Sundaram Finance Limited

69th Annual Report

2021-22



SUNDARAM FINANCE

Enduring values. New age thinking.



SUNDARAM FINANCE

Enduring values. New age thinking.

Board of Directors	S. Viji	Chairman
	P.N. Venkatachalam	
	S. Mahalingam	
	S. Prasad	
	L. Ganesh	
	Shobhana Ramachandhran	
	R. Raghuttama Rao	
	T.T. Srinivasaraghavan	
	Srivats Ram	
	Harsha Viji	Executive Vice Chairman
	Rajiv C. Lochan	Managing Director
	A.N. Raju	Deputy Managing Director
Audit Committee	S. Prasad	Chairman
	R. Raghuttama Rao	
	Shobhana Ramachandhran	
Stakeholders Relationship Committee	S. Prasad	Chairman
	Rajiv C. Lochan	
	A.N. Raju	
Nomination, Compensation & Remuneration Committee	P.N. Venkatachalam	Chairman
	S. Prasad	
	S. Viji	
Corporate Social Responsibility Committee	Shobhana Ramachandhran	Chairperson
	T.T. Srinivasaraghavan	
	Harsha Viji	
	Rajiv C. Lochan	
	A.N. Raju	
Risk Management Committee	Rajiv C. Lochan	Chairman
	R. Raghuttama Rao	
	A.N. Raju	
	M. Ramaswamy	
Asset Liability Management Committee	Harsha Viji	Chairman
	Rajiv C. Lochan	
	A.N. Raju	
	M. Ramaswamy	
	Lakshminarayanan Duraiswamy	
Information Technology Strategy Committee	S. Mahalingam	Chairman
	P.N. Venkatachalam	
	Harsha Viji	
	Rajiv C. Lochan	
	A.N. Raju	
	Sudheer Warrier	
Chief Financial Officer	M. Ramaswamy	
Secretary & Compliance Officer	P. Viswanathan (upto 31.05.2022)	
	P.N. Srikant (w.e.f. 01.06.2022)	
Chief Risk Officer	N. Raman	
Registered Office	21, Patullos Road, Chennai - 600 002 Tel: 044 2852 1181, Fax: 044 2858 6641 Email: investorservices@sundaramfinance.in Website: www.sundaramfinance.in	
CIN	L65191TN1954PLC002429	
Joint Auditors	B.K. Khare & Co. 706 / 708, Sharda Chambers, New Marine Lines, Mumbai 400020	N C Rajagopal & Co. No.22, V. Krishnaswamy Avenue Luz Church Road, Mylapore, Chennai 600004
Information Security Assurance Services	M/s. C.V. Ramaswamy & Co Office No. 1, Vidwan Sundaram Street, Nungambakkam, Chennai 600 034	

Management Team

Annapoorna R	Senior General Manager - CCPD
Balachander Gopinath	Senior General Manager & Head - East
Balasubramanian S	Vice President & Head - Andhra Region
Ganesan A K	Senior General Manager & Head - Karnataka
Kulkarni M J	National Head - MH & CE
Manoj Arvindakshan Nair	Senior General Manager & Head - Strategy & Planning
Moahan Ananda Venkatesan	Senior Vice President & Head - Tamil Nadu
Mugunda Krishnan R	Senior General Manager - Sundaram Infotech Solutions
Rajesh Venkat	Vice President & Head - Western Region
Ramachandran N	National Head - Auto & Head - North
Ravindran D	Senior Vice President - Sundaram Infotech Solutions
Sankar Thiagarajan	Head - Farm Equipment Finance
Sankarakumar K	Senior Vice President & Head - Distribution
Sekar R	Head - Human Resources
Sri Raman N	Senior General Manager - Operations
Sridhar P S	Vice President - Treasury
Sridharan R	Senior General Manager & Head - Indirect Taxation
Sudheer Warrier	Chief Technology & Digital Officer
Venkatesan H	Vice President & Head - CCPD

Dhandayuthapani S	General Manager - Operations
Harikrishnan R	General Manager & Deputy Head - Tamil Nadu
Jeevan Jose P	Zonal Head - Coimbatore & Ooty
Kumar S	Deputy General Manager & Head - Administration
Murali C	General Manager - CCPD
Muthukrishnan N	Head - Emerging Financial Institutions
Narayanan K	General Manager & Head - Corporate Finance & SME
Narayanan N	General Manager & Head - Legal
Padmini Ramesh	General Manager - Accounts
Prasana B	Head - Analytics & Data Science
Rahul Jyothi Kumaran	General Manager & Deputy Head - Distribution
Raja Sugirtha R	General Manager - Sundaram Infotech Solutions
Rajmohan Vasudeva Pai	Chief Credit Officer
Ramani T E	Head - Deposits
Ramaswami V	Deputy Region Head - Western Region
Salin Nair	General Manager & Head - Kerala Region
Sandhya Kumar	Assistant General Manager & Head - Corporate Communications
Satish Venkatraman	General Manager - Sundaram Infotech Solutions
Sunil S Narayanan	General Manager & Head - Madhya Pradesh Region
Tom Thomas	General Manager & Head - Rajasthan Region
Vaasen V	Head - Internal Audit
Venkataraman R	General Manager & Head - Gujarat
Venkatesh K V	General Manager - Taxation
Viswanathan N C	National Head - Diesel Finance

Subsidiaries

Sundaram Home Finance Limited

Sundaram Asset Management Company Limited

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

Principal Trustee Company Private Limited

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

Sundaram Asset Management Singapore Pte. Limited

Sundaram Trustee Company Limited

Sundaram Alternate Assets Limited

Sundaram Fund Services Limited

LGF Services Limited

Bankers

State Bank of India

HDFC Bank Limited

ICICI Bank Limited

HSBC Limited

Bank of Baroda

Axis Bank Limited

Federal Bank 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 ₹ 75.8071*
₹One Billion	=	₹100 Crores or ₹10,000 Lakhs	*RBI Reference Rate as on 31.03.2022

Contents

Board's Report	5
Corporate Governance Report	23
Report on CSR Activities	44
Business Responsibility Report	50
Secretarial Audit Reports	56
Disclosure on Directors / KMP Remuneration (Rule 5)	61
Disclosure on Stock Options	64
Financial Highlights	66
Independent Auditors' Report	67
Balance Sheet	80
Statement of Profit and Loss	81
Cash Flow Statement	84
Notes to the Accounts	86

Consolidated Financial Statements

Independent Auditors' Report	164
Balance Sheet	174
Statement of Profit and Loss	175
Cash Flow Statement	179
Notes to the Accounts	181
Statement in Form AOC1 relating to Subsidiaries / Associates / Joint Ventures	242



SUNDARAM FINANCE

Enduring values. New age thinking.

A member of the



International Finance & Leasing Association

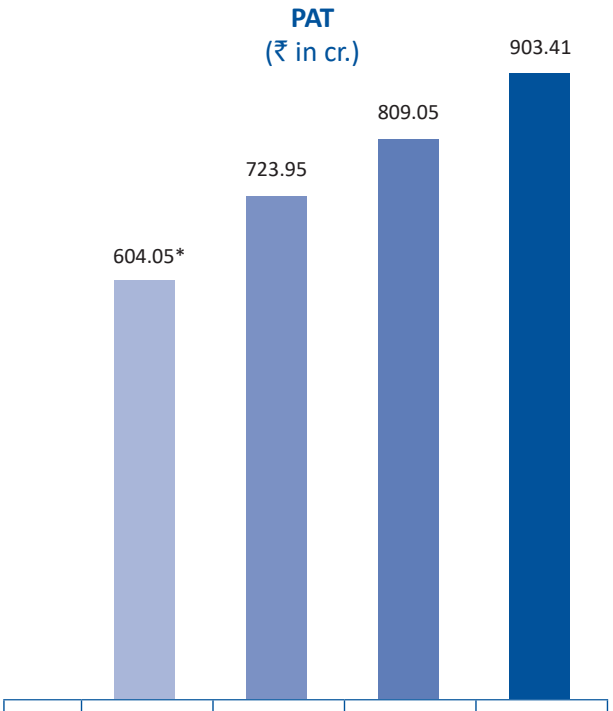
Board's Report

Your directors have pleasure in presenting the 69th Annual Report together with audited accounts for the year ended 31st March 2022. The summarised financial results of the Company are presented hereunder:

FINANCIAL RESULTS: STANDALONE

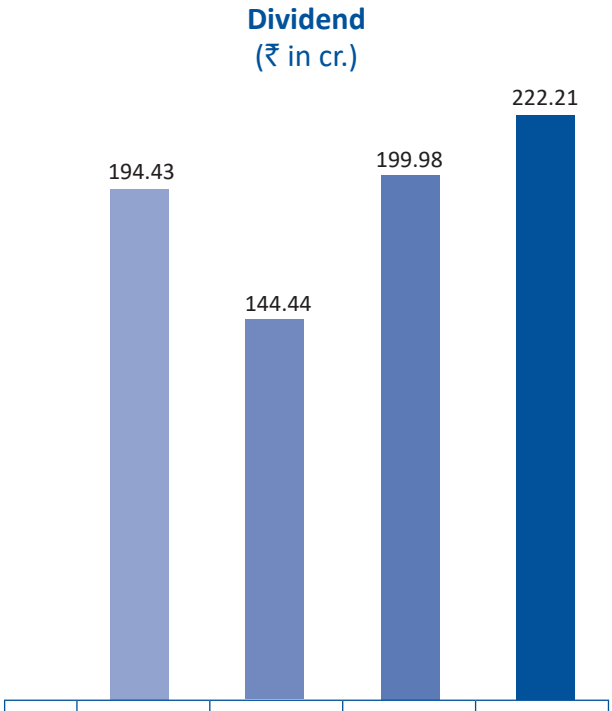
(₹ in crores)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Revenue from Operations	3,870.03	3,953.74
Other Income	20.43	60.46
Total Revenue	**3,890.46**	**4,014.20**
Less: Total Expenses	**2,713.56**	**2,957.90**
Profit before exceptional items and tax	1,176.90	1,056.29
Add: Exceptional item	NIL	NIL
Profit before tax	**1,176.90**	**1,056.30**
Profit after Tax	**903.41**	**809.05**
Other Comprehensive Income	(14.26)	(4.83)
Total Comprehensive Income for the Year	**889.15**	**804.22**
Dividend		
- Final 2019-20	–	33.33
- Interim 2020-21	–	133.32
- Final 2020-21	66.66	–
- Interim 2021-22	111.10	–



FY	2018-19	2019-20	2020-21	2021-22
EPS (₹)	54.37	65.16	72.82	81.31

* excludes Exceptional Profit ₹522.26 cr.



FY	2018-19	2019-20	2020-21	2021-22
%	175*	130	180	200

* includes Special Dividend - 50%

DIVIDEND

Your Company paid an interim dividend of ₹10/- per share in February 2022. Your Directors are pleased to recommend a final dividend of ₹10/- per share, which, together with the interim dividend, would aggregate to a total dividend of ₹20/- per share (200% on the face value of ₹10/-), representing a dividend pay-out of 24.60%

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

CORPORATE GOVERNANCE

Your company has always focused on ensuring the highest standards for prudence, ethics and transparency in corporate governance over decades. The Board of Directors serve as stewards of the performance and health of your Company. The Board's mandate is to oversee your Company's strategic direction, monitor company & Group 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 experience has been brought to bear to guide the Company through various challenges, including the recent pandemic-related complications. The Directors' deep industry knowledge, functional specialization and decades of experience has helped your Company handle complex issues related to macroeconomic uncertainty, regulatory

changes, technological & digital developments, market volatility & risk management and information security & cybersecurity threats.

The Corporate Governance Report of the Company provides information about the corporate philosophy, details of the Directors and their other directorships, number of Board Meetings and Committee Meetings held during FY 2021-22, 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 balanced approach to growth, 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 II.

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

RELATED PARTY TRANSACTIONS

All transactions 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 III (i). The Company's policy on Related Party Transactions is attached as part of this report, vide Annexure III (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 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, environment and preservation of the country's rich culture and heritage. The Highlights of the CSR activities are

1. Average Net Profit as per S.135(5): ₹906,27.54 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 FY 2021-22	18,12.55
Less: Set off from FY 2020-21	6.51
Net CSR Obligation for FY 2021-22	18,06.04
CSR spent during FY 2021-22	20,37.41

3. Amount spent on administrative overheads: ₹91.00 lakhs
4. Amount spent in excess of the requirement: ₹231.37 lakhs

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

BUSINESS RESPONSIBILITY REPORT

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

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

The Company has in place a Policy for prevention of Sexual Harassment, in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. An Internal Complaints Committee (ICC) has been set up to redress complaints. All employees (permanent, contractual, temporary, trainees) are covered under this policy. No complaints were received during the financial year nor were any pending unresolved as on 31st March 2022.

SECRETARIAL AUDIT

In terms of Section 204 of the Companies Act, 2013 and the rules thereunder, the Company has appointed M/s Damodaran & Associates, Practising Company Secretaries, as the Secretarial Auditor of the Company. The Secretarial Audit Report as provided by them is annexed to this Report, vide Annexure VI.

REMUNERATION TO DIRECTORS / KEY MANAGEMENT PERSONNEL

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

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, 17,586 stock options and 2,534 Stock Appreciation Rights to select eligible employees, on 25th May 2022. The disclosure required under SEBI (Share Based Employee Benefits) Regulations, 2014 is furnished, vide Annexure VIII.

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 copy of the Annual Return in E-form MGT-7 is https://sundaramfinance.in/downloads#annualreports .

DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS

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

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

Your Company has no activity relating to conservation of energy or technology absorption. During 2021-22, expenditure in foreign currencies amounted to ₹18.81 cr. Foreign currency earnings amounted to ₹1.65 cr.

MANAGEMENT DISCUSSION AND ANALYSIS

Global Economy

The financial year 2021-22 (FY22) started with the brutal Wave 2 of the Covid-19 pandemic in the first quarter of the financial year. It closed with optimism of a post Covid-19 pandemic recovery but witnessed the invasion of Ukraine by

Russia in February 2022. The conflict has triggered economic sanctions on Russia which has, in turn, escalated into a costly humanitarian crisis. At the same time, economic damage from the conflict has contributed to a significant slowdown in global growth in 2022 and added to inflation. Fuel and food prices have increased rapidly, hitting vulnerable populations in low-income countries hardest.

Global growth is projected to slow from an estimated 6.1 percent in 2021 to 3.6 percent in 2022 and 2023. The IMF states that beyond 2023, global growth is forecasted to decline to about 3.3 percent over the medium term.

Volatility has risen sharply in both equity and debt markets following the Russian invasion of Ukraine, reflecting heightened uncertainty on the economic and policy outlook. On the interest rate front, market-implied volatility has remained elevated, reflecting uncertainties about the policy normalization process in advanced economies.

Conditions have also tightened for many emerging market economies, reflecting higher interest rates to combat inflation, lower equity valuations, and higher external borrowing costs. By contrast, conditions have eased in China, as policymakers have provided additional policy support to offset an economic slowdown, partly stemming from continued strains among property developers.

Global firms have been hit by the rise in energy and raw material prices. In addition, supply chain challenges that have emerged during the pandemic have been exacerbated by the uncertainties and reductions in export quantities of agricultural commodities, energy, metals, and technology inputs affecting a variety of industries.

Emerging and developing economies that are net importers of energy and food will be hit the hardest by surging international prices. Many of these countries already experienced scarring from the pandemic and have little fiscal space to tackle new spending pressures. Governments are focused on those most affected by the crisis and priority areas. Ensuring greater resilience through investment in health, food, and energy security from cleaner sources has become even more urgent. Global cooperation to achieve these objectives is more important now than ever.

Indian Economy

While businesses across various parts of the country are resuming their operations gradually, they are still facing challenges due to the change in the macro-economic environment caused by pandemic, the 2nd wave of which dealt a blow to the health and wealth of the economy. The 3rd wave of the pandemic, which occurred in the later part of the year, thankfully had much less detrimental impact on the economy than the earlier ones. The last two quarters of FY 22 witnessed gradual pick-up in activity and most of the macro parameters such as n consumption, investment activity, capacity utilisation, etc. saw improvements. Domestic economic activity stabilised in March-April with the ebbing of the third wave of COVID-19 and the easing of restrictions. Urban demand appears to have maintained expansion, but some weakness persists in rural demand. Investment activity seems poised to gain traction. This was partly due to the support extended by the Centre which announced package of measures for around ₹ 6.3 trillion including extension of ECLGS programme, expansion of PLI scheme, a DISCOM reform package and outlays for health sector.

The Indian Rupee made an all-time-low and extended its fall towards 77.62 as strength in the US dollar index dented demand for the riskier assets. On the emerging market front,

the faster US rate hike, huge FII outflow, higher commodity prices, and overshooting inflation have urged central bankers to go for a rate hike and compromise their growth. RBI raised its policy rate by 40 basis points (Repo Rate 4.40%) in an out-of-turn monetary policy meeting in May, while continuing to maintain an accommodative stance. In view of the expected continued inflationary pressures, markets seem to expect further rate hikes taking the Repo levels, even to above pre-Covid levels.

Centre's fiscal deficit at the end of February stood at 82.7% of the full-year budget target, mainly on account of higher expenditure. The government expects the fiscal deficit for FY 22 to be at around 6.8% as estimated in the beginning of the year. This was possible thanks to significant increase in tax collections, especially direct tax.

Inflation based on consumer price index has risen consistently for past 7 months, reaching 8-year high of 7.8% in April 2022. Even though the International Monetary Fund (IMF) has reduced India's GDP forecast to 8.2%, from the earlier projected figure of 9%, the estimate is far better than its estimates for other major economies like the US, China, and Japan.

AUTOMOTIVE SECTOR

Overall, automotive sales witnessed a de-growth of six percent (i.e., -6%) in the financial year 2021-22. All segments were facing supply side challenges and the industry is yet to see complete recovery after the disruptions they faced since the early 2020. There was a steep increase in commodity cost by 90%, aggravated further by Russia - Ukraine war. Passenger vehicle exports were at 5.78 lakhs units during the financial year 2021-22 when compared to 4.04 lakh units in FY 2020-21; providing fillip to the manufacturers. That said, exports are down by 13% when compared with pre-Covid levels.

During the year, the sale of commercial vehicles as well as passenger vehicles got impacted in Q1 FY22 by the second wave of the pandemic, when most dealerships were closed, and RTO operations were impacted. Nevertheless, some sequential recovery was reported by September 2021 with volumes improving gradually. The Indian commercial vehicle industry registered a minor growth of 1% on a YoY basis in wholesale dispatches aided by the low base of the previous year, which still had lingering effects of the pandemic. The automotive sector showed an all-time low during March 2022 in domestic sales of passenger vehicles. CV industry volumes are on recovery track as a result of gradual improvement in the macroeconomic environment and healthy demand from the end user industries.

OPERATING & FINANCIAL PERFORMANCE

Your Company's disbursements at ₹13,275 cr. (PY ₹11,742 cr.) were up by 13.05% during the year under review, reflecting the improved market conditions in the automotive sector and focused efforts of the company. Disbursements against Commercial Vehicles, Passenger cars and utility vehicles recorded stronger growth though in unit terms the growth was less than the growth in the industry. Gross receivables managed by your Company as of March 31, 2022, stood at ₹33,774 cr., as against ₹35,736 cr., showing a drop over

the previous year. Your Company's tight rein on operating costs and its ability to raise resources at competitive rates enabled it to maintain its margins at a reasonably healthy level.

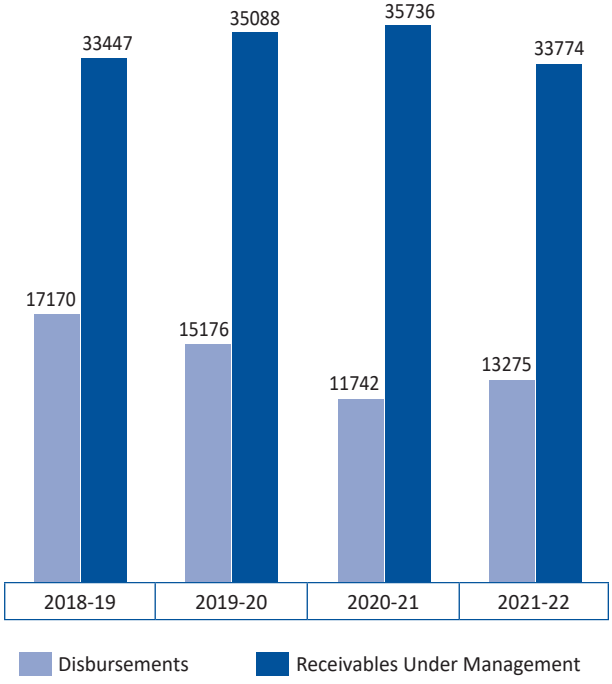
While the economic slowdown increased the cashflow strains faced by the customers, the clarification on the recognition and upgradation of the NPA's for NBFC's (circular dated 12th November 2021) by RBI increased your Company's delinquencies during the year. However, your Company's superior credit standards, strong customer relationships and systematic collection efforts ensured best-in-class performance on asset quality. Stage III assets, Gross and Net of ECL provisions, stood at 2.19% (PY 1.84% & December 2021 3.39%) and 1.07% (PY 1.01% and December 2021 2.09%) respectively, as at 31st March, 2022.

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

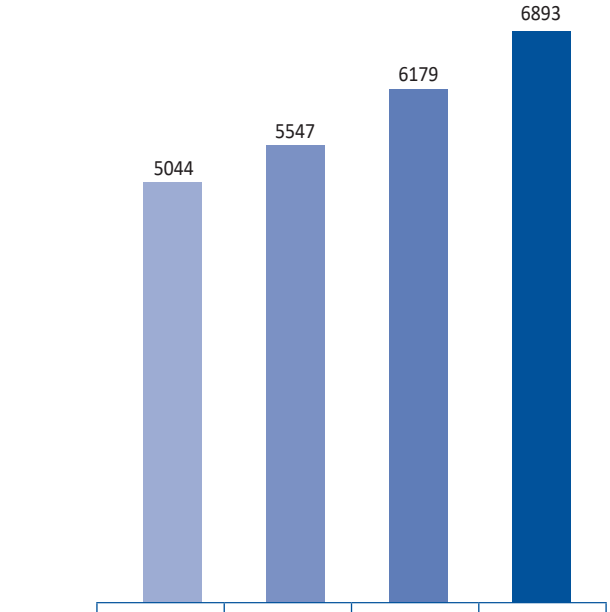
Your Company registered a net profit of ₹ 903 cr. compared to ₹ 809 cr. in the previous year, a growth of 11.66%. Your Company's net worth stood at ₹6,893 cr., as on 31.3.2022. Capital adequacy (CRAR) at 24.37% was comfortably higher than the statutory requirement of 15%.

There are no significant changes in key financial ratios of the Company for F.Y. 2021-22 as compared to F.Y. 2020-21.

Disbursement and Receivables Under Management
(₹ in cr.)



Own Funds
(₹ in cr.)



	March 2019	March 2020	March 2021	March 2022
Book Value (₹)	453.96	499.30	556.19	620.41

RESOURCE MOBILISATION

a) Deposits

During the year, your Company mobilised fresh deposits aggregating to ₹574.14 cr. Renewal of deposits during the year amounted to ₹1,519.25 cr. representing 79% of the matured deposits of ₹1,940.27 cr. Deposits outstanding at the year-end were at ₹4,103.19 cr. as against ₹4,020.99 cr. in the previous year. The net accretion for the financial year was ₹82.20 cr. As at 31st March 2022, 4,184 TDRs amounting to ₹47.81 cr. had matured for payment and were due to be claimed or renewed. After close follow-up, these figures are currently 2,911 and ₹28.05 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. Investor Relation Services – Deposits continue to enjoy the ISO 9001:2015 Certification from Bureau Veritas (India) Private Limited.

In our continued digital journey, through our Online customer portal/Mobile App, our Depositors can place Additional Deposits, renew their TDRs, initiate payment requests, furnish Form 15G/H, initiate Change in Address and Bank Details.

b) Term Funding

During the year, your Company raised term funding from Banks, Mutual funds, Insurance companies and others in the form of non-convertible debentures and term loans to the tune of ₹6,215 cr., across varying tenors.

c) Bank Finance

As part of the overall funding plan, your Company's working capital limits with consortium banks were retained at ₹3,000 cr. During the year, your Company also issued several tranches of commercial paper aggregating to ₹3,950 cr. The maximum amount of outstanding commercial papers at any time was ₹3,725 cr. and the amount outstanding at the end of the year was ₹1,000 cr.

d) Assets Securitised / Assigned

During the year, your Company raised resources to the extent of ₹2,048 cr. through securitisation and assignment of receivables.

CREDIT RATINGS

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

OUTLOOK

The financial year 2022-23 has gotten off to a mixed start. The third wave of the Covid pandemic has been contained due, in large part, to the successful vaccination drive and the improved immunity levels within the population. The risk of a fourth wave remains but confidence and optimism seem to have been re-established among the general population. However, a confluence of global and domestic factors creates macroeconomic uncertainty for the year.

Globally, five factors – i) the escalation of geopolitical tensions in general and the Russia-Ukraine conflict in particular, ii) hardening of global commodity prices, iii) disruptions to the global supply chains due to Covid-related shutdowns in China, iv) dislocations in trade and capital flows, and, v) varying monetary policy actions around the globe and

associated uncertainty – are impacting economic growth and price stability.

Domestically, consumer demand & private investment remain tepid softening the momentum of the recovery in economic growth. Sustained investment by the government in infrastructure as well as the forecast of another normal monsoon are positives for economic activity. Simultaneously, food and oil price inflation driven by global forces have reached multi-year highs warranting monetary policy actions despite inflation being driven by insufficient supply and not overstimulated demand. In line with global trends, FY23 could be marked with stagflation as a plausible scenario for India – the RBI's GDP growth forecast for the year indicates an exit to FY23 of 4.0% growth in Q4.

