in crores)	1,436.02	1,327.76
Weighted average number of equity shares	11,02,06,613	11,01,97,353
Earnings per share – Basic & Diluted (in ₹)	130.31	120.49
Face value of Share	10	10

44.17 Previous year's figures have been regrouped wherever necessary to conform to current year's classification.

As per our report of even date attached

For **B. K. Khare & Co**
Chartered Accountants
Firm Registration No. 105102W
Shirish Rahalkar
Partner
Membership No. 111212
Place : Mumbai
For **N. C. Rajagopal & Co**
Chartered Accountants
Firm Registration No. 003398S
V Chandrasekaran
Partner
Membership No. 024844
Place : Chennai
Date : May 24, 2024

S. Viji
Chairman

Rajiv C. Lochan
Managing Director

Harsha Viji
Executive Vice Chairman

A.N. Raju
Deputy Managing Director

Bhavani Balasubramanian
Director

M. Ramaswamy
Chief Financial Officer

P.N. Srikant
CCO & Company Secretary

FORM AOC-I

(Pursuant to first provision to sub-section (3) of section 129 of the Companies Act, 2013, read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of Subsidiaries/Associate companies/Joint Ventures

Part "A": Subsidiaries

1	Sl. No.	1	2	3	4	5	6
2	Name of the subsidiary	Sundaram Asset Management Company Limited and it's subsidiaries	Sundaram Finance Holdings Limited and it's subsidiaries ***	Sundaram Trustee Company Limited	LGF Services Limited	Sundaram Home Finance Ltd	Sundaram Fund Services Ltd
3	Date since when the Subsidiary was acquired	26-02-1996	13-10-1993	02-12-2003	23-01-2004	02-07-1999	27-06-2008
4	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	NA	NA	NA	NA	NA	NA
5	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	NA	NA	NA	NA	NA	NA
6	Share capital	96.25	111.05	0.05	0.25	101.25	45.00
7	Other Equity	334.87	4,681.88	3.87	3.27	1,779.01	(43.91)
8	Total assets	605.75	4,947.83	4.28	3.55	13,406.01	1.82
9	Total Liabilities	174.63	154.90	0.36	0.03	11,525.75	0.72
10	Investments	176.57	4,708.05	3.73	2.21	331.22	1.11
11	Turnover	456.95	297.17	2.81	0.19	1,411.75	1.29
12	Profit/(Loss) before taxation	147.24	244.65	2.14	0.15	308.21	0.26
13	Tax Expense	35.32	52.50	0.54	0.04	72.38	(0.02)
14	Profit/(Loss) after taxation*	111.91	533.14	1.60	0.11	235.83	0.28
15	Other Comprehensive Income	10.36	730.78	-	-	(1.65)	(0.02)
16	Total Comprehensive Income	122.27	1,263.92	1.60	0.11	234.18	0.26
17	Proposed Dividend	-	25.20	1.60	0.10	0.58	-
18	% of shareholding	100.00%	19.90%	100.00%	100.00%	100.00%	100.00%

Subsidiaries yet to commence operations : NIL

***During the year, the Company transferred 79,73,529 equity shares of ₹5/- each held in Sundaram Finance Holdings Limited (SFHL), representing 3.59% stake. SFHL has ceased to be a subsidiary of the company. The Company has decided to recognise this investment at Fair Value through Other Comprehensive Income as per IND AS 109.

* Includes Share of profit from Associates - ₹341 Crores

Part “B”: Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

(₹ in crores)

Name of Associates/Joint Ventures		Royal Sundaram General Insurance Company Ltd
1.	Latest audited Balance Sheet Date	31-03-2024
2.	Date on which the associate/JV was acquired	22-08-2000
3.	Shares of Associate/Joint Venture held by the company on the year end	
	Number	22,45,00,000
	Amount of Investment in Joint Venture	585.66
	Extent of Holding %	50.00%
4.	Description of how there is significant influence	Joint Venture
5.	Reason why the Associate/Joint Venture is not consolidated	NA
6.	Networth attributable to Shareholding as per latest audited Balance Sheet	820.82
7.	Total Comprehensive Income for the year	
	i. Considered in Consolidation	114.99
	ii. Not Considered in Consolidation	114.99

Associates/Joint ventures yet to commence operations : NIL

Associates/Joint ventures liquidated or sold during the period : NIL

S. Viji
Chairman

Harsha Viji
Executive Vice Chairman

Bhavani Balasubramanian
Director

Rajiv C. Lochan
Managing Director

A.N. Raju
Deputy Managing Director

M. Ramaswamy
Chief Financial Officer

Date : May 24, 2024
Place : Chennai

P.N. Srikant
CCO & Company Secretary

Sundaram Finance Branch Network – 710 Branches