Competitive intensity in the financial services space is likely to remain high as banks expand their franchise and new age fintech players attempt to disrupt the space with differentiated offerings and the promise of enhanced customer experience. On the regulatory front, FY23 will mark the transition to scale-based regulatory framework for NBFCs that the RBI has already announced, and it is expected that the harmonisation of regulation as well as supervision of NBFCs with banks will continue.

Under these turbulent conditions, it seems a given that interest rates will move up through the course of the year through two phases: i) from the negative real rate territory to unwind all 115 basis points of pandemic accommodation in the near-term, and, ii) continue the rate increases to establish neutral to small positive real interest rates by the end of the year. This would imply an additional 75 basis points of interest rate hikes in the first half of the year which, combined with the 40 basis point hike delivered by the RBI in May 2022, will undo the 115 basis point accommodation provided through the pandemic. There could be an incremental 75 to 100 basis point increase in the second half of FY23, based on how headline inflation moves, to ensure that real policy rates are in the 0.5-1% range for the year.

Commercial Vehicles (CV)

Against this macroeconomic backdrop, the much-awaited recovery of the commercial vehicle market faces new headwinds given how sensitive the sector is to economic momentum and sentiment. Dynamics are different across different categories of commercial vehicles.

- Larger fleet operators with sufficient financial wherewithal are likely to further increase their share of the medium and heavy commercial vehicle (MHCV) segment. Momentum in the tipper segment is expected to continue in FY23, driven by the push on infrastructure spending as well as the steady growth in the mining segment. The bus segment – transport bus, staff bus and school bus – is likely to witness replacement buying after two years of pandemic-driven disruption. Even as the small road transport operators get squeezed out of the MHCV segment due to higher BS VI prices as well as operating viability pressures, they are likely to migrate to operating used MHCV or shift to intermediate commercial vehicles (ICV).

- While this shift is likely to help the ICV segment, there is sufficient traction in the ICV segment with replacement of diesel versions with CNG gaining salience given the substantial commercial advantage that CNG offers and aided by increases in the CNG infrastructure network across the country. Replacement demand in the school bus segment as well as increasing deployment in inter-state e-Commerce goods movement are likely to provide fillip to the ICV segment.

- The light and small commercial vehicle (LSCV) segment, which has traditionally been the domain of NBFCs, is witnessing continued traction due to the growth of hub-and-spoke networks in logistics & supply chain solutions and deepening of e-Commerce-driven reach into the hinterland requiring last mile connectivity. Both CNG as well as electric variants are gaining favour and are likely to contribute to the continued growth of the LSCV segment.

Passenger cars

The passenger cars & utility vehicles segment is witnessing mutually offsetting forces. On the one hand, Covid-led personal mobility preferences for personal transportation as well as an increasingly affluent middle-class segment shifting to segment B and utility vehicles bode well for demand momentum. However, the semi-conductor shortage that were prevalent through the pandemic continue to persist with supply chain disruptions in China as well as disruptions in supply of neon gas and palladium due to the Russia-Ukraine conflict. Consequently, it is expected that growth in passenger cars & utility vehicles in FY23 will be constrained by supply.

Tractors & Farm Equipment

Rural inflation being well ahead of urban inflation remains a concern and consequently rural demand has remained soft in the last quarter of FY22 and early in the first quarter of FY23. The forecast of another normal monsoon is a positive as is the continued commitment of the government to ensuring that procurement remains robust and predictable. It is expected that the rural demand will bounce back on strong harvest and firm prices of commodities. Tractor and farm equipment demand is likely to remain positive; however, on account of enhanced supply in the last two years as well as current supply constraints, tractor sales are likely to remain somewhat subdued.

Material Handling & Construction Equipment

The government's strong thrust on infrastructure is a major boost for the Material Handling and Construction Equipment (MHCE) segment. In October 2021, the Union Cabinet of India approved the PM Gati Shakti National Master Plan, including implementation, monitoring and support mechanism for providing multi-modal connectivity. Salient elements of the plan include river linkage, Jal Shakti, Bullet train and freight corridor projects. As of 1st November 2021, India's project pipeline totalled 1,680 developments, worth INR 26.1 trillion (US$340.2 billion).

In sum, FY23 is likely to test your Company's well-established compass of GQP – Growth with Quality & Profitability – across the various customer segments we serve, the asset classes we finance and the geographies that we operate in. A "through cycle" view to delivering near-term performance and building robust health 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 Risk Based Internal Audit (RBIA) requirement, your Company has adopted appropriate policy and operating guidelines. Along with 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 management framework over the years. Engaged as it is in retail financing, the Company has to manage various risks, including credit risk, liquidity risk, interest rate risk and operational risk among others. The Risk Management Committee and the Asset Liability Management Committee review and monitor these risks on a regular basis.

The primary objectives of the Risk Management Committee include:

i) To assist the Board in fulfilling its corporate governance oversight responsibilities with regard to all internal and external risks;

ii) To monitor and approve the enterprise risk management framework and associated practices of the Company;

iii) To periodically assess risks to the effective execution of business strategy by reviewing key leading indicators in this regard; and

iv) To periodically review the risk management processes and practices of the Company and ensure that the Company is taking the appropriate measures to achieve prudent balance between risk and reward in both ongoing and new business activities.

The primary responsibility of ALCO (Asset Liability Committee) includes:

i) Monitoring and advising on Liquidity risk management;

ii) Management of market risks;

iii) Funding and capital planning;

iv) Profit planning and growth projection; and

v) Forecasting and analysing 'What if scenario' and preparation of contingency plans with primary focus on Liquidity and Interest Rate risks as stipulated under RBI guidelines.

As part of risk management initiatives your Company has identified several risk drivers to monitor and mitigate risks wherever required. Programs like Early Warning Signals (EWS) developed to identify, monitor and mitigate risks. To spread risk culture, your Company has also developed a strong team of risk champions representing all functions and operational regions. Theme-based awareness programmes on a monthly basis are also conducted to create awareness on various risk types through the Intranet to reach all employees.

During this audit period, your Company has additionally taken steps to adopt the Enterprise Risk Management (ERM) framework that maps with the internal financial controls. This assists in several ways to identify and mitigate risk besides acting as a risk monitoring mechanism. The framework identifies as many as 10 key risk drivers that includes operational, Legal and Regulatory, Technology and Human capital among others. The risk management process fulfils the requirement under Section 134 of the Companies Act

2013 and also the guidelines under regulation 21 of Listing guidelines (schedule II of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. Also as part of the risk management initiatives and regulatory requirements, your Company has implemented Risk Based Internal Audit (RBIA). Overall, the risk management process, together with robust internal controls, improves strategic decision-making.

The Company manages credit risk through stringent credit norms established through several decades of experience in retail lending and continues to follow the time-tested practice of personally assessing every borrower, before committing to a credit exposure. Credit team along with Internal Audit Team and Risk Management team ensure healthy asset quality, review monitoring controls right from customer onboarding.

The Company monitors ALM on an ongoing basis to mitigate liquidity risk, while interest rate risks arising out of maturity mismatch of assets and liabilities are managed through regular monitoring of the maturity profiles. The Company also measures the interest rate risk by the duration gap method.

Operational risks can arise due to changes in business environment or changes in processes, affecting the control design or operating effectiveness. The internal audit team reviews the processes and controls to ensure the design effectiveness and adequacy of controls to mitigate risk. A stable and experienced risk management team provide much-needed continuity and expertise in managing the dynamic changes in the market environment. 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 and periodical review of the same ensures that the risks including technology risks are under control. The Risk Control Matrices enable identifying residual risks and pave way for strengthened risk monitoring. While meeting the strategic objectives is the primary goal, 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 around us are the foundations on which its risk framework rests.

The detailed Risk Management Framework of your Company has been furnished in the Notes to the Accounts under Note No. 37, for your information.

Your Company has implemented the policy on Liquidity Coverage Ratio with effect from 1st December 2020, as mandated by RBI. RBI introduced the Liquidity Risk Management framework for NBFCs in the year 2019-20. During the year, the Board of Directors approved the Liquidity Risk Management Policy and implemented the Liquidity coverage ratio (LCR). Your Company will maintain a sufficient liquidity buffer in terms of LCR and ensure adequate High Quality Liquid Assets (HQLA) in line with regulatory norms in order to prudently manage any potential acute liquidity stress scenarios.

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 team plays a vital role in monitoring the effectiveness of the Standard Operating

Procedures and makes extensive use of software and analytical tools which enables effective offsite or remote auditing. A robust process that includes a continuous learning mechanism ensures that the Internal Audit team regularly updates its skills and knowledge base in order to analyse, assess, mitigate and continuously monitor the controls and guard against inadequacies including various risks that could pose a threat to your Company's strategic objectives, as part of key pillar or 3rd line of defence. Systematic identification of risks, red flags and early warning signals on a proactive basis enables quick decision-making on strengthening and redesigning the controls where required, through agile audit plans. The internal audit function is fully geared to meet the emerging challenges in the post COVID-19 era.

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.

To ensure adequate strengthening of controls surrounding information security and mitigate technology risks, external information systems auditors carry out periodical and continuous reviews on both network and application systems. They work along with Internal Audit teams to ensure adequate independence while reviewing IT applications infrastructure and network management.

Pursuant to the introduction of Risk Based Internal Audit (RBIA) system and the guidelines issued by the RBI, the Company has rolled out Risk Based Internal Audit Policy. 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 will broadly assess and contribute to the overall improvement of the organization's governance, risk management, and control processes using a systematic and disciplined approach. Audit will be conducted encompassing all the functional areas of the branch and Head office in such a manner that it serves as an important tool of internal control. The audit will cover the adequacy as well as implementation of various systems and procedures adopted in identification, measurement and mitigation of different risks.

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 our staff and customers, to enable delivery of the unique 'Sundaram Experience' to customers. Ensuring the reliability, security and integrity of our systems and data is of the highest priority.

Your Company strictly follows the IT Framework Master Directions laid down by RBI and conducts resilience drills regularly to safeguard the customers' and shareholders' data.

The IT Strategy Committee of your Company periodically monitors the robustness of your Company's infrastructure and processes to protect the IT landscape. This committee also shares its expertise in strengthening various measures implemented by your Company's strong technology team.

Your Company has a state-of-the-art Data Centre catering not only to its own needs but also to those of its subsidiaries and associates, with a capacity of over 300 servers, managed by professionals providing 24/7 support, with over 99.99% uptime. The Data Centre is accredited for ISO/IEC 27001:2013 by TUV Rheinland for Information Security Management System. The Disaster Recovery Site for all critical applications is hosted at a separate facility located in a different seismic zone, with near real-time data replication. Your Company has built a secure and scalable IT infrastructure for remote working (Work From Home) to ensure smooth business operations and customer services in adversities like pandemic, lockdown, etc. Your Company has 24x7 Security Operations Centre (SOC) for real-time threat monitoring and alerting. Your Company continues to invest in various new technologies, software tools and monitoring mechanisms to improvise and modernize the IT Infrastructure. Your Company has engaged in regular discussions with external consultants, industry experts to reinforce Information & Cyber Security methodologies. Periodic vulnerability assessment and penetration testing were carried out on the infrastructure to ascertain the effectiveness of the practices laid down by your Company.

Your company's in-house IT team has built proficiency across various technologies and has developed solutions for a wide range of complex business needs. By working closely with the business functions, they have implemented solutions that touch every facet of our operations and enrich the jobs of our employees, improve our customers' experience, enhance our risk management and controls processes and enable better decisions.

The ability to provide a credit decision in less than 30 seconds to a buyer in a car showroom, delivering a paperless loan documentation experience to a customer on the move or facilitating a field officer to proactively monitor collections – these are some of illustrations of how your company is putting technology to use.

With the advantage of a solid foundation, your company is looking to take its technology base to the next level. Employing digital and intelligent solutions to enable customer acquisition, scale up new products, accelerate response times, broaden usage of data analytics and enhancing our customer interfaces for a richer experience are our key focus areas.

Your Company is in a relationship-centric business relying on physical interactions with customers and other stakeholders. The digital strategy has consciously been adopted to augment these relationships and for resources to be digitally available for customers, as and when they need them.

CONSOLIDATED FINANCIAL STATEMENTS

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

The consolidated profit after tax is ₹1,173.34 cr. as against ₹1,165.09 cr. of the previous year. The total comprehensive income for the year was ₹1,207.06 cr. as against ₹1,210.13 cr. The consolidated net worth for the year stood at ₹8,794.83 cr., as against ₹7,730.25 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 as physical inspection of documents at the registered office of the Company is still not possible even though most of the restrictive procedures advised by the Central and State Governments as safety measures to avoid the COVID-19 risk, have been removed.

SUBSIDIARIES

- **Sundaram Finance Holdings Limited**

  Sundaram Finance Holdings Limited reported a gross income of ₹80.08 cr. as against ₹39.76 cr. in the previous year. Profit after tax was ₹46.91cr. as compared to ₹14.55 cr. in the previous year.

  The Board of Directors has recommended a final dividend of ₹1/-per share (20% on the face value of ₹5/-) for the financial year ended 31st March 2022.

  In addition, the company has recommended a Special Dividend of ₹0.75 per share (15% on the face value of ₹5/-), which, together with the Special Dividend of ₹1/-per share (20% on face value of ₹5/-) paid on 25th February 2022 will make a total Special Dividend of ₹1.75 per share (35% on the face value of ₹5/-) for the financial year ended 31st March 2022.

- **Sundaram Home Finance Limited**

  Sundaram Home Finance Limited, during the year approved loans aggregating to ₹2,476 cr. (Previous year ₹1,446 cr. Disbursements during the year were higher by 84% at ₹2,311 cr. (PY ₹1,254 cr. The Company earned a gross income of ₹957 cr. (PY ₹1,039 cr. and reported a profit after tax at ₹167.70 cr. (PY ₹191.64 cr. The loan portfolio under management as at 31st March 2022 stood at ₹9,495 cr. as against ₹9,173 cr. in the previous year. Gross Stage III assets stood at 3.00% (PY 4.48%) and net of ECL provisions stood at 1.57% (PY 1.09%), as at 31st March, 2022. The Board of Directors have recommended a final dividend of ₹6.50 per share (65%) for the year ended 31st March 2022. This together with Interim dividend of ₹1.50 per share (15%) already paid, would aggregate to a total dividend of ₹8/- per share (80%).

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

  The Company reported a consolidated gross income of ₹345 cr. as against ₹288.20 cr. in the previous year. Consolidated Profit after tax was ₹71.63 cr. as compared to ₹55.13 cr. during the previous year. The Average Assets under Management amounted to ₹46,630 cr. for the year 2021-22 as compared to ₹36,962 cr. in the previous year. The Company has recommended a final dividend of ₹15.87 per share (158.7%) for the year ended 31st March 2022.

- **Sundaram Trustee Company Limited**

  Sundaram Trustee Company Limited earned a gross income of ₹1.85 cr., as against ₹1.42 cr., in the previous year and reported a profit after tax of ₹0.97 cr. for the year, as against ₹0.72 cr. in the previous year. The Company recommended a dividend of ₹60/- per share (600%) for the year ended 31st March 2022.

- **LGF Services Limited**

  During the year, the Company reported a gross income of ₹0.20cr. as against ₹ 0.11cr. in the previous year. The profit after tax for the year was ₹0.12 cr. as against ₹0.06cr. in the previous year. The Company recommended a dividend of ₹5/- (50%) per share for the year.

- **Sundaram Fund Services Limited**

  Sundaram Fund Services Limited (formerly Sundaram BNP Paribas Fund Services Limited) earned an income of ₹4.85 cr. during the year as against and ₹4.94 cr. in the previous year. The Company reported a profit after tax at ₹2.27 cr. as against a profit of ₹0.11 cr. in the previous year.

JOINT VENTURE

Royal Sundaram General Insurance Co. Ltd (Royal Sundaram)

Royal Sundaram reported a Gross Written Premium (GWP) of ₹2,966 cr. as compared to ₹2,883 cr. in the previous year, representing a growth of 2.8%. The Company reported a profit after tax (as per IND AS) of ₹172 cr. for the current year as against ₹313 cr. in the previous year. The current year's profit (as per IND AS) was lower majorly due to higher loss ratios because of Covid-19 pandemic and lower Mark to Market gain (net of tax) on equity investments compared to previous year. During the current year, ₹33 cr. was MTM gain vs ₹137 cr. in the previous year. The Company recommended a maiden dividend of ₹0.60/- (6%) per share for the year ended 31st March 2022.

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 provided elsewhere in this Annual Report.

DIRECTORS

Sri S. Ram, a Non-executive Director on the Board, demitted his directorship from the Board on 7th February 2022, after an association of over three decades. Sri S. Ram's invaluable expertise and experience in the automobile sector over five decades was of immense benefit to the Company. Your Directors place on record the guidance, advice and contributions of Sri S. Ram to the deliberations of the Board. Sri Srivats Ram, was appointed as a Non-executive, Non-Independent Director on the Board with effect from 28th March 2022.

Sri T. T. Srinivasaraghavan and Sri A. N. Raju, Directors, retire by rotation and being eligible, offer themselves for re-election.

DECLARATION BY INDEPENDENT DIRECTORS

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

ANNUAL EVALUATION BY THE BOARD

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

DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors confirm that:

1. In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
2. The Company has selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company

at the end of the financial year and of the profit of the Company for that period;

3. Proper and sufficient care has been exercised for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

4. The annual accounts have been prepared on a going concern basis;

5. Adequate internal financial controls have been put in place and they are operating effectively; and

6. Proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

AUDITORS

M/s B.K. Khare & co., Chartered Accountants, Mumbai (Regn. No. 105102W) and M/s N.C. Rajagopal & Co., Chartered Accountants, Chennai (Regn. No. 003398S) have been appointed as Joint Statutory Auditors of your Company, to hold office for a term of three (3) consecutive years from the conclusion of the 68th Annual General Meeting to the conclusion of the 71st Annual General Meeting, in accordance with the Guidelines for Appointment of Statutory Central Auditors (SCAs)/Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), UCBs and NBFCs (including HFCs) issued by the Reserve Bank of India vide their notification dated 27th April 2021, at such remuneration as may be mutually agreed to between the Board of Directors of the Company and the Joint Statutory Auditors.

ACKNOWLEDGEMENT

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

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, especially in these difficult and trying times.

For and on behalf of the Board

Chennai 600 002 **S. VIJI**

25.05.2022 Chairman

Annexure - I

SFL Policy for Distribution of Dividends

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

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

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

1. The Board of Directors may declare one or more interim dividends after considering various financial and other parameters. The Board may recommend final dividend after approval of the final audited accounts.

2. Dividends shall generally be declared out of the annual standalone Profit After Tax of the Company relating to the current financial year, subject to any other regulatory provisions that may be introduced from time to time.

3. The Board will generally endeavour to maintain a dividend payout ratio (including dividend distribution tax) of 20% – 30% of the annual standalone profit after tax for each financial year.

4. The factors, internal and external, to be considered by the Board, for determining the quantum of dividend, will include the following:

   (a) Internal Factors
   - Growth in volume of business
   - Quality of assets
   - Profitability position
   - Stability of earnings
   - Carried forward balance in P & L account
   - Accumulated reserves

   (b) External Factors
   - Macro-economic environment
   - Performance of the automotive sector
   - Changes in governmental policies
   - Regulatory changes

5. The retained earnings of the Company may be used, inter alia, for one or more of the following purposes:
   (i) Growth plans;
   (ii) Capital expenditure;
   (iii) Working capital requirements;
   (iv) Capitalisation;
   (v) Investment in new lines of business and / or additional investment in existing lines of business;
   (vi) Repayment of debt;
   (vii) Meeting contingency plans; and
   (viii) Any other purpose as may be permitted by law.

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

Annexure - II (i)

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, Sri T. S. Santhanam.



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

As of March 31, 2022, the Board comprised twelve members, of which six members are Independent Directors. An Independent Director is the chairperson of each of the Board committees, viz., Audit Committee, Nomination, Compensation & Remuneration Committee, Stakeholders' Relationship Committee and Corporate Social Responsibility Committee.

I BOARD OF DIRECTORS

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

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

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

Name of the Director	DIN	Attendance Particulars		Directorships in other public limited companies (as on 31st March 2022)				Committees in which Chairman/Member of other public limited companies* (as on 31st March 2022)		Directorship in other listed company	
		Board Meetings	AGM	Chairman		Director		Chairman	Member	Name of the Company	Category of Directorship
				Listed	Unlisted	Listed	Unlisted				
Promoter Directors											
Sri S. Viji Non-executive Chairman	00139043	8	Yes	–	1	1	1	1	1	Wheels India Limited	Non-executive Director
Sri S. Ram Non-executive Director (upto 07.02.2022)	00018309	6	Yes	2	1	–	–	2	1	Wheels India Limited	Non-executive Chairman
										India Motor Parts & Accessories Limited	
Sri T.T. Srinivasaraghavan, Non-executive Director	00018247	8	Yes	1	–	–	4	–	2	Sundaram Finance Holdings Limited	Non-executive Chairman
Sri Srivats Ram Non-executive Director (w.e.f. 28.03.2022)	00063415	1	No	–	2	3	1	–	2	Wheels India Limited	Executive Director
										Sundaram Finance Holdings Limited	Non-executive Director
										India Motor Parts & Accessories Limited	
Sri Harsha Viji Executive Vice Chairman	00602484	8	Yes	–	1	1	3	1	4	Sundaram Finance Holdings Limited	Non-executive Director
Independent Directors											
Sri R. Raghuttama Rao	00146230	8	Yes	–	–	2	2	–	3	Wheels India Limited	Independent Director
										Latent View Analytics Limited	
Sri P.N. Venkatachalam	00499442	7	Yes	–	–	1	3	2	4	Edelweiss Financial Services Ltd	Independent Director
Sri S. Mahalingam	00121727	7	Yes	–	1	2	4	4	2	Sundaram Fasteners Limited	Independent Director
										JSW Steel Limited	

Name of the Director	DIN	Attendance Particulars		Directorships in other public limited companies (as on 31st March 2022)				Committees in which Chairman/Member of other public limited companies* (as on 31st March 2022)		Directorship in other listed company	
		Board Meetings	AGM	Chairman		Director		Chairman	Member	Name of the Company	Category of Directorship
				Listed	Unlisted	Listed	Unlisted				
Sri S. Prasad	00063667	8	Yes	–	–	3	3	5	2	Wheels India Limited	Independent Director
										Sundaram Finance Holdings Limited	
										India Motor Parts & Accessories Limited	
Ms Shobhana Ramachandhran	00273837	6	Yes	–	–	3	2	–	1	TVS Srichakra Limited	Executive Director
										Sundaram Brake Linings Limited	Non-executive Director
										Sundaram Finance Holdings Limited	Independent Director
Sri L. Ganesh	00012583	8	Yes	4	–	–	–	–	7	Rane Holdings Limited	Executive Chairman
										Rane Brake Lining Limited	Non – Executive Chairman
										Rane (Madras) Limited	Non – Executive Chairman
										Rane Engine Valve Limited	Non – Executive Chairman
Executive Directors											
Sri Rajiv C. Lochan, Managing Director	05309534	8	Yes	–	–	–	1	–	–	–	–
Sri A.N. Raju Deputy Managing Director	00036201	8	Yes	–	–	–	2	–	–	–	–

* Audit Committee and Stakeholders Relationship Committee considered.

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

Category	Expertise	Skills / Competencies
Non-executive Non-Independent Directors Sri S. Viji Sri S. Ram (upto 07.02.2022) Sri T.T. Srinivasaraghavan Sri S. Srivats Ram (w.e.f. 28.03.2022)	• In-depth Industry Knowledge • Capital Markets • Legal and Regulatory Framework • Risk Assessment and Management • Business Policies • Strategic Management	• Entrepreneurial • Governance • Behavioural
Independent Directors Ms ShobhanaRamachandhran Sri R. Raghuttama Rao Sri S. Mahalingam Sri S. Prasad Sri P.N. Venkatachalam Sri L. Ganesh	• In-depth Industry Knowledge • Audit and Financial Management • Treasury • Legal and Regulatory Framework • Risk Assessment and Management • Business Policies • Capital Markets	• Technical/Professional • Analytical • Technological • Behavioural
Executive Directors Sri Harsha Viji Sri Rajiv C. Lochan Sri A.N. Raju	• 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	• 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, 8 meetings of the Board of Directors were held.

23.04.2021	08.11.2021
28.05.2021	18.01.2022
28.06.2021	07.02.2022
09.08.2021	28.03.2022

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

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

A Certificate issued by Sri M. Damodaran, Partner, M/s. M. Damodaran & Associates, 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 II (ii).

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

III. AUDIT COMMITTEE

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

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

Name of the Member		No. of Meetings Attended	Meeting dates
Sri S. Prasad	Chairman	10	19.04.2021 28.05.2021 28.06.2021 05.08.2021 13.09.2021 27.10.2021 02.11.2021 20.12.2021 03.02.2022 14.03.2022
Sri R. Raghuttama Rao	Member	10	
Ms Shobhana Ramachandhran	Member	10	

The Company Secretary is the Secretary to the Committee.

IV. STAKEHOLDERS RELATIONSHIP COMMITTEE

The Stakeholders Relationship Committee

i) approves and monitors transfers, transmission, splits and consolidation of securities of the Company,

ii) reviews and resolves the grievances of security holders / depositors / debenture holders of the Company including complaints related to transfer/transmission of shares, Non-receipt of annual report, Non-receipt of declared dividends, Non-receipt of interest on deposits/debentures, issue of new/duplicate certificates, general meetings etc., and

iii) reviews the compliances with various statutory and regulatory requirements.

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

Name of the Member		No. of Meetings Attended	Meeting date
Sri S. Prasad	Chairman	1	17.12.2021
Sri Rajiv C. Lochan	Member	1	
Sri A.N. Raju	Member	1	

Besides, Transfer/Transmission of shares were approved by resolutions passed in circulation on 20 occasions.

No investor complaint was received during the year. None was pending unresolved as on 31st March 2022.

Sri P. Viswanathan, Secretary & Compliance Officer, will be retiring from the services of the Company on 31st May 2022. Sri P. N. Srikant has been appointed as Secretary & Compliance Officer w.e.f. 1st June 2022.

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 RMC Meetings attended	RMC Meeting dates
Sri Rajiv C. Lochan	Chairman	4	29.06.2021 28.09.2021 08.12.2021 07.03.2022
Sri R. Raghuttama Rao	Member	4	
Sri A.N. Raju	Member	4	
Sri M. Ramaswamy	Member	4	

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 ALCO Meetings attended	ALCO Meeting dates
Sri Harsha Viji	Chairman	10	04.05.2021 08.06.2021 08.07.2021 08.09.2021 13.10.2021 10.11.2021 06.12.2021 10.01.2022 10.02.2022 10.03.2022
Sri Rajiv C. Lochan	Member	10	
Sri A.N. Raju	Member	9	
Sri M. Ramaswamy	Member	10	
Sri Lakshminarayanan Duraiswamy	Member	10	

The Company Secretary is the Secretary to the Committee

VI. SEPARATE MEETING OF INDEPENDENT DIRECTORS

A Separate Meeting of Independent Directors was held on 13th December 2021 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.

VII. 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_2021_2022.pdf

VIII. 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 dates
Ms.Shobhana Ramachandhran	Chairperson	5	27.05.2021
Sri T. T. Srinivasaraghavan	Member	5	06.07.2021
Sri Harsha Viji	Member	4	02.09.2021
Sri Rajiv C. Lochan	Member	5	15.11.2021
Sri A.N. Raju	Member	5	17.02.2022

The Company Secretary is the Secretary to the Committee.

Besides, contributions were approved by resolutions passed in circulation on 2 occasions.

IX. 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 II (iii) and (iv) respectively.

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

Name of the Member		No. of Meetings attended	Meeting dates
Sri P.N. Venkatachalam	Chairman	5	26.05.2021
Sri S. Prasad	Member	5	27.09.2021
Sri S. Viji	Member	5	02.02.2022
			22.02.2022
			28.03.2022

The Company Secretary is the Secretary to the Committee.

X. INFORMATION TECHNOLOGY STRATEGY COMMITTEE

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

a. Approving IT strategy and policy documents and ensuring that the management has put an effective strategic planning process in place;

b. Ascertaining that management has implemented processes and practices that ensure that the IT delivers value to the business;

c. Ensuring IT investments represent a balance of risks and benefits and that budgets are acceptable;

d. Monitoring the method that management uses to determine the IT resources needed to achieve strategic goals and provide high–level direction for sourcing and use of IT resources;

e. Ensuring proper balance of IT investments for sustaining Company's growth and becoming aware about exposure towards IT risks and controls;

f. deliberating and deciding on any other matter which may be referred to the Committee by the Board of Directors or which in the opinion of the Committee will affect the IT Governance of the Company.

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

Name of the Member		No. of Meeting attended	Meeting dates
Sri S. Mahalingam	Chairman	2	15.04.2021 & 13.10.2021
Sri P.N. Venkatachalam	Member	2	
Sri Harsha Viji	Member	2	
Sri Rajiv C. Lochan	Member	2	
Sri A.N. Raju	Member	2	
Sri V. Ananthanarayanan (Upto 31.03.2022)	Member	2	

• Sri Sudheer Warrier became a member of the Committee w.e.f 1st April 2022

The Company Secretary is the Secretary to the Committee.

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

XI. REMUNERATION OF DIRECTORS

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

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

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

Name of the Director	Sitting Fee (₹ in Lakhs)	Commission (₹ in Lakhs)	Number of Shares held individually (as on 31.03.2022)	Relationship with other Directors
Sri S. Viji	3.25	12.00	9,09,780 [1]	Brother of Sri S. Ram and father of Sri Harsha Viji
Sri S. Ram (upto 07.02.2022)	1.50	8.00	5,06,788 [2]	Brother of Sri S. Viji and father of Sri Srivats Ram
Sri T. T. Srinivasaraghavan	2.50	12.00	– [3]	–
Sri R. Raghuttama Rao	5.60	12.00	–	–
Sri P.N. Venkatachalam	3.60	12.00	–	–
Sri S. Mahalingam	2.35	12.00	3,200	–
Sri S. Prasad	5.95	18.00	– [4]	–
Ms. Shobhana Ramachandhran	4.60	12.00	3,02,000	–
Sri L. Ganesh	2.10	8.00	– [5]	–
Sri Srivats Ram (w.e.f. 28.03.2022)	0.25	–	17,01,322 [6]	Son of Sri S. Ram

Note:
- Number of shares held jointly with others: [1] 8,684 [2] 6,09,896 [3] 3,34,376 [4] 25,200 [5] 2,500
- Number of shares held as Karta of HUF: [1] 4,79,912 [3] 1,23,192 [6] 77,200
- Number of shares held as Trustee: [3] 1,18,000

Amount of deposits placed by the Non-executive Directors in the Company aggregated to ₹632.20 lakhs as on March 31, 2022. The interest on these deposits paid / credited during the year 2021-2022 amounted to ₹55.15 lakhs.

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

The details of remuneration paid to the Executive Directors for the Financial Year 2021-22 are as follows:

(₹ in lakhs)

Nature of Payment	Sri Harsha Viji* Executive Vice Chairman	Sri Rajiv C. Lochan Managing Director	Sri A.N. Raju Deputy Managing Director
Salary and allowances	1,85.25	1,79.66	2,08.67
Commission	3,00.00	2,50.00	1,75.00
Contributions to Provident, Superannuation and Gratuity Funds	15.13	15.13	12.61
Perquisites	4.65	4.17	10.98
Stock Options	–	–@	25.97 #@
Total	5,05.03	4,48.96	4,33.23

* Son of Sri S. Viji, Chairman

\# Value of 1000 stock options(granted in May 2020) exercised during the financial year 2021-22

@ Stock Options granted at ₹10/- per share (at par) on 28th May 2021 under Grant -13 would vest as follows:

Name	Date of Vesting		
	01.06.2022	01.06.2023	01.06.2024
Sri Rajiv C. Lochan	360	360	480
Sri A.N. Raju	480	480	640

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

XII. GENERAL BODY MEETINGS

Details relating to last three Annual General Meetings:

Year	Date	Time	Location	No. of Special Resolutions Passed
2021	6th September 2021	10.00 AM	Through Video Conferencing Mode	Two
2020	22nd July 2020	10.00 AM	Through Video Conferencing Mode	–
2019	19th July 2019	10.00 AM	The Music Academy, New No.168, Old No.306, TTK Road, Chennai 600 014	–

No Special Resolution was passed through Postal Ballot during the Financial Year 2021-22. No special Resolution is proposed to be passed, through postal ballot.

XIII. VIGIL MECHANISM / WHISTLE BLOWER POLICY

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

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

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

XIV. 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. 12 and as part of the Notes to the Accounts (Note: 43.08) on page no. 151
- All the mandatory requirements specified in Regulations 17 to 27 and Regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 have been complied with.
- The Company will continue to adopt other Non-mandatory requirements as appropriate.
- The Company has a record of unqualified financial statements since inception.

XV. POLICIES ON MATERIAL SUBSIDIARIES AND RELATED PARTY TRANSACTIONS

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

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

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

XVI. MEANS OF COMMUNICATION

- The un-audited financial results for first three quarters of the financial year 2021-22 and the audited financial results for the year ended 31st March 2022 have been published in "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 69th Annual General Meeting, together with the Annual Report for the financial year 2021-22, has been sent only in electronic form, in accordance with the relaxation granted by the Securities and Exchange Board of India vide Circular dated 13th May 2022, to those shareholders who have registered their email id with the Company/Depositories.

XVII. OTHER DISCLOSURES

- Fees paid to Statutory Auditors for all services (FY: 2021-22)

Sl. No.	Name of the Company	Total Fees Paid* (₹ in lakhs)		
		Sundaram & Srinivasan	B.K. Khare & co	N.C. Rajagopal & co
1.	Sundaram Finance Limited	19.62 (April - June 21)	53.80 (July 21 - March 22)	53.80 (July 21 - March 22)
2.	Sundaram Home Finance Limited	7.50	–	–
3.	Sundaram Trustee Company Limited	1.50	–	–
4.	Sundaram Fund Services limited	–	–	3.00
	Total	28.62	53.80	56.80

* including GST

- Loans made to companies in which Directors are intersted:

Name of the Company	Amount* (₹ in cr.)
Sundaram Asset Management Company Limited (including ₹73.50 cr. granted by subsidiaries)	173.50
T.V. Sundram Iyengar & Sons Private Limited	43.12
Five Star Business Finance Limited	12.12
Sundharams Private Limited	1.31
Sundaram Industries Private Limited	1.07
Brakes India Private Limited	0.02

* outstanding as on 31.03.2022

- 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/shp_20062014.pdf

XVIII. GENERAL SHAREHOLDER INFORMATION

Annual General Meeting

Date	Time	Mode
27th July 2022 (Wednesday)	10.00 A.M.	Video Conference / Other Audio Visual Means (OAVM)

- Financial Year – 1st April 2021 to 31st March 2022
- Book Closure dates – 12th July 2022 to 27th July 2022 (both days inclusive)

- Dates of payment of dividend

Interim	On 4th March 2022	₹10.00 per share (100%)
Final	On or after 28th July 2022	₹10.00 per share(100%)

- The company's shares are listed on:
  National Stock Exchange of India Limited
  Exchange Plaza, 5th Floor
  Plot No. C/1, G Block
  Bandra-Kurla Complex
  Bandra (E), Mumbai 400 051
- The Company has paid the listing fees for the financial years 2021-22 & 2022-23 to the above stock exchange.
- NSE Stock Code: SUNDARMFIN
- 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 1st April 2021	18	5,106
Less: Shareholders approached for transfer / delivery during 2021-22 and Shares transferred / delivered during 2021-22	3	1,200
Less: Shares transferred to Investor Education and Protection Fund Authority on 22.03.2022	1	150
Closing Balance as on 31st March 2022	14	3,756

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

Particulars	Aggregate Number of shareholders	Outstanding shares lying in Sundaram Finance Limited IEPF Account
Opening Balance as on 1st April 2021	252	97,825
Less: Shareholders approached for transfer / delivery during 2021-22 and Shares transferred / delivered during 2021-22	NIL	NIL
Add : Transfer of shares to Investor Education and Protection Fund Authority Ministry of Corporate Affairs during 2021-22		
(i) Shares transferred on 22.09.2021	10	2,552
(ii) Shares transferred on 22.03.2022 (including 150 shares transferred from USSA)	3	800
Balance as on 31st March 2022	265	1,01,177

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 cheque leaf and 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 2014-15	23rd August 2022	Interim Dividend 2018-19	4th March 2026
Interim Dividend 2015-16	1st March 2023	Final Dividend 2018-19	19th August 2026
2nd Interim Dividend 2015-16	8th April 2023	Interim Dividend 2019-20	12th March 2027
Final Dividend 2015-16	22nd August 2023	Final Dividend 2019-20	24th August 2027
Interim Dividend 2016-17	20th April 2024	Interim Dividend 2020-21	22nd February 2028
Final Dividend 2016-17	21st August 2024	Final Dividend 2020-21	6th October 2028
Interim Dividend 2017-18	28th May 2025	Interim Dividend 2021-22	10th March 2029
Final Dividend 2017-18	20th August 2025		

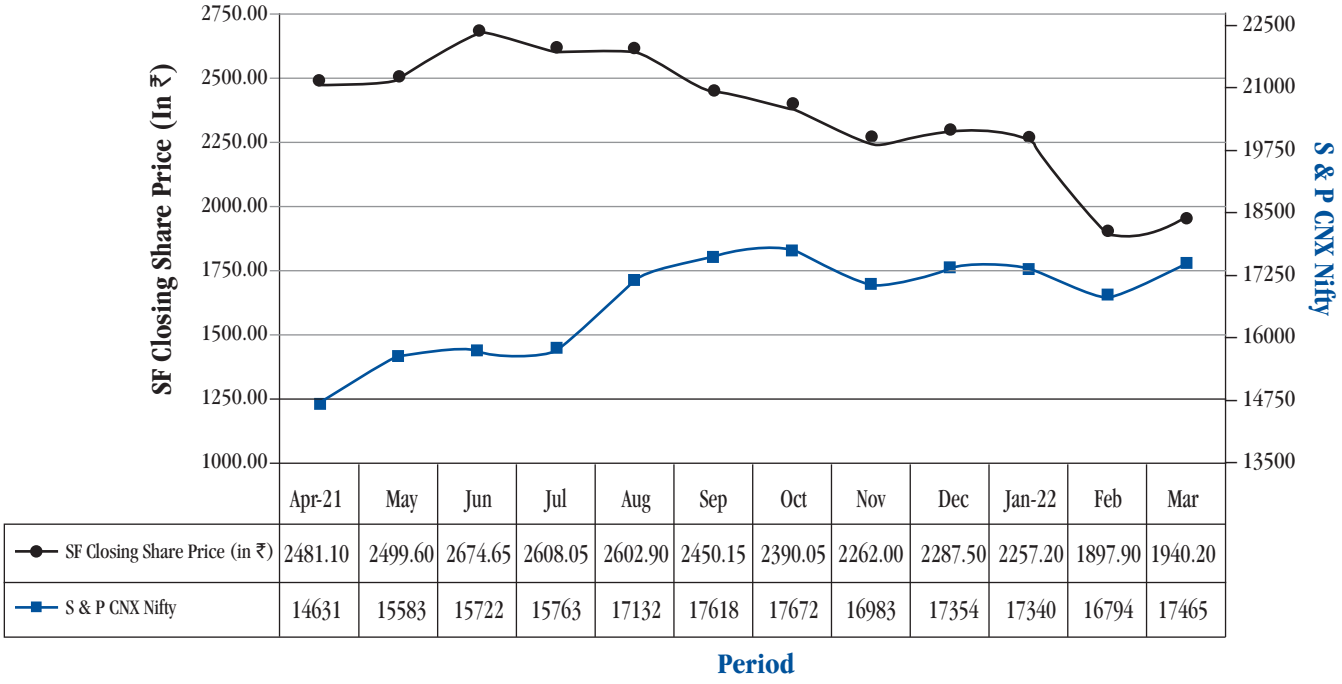
Reminders are sent to members for encashing unclaimed and unpaid dividends, on a regular basis, in addition to the reminders through e-mails and phone contacts. Members who have not yet made claims are, therefore, requested to contact the Company / Registrar and Share Transfer Agents immediately e-mail,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

MARKET PRICE DATA ON THE NATIONAL STOCK EXCHANGE

(in ₹)

Month		Apr – 21	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan – 22	Feb	Mar
NSE	High	2645.95	2575.00	2708.90	2729.00	2698.45	2610.00	2548.00	2528.00	2405.00	2493.40	2317.65	1974.00
	Low	2225.00	2351.55	2455.60	2456.60	2319.10	2292.55	2361.05	2226.60	2162.20	2185.20	1786.80	1752.60

SHARE PRICE PERFORMANCE



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

  Dematerialisation requests have been confirmed within the specified time limit.

  Investor Relation Services - Shares continue to enjoy the ISO 9001:2015 certification by Bureau Veritas Certification (India) Private Limited.

- 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 2846 0390 to 0395
Fax	044 2846 0129
Email	investor@cameoindia.com
Contact Persons	Sri. R.D. Ramasamy, Director Ms R Komalavalli, Senior Manager

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

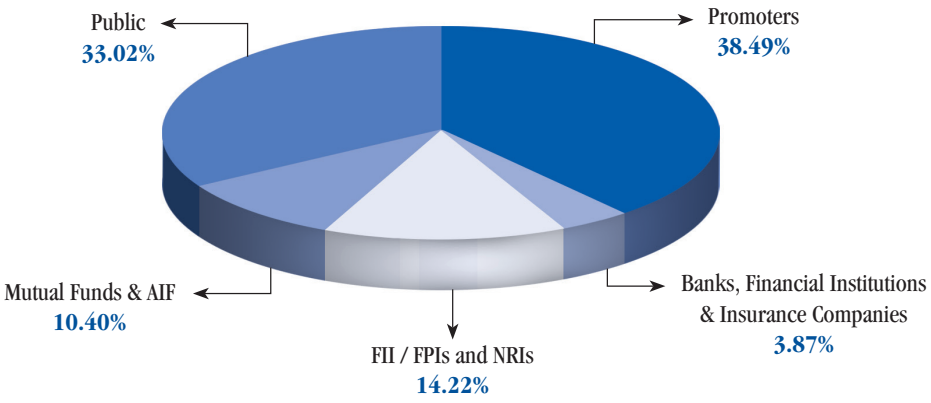
DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH 2022

No. of Equity Shares Held	Total Shareholders	Total Shares	Total % to Capital
Upto 250	19,292	8,26,101	0.74
251 to 500	1,889	7,20,265	0.65
501 to 1000	1,414	10,73,148	0.97
1001 to 5000	1,893	45,79,019	4.12
5001 to 10000	371	28,07,197	2.52
10001 to 50000	407	93,22,854	8.39
50001 to 100000	118	87,05,836	7.84
100001 and above	198	8,30,69,440	74.77
Total	25,582	11,11,03,860	100.00

Total shares held in dematerialised form 97.30%

Public shareholding in dematerialised form 95.61%

SHAREHOLDING PATTERN AS ON 31.03.2022



For your queries / grievances / complaints, please contact:

Secretary & Compliance Officer
Sundaram Finance Limited
21, Patullos Road, Chennai - 600 002
Ph : 044-2888 1207
Fax : 044-2855 0290
E mail : investorservices@sundaramfinance.in

Rajiv C. Lochan
Managing Director

Annexure - II (ii)

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

To,

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

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

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2022 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

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

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

For **M DAMODARAN & ASSOCIATES LLP**
M. DAMODARAN
Managing Partner
Membership No.: 5837
COP. No.: 5081
FRN: L2019TN006000
PR 1374/2021
ICSI UDIN:F005837D000333153

Place: Chennai
Date: 17.05.2022

CRITERIA FOR EVALUATION

(as amended on 29th March 2019)

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

1. **Composition of the Board and availability of multi-disciplinary skills.**

   Whether the Board comprises of Directors with sufficient qualifications and experience in diverse fields to make SF a versatile institution.

2. **Commitment to good Corporate Governance Practices**

   a) Whether the company practises high ethical and moral standards.

   b) Whether the company is fair and transparent in all its dealings with the stake holders.

3. **Adherence to Regulatory Compliance**

   Whether the company adheres to the various Government regulations - Local, State and Central, in time.

4. **Track record of financial performance**

   Whether the Company has been consistently recording satisfactory and profitable financial performance year on year adding to share holder value.

   Whether the Company is transparent in all its disclosures on financial data.

5. **Grievance redressal mechanism**

   Whether a proper system is in place to attend to the complaints / grievances from the shareholders, depositors, customers, employees and others quickly and fairly.

6. **Existence of integrated Risk Management System**

   Whether the Company has an integrated risk management system to cover the business risks.

7. **Use of Modern technology**

   Whether the Company has an Integrated IT strategy and whether there is any system for periodical technology up gradation covering both hardware and software.

8. **Commitment to CSR**

   Whether the Company is committed to social causes and CSR and whether there is a system to identify, finance and monitor such social activities.

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

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

Criteria for evaluation of Independent Directors by the entire Board:

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

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

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

SUNDARAM FINANCE LIMITED REMUNERATION POLICY

(as amended on 29th March 2019)

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.

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

a) the level and composition of remuneration to Non-executive Directors is reasonable and appropriate to attract the right talent.

b) relationship of remuneration to performance of the Whole-time Directors is clear and meets appropriate performance benchmarks; and

c) remuneration to working directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the company and its goals. This includes ESOP granted to Eligible Directors / Senior Management.

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

I Definitions

a) "Remuneration" means any monetary benefit or its equivalent extended to any person for services rendered by him/her and includes perquisites as defined under the Income-tax Act, 1961.

b) "Key Managerial Personnel" means,

i.) Managing Director, Chief Executive Officer or Manager;

ii.) Whole-time Director;

iii.) Chief Financial Officer;

iv.) Company Secretary.

c) "Senior Management" means all executives one level below the Managing Director/Whole-time Directors, and shall include the Chief Financial Officer and Company Secretary.

d) "Employee" will mean an employee who has been appointed on the rolls of Sundaram Finance 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) Regulations, 2014.

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

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.

Annexure - II (v)

Certificate on Corporate Governance

The Members of SUNDARAM FINANCE LIMITED,

Chennai.

I, M Damodaran, Managing Partner of M Damodaran & Associates LLP, Practicing Company Secretaries have examined the compliance of the conditions of Corporate Governance by Sundaram Finance Limited, Chennai for the year ended on 31st March, 2022, as stipulated in Regulations 17 to 27 of Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

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

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

For **M DAMODARAN & ASSOCIATES LLP**

M. DAMODARAN

Managing Partner

Membership No.: 5837

COP. No.: 5081

FRN: L2019TN006000

PR 1374/2021

ICSI UDIN:F005837D000333164

Place: Chennai

Date: 17.05.2022

Annexure III (i)

Form No. AOC-2

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

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

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

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

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

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

Chennai
25th May 2022

S. VIJI
Chairman

Annexure III (ii)

Policy On Related Party Transactions

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

The Company shall enter into transactions with related parties only on an arm's length basis 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 ₹1000 crores or 10% of the annual consolidated turnover of the company as per the last audited financial statements of the company, whichever is lower.

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

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.

Annexure IV

Annual Report on CSR Activities for the Financial Year 2021-22

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

CSR Policy of the Company is available in our website under the following link:
https://www.sundaramfinance.in/assets/app_docs/investor-info/corporate_governance/policies/csr.pdf?v=1.0

2. The Composition of the CSR Committee:

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

** inducted as a Member w.e.f. 23.04.2021

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

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

Composition of CSR Committee:
https://www.sundaramfinance.in/assets/app_docs/investor-info/corporate_governance/composition_of_various_committees_08.04.2022.pdf

CSR Projects approved by the board:
Not Applicable

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report)
Not applicable

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

a. Amount available for set off during the current financial year : ₹6.51 lakhs

b. Amount available for set off in succeeding financial years :₹231.37 lakhs

6. Average net profit of the company as per section 135(5):
₹906,27.54 lakhs

7.

a.	Two percent of average net profit of the company as per section 135(5)	₹18,12.55 lakhs
b.	Surplus arising out of the CSR projects or programmes or activities of the previous financial years.	-
c.	Amount required to be set off for the financial year, if any	₹6.51 lakhs
	Total CSR obligation for the financial year (7a+7b-7c).	₹18,06.04 lakhs

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount	Date of Transfer	Name of the Fund	Amount	Date of Transfer
₹20,37.41 lakhs	NIL				

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

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

(c) Details of CSR amount spent against other than ongoing projects for the financial year:
Rs 19,46.41 laks - Annexure IV(i) enclosed

(d) Amount spent in Administrative Overheads
₹91.00 lakhs

(e) Amount spent in Impact Assessment, if applicable
Not applicable

(f) Total amount spent for the financial year (8b+8c+8d+8e)
₹20,37.41 lakhs

(g) 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)	18,12.55
	(b) Less: Excess amount set-off for the financial year	6.51
	(c) CSR obligation for the financial year	18,06.04
(ii)	Total amount spent for the Financial Year	20,37.41
(iii)	Excess amount spent for the financial year [(ii)-(i)(c)]	2,31.37
(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)]	2,31.37

9 (a) Details of Unspent CSR amount for the preceding three financial years

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

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

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

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

Not applicable

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

Not applicable

Sri Rajiv C. Lochan
Managing Director

Ms Shobhana Ramachandhran
Chairperson - CSR Committee

Date : 25.05.2022
Place : Chennai

8 (c) Details of CSR amount spent against other than ongoing projects for the Financial Year 2020-21

Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No)	Location of the Project		Amount spent for the Project (₹ in Lakhs)	Mode of Implementation	Mode of Implementation – Through Implementing Agency	
				State	District		Direct (Yes/No)	Name	CSR registration number
1	Promoting Education by providing financial assistance to deserving and meritorius students and also educational institutions which work for this cause	Education	Yes	Tamilnadu	Chennai	135.00	No	Laxmi Charities, Chennai	CSR00005940
		Education	Yes	Tamilnadu	Thanjavur	60.00	No	Shanmugha Arts, Science, Technology & Research Academy (SASTRA), Thanjavur	CSR00001064
		Education	Yes	Kerala	Wayanad	5.00	No	Wayanad Girijana Seva Trust	CSR00011224
		Education	Yes	Andhra Pradesh	Kakinada	5.00	No	Uma Education and Technical Society	CSR00002907
		Education	Yes	Karnataka	Bangalore	10.00	No	Centre for Learning	CSR00021025
		Education	Yes	Rajasthan	Jaipur	2.00	No	Bal Sambal Bal Vikas and Anusandhan Sansthan	CSR00018045
		Education	Yes	Tamilnadu	Chennai	25.00	No	Swami Vivekananda Rural Development Society, Chennai (Single Teacher School)	CSR00001905
		Education	Yes	Tamilnadu	Chennai	25.00	No	Ramakrishna Mission Students' Home	CSR00006101
		Education / Health	Yes	Madhya Pradesh	Bhopal	4.00	No	Jeev Sewa Sansthan	CSR00017631
		Education / Health	Yes	Uttarakhand	Haridwar	5.00	No	Sri Vedavyasa Charitable Trust	CSR00012052
		Education / Health	Yes	Tamilnadu	Chennai	5.00	No	Seva Bharathi	CSR00004180
		Education / Health	Yes	Tamilnadu	Chennai	5.00	No	Bharathi Seva Sangam	CSR00020177
		Education	Yes	Tamilnadu	Chennai	10.00	No	The Kuppuswami Sastri Research Institute	CSR00008155
		Education	Yes	New Delhi	New Delhi	10.00	No	Ahvaan Trust	CSR00000767
		Education	Yes	Karnataka	Bangalore	10.00	No	Children's Movement for Civic Awareness	CSR00000784
		Education	Yes	Mumbai	Lalbaug Parel	2.00	No	Antarang Foundation	CSR00002952
		Education	Yes	Tamilnadu	Chennai	3.00	No	Nalanda Way Foundation	CSR00001780
		Education	Yes	Tamilnadu	Thiruvallur	5.00	No	Trust for Village Self Governance	CSR00018284
		Education	Yes	Tamilnadu	Chennai	5.00	No	All India Movement for Seva	CSR00003273
		Education	Yes	Karnataka	Bangalore	7.50	No	National Institute of Advanced Studies	CSR00007662
		Education	Yes	Tamilnadu	Chennai	1.00	No	The Children's Garden School Society	CSR00004719
		Education	Yes	Tamilnadu	Nagapatinam	1.00	No	Smt Jayanthi Janakiraman Ninaivu Dravida Veda Agama Padasalai	CSR00001514
		Education	Yes	Karnataka	Chikkaballapur	5.00	No	Prashanthi Balamandira Trust	CSR00000226
		Education	Yes	Tamilnadu	Chennai	2.00	No	Arvind Foundation	CSR00003559
		Education	Yes	Tamilnadu	Thiruvallur	5.00	No	Bhagawan Sri Sathya Sai Educational Trust	CSR00013155

Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No)	Location of the Project		Amount spent for the Project (₹ in Lakhs)	Mode of Implementation	Mode of Implementation – Through Implementing Agency	
				State	District		Direct (Yes/No)	Name	CSR registration number
		Education	Yes	Tamilnadu	Thiruvallur	5.00	No	Iniya Udaiyam Charitable Trust	CSR00004181
		Education	Yes	Tamilnadu	Chennai	15.00	No	Dharma Rakshana Samithi	CSR00018616
		Education	Yes	Madhya Pradesh	Indore	5.00	No	Vivekananda Rock Memorial and Vivekananda Kendra	CSR00005526
		Education	Yes	Karnataka	Udupi	3.00	No	Modern School Educational and Development Trust	CSR00012131
		Education	Yes	Tamilnadu	Chennai	20.00	No	Madras dyslexia association	CSR00000202
2	Protection of National Heritage, Art and Culture	Art & Culture	Yes	Tamilnadu	Thiruvanamalai	5.00	Yes	Sree Renugambal Nadaga Mandram	NA
		Art & Culture	Yes	Tamilnadu	Chennai	0.50	No	Roja Muthaiah Research Library Trust	CSR00019626
		Art & Culture	Yes	Tamilnadu	Chennai	1.00	No	Arangham Trust	CSR00012202
		Art & Culture	Yes	Maharashtra	Mumbai	5.00	No	Tender Roots Academy of Performing Arts	CSR00000141
		Culture & Heritage	Yes	Tamilnadu	Thiruvannamalai	5.00	No	Sri Saradha Ashramam	CSR00024669
		Culture & Heritage	Yes	Tamilnadu	Chennai	10.00	No	Sundaram Charities	CSR00006397
		Protection of National Heritage	Yes	Tamilnadu	Chennai	10.00	No	Om Charitable Trust	CSR00002768
		preservation and rejuvenation of heritage crafts of India	Yes	Tamilnadu	Chennai	30.00	No	The Crafts Council of India (Regd.), Chennai	CSR00007118
		Protection of Environment and Social Welfare	Yes	Tamilnadu	Thirunelveli	2.00	No	Dharmapathi Sri Ettuluthu Perumal Dharmasthapana Arakattalai	CSR00014962
		Environment	Yes	Karnataka	Bangalore	40.00	No	Ashoka Trust form Research Ecoloy and Environment	CSR00004694
3	Diaster Relief Fund	Disaster Relief	Yes	Direct		100.00	Yes	Tamil Nadu State Disaster Management Authority	NA
4	Promoting preventive and general health care	Health	Yes	Tamilnadu	Chennai	400.00	No	Sundaram Medical Foundation	CSR00018426
		Health	Yes	Tamilnadu	Chennai	40.00	No	Cancer Institute	CSR00007235
		Health	Yes	Tamilnadu	Chennai	5.00	No	Srinivas Young Men's Association	CSR00006343
		Health	Yes	Haryana	Gurugram	25.00	No	Public Health Foundation of India	CSR00001071
		Health	Yes	Tamilnadu	Ranipet	30.00	No	Thirumalai Charity Trust, Ranipet	CSR00000287
		Health	Yes	Tamilnadu	Chennai	10.00	No	RMD Pain & Palliative Care Trust, Chennai.	CSR00000406
		Health	Yes	Tamilnadu	Chennai	15.00	No	Tamil Nadu Kidney Research Foundation (TANKER), Chennai	CSR00001422

Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No)	Location of the Project		Amount spent for the Project (₹ in Lakhs)	Mode of Implementation	Mode of Implementation – Through Implementing Agency	
				State	District		Direct (Yes/No)	Name	CSR registration number
		Health	Yes	Tamilnadu	Chennai	10.00	No	Udhavum Ullangal, Chennai	CSR00000897
		Health	Yes	Tamilnadu	Coimbatore	2.50	No	The United Orphanage for the Disabled	CSR00000029
		Health	yes	Tamilnadu	Chennai	10.00	No	Vijaya Ganga Trust	CSR00004806
		Health	Yes	Tamilnadu	Chennai	10.00	No	Sanjeevani Life beyond Cancer	CSR00004972
		Health	Yes	Tamilnadu	Chennai	25.00	No	Sri Ramachandra Educational and Health Trust, Chennai	CSR00001622
		Health	Yes	Tamilnadu	Chennai	15.00	No	The Voluntary Health Services	CSR00003444
		Health	Yes	Tamilnadu	Chennai	15.00	No	Hindu Mission Hospital - Tambaram	CSR00005035
		Health	Yes	Direct		347.53	Yes	Vaccine Hesitancy Project	NA
		Health	No	Purchase of Covid medical equipment (oxygen cylinders/ concentrators) for distributing to Govt and other hospitals		19.16	Yes	Hebei Topson Medical Technology Co Ltd	NA
		Health	No			99.88	Yes	Intamarca Llp	NA
		Health	Yes	Tamilnadu	Coimbatore	5.00	No	Idhayangal Charitable Trust	CSR00003135
		Health	Yes	Tamilnadu	Chennai	40.00	No	Aravind Eye Hospital	CSR00008730
		Health Care - Eye Camp	Direct	Tamilnadu / Andhra Pradesh	Multiple Districts	1.69	Yes	Aravind Eye Hospital (Eye Camp)	CSR00008730
		Health	Yes	Karnataka	Bangalore	25.00	No	The Live Love Laugh Foundation	CSR00012198
		Health	Yes	Karnataka	Bangalore	10.00	No	Indian Software Product Industry Round Table Foundation	CSR00001434
		Health	Yes	Tamilnadu	Chennai	3.00	No	Sight care Foundation	CSR00002482
		Health	Yes	Tamilnadu	Chennai	10.00	No	Hindu Mission Health Services, Nanganallur	CSR00012258
		Health	Yes	Tamilnadu	Chennai	5.00	No	Nandalala Medical Foundation	CSR00021435
5	Environmental Sustainability, Ecological balance, Conservation of Natural resources	Park Maintenance	Yes	Tamilnadu	Chennai	24.65	Yes	Nageswara Rao Park Maintanence	NA
		Ecology	Yes	Karnataka	Bangalore	50.00	No	Centre for Wildlife Studies	CSR00002135
		Ecology	Yes	Tamilnadu	Nilgiris	3.00	No	The Earth Trust	CSR00014953
		Ecology - Coastal	Yes	Karnataka	Bangalore	25.00	No	Dakshin Foundation	CSR00007867
		Ecology	Yes	Tamilnadu	Tirupur	5.00	No	vanathukkul Tirupur (VETRY)	CSR00009409
6	Public Welfare	Public Welfare (women Empowerment)	Yes	Tamilnadu	Madurai	50.00	No	Gandhigram Trust, Gandhigram	CSR00004575
		Public Welfare (women Empowerment)	Yes	Tamilnadu	Kodaikanal	1.00	No	India Nirman Sangh	CSR00006628
		Total				**1946.41**			

Annexure - V

Business Responsibility Report for the Financial Year 2021-22

Section A: General Information about the Company

1.	Corporate Identity Number (CIN)	:	L65191TN1954PLC002429
2.	Name of the Company	:	Sundaram Finance Limited
3.	Registered address	:	21, Patullos Road, Chennai 600 002
4.	Website	:	www.sundaramfinance.in
5.	E-mail id	:	investorservices@sundaramfinance.in
6.	Financial Year reported	:	2021-22

7. Sector(s) that the Company is engaged in (industrial activity code-wise)

   As per National Industrial Classification – 2008:

   Section K - Financial and Insurance Activities

   Division 64 – Financial service activities, except insurance and pension funding.

8. List three key ~~products~~ / services that the Company ~~manufactures~~ / provides (as in balance sheet)

   A. Providing finance for purchase of commercial vehicles, cars, multi-utility vehicles, construction equipment, tractors and working capital finance.

   B. Distribution of full range of financial products like mutual fund, deposits, insurance etc.

9. Total number of locations where business activity is undertaken by the Company

   i. Number of International Locations (Provide details of major 5)

   Nil

   ii. Number of National Locations

   618 locations

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

    National

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

1.	Paid up Capital (INR)	:	₹111.10 cr.
2.	Total Turnover (INR)	:	₹3,890.46 cr.
3.	Total profit after taxes (INR)	:	₹903.41 cr.

4. Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)

   The Company's total spending on CSR is 2.24% of the average profit after taxes in the previous three financial years.

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

   A. Health

   B. Education

   C. Public Welfare

   D. Environment & Ecology

   E. Promotion of culture and heritage

   F. Disaster Relief

Section C: Other Details

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

   Yes.

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

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

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

   No.

Section D: BR Information

1. Details of Director / Directors responsible for BR

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

DIN Number	05309534
Name	Sri Rajiv C. Lochan
Designation	Managing Director

   b) Details of the BR head

S. No.	Particulars	Details
1.	DIN Number (if applicable)	-
2.	Name	Sri P. Viswanathan
3.	Designation	Secretary & Compliance Officer
4.	Telephone Number	044 2888 1207
5.	Email id	pv@sundaramfinance.in

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

a) Details of Compliance (Reply in Y/N)

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

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

1	The company has not understood the Principles	-	-	-	-	-	-	-	-	-
2	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles	-	-	-	-	-	-	-	-	-
3	The company does not have financial or manpower resources available for the task	-	-	-	-	-	-	-	-	-
4	It is planned to be done within next 6 months	-	-	-	-	-	-	-	-	-
5	It is planned to be done within the next 1 year	-	-	-	-	-	-	-	-	-
6	Any other reason (please specify)	-	#	-	#	-	#	#	-	-

* https://www.sundaramfinance.in/assets/app_docs/investor-info/corporate_governance/policies/policies_on_brr.pdf

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

3. Governance related to BR

- Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year
  Annually.
- Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?
  Company publishes BR report annually.
  https://www.sundaramfinance.in/assets/app_docs/investor-info/corporate_governance/policies/policies_on_brr.pdf

Section E: Principle-wise performance

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

1. Does the policy relating to ethics, bribery and corruption cover only the company? Yes / No. Does it extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?
   Yes. The Policy covers the company, group and joint ventures.
2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

From	Received and Resolved during the year 2021-2022
Shareholders	Nil
Depositors	272
Customers	2,553

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

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.
   Not Applicable
2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):
   i. Reduction during sourcing / production / distribution achieved since the previous year throughout the value chain?
   ii. Reduction during usage by consumers (energy, water) has been achieved since the previous year?
   Not Applicable
3. Does the company have procedures in place for sustainable sourcing (including transportation)?
   i. If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.
   Not Applicable
4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?
   If yes, what steps have been taken to improve their capacity and capability of local and small vendors?
   Yes, wherever possible.
5. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.
   Yes, wherever possible.

Principle 3: Businesses should promote the wellbeing of all employees

1. Please indicate the Total number of employees.
   4,263
2. Please indicate the Total number of employees hired on temporary / contractual / casual basis.
   2,118
3. Please indicate the Number of permanent women employees.
   182
4. Please indicate the Number of permanent employees with disabilities
   The Company does not specifically track the number of disabled employees. The Company gives equal opportunities and treats all employees at par. Based on the income-tax declarations which enable claiming income-tax deduction for self-disability, the Company has 4 employees.
5. Do you have an employee association that is recognized by management.
   Yes
6. What percentage of your permanent employees is members of this recognized employee association?
   23.00%
7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.
   Nil

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

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

   A. Permanent Employees

   B. Permanent Women Employees

   C. Casual / Temporary / Contractual Employees

   D. Employees with Disabilities

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

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

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

1. Has the company mapped its internal and external stakeholders? Yes/No
   No.
2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders.
   Not Applicable
3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.
   Not Applicable

Principle 5: Businesses should respect and promote human rights

1. Does the policy of the company on human rights cover only the company or extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?
   This is covered under our Policies on Business Responsibility Report.
   Please refer
   https://www.sundaramfinance.in/assets/app_docs/investor-info/corporate_governance/policies/policies_on_brr.pdf
2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?
   Please refer Serial no.2 of Principle 1.

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

1. Does the policy related to Principle 6 cover only the company or extends to the Group / Joint Ventures / Suppliers / Contractors / NGOs / others.
   Not Applicable
2. Does the company have strategies / initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.
   Not Applicable
3. Does the company identify and assess potential environmental risks? Y / N
   Not Applicable
4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?
   Please refer to Annual Report on CSR Activities.
5. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y / N. If yes, please give hyperlink for web page etc.
   Please refer to Annual Report on CSR Activities.

6. Are the Emissions / Waste generated by the company within the permissible limits given by CPCB / SPCB for the financial year being reported?
   Not Applicable.
7. Number of show cause / legal notices received from CPCB / SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.
   Not Applicable.

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

1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:
   A. Madras Chamber of Commerce & Industry
   B. Finance Companies' Association (India)
   C. Finance Industry Development Council
2. Have you advocated / lobbied through above associations for the advancement or improvement of public good? Yes / No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)
   Yes. Representations had been submitted from time to time to the Government and Regulatory Authorities on various matters for the improvement of public good.

Principle 8: Businesses should support inclusive growth and equitable development

1. Does the company have specified programmes / initiatives / projects in pursuit of the policy related to Principle 8? If yes details thereof.
   Not Applicable.
2. Are the programmes / projects undertaken through in-house team / own foundation / external NGO / government structures / any other organization?
   Not Applicable.
3. Have you done any impact assessment of your initiative?
   Not Applicable.
4. What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken.
   Amount spent ₹20,37.41 lakhs. Please refer to Annual Report on CSR Activities for details.
5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.
   Please refer to Annual Report on CSR Activities.

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

1. What percentage of customer complaints / consumer cases are pending as on the end of financial year.
   Nil.
2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes / No / N.A. / Remarks (additional information)
   Not Applicable.
3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and / or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.
   No.
4. Did your company carry out any consumer survey / consumer satisfaction trends?
   Yes, this is done periodically.

Annexure - VI (i)

Form No. MR-3
Secretarial Audit Report for the Financial Year ended 31.03.2022

[Pursuant to section 204(1) of the Companies Act, 2013 and RuleNo.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 M/s. SUNDARAM FINANCE LIMITED's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31.03.2022 complied with the statutory provisions listed here under and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by M/s. SUNDARAM FINANCE LIMITED ("the Company") for the financial year ended on 31.03.2022 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-(to the extent applicable)

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (d) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act, dealing with client and ESOP;
- (g) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- (h) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;

(vi) Reserve Bank of India Act, 1934 and RBI Directions and Guidelines as applicable to the NBFCs.

I have also examined compliance with the applicable Regulations and standards of the following:

i. Listing Agreements entered into by the Company with the National Stock Exchange of India Limited as per the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; and

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 Act, Rules, Regulations, Guidelines,Standards, etc. mentioned above subject to the following Observations: NIL

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

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

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

I further report that during the audit period;

i. Sri Santhanam Ram (DIN: 00018309), Non-executive Director of the Company, has resigned from the board w.e.f. 7th February, 2022.

ii. Sri Srivats Ram (DIN: 00063415) was appointed as an Additional cum Non-executive Director of the Company vide Board Meeting dated 28th March, 2022. His appointment was subsequently approved by the shareholders of the Company by passing an Ordinary Resolution through postal ballot on 6th May, 2022.

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.

c) passed an Ordinary Resolution at the Annual General Meeting held on 06th September, 2021 under section 139 of the Companies Act, 2013 to appoint 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) as joint statutory auditors of the 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 of the Company in accordance with the Guidelines issued by the Reserve Bank of India (RBI) vide Notification Ref. No. DoS.CO.ARG/ SEC.01/08.91.001/2021-22 dated 27th April 2021 and related FAQ dated 11th June, 2021 as M/s Sundaram & Srinivasan, Chartered Accountants, Chennai, (Regn. No. 004207S) who had been appointed asthe Statutory Auditors of the Company for a term of five (5) consecutive years from the conclusion of the 64th Annual General Meeting to the 69th Annual General Meeting, but could not continue to complete their original term as per the provisions of the RBI Guidelines.

d) passed Special Resolution at the Annual General Meeting held on 6th September, 2021 under Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for re-appointment of retiring director Sri Santhanam Ram (DIN: 00018309) under section 152 of the Companies Act, 2013, who has attained the age of 75 years.

e) passed Special Resolution at the Annual General Meeting held on 6th September, 2021 under Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for re-appointment of retiring director Sri Santhanam Viji (DIN: 00139043) under section 152 of the Companies Act, 2013, who has attained the age of 75 years.

For **M DAMODARAN & ASSOCIATES LLP**
M. DAMODARAN
Managing Partner
Membership No.: 5837
COP. No.: 5081
FRN: L2019TN006000
PR 1374/2021
ICSI UDIN:F005837D000333087

Place: Chennai
Date: 17.05.2022

Disclaimer Certificate

To,

The Members,

SUNDARAM FINANCE LIMITED

(CIN: L65191TN1954PLC002429)

21, Patullos Road,

Chennai - 600002.

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

1. Maintenance of secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.

2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices I followed provide a reasonable basis for my opinion.

3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.

4. Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.

6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For **M DAMODARAN & ASSOCIATES LLP**
M. DAMODARAN
Managing Partner
Membership No.: 5837
COP. No.: 5081
FRN: L2019TN006000
PR 1374/2021
ICSI UDIN:F005837D000333087

Place: Chennai
Date: 17.05.2022

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

(Pursuant to Regulation 24A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No. CIR/CFD/CMD1/27/2019 dated February 08, 2019)

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

a) all the documents and records made available to me and explanation provided by Sundaram Finance Limited("the listed entity"),

b) the filings/ submissions made by the listed entity to the stock exchanges,

c) website of the listed entity,

d) any other document/ filing, as may be relevant, which has been relied upon to make this certification,

for the year ended 31.03.2022 in respect of compliance with the provisions of:

a) the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and

b) the Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI");

The specific Regulations, whose provisions and the circulars/guidelines issued thereunder, 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 (Buyback of Securities) Regulations, 2018 – Not Applicable.

e) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.

f) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.

g) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008.

h) Securities and Exchange Board of India(Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations,2013 – Not Applicable.

i) Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021.

j) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.

k) 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.

l) Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018.

m) Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - Not Applicable.

n) Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 - Not Applicable.

and circulars/ guidelines issued thereunder;

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

a) The Listed entity has complied with the provisions of the above Regulations and Circulars/ guidelines issued thereunder from time to time to the extent applicable, except in respect of matters specified below:-

Sr. No	Compliance Requirement (Regulations/ circulars / guidelines including specific clause)	Deviations	Observations/ Remarks of the Practicing Company Secretary
NIL			

b) The listed entity has suitably included the conditions as mentioned in Para 6(A) and Para 6(B) of the SEBI Circular CIR/CFD/CMD1/114/2019, dated October 18, 2019 in terms of appointment of statutory auditors of the listed entity.

c) The listed entity has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued there under insofar as it appears from my examination of those records.

d) The following are the details of actions taken against the listed entity/ its promoters/ directors/ material subsidiaries either by SEBI or by Stock Exchanges - (including under the Standard Operating Procedures issued by SEBI through various circulars) under the aforesaid Acts/ Regulations and circulars/ guidelines issued thereunder:

Sr. No.	Action taken by	Details of violation	Details of action taken E.g. fines, warning letter, debarment, etc.	Observations/ remarks of the Practicing Company Secretary, if any.
NIL				

e) The listed entity has taken the following actions to comply with the observations made in previous reports:

Sr. No.	Observations of the Practicing Company Secretary in the previous reports	Observations made in the secretarial compliance report for the year ended 31.03.2022	Actions taken by the listed entity, if any	Comments of the Practicing Company Secretary on the actions taken by the listed entity
NIL				

For **M DAMODARAN & ASSOCIATES LLP**

M. DAMODARAN

Managing Partner

Membership No.: 5837

COP. No.: 5081

FRN: L2019TN006000

PR 1374/2021

ICSI UDIN:F005837D000333109

Place: Chennai

Date: 17.05.2022

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
S. Viji, Chairman	2.15	1.65	41.86%
S. Ram (upto 07.02.2022)	1.34	1.03	-7.32%
R. Raghuttama Rao	2.48	1.90	27.08%
P.N. Venkatachalam	2.20	1.68	-1.58%
S. Mahalingam	2.02	1.55	-3.37%
S. Prasad	3.37	2.59	14.32%
L. Ganesh	1.42	1.09	24.69%
Shobhana Ramachandhran	2.34	1.79	-0.30%
T.T. Srinivasaraghavan	2.04	1.57	-98.26%
Srivats Ram (w.e.f. 28.03.2022)	0.04	0.03	NA
Harsha Viji, Executive Vice Chairman	71.13	54.54	13.65%
Rajiv C. Lochan, Managing Director	63.23	48.48	85.91%
A.N. Raju, Deputy Managing Director	61.02	46.78	38.23%
M. Ramaswamy, Chief Financial Officer	38.53	29.54	33.15%
P. Viswanathan, Secretary & Compliance Officer	18.46	14.15	8.49%

(iii) The percentage increase in the median remuneration of employees in the financial year: 10%

(iv) The number of permanent employees on the rolls of the Company: 3,926

(v) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

The average increase in salaries of employees other than managerial personnel in 2021-22 was 8%. Percentage increase in the managerial remuneration for the year was 35.27%.

(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 2021-22

Sl. No.	Name of the Employee	Designation	Remu-neration (₹ in cr)	Nature of Employement	Qualification and Experience	Date of Commencement of Employment	Date of Birth	Age	Last employment	% of equity shares	Relative of any director
1	Sri Harsha Viji	Executive Vice Chairman	5.05	Contractual	B.Com, ACA MBA (Ann Arbor, Michigan) Nearly 2 decades experience in areas of specialisation particularly, strategy formulation, joint venture negotiations, new business development etc.	14-11-2005	28-08-1975	46	Mckinsey & Company	1.53	Son of Sri S. Viji, Chair-man
2	Sri Rajiv C. Lochan	Managing Director	4.48	Contractual	B.Tech. (IIT), MS (MIT), MBA (Columbia Business School) Has more than 2.5 decades of experience in the field of management especially in the area of finance, social sector and public health. Formerly MD & CEO of the The Hindu Group and Partner at McKinsey & Company.	03-06-2020	23-07-1971	50	Managing Director and CEO of Kasturi and Sons Ltd., publishers of The Hindu	0.00	–
3	Sri A.N. Raju	Deputy Managing Director	4.33	Contractual	B.Sc (Engineering), MBA Has over 4 decades of experience in Automobiles, Engineering and Financial Sector.	02-07-1997	15-05-1959	62	G.E. Capital Services India Limited	0.04	–
4	Sri M. Ramaswamy	Chief Financial Officer	2.73	Others	B.Sc. Statistics, ACA Has over 3 decades of experience in accounts, taxation and treasury in finance services Industry.	07-06-1986	28-07-1961	60	Brahmayya & Co.	0.03	–

Sl. No.	Name of the Employee	Designation	Remu-neration (₹ in cr)	Nature of Employement	Qualification and Experience	Date of Commencement of Employment	Date of Birth	Age	Last employment	% of equity shares	Relative of any director
5	Sri P. Viswanathan	Secretary & Compliance Officer	1.31	Others	B.Com, FCS Has over 4 decades of experience in statutory compliance in financial services industry	01-10-1982	28-07-1955	66	Lakshmi General Finance Limited	0.04	–
6	Sri K. Sankarakumar	Senior Vice President & Head - Distribution	0.81	Others	M.Sc., Maths, PGDM Has over 3 decades of experience in Automobile & Financial Services Industry.	01-05-2004	07-05-1961	61	Maruthi Udyog Ltd.	0.00	–
7	Sri Moahan Ananda Venkatesan	Senior Vice President & Head - Tamil Nadu	0.79	Others	B.Com., Nearly 4 decades of experience in Banking and Finance Industry	01-04-2021	02-05-1962	60	Sundaram Home Finance Ltd	0.31	–
8	Sri V. Ananthanarayanan	Chief Information Officer	0.77	Others	M.Sc., Statistics and Computer Applications, MBA, IT & Finance Has over 3 decades of experience in Information Technology Industry	02-12-2013	12-10-1962	59	Aegis Limited	0.00	–
9	Sri Rajesh Venkat	Vice President - Operations	0.77	Others	B.A. (Economics), MBA Nearly 2 decades experience in financial services industry	01-07-2017	27-08-1974	47	Sundaram Business Services Limited	0.00	–
10	Sri H. Venkatesan	Vice President & Head - CCPD	0.76	Others	M.Com., CA, CS, CISA, CFE, Has over 3 decades of experience in Internal Audit and 2 years of experience in Credit Control Processing.	08-01-1990	16-04-1964	57	Lakshmi General Finance Limited	0.00	–

Annexure - VIII

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	2,40,997
	Stock Appreciation Rights (SARs) from the introduction of SARs#	4,918
b)	Exercise Price	₹10/- per share (at par)
c)	Options Vested	2,09,075
d)	Options Exercised	2,07,925
e)	The total number of shares arising as a result of exercise of Option.	2,07,925
f)	Options lapsed/cancelled*	400
g)	Variation of terms of Options	Not Applicable
h)	Money realized by exercise of Option (Amount ₹)	20,79,250
i)	Total number of Options in force	31,922
j)	Total number of SARs in force	4,918

k)	Employee-wise details of Options / SARs granted on 28th May 2021 (Grant 13) & 25th May 2022 (Grant 14)			
			Options	SARs
	i) Key Managerial Personnel	1. Sri. Rajiv C. Lochan Managing Director	3,700	–
		2. Sri. A.N. Raju, Deputy Managing Director	3,600	–
		3. Sri. M. Ramaswamy, Chief Financial Officer	2,040	510
		4. Sri. P. Viswanathan, Secretary & Compliance Officer	1,280	320
	ii) Any other employee who receives a grant in any one year of Option amounting to 5% or more of Options granted during that year/s:	1. Sri. Lakshmi Narayanan Duraiswamy, Managing Director, Sundaram Home Finance Limited	1,250	–
		2. Sri Sunil Subramanian, Managing Director, Sundaram Asset Management Company Limited	1,000	–
	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

* 400 Options - were cancelled before exercise as per terms of the Scheme.

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

Financial Highlights

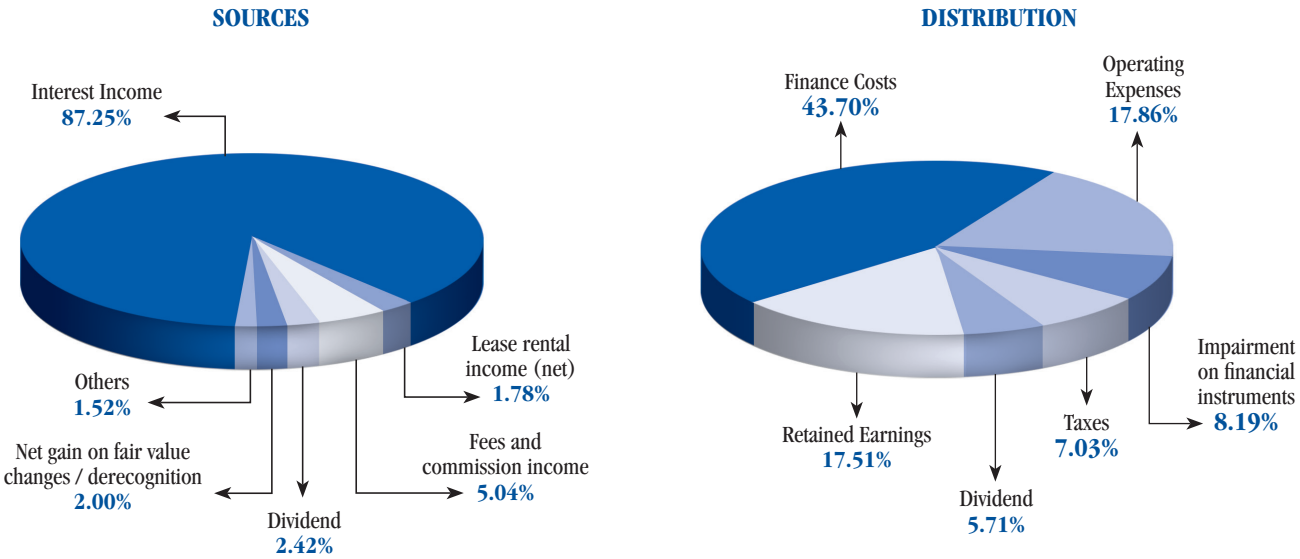
(₹ in cr.)

Year	Paid-up Capital	Reserves	Deposits	Borrowings	Total Receivables	PBDT	PAT	Dividend %	Dividend Amount
1954	0.02		0.10	0.10	0.10				
1972	1.00	0.58	8.35	8.37	9.86	0.73	0.30	16.00	0.16
1976	1.50	0.99	13.57	14.44	19.87	1.78	0.67	16.00	0.24
1978	2.00	1.37	14.65	19.47	27.18	2.01	0.77	18.00	0.36
1982	3.00	3.00	45.20	58.42	76.60	4.28	1.58	20.00	0.60
1986	6.00	6.59	104.10	125.60	184.66	10.35	2.67	16.00	0.96
1990-91	12.00	30.24	201.02	334.29	483.21	34.69	12.01	25.00	3.00
1995-96	24.00	204.31	550.44	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
2017-18	111.10	4,022.53	2,499.32	21,147.07	28,647.92	913.33	563.44	120.00	133.32
2018-19	111.10	4,932.71	2,975.16	25,041.76	33,446.71	1,541.68	1,126.31*	175.00**	194.43
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

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

** includes a special dividend of 50%

Sources and Distribution of Income (2021-22)
₹3890.46 cr.



Independent Auditor's Report

To the Members of Sundaram Finance Limited

Report on the Audit of the Standalone Financial Statements

Opinion

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

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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, 2022, its profitand total comprehensive income, itschanges in equity and itscash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the 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 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 ("the ICAI") together with the ethical requirements that are relevant to our audit of the Financial Statements under the provisions of the Act and the Rules 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 Financial Statements.

Key Audit Matters

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

Sr. No	*Key Audit Matter*	*How the Key Audit Matter was addressed in our audit*
1	**"Impairment Loss Allowance / ECL on Loans"**	
Refer to the accounting policies in ' Note 2.3to the Ind AS Financial Statements: Expected Credit Loss', Impairment of Financial Assets 'Note 2.1 to the Ind AS Financial Statements: Revenue Recognition' and and 'Note 37to the Ind AS Financial Statements: Risk Management'.		
	Subjective estimates: Under Ind AS 109, "Financial Instruments", allowance for loan losses are determined using expected credit loss ('ECL') estimation model. The estimation of ECL on financial instruments involves significant judgement and estimates. The key areas where we identified greater levels of management judgement and therefore increased levels of audit focus in the Company's estimation of ECLs are:	**Our key audit procedures included:** Review of Policy/procedures & design/controls • Review of the Board approved Policy and approach concerning the assessment of credit and other risks and ascertainment/ageing of 'default' by the borrowers and procedures in relation to stages and ECL computation. • Studying the report of review of ECL model of the Company for the year, as performed by an independent expert, whose report is placed before the Board of Directors of the Company.

Sr. No	*Key Audit Matter*	*How the Key Audit Matter was addressed in our audit*
	• Data inputs - The application of ECL model requires several data inputs. This increases the risk of completeness and accuracy of the data that has been used to create assumptions in the model. • Model estimations - Inherently judgmental models are used to estimate ECL which involves determining Probabilities of Default ("PD"), Loss Given Default ("LGD"), and Exposures at Default ("EAD"). The PD and the LGD are the key drivers of estimation complexity in the ECL and as a result are considered the most significant judgmental aspect of the Company's modelling approach. • Economic scenarios - Ind AS 109 requires the Company to measure ECLs on an unbiased forward-looking basis reflecting a range of future economic conditions. Significant management judgement is applied in determining the economic scenarios used and the probability weights applied to them. The effect of these matters is that, as part of our risk assessment, we determined that the impairment of loans and advances to customers, has a high degree of estimation uncertainty, with a potential range of reasonable outcomes greater than our materiality for the Standalone Ind AS Financial Statements as a whole, and possibly many times that amount. **Disclosures:** The disclosures (including disclosures prescribed by RBI) regarding the Company's application of Ind AS 109 are key to explaining the key judgements and material inputs to the Ind AS 109 ECL results.	• Testing key controls relating to selection and implementation of material macro-economic variables and the controls over the scenario selection and application of probability weights. • Assessing the design, implementation and operating effectiveness of key internal financial controls including monitoring process of overdue loans (and those which became overdue after the reporting date), measurement of provision, stage-wise classification of loans, identification of NPA accounts, assessing the reliability of management information, which included overdue reports. • Understanding management's approach, interpretation, systems and controls implemented in relation to probability of default and stage-wise bifurcation of product-wise portfolios for timely ascertainment of stress and early warning signals. • Testing of review controls over measurement of provisions and disclosures in the Standalone Ind AS Financial Statements. • Involvement of Information system resource to obtain comfort over data integrity and process of report generation through interface of various systems. • Understanding of models and general economic indicator criteria used for regression testing over data of the loan book. **Substantive verification** • Sample testing over key inputs, data and assumptions impacting ECL calculations to assess the completeness, accuracy and relevance of data and reasonableness of economic forecasts, weights, and model assumptions applied. • Model calculations testing through re-performance, where possible. • Assessing disclosures - Assessed whether the disclosures on key judgements, assumptions and quantitative data with respect to impairment of loans (including restructuring related disclosures) in the Standalone Ind AS Financial Statements are appropriate and sufficient.
2	**Impairment testing of investments in Subsidiaries /Joint Venture**	
	Impairment testing of investments in Subsidiaries/ Joint venture is considered as a Key Audit Matter since impairment, if any, of these investments may have an impact on the equity of the Company.	To test for impairment in the Investments in Subsidiaries / Joint Venture, we compared the book value of the investments in the year under review with their pro rata share of the respective company's equity based on its financial statements, and evaluated the internal and external sources of information to reassure its values. Evaluate the Company's Internal controls viz a viz the implementation of Investment Risk management System and processes. Test of management oversight and controls over valuation of investments. Accordingly based on our audit procedures, we noted no reportable matters regarding investments and its valuation.

Sr. No	*Key Audit Matter*	*How the Key Audit Matter was addressed in our audit*
3	**Information Technology**	
	IT systems and controls The Company's financial reporting processes are dependent on technology considering significant number of transactions that are processed daily across multiple and discrete Information Technology ('IT') systems. The Financial accounting system of the Company is interfaced with several other IT systems including Loan Management & Originating systems and several other systemic workflows. IT general and application controls are critical to ensure that changes to applications and underlying data are made in an appropriate manner. Adequate controls contribute to mitigating the risk of potential fraud or errors as a result of changes to the applications and data. These includes implementation of preventive and detective controls across critical applications and infrastructure. Due to the pervasive nature of role of information technology systems in financial reporting, in our preliminary risk assessment, we planned our audit by assessing the risk of a material misstatement arising from the technology as significant for the audit, hence the Key Audit Matter.	In course of audit, our focus was on user access management, change management, segregation of duties, system reconciliation controls and system application controls over key financial accounting and reporting systems. We performed a range of audit procedures, which included: • Review of the report of IS Audit carried in earlier year(s) by an independent firm of Chartered Accountants pertaining to IT systems general controls including access rights over applications, operating systems and databases relied upon for financial reporting. • Deployed our internal experts to carry out IT general Controls testing and identifying gaps, if any. • Our other processes include: • Selectively recomputed interest calculations and maturity dates; • Selectively re-evaluating masters updation, interface with resultant reports; • Selective testing of the interface of Project Sundaram with other IT systems like Oracle, and other workflows. • Testing of the system generated reports and accounting entries manually for core financial reporting matters (i.e. verification around the computer system) • Evaluating the design, implementation and operating effectiveness of the significant accounts-related IT automated controls which are relevant to the accuracy of system calculation, and the consistency of data transmission. • Other areas that were independently assessed included password policies, system configurations, system interface controls, controls over changes to applications and databases • No material exceptions noted.

Other Matters

The comparative financial information of the Company for the year ended 31st March, 2021 included in these Standalone Financial Statements, including but not limited to groupings and disclosures, are based on the previously issued Standalone Financial Statements prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 audited by the predecessor auditor whose report for the year ended 31st March, 2020 dated 28th May, 2021 expressed an unmodified opinion on those Standalone Financial Statements.

Information Other than the Financial Statements and Auditors' Report thereon

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

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

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

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

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

In preparing the 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 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 Financial Statements.

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

We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal 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.

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 "AnnexureA", 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 Companyso 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 Financial Statements comply with the 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, 2022, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022, 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 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 current year is in accordance with the provisions of Section 197 of the Act.

(h) With respect to the other matters to be included in the 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 Financial Statements – Refer Note 42.04 to the Financial Statements;

(ii) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 6 to the Financial Statements;

(iii) During the year, there has been no delay in transferring the amounts required to be transferred to the Investor Education and Protection Fund.

(iv) (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) above contain any material misstatement.

(v) The interim dividend declared and paid by the Company during the year and until the date of this audit report is in accordance with section 123 of the Companies Act 2013.

As stated in note 42.16 to the 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.

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

Padmini Khare Kaicker
Partner
Membership No. 044784
UDIN:22044784AJNYUS5431
Place: Mumbai
Date: 25 May 2022

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

V. Chandrasekaran
Partner
Membership No. 024844
UDIN: 22024844ALLFLU6835
Place: Chennai
Date: 25 May 2022

Annexure A to the Independent Auditors' report on the Financial Statements of Sundaram Finance Limited for the year ended 31st March 2022

(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) The Company has maintained proper records showing full particulars, including quantitative details and situation of its property, plant and equipment and its 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, the Company has been sanctioned working capital limits from banks in excess of Rs 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.

(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 it.

(b) In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the Company, the terms and conditions of the grant of all loans and advances, investments made are not observed to be prejudicial to the Company's interest.

(c)& (d) The company, being a Non-Banking Financial Company ('NBFC'), registered under provisions of RBI Act, 1934 and rules made thereunder, in pursuance of its compliance with provisions of the said Act/Rules, particularly, the Income Recognition, Asset Classification and Provisioning Norms,monitors repayments of principal and payment of interest by its borrowers as stipulated. In cases where repayment of principal or payment of interest is not received as stipulated, the cognizance thereof is taken by the Company in course of its periodic regulatory reporting.

(e) Since the Company's principal business is to give loans, the provisions of clause 3(iii)(e) of the Order are not applicable to it.

(f) According to the information and explanations given to us, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.

(iv) Based on information and explanations given to us, in respect of loans, investments, guarantees and security, provisions of Section 185 and 186 of the Companies Act, 2013 have been complied with, wherever applicable.

(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.

(vi) The Central Government has not prescribed the maintenance of cost records under sub section (1) of section 148 of the Act for any of the services rendered by the Company. Accordingly, the provision of the clause (vi) of the Order is not applicable.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Income-tax, Sales-tax, Service tax, Goods and Services Tax, Cess and other material statutory dues, the Company has been generally regular in depositing during the year by the Company with the appropriate authorities. There are no undisputed statutory dues payable in respect to the above statues, outstanding as at March 31, 2022, 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, 2022, on account of any disputes, except the following:

Name of the statute	Nature of dues	Amount Rs. Crores	Period to which the amount relates	Forum where dispute is pending
Value Added tax	Value Added Tax	0.96	1993-94 to 2013-14	Assistant/Deputy/Joint Commissioner
	Value Added Tax	0.32	1995-96 to 2011-12	
	Value Added Tax	6.42	1998-96 to 2004-05	High Court
Income Tax Act, 1961	Income Tax	54.17	2018-19	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	0.30	2012-13	Commissioner of Income Tax (Appeals) and a rectification filed before Assessing Officer

(viii) According to the information and explanations given to us, there are no transactions not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961. Accordingly, the reporting under Clause 3(viii) of the Order is not applicable to the Company.

(ix) (a) According to the information and explanations given to us and based on the audit procedures performed by us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

(b) As represented, the company has not been declared as a wilful defaulter by any bank or financial institution or other lender.

(c) In our opinion and according to the information and explanations given to us, the Terms Loans were applied for the purpose for which the Loans were obtained. Also Refer note no. 19 to the Financial Statements, regarding a Term Loan, wherein the application of funds is in progress, and the unapplied loan amount is being held in the form of liquid investments as at the year end.

(d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company and further considering the Asset Liability management mechanism of the Company, we report that no funds raised on short-term basis have been utilised for long-term purposes.

(e) According to the information and explanations given to us and on an overall examination of the Financial Statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

(f) According to the information and explanations given to us and based on the audit procedures performed by us, we report that the Company has not raised any loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Accordingly, the reporting under Clause 3(ix)(f) of the Order is not applicable to the Company.

(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, no material fraud by the Company or on the Company has been noticed or reported during the course of our audit.

(b) No report under Section 143 (12) of the Act has been filed by us, during the year under report, in Form ADT-4 as prescribed under rule 13 of 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) and 3(xvi)(d) of the Order is not applicable to the Company.

(d) Based on the information and explanations given to us and the audit procedures performed by us, we report that the Group has one Core Investment Company.

(xvii) In our opinion and according to the information and explanations given to us, the Company has not incurred cash loss in the financial year and the immediately preceding financial year.

(xviii) There has been no resignation of the Statutory Auditors during the year. However, pursuant to the guidelines for the Appointment of Statutory Central Auditors (SCAs) / Statutory Auditors (SAs) of Commercial Banks, UCBs and NBFCs (including HFCs) issued by the Reserve Bank of India on 27th April, 2021, there was a change in the Statutory Auditors during the year. As informed, there have been no material issues, objections or concerns raised by the previous Auditor.

(xix) In our opinion and according to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities,along with details provided in Note 43.04 to the Ind AS Financial statements which describe the maturity analysis of assets & liabilities and other information accompanying the Ind AS Financial Statements, 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.

(xx) (a) According to the information and explanations given to us, in respect of other than ongoing projects, 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.

(xxi) Reporting under clause xxi of the Order is not applicable as the same is required to be reported only in case of consolidated financial statement.

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

Padmini Khare Kaicker
Partner
Membership No. 044784
UDIN:22044784AJNYUS5431
Place: Mumbai
Date: 25 May 2022

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

V. Chandrasekaran
Partner
Membership No. 024844
UDIN: 22024844ALLFLU6835
Place: Chennai
Date: 25 May 2022

Annexure B to the Independent Auditors' report on the Financial Statements of Sundaram Finance Limited for the year ended 31 March 2022

(Referred to in paragraph 7 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.

Opinion

1. We have audited the internal financial controls with reference to the Financial Statements of Sundaram Finance Limited ("the Company") as at 31 March 2022 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

2. In our opinion, the Company has, in all material respects, an adequate internal financial controls with reference to the Financial Statements and such internal financial controls were operating effectively as at 31 March 2022, 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 on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("the Guidance Note").

Management's responsibility for Internal Financial Controls

3. 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

4. Our responsibility is to express an opinion on the Company's internal financial controls with reference to the 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 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 Financial Statements were established and maintained and whether such controls operated effectively in all material respects.

5. 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.

6. 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 Financial Statements.

Meaning of Internal Financial Controls with reference to the Financial Statements

7. A company's internal financial controls with reference to the 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 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 Financial Statements

8. 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 Financial Statements to future periods are subject to the risk that the internal financial controls with reference to the Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

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

Padmini Khare Kaicker
Partner
Membership No. 044784
UDIN:22044784AJNYUS5431
Place: Mumbai
Date: 25 May 2022

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

V. Chandrasekaran
Partner
Membership No. 024844
UDIN: 22024844ALLFLU6835
Place: Chennai
Date: 25 May 2022

Standalone Balance Sheet

March 31, 2022

(₹ in crores)

Particulars	Note	March 31, 2022	March 31, 2021
ASSETS			
Financial Assets			
Cash and cash equivalents	4	78.01	102.38
Other Bank Balances	5	539.12	590.79
Derivative financial instruments(net)	6	0.61	–
Receivables	7		
(I) Trade receivables		14.32	16.38
(II) Other receivables		3.94	3.77
Loans	8	28,400.15	29,341.61
Investments	9	5,318.67	4,052.40
Other Financial assets	10	59.07	42.48
Non-Financial Assets			
Current tax assets (Net)		264.00	223.02
Deferred tax assets (Net)	11	185.10	158.92
Investment Property	12	68.66	71.52
Property, Plant and Equipment	13	244.97	212.36
Right-of-use assets	14	43.59	41.58
Other intangible assets	15	3.21	5.43
Other non-financial assets	16	64.10	57.12
Total Assets		**35,287.52**	**34,919.76**
LIABILITIES AND EQUITY			
Liabilities			
Financial Liabilities			
Derivative financial instruments(net)	6	–	15.53
Payables	17		
(I) Trade Payables			
(i) Total outstanding dues of micro enterprises and small enterprises		1.37	0.65
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		87.93	52.87
(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		7.64	10.83
Debt securities	18	13,751.20	14,692.94
Borrowings (Other than debt securities)	19	7,363.11	6,860.05
Deposits	20	4,219.73	4,154.55
Subordinated liabilities	21	2,501.24	2,505.87
Other financial liabilities	22	391.01	398.24
Non-Financial Liabilities			
Provisions	23	42.76	24.11
Other non-financial liabilities	24	28.44	24.66
Equity			
Equity share capital	25	111.10	111.10
Other equity *		6,781.99	6,068.36
Total Liabilities and Equity		**35,287.52**	**34,919.76**

Significant 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
Padmini Khare Kaicker
Partner, Membership No. 044784
Place : Mumbai

For N. C. Rajagopal & Co
Chartered Accountants
Firm Registration No. 003398S
V Chandrasekaran
Partner, Membership No. 024844
Place : Chennai

Date : May 25, 2022

S. Viji
Chairman

Harsha Viji
Executive Vice Chairman

S. Prasad
Director

Rajiv C. Lochan
Managing Director

A.N. Raju
Deputy Managing Director

M. Ramaswamy
Chief Financial Officer

P. Viswanathan
Secretary & Compliance Officer

Statement of Standalone Profit and Loss

March 31, 2022

(₹ in crores)

Particulars	Note	2021-22	2020-21
Revenue from operations			
Interest Income	26	3,394.46	3,471.34
Lease Rental income (Net)		69.07	58.09
Fees and Commission Income	27	195.89	196.61
Dividend Income		94.02	63.07
Income from other Services		19.49	21.01
Recovery of Bad debts		19.18	12.97
Net gain on fair value changes	28	77.92	130.65
Total Revenue from operations		**3,870.03**	**3,953.74**
Other Income	29	20.43	60.46
Total Income		**3,890.46**	**4,014.20**
Expenses			
Finance cost	30	1,700.11	2,030.73
Employee benefit expenses	31	414.46	382.23
Administrative & other expenses	32	207.83	158.62
Depreciation & amortisation		72.64	70.25
Impairment on financial instruments	33	318.52	316.06
Total expenses		**2,713.56**	**2,957.90**
Profit/(loss) before exceptional items and tax		1,176.90	1,056.30
Profit/(loss) before tax		**1,176.90**	**1,056.30**
Tax expense	11	273.49	247.25
Current tax		296.74	288.25
Deferred tax		(23.25)	(41.00)
Profit/(loss) after tax for the year		**903.41**	**809.05**
Other Comprehensive Income (net of tax) :			
Remeasurements of the defined benefit plans (A)		(5.55)	0.05
A (i) Items that will not be reclassified to profit or loss :			
Remeasurements of the defined benefit plans		(7.41)	0.07
(ii) Income tax relating to items that will not be reclassified to profit or loss		1.86	(0.02)
Sub-total (A)		**(5.55)**	**0.05**
Fair value change on cashflow hedge(net of taxes) (B)		(8.71)	(4.88)
B (i) Items that will be reclassified to profit or loss			
Fair value change on cashflow hedge		(11.64)	(6.52)
(ii) Income tax relating to items that will be reclassified to profit or loss		2.93	1.64
Sub-total (B)		**(8.71)**	**(4.88)**
Other Comprehensive Income (A + B)		**(14.26)**	**(4.83)**
Total Comprehensive Income for the year		**889.15**	**804.22**
Earnings per equity share (on PAT)			
Basic & diluted (Face Value of ₹10/- each)	42.17	81.31	72.82

Significant 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
Padmini Khare Kaicker
Partner, Membership No. 044784
Place : Mumbai

For N. C. Rajagopal & Co
Chartered Accountants
Firm Registration No. 003398S
V Chandrasekaran
Partner, Membership No. 024844
Place : Chennai

Date : May 25, 2022

S. Viji
Chairman

Harsha Viji
Executive Vice Chairman

S. Prasad
Director

Rajiv C. Lochan
Managing Director

A.N. Raju
Deputy Managing Director

M. Ramaswamy
Chief Financial Officer

P. Viswanathan
Secretary & Compliance Officer

Statement of Standalone Changes in Equity for the year ended March 31, 2022

a) Equity Share Capital (₹ in crores)

Particulars	Amount
Balance as at March 31, 2021	111.10
Changes in equity share capital during the year	–
Balance as at March 31, 2022	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	Covid Reserve	Impairment Reserve	Equity investments through OCI	Effective portion of cash flow hedge	
Balance as at March 31, 2020	**6.60**	**2.45**	**1,366.48**	**3,500.00**	**519.50**	**27.18**	**–**	**–**	**14.05**	**5,436.26**
(A) Profit After tax for the year	–	–	–	–	809.05	–	–	–	–	809.05
(B) Other comprehensive income:	–	–	–	–	–	–	–	–	–	–
Remeasurements of the defined benefit plans	–	–	–	–	0.05	–	–	–	–	0.05
Fair value change on cashflow hedge	–	–	–	–	–	–	–	–	(4.88)	(4.88)
Total Comprehensive income for the year (A)+(B)	–	–	–	–	**809.10**	–	–	–	**(4.88)**	**804.22**
Transfer from Covid Reserve	–	–	–	–	27.18	(27.18)	–	–	–	–
Deferred tax on Covid reserve provision	–	–	–	–	(6.84)	–	–	–	–	(6.84)
Dividend payout (Final)	–	–	–	–	(33.33)	–	–	–	–	(33.33)
Dividend payout (Interim)	–	–	–	–	(133.32)	–	–	–	–	(133.32)
Options Granted during the year	–	1.13	–	–	–	–	–	–	–	1.13
Cost of shares transferred on exercise of option	–	(0.06)	–	–	–	–	–	–	–	(0.06)
Deferred Employee Compensation Cost	–	0.30	–	–	–	–	–	–	–	0.30
Transfer to general reserve	–	(2.88)	–	–	–	–	–	–	–	(2.88)
Transfer to Statutory reserve	–	–	161.81		(161.81)	–	–	–	–	-
Transfer from Share Options Outstanding account	–	–	–	2.88	–	–	–	–	–	2.88
Balance as at March 31, 2021	**6.60**	**0.94**	**1,528.29**	**3,502.88**	**1,020.48**	**–**	**–**	**–**	**9.17**	**6,068.36**

Statement of Standalone Changes in Equity

for the Year Ended March 31, 2022

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	Covid Reserve	Impairment Reserve	Equity investments through OCI	Effective portion of cash flow hedge	
Balance as at March 31, 2021	**6.60**	**0.94**	**1,528.29**	**3,502.88**	**1,020.48**	**–**	**–**	**–**	**9.17**	**6,068.36**
(A) Profit After tax for the year	–	–	–	–	903.41	–	–	–	–	903.41
(B) Other comprehensive income:	–	–	–	–		–	–	–	–	–
Remeasurements of the defined benefit plans	–	–	–	–	(5.55)	–	–	–	–	(5.55)
Fair value change on cash flow hedge	–	–	–	–	–	–	–	–	(8.71)	(8.71)
Total Comprehensive income for the year (A)+(B)	–	–	–	–	897.86	–	–	–	(8.71)	889.15
Transfer to Impairment Reserve	–	–	–	–	(11.28)		11.28	–	–	–
Deferred tax on Impairment Reserve provision	–	–	–	–	2.84	–	–	–	–	2.84
Dividend payout (Final)	–	–	–	–	(66.66)	–	–	–	–	(66.66)
Dividend payout (Interim)	–	–	–	–	(111.10)	–	–	–	–	(111.10)
Options Granted during the year	–	3.94	–	–	–	–	–	–	–	3.94
Cost of shares transferred on exercise of option	–	(0.03)	–	–	–	–	–	–	–	(0.03)
Deferred Employee Compensation Cost	–	(1.62)	–	–	–	–	–	–	–	(1.62)
Transfer to general reserve	–	(1.02)	–	–	–	–	–	–	–	(1.02)
Share Options excersied after regulatory approvals during the year	–	(0.05)	–	–	–	–	–	–	–	(0.05)
Transfer to Statutory reserve	–	–	180.68	–	(180.68)	–	–	–	–	–
Transfer from Share Options Outstanding account	–	–	–	1.02	–	–	–	–	–	1.02
Transfer from Impairment Reserve	–	–	–	–	11.28	–	(11.28)	–	–	–
Deferred tax on Impairment Reserve provision	–	–	–	–	(2.84)	–	–	–	–	(2.84)
Balance as at March 31, 2022	**6.60**	**2.17**	**1,708.97**	**3,503.90**	**1,559.89**	**–**	**–**	**–**	**0.46**	**6,781.99**

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

Notes:

Description of nature and purpose of other equity:

a) Capital Reserve: Represents reserve created on account of amalgamations and arrangements

b) Share Options Outstanding Account: Represents reserve on grant of option to employees of the company / group company under Employee Stock option Scheme.

c) Statutory reserve: Represents reserve created as per Section 45-IC of the Reserve Bank of India Act, 1934.

d) General reserve: Represents amount appropriated from retained earnings.

e) COVID-19 reserves: 31st March 20 : Represents amount appropriated from retained earnings (net of tax) as per RBI notification.

f) Impairment Reserve: Represents amount appropriated from retained earnings (net of tax) as per RBI notification and subsequently reversed.

As per our report of even date attached
For **B. K. Khare & Co**
Chartered Accountants
Firm Registration No. 105102W
Padmini Khare Kaicker
Partner, Membership No. 044784
Place : Mumbai

For N. C. Rajagopal & Co
Chartered Accountants
Firm Registration No. 003398S
V Chandrasekaran
Partner, Membership No. 024844
Place : Chennai

Date : May 25, 2022

S. Viji
Chairman

Harsha Viji
Executive Vice Chairman

S. Prasad
Director

Rajiv C. Lochan
Managing Director

A.N. Raju
Deputy Managing Director

M. Ramaswamy
Chief Financial Officer

P. Viswanathan
Secretary & Compliance Officer

Standalone Cash flow Statement

(₹ in crores)

	2021-2022		2020-2021	
A. CASH FLOW FROM OPERATING ACTIVITIES:				
Profit before tax	1,176.90		1,056.30	
Add: Finance costs	1,700.11	2,877.01	2,030.73	3,087.03
Depreciation and Amortisation expense		72.64		70.25
Impairment on financial instruments		318.52		316.06
(Gain)/loss on sale of property, plant and equipment		(4.77)		(2.36)
Share-based payment expense		2.09		1.19
Net gain on fair value changes		(77.92)		(130.65)
Dividend income		(94.02)		(63.07)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		**3,093.55**		**3,278.45**
(Increase) Decrease in Leased assets - net of sales	(76.81)		(38.54)	
(Increase) Decrease in Bank deposits	(110.00)		(76.40)	
(Increase) Decrease in SLR Investments (net)	187.07		101.72	
(Increase)/ Decrease in trade and other receivables	1.66		0.82	
(Increase)/ Decrease in Loans	661.99		(1,613.86)	
(Increase)/ Decrease in Other financial assets	(21.88)		(25.72)	
(Increase)/ Decrease in Non financial assets	(14.95)		(7.98)	
(Increase)/ Decrease in Other non-financial assets	(164.85)		(115.64)	
Increase/ (Decrease) in trade and other payables	34.05		(10.43)	
Increase/(Decrease) in financial liabilities	(44.56)		16.75	
Increase/(Decrease) in other non-financial liabilities and provisions	14.09	465.81	1.29	(1,767.99)
Cash generated from Operations		3,559.36		1,510.45
Financial costs	(1,593.78)		(1,520.21)	
Income Taxes Paid	(173.00)	(1,766.78)	(241.50)	(1,761.71)
NET CASH FROM / (USED IN) OPERATING ACTIVITIES (A)		**1,792.58**		**(251.25)**

(₹ in crores)

	2021-2022	2020-2021
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Payment for purchase and construction of property, plant and equipment	(20.72)	(6.79)
Payment for purchase and construction of investment properties	(1.25)	(0.05)
Payment for purchase and generation of intangible assets	(1.23)	(1.15)
Purchase of investment in Equity instruments (Subsidiaries)	(147.63)	-
Purchase of other investments	(14,766.66)	(14,937.13)
Sale of other investments	13,700.72	14,948.07
Proceeds from sale of property, plant and equipment, intangible assets and investment property	12.51	15.62
Dividend income	94.02	63.07
NET CASH FROM / (USED IN) INVESTING ACTIVITIES (B)	**(1,130.24)**	**81.64**
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Payment of Lease liability	(15.23)	(15.84)
Debt securities, deposits, sub-ordinated liabilities and other borrowings:		
Availment	14,493.37	17,110.90
Repayment	(14,987.08)	(16,675.40)
Dividend Paid	(177.77)	(166.66)
NET CASH FROM / (USED IN) FINANCING ACTIVITIES (C)	**(686.71)**	**253.00**
NET INCREASE IN CASH AND CASH EQUIVALENTS (A) + (B) + (C)	**(24.37)**	**83.39**
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	102.38	18.99
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	**78.01**	**102.38**
COMPONENTS OF CASH AND CASH EQUIVALENTS		
AT THE END OF THE YEAR		
Cash and cash equivalents	69.92	72.71
Balances with Banks	8.09	29.67
	78.01	**102.38**

As per our report of even date attached
For **B. K. Khare & Co**
Chartered Accountants
Firm Registration No. 105102W
Padmini Khare Kaicker
Partner, Membership No. 044784
Place : Mumbai

For N. C. Rajagopal & Co
Chartered Accountants
Firm Registration No. 003398S
V Chandrasekaran
Partner, Membership No. 024844
Place : Chennai

Date : May 25, 2022

S. Viji
Chairman

Harsha Viji
Executive Vice Chairman

S. Prasad
Director

Rajiv C. Lochan
Managing Director

A.N. Raju
Deputy Managing Director

M. Ramaswamy
Chief Financial Officer

P. Viswanathan
Secretary & Compliance Officer

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

General information:

Sundaram Finance Limited ('the Company') is a Public Limited Company incorporated in India with its registered office located at No.21, Patullos Road, Chennai – 600002. The Company is registered as a Non-Banking Finance Company (Deposit taking) with Reserve Bank of India and is primarily engaged in the business of financing of Commercial vehicles, Cars, construction equipment and other vehicles in the retail segment.

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

1. BASIS OF PREPARATION AND PRESENTATION

1.1 Statement of Compliance

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

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

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

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

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

1.2 Accounting Convention

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

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Revenue recognition

A) Interest Income

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

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

B) Service Income

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

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

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

C) Fee and Commission Income

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

D) Dividend Income

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

2.2 Measurement of Fair Values

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

2.3 Financial Instruments

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

Financial Assets / Liabilities

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

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

Classification and subsequent measurement

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

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

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

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

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

Equity Investments

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

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

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

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

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

Impairment of Financial Assets

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

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

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

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

Contract Asset and Contract Liability.

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

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

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

De-recognition of Financial Assets and Financial Liabilities

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

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

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

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

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

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

Off-setting of Financial Instruments

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

2.4 Leases

Lessor Accounting

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

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

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

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

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

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

Lessee Accounting

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

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

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

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

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

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

2.5 Employee Benefits

Short term Employee benefits

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

Post-Employment benefits

Defined contribution plans

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

2. **Employees' Pension Scheme and Employees' State Insurance Scheme:** The Company also contributes to a government administered Employees' Pension Scheme under the Employees Provident Fund Act and to Employees' State Insurance Schemes on behalf of its employees.

Defined benefit plans

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

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

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

2. **Provident Fund:** Contributions are made to the company's Employees Provident Fund Trust in accordance with the fund rules. The interest rate payable by the trust to the beneficiaries every year is notified by the Government. The company has an obligation to make good the shortfall, if any, between the return from the Investment of the trust and the notified interest rate. The monthly contribution made by the Company is recognised as employee benefit expense in the Statement of Profit and Loss.

3. **Retired Employee Medical Scheme:** The Post-retirement medical benefit plan provides for reimbursement of health care costs to certain categories of employees post their retirement. The reimbursement is subject to an overall ceiling sanctioned based on cadre of the employee at the time of retirement. The plan is unfunded. Employees do not contribute to the plan.

Other Long-Term Employee Benefits

1. **Leave Encashment:** The company accounts its liability based on an actuarial valuation, as at the balance sheet date, using the Projected Unit Credit method.

2. **Employee Assured Bonus Scheme & Sick leave:** The Company accounts its liability in respect of other long-term benefits like Employee Assured Bonus Scheme and entitlement of sick leave on the basis of an actuarial valuation.

2.6 Share Based Payments:

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

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

The equity settled shares vest in a graded manner over the vesting period. The fair value determined on the grant date of equity settled share payment is expensed on straight line basis over the vesting period of the respective tranches of such 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 aremeasured initially at fair value of the liability and re-measured at the end of each reporting period until the liability is settled.

The Option carries neither right to Dividend nor voting rights.

2.7 Income Taxes

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

Current tax

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

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

Deferred tax

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

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

Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that future taxable income will be available against which the deductible temporary differences can be utilized. Deferred tax assets are reviewed at each reporting date and based on management's judgement, are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

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

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

a) Has a legally enforceable right to set off current tax assets against current tax liabilities; and

b) The deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority.

Current and Deferred tax for the Year

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

2.8 Property Plant and Equipment (PPE)

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

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

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

Freehold land is not depreciated.

An item is recognised as property plant and equipment if and only if it is probable that future economic benefits associated with the item will flow to the company and its costs can be measured reliably. Subsequent expenditure is added to the carrying amount or recognized as separate asset, when the Company expects future economic benefits from that item.

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

Estimated useful lives of the assets, based on technical assessment, which are different in certain cases from those prescribed in Schedule II of the Companies Act 2013, are as follows:

(in Years)

Assets	Plant and machinery	Computers-End user services	Computers-Servers and Network	Vehicles	Office equipment
Own	15	7	10	5	8
Operating lease	5	3	6	4	-

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

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

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

2.9 Investment Property

Properties held to earn rental income or for capital appreciation or both and that is not occupied by the company is classified as Investment Property.

It is measured initially at cost of acquisition including transaction costs, borrowing cost and other directly attributable cost in bringing the asset to its working condition for its intended use. Subsequent expenditure is capitalized to the asset carrying amount only when it is probable that the future economic benefit associated with the expenditure will flow to the company.

The fair value of investment property has been determined by Registered property valuer as required under Schedule III having required qualification and experience.

Depreciation is provided on written down value method by adopting useful life of 60 years in the case of Building as prescribed under schedule II to the Companies Act, 2013 after retaining 5% of Original cost as residual value for Buildings.

2.10 Intangible Assets

Intangible assets are identified non-monetary assets without physical existence. Intangible assets with finite useful lives that are acquired separately are capitalized and carried at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets are recognized in books only when it is probable that future economic benefits associated with the asset will flow to the company and the cost can be measured reliably.

The cost of the intangible asset shall include the purchase price, including non-refundable duties and taxes, all the directly attributable costs to bring the intangible to the present location, working condition and intended use.

Intangible assets represent Computer software whose cost is amortized over their expected useful life 2 to 5 years on a straight-line basis.

The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Impairment loss, if any, is provided to the extent, the carrying amount of assets exceeds their recoverable amount. Recoverable amount is the higher of an assets net selling price and the present value of estimated future cash flows expected

to arise from the continuing use of the asset and from its disposal at the end of its useful life.

Intangible Assets under development

Development expenditure on new products is capitalized as intangible asset if all the following are demonstrated.

- Technical feasibility of completing the asset
- Intention to complete the asset
- The ability to use or sell the asset
- Probability that the intangible asset will generate future economic benefits
- Availability of the adequate technical, financial and other resources to complete the intangible asset
- The ability to measure reliably the expenditure attributable during the development stage

2.11 Impairment of Assets

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

2.12 Foreign Currency Transaction

Transactions in foreign currency are accounted at the exchange rates prevailing on the date of the transaction. The foreign currency borrowing being a monetary liability is restated to INR (being the functional currency of the Company) at the prevailing rates of exchange at the end of every reporting period with the corresponding exchange gain/ loss being recognised in profit or loss. The Company enters into forward exchange contracts, forward rate agreements, coupon only swaps and interest rate swaps. The Company undertakes such transactions for hedging its balance sheet. The foreign currency borrowing and derivative swaps are treated as separate transactions.

The derivatives (swaps, forward rate agreements and forward contracts) are classified at fair value through profit or loss (FVTPL) under Ind AS 109, Financial Instruments with the resultant gain or loss being taken to profit or loss.

2.13 Derivatives & Hedge Accounting

The company designates certain derivatives held for risk management as hedging instruments in qualifying hedging relationships. These derivatives qualify for hedge accounting and meet the criteria for cash flow hedge. The effective portion of the gain or loss arising on the fair value measurement of the hedging instrument is recognised in other comprehensive income.

2.14 Dividend

The final Dividend on shares is recorded as a liability on the date of approval by the Shareholders and interim dividends are accounted on payment basis as they are revocable till actually paid.

2.15 Cash Flow Statement

Cash flows are reported using the indirect method, whereby net profit after tax is adjusted for the effects of transactions of non-cash nature, tax and any deferrals or accruals of past or future cash receipts or payments. The cash flows are prepared for the operating, investing and financing activities of the Company.

Cash comprises of cash on hand and demand deposits with banks. Cash equivalents are short-term deposits with banks (with an original maturity of three months or less from the date of placement) and cheques on hand. Short term and liquid investments being subject to more than insignificant risk of change in value, are not included as part of cash and cash equivalents.

2.16 Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised only when the company has a present obligation (legal or constructive) as a result of past events, and it is probable that it is required to settle the obligation, and a reliable estimate can be made of the amount of obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the obligation at the reporting date, considering the risk and uncertainties surrounding the obligation.

Contingent liabilities

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

There is a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

2.17 Earnings Per Share

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

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

3. 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.

Note 4: Cash and cash equivalents

(₹ in crores)

Particulars	March 31, 2022	March 31, 2021
Cash on hand	12.22	17.13
Balances with Banks	8.09	29.67
Cheques, drafts on hand	57.70	55.58
TOTAL	**78.01**	**102.38**

Note 5: Other Bank Balances other than specified in Note 4 above

(₹ in crores)

Particulars	March 31, 2022	March 31, 2021
Unpaid dividend account	3.43	3.57
Balances with banks *	535.69	587.22
TOTAL	**539.12**	**590.79**

* Balances with Banks includes,

a) ₹ 299.91 crores (as on March 31, 2021 ₹ 429.61 crores) provided as collateral for assets securitised.

b) In accordance with the Reserve Bank of India directives, the company has created a floating charge on the statutory liquid assets comprising bank deposits of ₹ 161.53 crores (as on March 31, 2021 ₹ 96.50 crores) in favour of trustees representing the deposit holders of the Company.

c) Deposits given as margin for Bank Guarantee amounting to ₹ 1.82 crores (as on March 31, 2021 - Nil) has been provided for demand raised under TNVAT Act in respect of VAT on sale of repossessed vehicles.

d) Deposits given as margin for Bank Guarantee amounting to ₹ 0.27 crores. (as on March 31, 2021 - Nil) for Legal proceedings with respect to repossessed assets.

e) Bank deposit of ₹ 1.51 crores (as on March 31, 2021 - Nil) placed for obtaining Letter of Credit on behalf of our Customers.

Note 6 : Derivative Financial Instruments

The details of the outstanding derivative instruments and their fair values are as below;

Part I (₹ in crores)

Particulars	March 31, 2022			March 31, 2021		
	Notional amount	Fair Value		Notional amount	Fair Value	
		Assets	Liabilities		Assets	Liabilities
(i) Currency derivatives:						
- Currency swaps	–	–	–	–	–	–
- Forward Contracts	–	–	–	401.97	–	27.78
Subtotal (i)	**–**	**–**	**–**	**401.97**	–	**27.78**
(ii) Interest rate derivatives:						
- Forward Rate Agreements & Interest Rate Swaps	375.00	0.61	-	900.00	12.25	-
Subtotal (ii)	**375.00**	**0.61**	**-**	**900.00**	**12.25**	**-**
Total Derivative Financial Instruments (i)+(ii)	**375.00**	**0.61**	**-**	**1,301.97**	**12.25**	**27.78**
Derivative Financial Asset / Liability (net)		**0.61**				**15.53**

Part II - Included in above (Part I) are derivatives held for hedging and risk management purposes as follows:

(₹ in crores)

Particulars	March 31, 2022			March 31, 2021		
	Notional amount	Fair Value		Notional amount	Fair Value	
		Assets	Liabilities		Assets	Liabilities
(i) Cash flow hedging:						
- Interest rate derivatives	375.00	0.61	-	900.00	12.25	-
(ii) Undesignated derivatives	-	-	-	401.97	-	27.78
Total Derivative Financial Instruments (i)+(ii)	**375.00**	**0.61**	**-**	**1,301.97**	**12.25**	27.78
Derivative Financial Asset / Liability (net)		**0.61**				**15.53**

Notes:

1) The interest rate risk and exchange rate risk on the borrowings of the Company are managed using various derivative instruments which are entered from time to time. The risk management strategy and the use of derivatives are explained in Note 37 - Financial Risk Management Framework and Note 43.03 - Derivatives.

2) The Company has designated the Interest rate derivatives (IRS/FRA), which were entered to mitigate interest rate risk on its Subordinated Non Convertible Debentures and Rupee Term Loans, as hedging instruments.

Note 6A: Derivatives designated as Hedging Instruments

The impact of the hedging instrument on the balance sheet as at March 31, 2022 is as follows:

(₹ in crores)

Hedged Instrument	Notional Amount	Carrying Amount	Line item in the Balance sheet	Change in fair value used for measuring ineffectiveness for the period
Interest rate swap	375.00	0.61	Derivative Financial Instruments	1.40

The impact of hedged items on the Balance sheet is as follows:

(₹ in crores)

Hedged Item	Change in value used for measuring ineffectiveness	Cash flow hedge reserve as on March 31, 2022
Floating rate borrowings	(1.40)	0.46

The effect of cash flow hedge in the statement of profit and loss and other comprehensive income is as follows:

(₹ in crores)

Hedged Item	Total hedging gain / (loss) recognised in OCI	Ineffectiveness recognised in the profit and loss	Line item in the statement of profit and loss that include the hedge ineffectiveness	Amount reclassified from cash flow hedge reserve to Profit or loss	Line item in the statement of profit or loss that includes the reclassification adjustment
Floating rate borrowings	(11.64)	–	NA	12.01	Finance Cost (Refer Note-30)

Note 7 Receivables

(₹ in crores)

Particulars	March 31, 2022	March 31, 2021
Trade receivables		
- Secured, considered good	–	–
- Unsecured, considered good	14.24	16.36
- Receivables - credit impaired	0.42	0.13
Less: Impairment loss on the above	0.34	0.11
Sub-total - Trade receivables	**14.32**	**16.38**
Other receivables		
- Secured, considered good	3.06	2.06
- Unsecured, considered good	0.88	1.71
Sub-total - Other receivables	3.94	3.77
TOTAL	**18.26**	**20.15**

Trade Receivables ageing schedule as at March 31, 2022

(₹ in crores)

Particulars	Outstanding for following periods from due date of payment						
	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	1.48	10.56	–	–	–	–	12.04
(ii) Undisputed Trade Receivables – considered doubtful	–	0.07	0.07	0.16	0.13	–	0.42
(iii) Disputed Trade Receivables considered good	–	–	–	–	–	–	–
(iv) Disputed Trade Receivables considered doubtful	–	–	–	–	–	–	–
(v) Unbilled revenue – considered good	2.20	–	–	–	–	–	2.20

Trade Receivables ageing schedule as at March 31, 2021

(₹ in crores)

Particulars	Outstanding for following periods from due date of payment						
	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	4.77	9.23	0.30	0.26	0.19	0.06	14.82
(ii) Undisputed Trade Receivables – considered doubtful	–	0.11	0.02	–	–	–	0.13
(iii) Disputed Trade Receivables considered good	–	–	–	–	–	–	–
(iv) Disputed Trade Receivables considered doubtful	–	–	–	–	–	–	–
(v) Unbilled revenue – considered good	1.54	–	–	–	–	–	1.54

Note 8: Loans
Carried at amortised cost

(₹ in crores)

Particulars	March 31, 2022	March 31, 2021
Hypothecation loans	28,033.37	28,797.60
Net Investment in hire purchase	16.39	103.46
Term Loans	467.04	522.02
Advance for business assets	154.31	165.98
Amount retained on Assets securitised / assigned	37.77	93.70
Loans repayable on Demand	67.07	73.81
Bills Purchased and Bills Discounted	18.88	23.85
Net investment in lease	26.33	17.19
Other loans @	140.60	41.79
Total Loans - Gross	**28,961.76**	**29,839.40**
Less: Impaiment loss allowance	561.61	497.79
Total Loans - Net	**28,400.15**	**29,341.61**
Of the above		
Secured by tangible assets	28,648.69	29,606.38
Secured by intangible assets	–	–
Covered by Bank/Government Guarantees	3.26	5.48
Secured by Deposits	3.92	4.07
Unsecured	305.89	223.47
Total Loans - Gross	**28,961.76**	**29,839.40**
Less: Impaiment loss allowance	561.61	497.79
Total Loans - Net	**28,400.15**	**29,341.61**
Loans in India		
Public Sector	–	–
Others *	28,961.76	29,839.40
Total Loans - Gross	28,961.76	29,839.40
Less: Impaiment loss allowance	561.61	497.79
Total Loans in India - Net - (A)	28,400.15	29,341.61
Loans outside India	–	–
Less: Impaiment loss allowance	–	–
Total Loans outside India - Net - (B)	–	–
Total loans (A) + (B)	**28,400.15**	**29,341.61**

@ includes loans to employees and loan against deposits

* includes loans to Individuals, Sole proprietorship, Partnership, LLPs, Private and Public Limited companies.

There are no Loans or Advances in the nature of loans are 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

Note 9: Investments

(₹ in crores)

Particulars	Note No.	Face Value (₹)	March 31, 2022		March 31, 2021	
			Holding (Number)	Carrying Amount	Holding (Number)	Carrying Amount
At Cost:						
Equity Instruments						
- Subsidiaries						
Sundaram Asset Management Company Limited	i	10	2,39,50,384	236.24	2,00,00,000	186.04
Sundaram Home Finance Limited		10	10,12,54,438	1,152.90	10,12,54,438	1,152.69
Sundaram Fund Services Limited		10	4,50,03,000	24.45	4,50,03,000	24.45
Sundaram Trustee Company Limited		10	50,000	2.29	50,000	2.29
LGF Services Limited		10	2,50,000	0.05	2,50,000	0.05
Sundaram Finance Holdings Limited	ii & iii	5	5,21,76,605	114.15	3,26,50,000	16.45
				1,530.08		**1,381.97**
- Joint Ventures						
Royal Sundaram General Insurance Co. Limited		10	22,45,00,000	585.27	22,45,00,000	585.27
Total - A				**2,115.35**		**1,967.24**
At fair value through other comprehensive income:						
Equity Instruments						
Experian Credit Information Company of India Private Limited		10	1,12,00,000	11.20	1,12,00,000	11.20
				11.20		**11.20**
Preference Shares						
Series A Compulsorily Convertible Preference Shares of RBSG Capital Private Limited		10	7,14,286	3.12	7,14,286	3.12
Total - B				**14.32**		**14.32**
At fair value through profit or loss:						
- Mutual Funds						
Sundaram Liquid Fund		1,000	18,39,684	345.69	–	–
Sundaram Money Fund		10	–	–	4,61,00,725	200.07
Sundaram Ultra Short Duration Fund		1,000	14,24,234	333.80	–	–
SBI Liquid Fund		1,000	8,10,651	270.19	–	–
SBI Magnum Low Duration Fund		1,000	8,65,380	251.76	–	–
Aditya Birla Sun Life Liquid Fund		100	39,38,050	135.12	30,18,015	100.06
Sundaram Low Duration Fund		1,000	3,43,582	101.63	–	–
ICICI Prudential Liquid Fund		100	25,46,586	80.28	16,41,696	50.03
ICICI Prudential Ultra Short Term Fund		10	3,13,64,880	75.00	–	–
Kotak Savings Fund		10	2,08,14,830	75.00	–	–
Tata Ultra Short Term Fund		10	6,29,90,299	75.00	–	–

(₹ in crores)

Particulars	Note No.	Face Value (₹)	March 31, 2022		March 31, 2021	
			Holding (Number)	Carrying Amount	Holding (Number)	Carrying Amount
HDFC Ultra Short Term Fund		10	6,04,18,479	75.00	–	–
HDFC Liquid Fund		1,000	1,68,143	70.36	–	–
Tata Liquid Fund		1,000	1,88,139	63.22	61,620	20.01
Kotak Liquid Fund		1,000	1,40,084	60.28	1,80,436	75.04
SBI Magnum Ultra Short Duration Fund		1,000	1,02,097	50.00	–	–
Nippon India Liquid Fund		1,000	42,456	22.11	19,882	10.01
DSP Liquidity Fund		1,000	32,958	10.03	–	–
L&T Liquid Fund		1,000	34,404	10.03	–	–
Canara Robeco Liquid Fund		1,000	39,326	10.03	–	–
Axis Liquid Fund		1,000	278	0.07	2,18,893	50.01
Invesco India Liquid Fund		1,000	–	–	88,511	25.01
SBI Savings Fund		10	–	–	2,10,26,236	71.90
SBI Banking & PSU Debt Fund		1,000	–	–	2,96,904	75.83
Aditya Birla Sun Life Corporate Bond Fund		10	–	–	2,11,60,187	183.53
HDFC Corporate Bond Fund		10	–	–	5,68,51,976	143.17
IDFC Corporate Bond Fund		10	–	–	6,75,25,864	103.10
SBI Corporate Bond Fund		10	–	–	11,68,61,547	142.74
HDFC Money Market Fund		1,000	–	–	1,25,654	56.22
ICICI Prudential Money Market Fund		100	–	–	8,64,635	25.53
Sundaram Mutual Fund - Seed Capital	iv	10	–	21.88	–	18.94
				2,136.48		**1,351.19**
- Alternative Investment Funds						
Sponsor investments						
Sundaram Alternative Opportunities Fund – Nanocap Series I	v	1,00,000	–	–	900	8.80
Nanocap Series II	v	1,00,000	–	–	913	9.28
Sundaram Alternative Opportunities Series – High Yield Secured Debt Fund	v		–	5.02	–	5.03
High Yield Secured Debt Fund II	v		–	5.00	–	3.75
High Yield Secured Real Estate Fund III	v		–	1.25	–	–
Sundaram India Premier Fund	v	1,000	98,567	17.17	98567	13.83
Sundaram ACORN	v	1,00,000	816	14.58	659	9.22
Others						
Sundaram Alternative Opportunities Series – High Yield Secured Debt Fund			–	4.26	–	35.09
High Yield Secured Debt Fund II			–	45.00	–	33.75
Lok Capital Growth Fund		100	11,80,961	26.07	12,28,933	19.35
				118.35		**138.10**
Total - C				**2,254.83**		**1,489.29**

(₹ in crores)

Particulars	Note No.	Face Value (₹)	March 31, 2022		March 31, 2021	
			Holding (Number)	Carrying Amount	Holding (Number)	Carrying Amount
At amortised cost:						
Debt securities						
Government Securities:						
Central Government Loans	iii	100	1,52,14,300	154.42	1,60,14,300	162.68
State Government Loans	iii	100	3,27,50,000	331.78	3,44,50,000	349.07
				486.20		511.75
Treasury Bills	iii	100	2,50,00,000	247.88	–	–
Pass Through Certificates				100.60		46.44
Commercial Paper:						
Northern Arc Capital Limited		5,00,000	1,500	72.28	500	24.06
Navi Finserv Private Limited		5,00,000	570	27.79	–	–
				100.07		24.06
				934.75		**582.25**
Less: Allowance for Impairment loss				(0.58)		(0.69)
Total - D				**934.17**		**581.55**
Total Investments * A+B+C+D (Net of allowance for impairment loss)				**5,318.67**		**4,052.40**

* All investments of the company are in India.

Notes:

i) During the year, the company subscribed to the rights issue of equity shares offered by Sundaram Asset Management Company Limited (SAMC) for 39,50,384 equity shares of ₹10/- each at a premium of ₹116.57 per share, amounting to ₹50 cr. SAMC using its own funds, the proceeds of the rights issue and availing a loan from the Company, acquired 100% equity shares in Principal Asset Management Private Ltd. and its affiliates.

ii) During the year, the company subscribed to the rights issue of equity shares offered by Sundaram Finance Holdings Limited (SFHL) to the extent of 1,95,26,605 equity shares (including 42,01,095 equity shares renounced by others) of ₹5/- each at a premium of ₹45/- per share, amounting to ₹97.63 cr. Post rights issue, the company holds 23.49% of the equity shares in SFHL. SFHL utilised the proceeds of the rights issue to acquire additional stake of 7.70% in Brakes India Private Ltd. (BIPL), post which SFHL holds 14.37% of equity shares in BIPL.

iii) Represent Quoted Investments.

iv) 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 (Amendment) Regulations, 2014 and cannot be redeemed unless the scheme is wound up.

v) Represents sponsor investments, in compliance with SEBI (Alternative Investment Funds) Regulations, 2012 and the same cannot be redeemed unless the Fund is wound up.

vi) 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 ₹479.64 cr. (amortised cost - ₹486.20 Crore).

Note 10: Other Financial Assets

(₹ in crores)

Particulars	March 31, 2022	March 31, 2021
Repossessed Loan Stock (Net Realisable Value)	45.52	29.55
Carried at amortised cost		
- Security deposits	8.22	7.83
- Other advances	5.50	5.28
Less: Impairment loss on the above	0.17	0.19
TOTAL	**59.07**	**42.47**

Note 11 : Disclosure pursuant to Ind AS 12 "Income Taxes"

(a) Major components of tax expense/(income) :

(₹ in crores)

Sl.no.	Particulars	2021-22	2020-21
(a)	**Profit or Loss section :**		
	(i) Current income tax :		
	Current income tax expense	296.74	288.25
	(ii) Deferred tax :		
	Tax expense on origination and reversal of temporary differences	(23.25)	(41.00)
	Income tax expense reported in Profit or Loss [(i) + (ii)]	**273.49**	**247.25**
(b)	**Other Comprehensive Income (OCI) section :**		
	(i) Items not to be reclassified to profit or loss in subsequent periods :		
	Current tax expense/(income) :	(1.86)	0.02
	On remeasurement of defined benefit plans	(1.86)	0.02
	Items that will not be reclassified to profit or loss: Profit of equity investments	–	–
	(ii) Items to be reclassified to profit or loss in subsequent periods :		
	(A) Deferred tax expense/(income):		
	On MTM of cash flow hedges	(2.93)	(1.64)
	Income tax expense reported in Other Comprehensiv Income [(i) + (ii)]	**(4.79)**	**(1.62)**
	Income tax expense reported in retained earnings	**268.70**	**245.63**

b) Reconciliation of tax expense and the accounting profit multiplied by domestic tax rate applicable in India :

(₹ in crores)

Sl.no.	Particulars		2021-22	2020-21
(a)	**Profit before tax and exceptional items**		1,176.90	1,056.30
(b)	**Profit on exceptional items**		–	–
(c)	**Profit before tax**		1,176.90	1,056.30
(d)	Corporate tax rate as per Income Tax Act 1961		25.17%	25.17%
(e)	**Tax on Accounting profit**	(e)=(a)*(d)	**296.20**	**265.85**
(f)	**(i) Tax on income deductible / exempt from tax :**			
	(A) Dividend income (deduction u/s. 80M)		18.93	12.69
	(ii) Tax on expenses not tax deductible :			
	CSR expenses/Donations		4.09	4.31
	(iii) Tax effect on various other items		7.88	10.22
	Total effect of tax adjustments [(i) -(ii) + (iii)]		22.72	18.60
(g)	**Tax expense recognised during the year**	(g)=(e)-(f)	**273.49**	**247.25**
(h)	**Effective tax Rate**	(f)=(g)/(c)	23.24%	23.41%

(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, 2022	March 31, 2021	2021-22	2020-21
(a)	Items disallowed u/s.43B of the Income Tax Act 1961	5.05	2.41	2.64	(0.51)
(b)	Provision for doubtful debts and advances	111.37	96.19	15.18	35.36
(c)	Difference between book depreciation and tax depreciation	33.51	35.43	(1.91)	(1.78)
(d)	Other temporary differences	35.17	24.89	10.27	9.57
	Deferred tax (expense)/income	–		**26.18**	**42.64**
	Net deferred tax assets/(liabilities)	**185.10**	**158.92**	–	–

d) Reconciliation of deferred tax assets / (liabilities):

(₹ in crores)

Sl. no.	Particulars	March 31, 2022	March 31, 2021
(a)	Opening balance as at April 1	158.92	123.13
(b)	Tax income/(expense) during the period recognised in :		
	(i) Statement of Profit and Loss in Profit or Loss section	23.25	40.99
	(ii) Statement of Profit and Loss under OCI section	2.93	1.64
	(iii) retained earnings	–	(6.84)
Closing balance		**185.10**	**158.92**

Note 12 Investment Property

(₹ in crores)

Particulars	Land	Building	Total
GROSS BLOCK AT COST			
As at March 31, 2021	58.23	16.08	74.31
Additions	–	0.05	0.05
Deductions	2.24	–	2.24
As at March 31, 2022	**55.99**	**16.13**	**72.12**
ACCUMULATED DEPRECIATION			
Upto March 31, 2021	–	2.79	2.79
Additions	–	0.67	0.67
Deductions	–	–	–
Upto March 31, 2022	**0.00**	**3.46**	**3.46**
Carrying Value as at March 31, 2022	**55.99**	**12.67**	**68.66**
Carrying Value as at March 31, 2021	**58.23**	**13.29**	**71.52**

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/Independent Valuer.

The fair valuation for 31.03.2022 is ₹ 245 crores (31.03.2021: ₹ 248.03 crores)

Items relating to Investment property recognised in Profit & Loss account for the year ended are as given below:

(₹ in crores)

Particulars	2021-22	2020-21
Rental income	6.36	6.16
Direct Operating expenses on properties generating rental income	0.22	0.20
Direct Operating expenses on properties not generating rental income	0.01	0.00

The investment properties are freely realizable.

There is no contractual obligation to purchase, construct or develop investment property.

Note 13 Property, Plant and equipment

(₹ in crores)

Particulars	Freehold Land	Freehold Buildings	Leasehold office / Residential Premises	Plant and Machinery and Computers	Furniture and Fixtures	Vehicles	Office Equipment	Assets on Operating Lease			Total
								Plant and Machinery and Computers	Vehicles	Medical Equipment	
GROSS BLOCK AT COST											
As at March 31, 2021	28.60	12.69	6.37	47.43	10.26	22.87	8.91	15.65	189.15	8.95	350.88
Additions	–	1.20	0.20	7.94	1.27	5.17	1.11	3.46	87.15	2.48	109.98
Deductions	–	–	0.31	0.59	0.04	2.72	0.10	2.64	47.54	–	53.94
As at March 31, 2022	**28.60**	**13.89**	**6.26**	**54.78**	**11.49**	**25.32**	**9.92**	**16.47**	**228.76**	**11.43**	**406.92**
ACCUMULATED DEPRECIATION											
Upto March 31, 2021	–	3.27	1.04	27.75	5.57	11.94	4.25	7.53	75.07	2.11	138.53
Additions	–	0.79	0.31	6.77	1.19	3.20	0.94	4.16	35.42	2.81	55.59
Deductions	–	–	0.06	0.40	0.03	1.81	0.04	2.41	27.42	–	32.17
Upto March 31, 2022	**–**	**4.06**	**1.29**	**34.12**	**6.73**	**13.33**	**5.15**	**9.28**	**83.07**	**4.92**	**161.95**
Carrying Value as at March 31, 2022	**28.60**	**9.83**	**4.97**	**20.66**	**4.76**	**11.99**	**4.77**	**7.19**	**145.69**	**6.51**	**244.97**
Carrying Value as at March 31, 2021	**28.60**	**9.42**	**5.33**	**19.68**	**4.69**	**10.93**	**4.66**	**8.12**	**114.08**	**6.84**	**212.36**

Title deeds of all the Immovable Properties are held in the name of the Company.
No Revaluation of Property, Plant and Equipment has been carried out during the year
Refer Note 18 for Mortgage on Immovable property.
The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

Note 14 : Right of use - Assets

(₹ in crores)

Particulars	ROU Land	ROU Buildings	Finance Lease	Total
			Land	
GROSS BLOCK AT COST				
As at March 31, 2021	2.03	65.15	0.39	67.57
Additions	2.36	17.32	–	19.68
Deductions	–	4.73	–	4.73
As at March 31, 2022	**4.39**	**77.74**	**0.39**	**82.52**
ACCUMULATED DEPRECIATION				
Upto March 31, 2021	1.98	24.01	–	25.99
Additions	1.10	11.84	–	12.94
Deductions	–	–	–	–
Upto March 31, 2022	**3.08**	**35.85**	**–**	**38.93**
Carrying Value as at March 31, 2022	**1.31**	**41.89**	**0.39**	**43.59**
Carrying Value as at March 31, 2021	**0.05**	**41.14**	**0.39**	**41.58**

Note 15: Other Intangible Assets

(₹ in crores)

Particulars	Computer Software		Total
	Purchased	Self Generated	
GROSS BLOCK AT COST			
As at March 31, 2021	17.44	9.95	27.39
Additions	1.23	-	1.23
Deductions	-	-	-
As at March 31, 2022	**18.67**	**9.95**	**28.62**
ACCUMULATED DEPRECIATION			
Upto March 31, 2021	14.10	7.86	21.96
Additions	2.35	1.10	3.45
Deductions	-	-	-
Upto March 31, 2022	**16.45**	**8.96**	**25.41**
Carrying Value as at March 31, 2022	**2.22**	**0.99**	**3.21**
Carrying Value as at March 31, 2021	3.34	2.09	5.43

No Revaluation of Intangible assets is done during the year.

Note 16: Other Non-Financial Assets

(₹ in crores)

Particulars	March 31, 2022	March 31, 2021
Balances with Government authorities	38.17	35.03
Prepaid expenses	13.25	13.06
SF employee welfare trust	2.94	2.97
Stamp and stamp papers on hand	2.57	2.15
Capital Advances	6.16	1.14
Others Assets *	1.01	2.77
TOTAL	**64.10**	**57.12**

* Amount paid for which goods / services are to be received.

Maturity pattern of Borrowings:

(₹ in crores)

Implicit Interest rate* (%)	March 31, 2022				March 31, 2021			
Maturities	**<1 year**	**1-3 years**	**>3 years**	**Total**	**<1 year**	**1-3 years**	**>3 years**	**Total**
Secured Debentures								
>= 4 to 5	0.00	1,726.41	0.00	1,726.41	0.00	0.00	0.00	0.00
>= 5 to 6	861.20	3,429.17	188.71	4,479.08	0.00	2,183.86	246.18	2,430.04
>= 6 to 7	1,035.74	527.58	793.89	2,357.21	0.00	1,565.77	0.00	1,565.77
>= 7 to 8	2,324.46	1,072.74	0.00	3,397.20	1,788.53	3,333.90	0.00	5,122.43
>= 8 to 9	814.73	0.00	0.00	814.73	2,842.68	749.85	0.00	3,592.53
Total	**5,036.13**	**6,755.90**	**982.59**	**12,774.63**	**4,631.21**	**7,833.38**	**246.18**	**12,710.77**
Long Term Loans								
>=3 to 4	689.91	679.61	48.86	1,418.38	168.26	291.67	0.00	459.92
>= 4 to 5	1,405.90	1,251.37	280.36	2,937.63	936.42	1,279.94	34.16	2,250.51
>= 5 to 6	686.28	705.85	125.00	1,517.13	666.55	770.06	17.36	1,453.97
>= 6 to 7	136.64	61.48	0.00	198.12	816.85	473.98	7.06	1,297.89
>= 7 to 8	62.81	15.34	0.00	78.15	396.50	242.33	0.06	638.89
Total	**2,981.54**	**2,713.65**	**454.22**	**6,149.41**	**2,984.58**	**3,057.97**	**58.63**	**6,101.18**
Subordinated Liabilities								
>= 7 to 8	0.00	0.00	614.65	614.65	0.00	0.00	512.17	512.17
>= 8 to 9	0.00	0.00	1,273.31	1,273.31	0.00	0.00	1,272.80	1,272.80
>= 9 to 10	60.82	180.37	171.75	412.94	108.52	60.70	351.80	521.03
>= 10 to 11	200.34	0.00	0.00	200.34	0.00	199.87	0.00	199.87
Total	**261.16**	**180.37**	**2,059.71**	**2,501.24**	**108.52**	**260.57**	**2,136.78**	**2,505.87**

The Secured Non - Convertible Debentures which are issued and allotted till 26-Nov-2020 are secured by mortgage of immovable property ranking pari passu with charges created in favour of the trustees and Hypothecation of specific Loan receivables / Hire purchase/ Lease agreements with a cover of 100%, as per the terms of issue.

The Secured Non - Convertible Debentures which are issued and allotted on or after 27-Nov-2020 are secured by Hypothecation of specific Loan receivables / Hire Purchase / Lease agreements with a cover of 100%, as per the terms of issue.

The Term loans from banks are secured by hypothecation of specific assets covered by a charge on Hypothecation Loan Receivables/ Hire purchase / Lease agreements.

* Monthly cost

Note 17: Payables

(₹ in crores)

Particulars	March 31, 2022	March 31, 2021
Trade payables		
(i) Total outstanding dues of micro enterprises and small enterprises		
- Outstanding Liability	1.37	0.65
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		
- Dealer Balances	66.25	42.71
- Outstanding Liability	21.68	10.16
Sub-Total	**87.93**	**52.87**
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	7.64	10.83
Sub-Total	**7.64**	**10.83**

Trade Payables ageing schedule as at March 31, 2022

(₹ 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	–	1.37	–	–	–	1.37
(ii) Others	8.83	68.03	11.08	–	–	87.93
(iii) Disputed dues – MSME	–	–	–	–	–	–
(iv) Disputed dues - Others	–	–	–	–	–	–

Trade Payables ageing schedule as at March 31, 2021

(₹ 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	–	0.65	–	–	–	0.65
(ii) Others	12.09	36.94	3.83	–	–	52.87
(iii) Disputed dues – MSME	–	–	–	–	–	–
(iv) Disputed dues - Others	–	–	–	–	–	–

Note 18: Debt Securities

(₹ in crores)

Particulars	March 31, 2022	March 31, 2021
Carried at amortised cost		
Non-Convertible debentures	12,774.63	12,710.77
Commercial paper	976.57	1,982.18
Total	**13,751.20**	**14,692.94**
Of the above		
- Debt securities in India	13,751.20	14,692.94
- Debt securities in outside India	–	–
Total	**13,751.20**	**14,692.94**

The Secured Non - Convertible Debentures are secured by mortgage of immovable property ranking pari passu with charges created in favour of the trustees and Hypothecation of specific Loan receivables / Hire purchase/ Lease agreements with a cover of 100%, as per the terms of issue.

Note 19: Borrowings other than debt securities

(₹ in crores)

Particulars	March 31, 2022	March 31, 2021
Secured:		
Term Loan from banks	6,149.41	6,101.18
Working capital demand loans and Cash credit	1,198.28	758.87
Unsecured:		
Credit facilities from banks	15.42	–
TOTAL	**7,363.11**	**6,860.05**
Of the above		
Borrowings in India	7,363.11	6,860.05
Borrowings in Outside India	–	–
TOTAL	**7,363.11**	**6,860.05**

The term loan from banks are secured by hypothecation of specific assets covered by a charge on hypothecation loan receivable / Hire purchase / Lease Agreements.

Term loans were deployed for the purpose for which they were obtained. In respect of a term loan of ₹1,000 Cr. availed from a Bank during the last quarter of the financial year, the application of funds is in progress in accordance with terms of the sanction and the undeployed loan is held in the form of liquid investments.

Working capital demand loans and cash credit are secured by a charge on hypothecation loan receivable/hire purchase /lease agreement, ranking pari passu, excluding assets which are specifically charged to others.

Funds raised on short term basis have not been utilised for long term purposes.

Quarterly Returns or Statements of current assets filed by the 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 20: Deposits

(₹ in crores)

Particulars	March 31, 2022	March 31, 2021
Carried at amortised cost		
- Public Deposits	4,219.73	4,154.55
- From banks	–	–
- From others	–	–
Total	**4,219.73**	**4,154.55**

Note 21: Subordinated Liabilities

(₹ in crores)

Particulars	March 31, 2022	March 31, 2021
Carried at amortised cost		
Subordinated Non Convertible Debentures		
- Subordinated Liabilities in India	2,501.24	2,505.87
- Subordinated Liabilities outside India	–	–
Total	**2,501.24**	**2,505.87**

Reconciliation of movement in borrowings to cash flows from financing activities

(₹ in crores)

Particulars	March 31, 2022	March 31, 2021
Opening Balance		
Debt securities	14,692.94	14,739.55
Borrowings (Other than debt securities)	6,860.05	6,688.18
Deposits	4,154.55	3,768.99
Subordinated liabilities	2,505.87	2,140.03
Total opening balance	**28,213.41**	**27,336.75**
a) Cash flow movements	(493.71)	435.50
b) Non-cash movements	115.58	441.16
Closing Balance		
Debt securities	13,751.20	14,692.94
Borrowings (Other than debt securities)	7,363.11	6,860.05
Deposits	4,219.73	4,154.55
Subordinated liabilities	2,501.24	2,505.87
Total closing balance	**27,835.28**	**28,213.41**

Note 22: Other Financial Liabilities

(₹ in crores)

Particulars	March 31, 2022	March 31, 2021
Amount due on assets securitised or assigned	50.89	75.09
Unpaid matured deposits and interest accrued thereon	52.53	37.64
Advance received from customers	19.67	20.82
Unpaid dividend	3.43	3.57
Payable to employees	82.26	75.10
Lease liability	49.12	45.77
Other liabilities **	133.11	140.25
TOTAL	**391.01**	**398.24**

** Other liabilities include amount payable to creditors for expenses, payable to customers for security deposit received, commission payable to non-whole time directors.

Note 23: Provisions

(₹ in crores)

Particulars	March 31, 2022	March 31, 2021
Provision for employee benefits	24.71	7.00
Provision for Other expenses ^	18.05	17.11
Total	**42.76**	**24.11**

^ Provision for other expenses include provision made for legal cases / claims

Note 24: Other Non-Financial Liabilities

(₹ in crores)

Particulars	March 31, 2022	March 31, 2021
Revenue received in advance	0.43	1.08
Other Liabilities #	28.01	23.58
Total	**28.44**	**24.66**

mainly include government dues, taxes payable, GST payable and salary deductions payable

Note 25: Equity Share Capital

(₹ in crores)

Particulars	March 31, 2022	March 31, 2021
Authorised capital		
27,81,00,000 Equity Shares of ₹10/- each	278.10	278.10
Issued, Subscribed and fully paid-up		
11,11,03,860 Equity Shares of ₹10/- each	**111.10**	**111.10**

a) reconciliation of the number of shares outstanding at the beginning and at the end of the year

Particulars	March 31, 2022	March 31, 2021
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) No shareholder of the company holds more than 5% of the Equity shares.

c) Aggregate number of equity shares issued for consideration other than cash / Bonus shares during the period of five years immediately preceding the reporting date: Nil

d) Shareholding of Promoters

Shares held by promoters at the end of the year

Date	Promoter name	No. of Shares	%of total shares	% Change during the year
31.03.2021	As per table below	3,98,90,219	35.90	0.03
31.03.2022		4,27,68,519	38.49	2.59

Annexure - Note 25: C. Shareholding of Promoters

Sl No.	Promoter & Promoter Group	March 31, 2022		March 31, 2021		% change
		No of Shares	% of shares	No of Shares	% of shares	
1	Mr Srivats Ram	17,01,322	1.53	17,01,322	1.53	–
2	Mr Harsha Viji	16,91,704	1.52	16,91,704	1.52	–
3	Mrs Nivedita Ram	16,49,516	1.48	16,49,516	1.48	–
4	Mr Arjun Rangarajan	13,08,270	1.18	13,08,270	1.18	–
5	Mr Sriram Viji	12,78,620	1.15	12,78,620	1.15	–
6	Mrs Gita Ram	11,39,680	1.03	11,39,680	1.03	–
7	Mrs Vijaya Rangarajan	10,86,265	0.98	10,86,265	0.98	–
8	Mr Sumanth Ramanujam	9,27,129	0.83	96,914	0.09	0.75
9	Mr Srikanth Ramanujam	9,14,052	0.82	9,14,052	0.82	–
10	Mr S. Viji	9,09,780	0.82	9,09,780	0.82	–
11	Mrs Chitra Viji	8,34,034	0.75	8,34,034	0.75	–
12	Mr Jaideep Chakravarthy	6,85,198	0.62	3,80,756	0.34	0.27
13	Mr Pradeep Chakravarthy	6,67,986	0.60	3,63,544	0.33	0.27
14	Mrs Prema Ramanujam	6,43,412	0.58	6,43,412	0.58	–
15	Mrs Vijaya Rangarajan & Mr Santhanam Ram	6,09,896	0.55	6,09,896	0.55	–
16	Mrs Usha Raghavan	5,89,992	0.53	5,89,992	0.53	–
17	Mrs Thanjam Ravindran	5,62,670	0.51	5,74,470	0.52	(0.01)
18	Mrs Lily Vijayaraghavan	5,45,436	0.49	6,20,436	0.56	(0.07)
19	Mrs Choodamani Narayanan	5,09,094	0.46	5,09,094	0.46	–
20	Mr S. Ram	5,06,788	0.46	5,06,788	0.46	–
21	Mr S. Kishore & Mr A.M. Srinivasan	4,63,612	0.42	4,63,612	0.42	–
22	Mr R. Ramanujam	4,09,622	0.37	2,32,534	0.21	0.16
23	Mrs Anuradha Raghavan	3,97,264	0.36	3,97,264	0.36	–
24	Mr S. Viji (Karta Of HUF 1)	3,65,924	0.33	3,65,924	0.33	–
25	Mr A.M. Srinivasan & Mr S. Kishore	3,50,452	0.32	3,50,452	0.32	–
26	Ms S Hema	3,34,968	0.30	3,34,968	0.30	–
27	Mrs Lily Vijayaraghavan & Mrs Sashi Parthasarathy	3,15,112	0.28	3,23,612	0.29	(0.01)
28	Mr K Vasudevan	2,87,492	0.26	2,87,492	0.26	–
29	Mrs Lakshmi Vasudevan	2,74,816	0.25	2,74,816	0.25	–
30	Mr Daya Ambirajan	2,70,539	0.24	2,70,539	0.24	–
31	Miss Tulsi S Ramanujam	2,67,767	0.24	2,67,767	0.24	–
32	Mr Aditya S. Ramanujam	2,61,548	0.24	2,61,548	0.24	–
33	Mr S Ravindran	2,51,680	0.23	4,91,360	0.44	(0.22)
34	Mr Srinivasan Ravindran	2,39,680	0.22		–	0.22
35	Mr Sharath Vijayaraghavan (HUF)	2,09,000	0.19	2,09,000	0.19	–
36	Mrs Lily Vijayaraghavan & Mr Badri Vijayaraghavan	1,97,776	0.18	1,97,776	0.18	–
37	Mrs Lily Vijayaraghavan & Mr Sharath Vijayaraghavan	1,97,776	0.18	1,97,776	0.18	–
38	Mr Sharath Vijayaraghavan	1,74,844	0.16	1,74,844	0.16	–

Sl No.	Promoter & Promoter Group	March 31, 2022		March 31, 2021		% change
		No of Shares	% of shares	No of Shares	% of shares	
39	Miss Tarika Ram (Minor)	1,64,380	0.15	1,64,380	0.15	–
40	Mr T T Narendran, Mrs Vimala Rangaswamy & Mrs Padmini Narendran	1,62,988	0.15	1,62,988	0.15	–
41	Mrs Indira Krishnaswami	1,62,180	0.15	1,62,180	0.15	–
42	Master Ranjan Ambirajan	1,57,633	0.14	1,57,633	0.14	–
43	Mr Vishnu Vijayaraghavan	1,50,984	0.14	75,984	0.07	0.07
44	Mr Shreyas Ravindran And Mr Srinivasan Ravindran	1,36,342	0.12	1,36,342	0.12	–
45	Mr Narayanan Ramji (HUF)	1,36,160	0.12	1,36,160	0.12	–
46	Mr T T Srinivasa Raghavan (HUF)	1,23,192	0.11	1,23,192	0.11	–
47	Mr T T Srinivasaraghavan & Mr T T Narendran	1,18,000	0.11	1,18,000	0.11	–
48	Mr T T Srinivasaraghavan & Mrs Bagyam Raghavan	1,18,000	0.11	1,18,000	0.11	–
49	Mr S. Viji (Karta Of HUF 2)	1,13,988	0.10	1,13,988	0.10	–
50	Mrs Bagyam Raghavan & Mr T T Venkatraghavan	1,13,308	0.10	1,13,308	0.10	–
51	Mr N Krishnan	1,12,192	0.10	94,422	0.08	0.02
52	Mr Narayanan Ramji	1,12,148	0.10	1,12,148	0.10	–
53	Mrs Padmini Narendran & Mr T T Hayagreevan	1,09,412	0.10	1,09,412	0.10	–
54	Mr Shriram Vijayaraghavan (HUF)	1,05,000	0.09	1,05,000	0.09	–
55	Mr S Raghavan	1,03,492	0.09	1,03,492	0.09	–
56	Mr N Krishnan (HUF)	1,01,592	0.09	1,01,592	0.09	–
57	Ms Sanjana Tara Ramanujam	99,524	0.09	99,524	0.09	–
58	Mr T T Narendran (HUF)	95,068	0.09	95,068	0.09	–
59	Mrs Vimala Rangaswamy, Mr T T Narendran & Mrs Padmini Narendran	95,024	0.09	95,024	0.09	–
60	Mr Shreen Raghavan	94,892	0.09	94,892	0.09	–
61	Mr T T Narendran & Mrs Padmini Narendran	90,000	0.08	90,000	0.08	–
62	Mr T T Srinivasaraghavan Mrs Vimala Rangaswamy & Mrs Bagyam Raghavan	85,084	0.08	85,084	0.08	–
63	Mrs Vimala Rangaswamy, Mr T T Srinivasaraghavan & Mr T T Venkatraghavan	82,664	0.07	82,664	0.07	–
64	Mr T T Narendran & Mrs Padmini Narendran	80,000	0.07	80,000	0.07	–
65	Mr Srivats Ram (HUF)	77,200	0.07	77,200	0.07	–
66	Mrs Rupa Srikanth	70,188	0.06	70,188	0.06	–
67	Mrs Aruna Sankaranarayanan	56,840	0.05	56,840	0.05	–
68	Mrs Rama Sridharan	55,920	0.05	55,920	0.05	–
69	Mr T T Rangaswamy (Karta Of HUF 1)	49,324	0.04	49,324	0.04	–
70	Mr T.T. Rangaswamy, Mr T.T. Narendran & Mr T.T. Hayagreevan	49,200	0.04	49,200	0.04	–
71	Mr T.T. Rangaswamy, Mr T.T. Venkatraghavan & Mr T.T. Srinivasaraghavan	48,628	0.04	48,628	0.04	–
72	Mr K Vasudevan & Mrs Lakshmi Vasudevan	46,392	0.04	46,392	0.04	–
73	Mrs Lakshmi Vijayaraghavan	42,955	0.04	42,955	0.04	–

Sl No.	Promoter & Promoter Group	March 31, 2022		March 31, 2021		% change
		No of Shares	% of shares	No of Shares	% of shares	
74	Mr R. Ramanujam &Mr Ananth Ramanujam	25,600	0.02	25,600	0.02	–
75	Miss Gitanjali Jeevan Jose, Rep By M/G Mrs Divya Jeevan Jose	10,000	0.01	10,000	0.01	–
76	Master P Siddhartha Jeevan, Rep By M/G Mrs Divya Jeevan Jose	10,000	0.01	10,000	0.01	–
77	Kavitha Gorur Keshav &Mr T T Hayagreevan	10,000	0.01	10,000	0.01	–
78	Nakshatra Hayagreevan (Minor)	10,000	0.01	10,000	0.01	–
79	Master T T Samitinjayan Rep By. F / G Mr T T Hayagreevan	10,000	0.01	10,000	0.01	–
80	Mr R. Ramanujam (HUF)	9,992	0.01	9,992	0.01	–
81	Mr R. Ramanujam & Mrs Prema Ramanujam	9,736	0.01	9,736	0.01	–
82	Mr C B Srinivasan	9,600	0.01	9,600	0.01	–
83	Mr S. Viji & Mrs Chitra Viji	8,684	0.01	8,684	0.01	–
84	Mr Srikanth Ramanujam (HUF)	8,000	0.01	8,000	0.01	–
85	Mr Shreen Raghavan (HUF)	5,115	0.00	5,115	0.00	–
86	Mr Srikanth Ramanujam & Mrs Rupa Srikanth	4,472	0.00	4,472	0.00	–
87	Mr S Sundaram	4,000	0.00	4,000	0.00	–
88	Mr Sriram Viji & Mrs Chitra Viji	3,156	0.00	3,156	0.00	–
89	Mr Harsha Viji & Mrs Chitra Viji	3,156	0.00	3,156	0.00	–
90	Mr A M Srinivasan	120	0.00	120	0.00	–
91	Mr Srikanth Ramanujam & Mr Ananth Ramanujam	–	–	8,30,215	0.75	(0.75)
92	Mr R. Ramanujam & Mr R. Srikanth	–	–	1,77,088	0.16	(0.16)
93	Mr S Chakravarthy (Late)	–	–	6,08,884	0.55	(0.55)
94	Mr Ananth Ramanujam	5,81,576	0.52	5,81,576	0.52	–
95	Mr Ananth Krishnan	1,80,000	0.16	1,80,000	0.16	–
96	Mr Akshay Krishnan	1,80,000	0.16	1,97,770	0.18	(0.02)
97	Mr Srinivas Raghavan	27,040	0.02	27,040	0.02	-
98	Mrs Dangety Krishnakumari	23,324	0.02	20,412	0.02	0.00
99	Mr Dangety Satyanarayanamurty (Late)	-	-	2,912	0.00	(0.00)
100	M/S. India Motor Parts & Accessories Limited	28,98,600	2.61		-	2.61
101	M/S. Raghuvamsa Holdings Private Limited	18,51,634	1.67	18,51,634	1.67	–
102	M/S. Uthirattadhi Sriram Holdings Private Limited	14,79,560	1.33	14,79,560	1.33	–
103	M/S. Silver Oak Holdings Private Limited	14,36,914	1.29	14,36,914	1.29	–
104	M/S. Rohini Holdings Private Limited	12,94,362	1.17	12,94,362	1.17	–
105	M/S. Padmalakshmi Holdings Private Limited	12,92,832	1.16	12,92,832	1.16	–
106	M/S. Allegro Holdings Private Limited	12,47,100	1.12	12,47,100	1.12	–
107	M/S. Revathi Holdings Private Limited	12,20,460	1.10	12,20,460	1.10	–
108	M/S. Azorious Holdings Private Limited	8,50,156	0.77	8,50,156	0.77	–
109	M/S. Maham Holdings Limited	5,12,720	0.46	5,12,720	0.46	–
	Total	4,27,68,519	38.49	3,98,90,219	35.90	2.59

STATEMENT OF PROFIT AND LOSS NOTES

Note 26: Interest Income

(₹ in crores)

Particulars	2021-22	2020-21
On Financial assets measured at amortised cost:		
Loans	3,306.47	3,379.39
Investments	44.26	42.47
Deposits with Banks	34.28	40.73
On Financial assets classified at Fair value through profit or loss:		
Investments	9.45	8.75
Total	**3,394.46**	**3,471.34**

Note 27: Fees and Commission Income

(₹ in crores)

Particulars	2021-22	2020-21
Relating to		
- Loans	112.70	105.35
- Selldown servicing fee	26.43	40.82
- Income from other Financial Services	56.76	50.44
TOTAL	**195.89**	**196.61**

Note 28: Net gain / (loss) on Fair Value Changes

(₹ in crores)

Particulars	2021-22	2020-21
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	77.92	130.65
C. Total Net gain / (loss) on fair value changes (A + B)	77.92	130.65
Of the above, fair value changes:		
Realised	70.41	99.34
Unrealised	7.52	31.31
TOTAL	**77.92**	**130.65**

Note 29: Other Income

(₹ in crores)

Particulars	2021-22	2020-21
Net gain/(loss) on Derecognition of property, plant and equipment	8.85	7.30
Interest income	0.06	40.50
Rental income	6.84	6.42
Other non-operating income	4.68	6.24
Total	**20.43**	**60.46**

Note 30: Finance Costs

(₹ in crores)

Particulars	2021-22	2020-21
On Financial liabilities carried at amortised cost:		
Interest on		
Deposits	299.35	301.15
Term loans	279.18	334.33
Debt securities	912.79	1157.49
Subordinated liabilities	213.73	193.64
Other interest expense and borrowing cost	6.56	10.18
Derivatives	(27.78)	85.17
Foreign currency transaction and translation	28.29	(51.23)
Gain/Loss on unwinding of Derivatives	(12.01)	-
Total	**1,700.11**	**2,030.73**

Note 31: Employee Benefits Expenses

(₹ in crores)

Particulars	2021-22	2020-21
Salaries and Wages	387.74	357.70
Contribution to provident and other funds	19.28	20.06
Share Based Payments to employees	2.09	1.18
Staff welfare expenses	5.35	3.29
Total	**414.46**	**382.23**

Note 32: Administrative and Other Expenses

(₹ in crores)

Particulars	2021-22	2020-21
Rent, taxes and energy costs	9.95	8.39
Repairs and maintenance	25.20	18.11
Communication Costs	8.90	7.65
Printing and stationery	2.72	2.19
Advertisement and publicity	4.78	0.77
Director's fees, allowances and expenses	1.49	1.31
Auditor's fees and expenses	1.27	1.24
Legal and Professional charges	18.37	6.02
Insurance	3.80	2.88
Outsourcing cost	68.22	62.65
Travel and conveyance	13.51	6.85
Donations	16.25	17.13
Other expenditure	33.37	23.43
Total	**207.83**	**158.62**

Note 33: Impairment on Financial Instruments

(₹ in crores)

Particulars	2021-22	2020-21
On Financial instruments measured at amortised cost:		
Loans	312.18	337.67
Investments	(0.10)	0.14
Repossessed assets	5.30	(20.73)
Others	1.14	(1.02)
Total	**318.52**	**316.06**

Other Notes

Note 34: Capital Management:

The Company's capital management strategy is to ensure that it has sufficient capital for business operations, strategic investment, and regulatory requirements and to provide reasonable return to the shareholders. Equity share capital and other equity are considered for Capital management.

The company monitors capital Adequacy ratio as stipulated by RBI for NBFC-Investment and credit company - Deposit taking. The Company endeavours to source diversified borrowing, depending on asset liability duration and interest rate sensitivities.

(₹ in crores)

Particulars	March 31, 2022	March 31, 2021
Tier I	4,961.24	4,386.97
Tier II	1,966.94	1,976.32
Total	**6,928.18**	**6,363.30**
Risk Weighted Assets	28,424.98	28,838.78
(a) Capital to risk-weighted assets ratio (CRAR) %	24.37	22.06
(b) Tier I CRAR %	17.45	15.21
(c) Tier II CRAR %	6.92	6.85

Note 35: Revenue

Disaggregate revenue information: Since the requirement of application of Ind AS 115 on Company's revenue is insignificant, the company believes that disaggregation of data about the nature, amount, timing of our revenues is not required.

Remaining performance obligation

The remaining performance obligation disclosure provides aggregate amount of transaction price yet to be recognised at the end of reporting period and an explanation as to when the company expects to recognise these amounts in revenue.

The aggregate value of performance obligations that are completely or partially unsatisfied as at March 31, 2022 is Nil (2020-21 ₹ 0.35 crores).

Note 36: Financial Instruments – Fair Value Measurements

The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy:

a. Financial Assets / Liabilities that are measured at Fair value through P&L:

(₹ in crores)

Particulars	Fair Value Hierarchy	March 31, 2022	March 31, 2021
Financial Assets			
Derivatives	Level 2	0.61	–
Investments			
Mutual Funds	Level 1	2,136.48	1,351.19
Alternate Investment Funds	Level 1	118.35	138.10
Financial Liabilities			
Derivatives	Level 2	-	15.53

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, as it intends to hold the investment for long-term strategic purpose.

(₹ in crores)

Particulars	March 31, 2022	March 31, 2021
Investment in Experian Credit Information Company of India Private. Ltd.	11.20	11.20

ii) Compulsory Convertible Preference Shares (CCPS) designated at Fair Value Through Other Comprehensive Income:

(₹ in crores)

Particulars	March 31, 2022	March 31, 2021
Investment in Series A CCPS of RBSG Capital Private Limited	3.12	3.12

For the above investments, as per Ind AS 109, cost has been considered as the best estimate of the fair value and no dividend has been recognised during the year.

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	
	31st March 2022	31st March 2021		31st March 2022	31st March 2021
Financial Assets:					
Cash and cash equivalents	78.01	102.38	Level 1	78.01	102.38
Bank Balances	539.12	590.79	Level 3	544.47	599.67
Receivables	18.26	20.15	Level 3	18.26	20.15
Loans	28,400.15	29,341.61	Level 3	28,717.90	29,666.94
Investments in Government securities	486.20	511.75	Level 1	505.47	538.64
Investments (others)	447.97	69.81	Level 3	446.31	70.62
Other Financial assets	59.07	42.48	Level 3	59.07	42.48
Total	**30,028.78**	**30,678.97**		**30,369.49**	**31,040.88**
Financial Liabilities:					
Payables	96.94	64.35	Level 3	96.94	64.30
Debt Securities	13,751.20	14,692.94	Level 3	13,815.47	14,951.52
Borrowings (Other than Debt Securities)	7,363.11	6,860.05	Level 3	7,333.57	6,915.27
Deposits	4,219.73	4,154.55	Level 3	4,234.86	4,187.18
Subordinated Liabilities	2,501.24	2,505.87	Level 3	2,678.88	2,748.93
Other Financial Liabilities	391.01	398.24	Level 3	392.60	401.22
Total	**28,323.23**	**28,676.00**		**28,552.32**	**29,268.42**

Fair value is arrived at using discounted future cash flows at market rates for the classification as per level 3 hierarchy.

Note 37: Financial Risk Management Framework

Risk is an inherent and integral part of the financial services business and the company has been judiciously managing this through an efficient risk mitigation system, with a view to achieve the Company's stated objectives of Growth with Quality and Profitability. The risks primarily include credit risk, liquidity risk and market risk.

The policies and procedures laid down by the company for the purpose of risk identification, measurement and management, compare well with contemporary best practices followed by industry peers. The Risk Management Committee and Asset Liability Management Committee, functioning under the supervision of the Audit Committee, have enunciated detailed policies for assessment of various types of risks, and fixed tolerance limits as appropriate.

Note 37.1 Credit Risk

Credit risk is the risk of financial loss to the Company if a customer fails to meet his contractual obligations and arises principally from the company's loan receivables.

The company has in place a robust credit policy which clearly defines the credit filters and the terms of acceptance of proposals for financing different categories of borrowers and asset classes.

The credit appraisal process, inter alia, includes filters for stratification of customers, compliance with know your customer (KYC) norms, Field investigation, Credit bureau verification, exposure ceilings, asset risk and segment and geography risks. The risk metrics also address Loan to Value, loan tenure, based on the useful life of the asset, end-use of the asset and credit enhancements, as appropriate.

The Company's exposure is primarily to retail customers, thereby making for a well-diversified risk portfolio. The time tested monitoring and recovery mechanism ensures timely recovery of instalments and where required, necessary action for resolution of delinquent accounts is initiated, including legal proceedings. Finally, physical presence and in-depth knowledge of the markets in which the Company operates enables early identification of emerging risks thereby facilitating prompt remedial action.

Impairment - Expected Credit Loss (ECL):

As per Ind AS 109, the Expected Credit Losses on financial instruments are classified under three stages.

Stage 1: Every financial asset is classified as stage 1, upon initial recognition. In addition, stage 1 contains all transactions with limited default risk.

Stage 2: Financial assets whose default risk has risen significantly since initial recognition and which are not classified as cases with limited default risk.

Stage 3: Financial assets that display objective evidence of impairment at the reporting date.

The accounting standard, Ind AS 109 does not specifically prescribe any methodology for computing ECL. However, entities are required to adopt sound and market acceptable methodologies which are in line with the size, complexity and risk-profile of the financial entity for computing the ECL. The Company uses three main components to measure ECL. These are, Exposure at Risk (EAR), Probability of Default (PD) and Loss Given Default (LGD). Exposure at Risk (EAR) is defined as the sum of Principal outstanding and interest accrued at the reporting date. PD is defined as the probability of borrowers defaulting on their obligations. LGD represents the economic loss, adjusted for cure rate, as a percentage of exposure at the time of default.

Accordingly, loan assets are categorised under three different stages, as under:

Stage 1: Where instalments are Current and 1-30 days overdue

Stage 2: Where instalments are 31 days – 90 days overdue and

Stage 3: Where instalments are overdue beyond 90 days

The company is required to provide 12-month expected credit loss (12-month ECL) for stage 1 assets and the life time expected credit loss (LECL) for stage 2 & stage 3 assets.

12-month ECL is the expected credit loss that results from default events that are possible within 12 months after the reporting date. LECL represents the expected credit loss from default events over the expected life of a financial asset.

As prescribed under para 5.5 in Ind AS 109, 12-months PD is required to be computed for financial instruments which are in stage 1, and life time PD for those in stage 2 & 3. 12 months PD is the likelihood of the borrower defaulting in the 12 months following the reporting date while life time PD is the likelihood of the borrower defaulting during the residual tenor.

The PD model has been developed for all the major asset classes using a statistical and iterative approach. The design and construction of

the model involves identification of various credit parameters and variables that have a strong and direct correlation to propensity of default.

The PD model reflects to the probability of default, taking into consideration the inherent credit quality of the borrower and the residual tenor of each contract. It relies not only historical information and the current economic environment, but also considers forward-looking information such as the forecasts on the macroeconomic outlook, including emerging risks. The PD for stage 3 contracts is considered at 100%.

Where a customer has one contract in stage 3 and one or more contracts in stage 1 / stage 2, the PD for all the contracts is considered at 100%.

LGD

LGD represents the economic loss, adjusted for cure rate, as a percentage of exposure at the time of default. Economic loss is the estimated shortfall in realisation of dues, in the event of default. Contracts that have turned delinquent do not necessarily involve ultimate losses, since many of them are resolved through corrective actions. The cure rate is the probability of a 'non performing' (i.e. defaulted) contract reverting to a 'performing' (i.e. non-default) status in a year.

Following tables provide an overview of the gross carrying amount and credit loss allowance broken down into stages:

a. Loans and Advances

(₹ in crores)

Gross Carrying Amount								
Stages->	**March 31, 2022**				**March 31, 2021**			
	1	**2**	**3**	**Total**	**1**	**2**	**3**	**Total**
Balance at the beginning of the year	27,568.68	1,847.51	552.25	29,968.44	26,162.72	1,550.82	701.79	28,415.33
New business - net of recovery	473.53	(1,029.17)	(43.30)	(598.94)	2,310.04	(514.68)	(68.44)	1,726.92
Transfers due to change in creditworthiness	(1,466.96)	1,089.01	377.96	–	(904.08)	811.37	92.71	–
Financial assets that have been derecognised	–	–	–	–	–	–	–	–
Write off during the year	–	–	248.36	248.36	–	–	173.81	173.81
Balance at the end of the year	**26,575.24**	**1,907.35**	**638.55**	**29,121.14**	**27,568.68**	**1,847.51**	**552.25**	**29,968.44**

* Includes operating lease of ₹159.38 cr. as on March 31, 2022 and ₹129.04 cr. as on March 31, 2021

(₹ in crores)

Expected Credit Loss								
Stages->	**March 31, 2022**				**March 31, 2021**			
	1	**2**	**3**	**Total**	**1**	**2**	**3**	**Total**
Balance at the beginning of the year	154.14	90.74	252.93	497.80	48.40	47.50	238.03	333.93
New business - net of recovery	(33.12)	33.15	312.15	312.17	79.94	55.05	202.70	337.68
Transfers due to change in creditworthiness	(15.49)	0.38	15.11	–	25.80	(11.81)	(13.99)	–
Financial assets that have been derecognised	–	–	–	–	–	–	–	–
Write off during the year	–	–	248.36	248.36	–	–	173.81	173.81
Balance at the end of the year	**105.52**	**124.27**	**331.82**	**561.61**	**154.14**	**90.74**	**252.93**	**497.80**

Concentration of Credit risk %

(i) Concentration by Geographical risk:

Particulars	March 31, 2022	March 31, 2021
South	57.11	61.85
North	25.56	22.05
West	13.03	12.07
East	4.30	4.03
Total	100.00	100.00

(ii) Concentration by Asset Class:

Particulars	March 31, 2022	March 31, 2021
Commercial Vehicles	44.92	45.49
Cars	26.01	25.00
Construction Equipment	11.21	11.59
Tractors & Farm Equipment	8.21	7.74
Others	9.64	10.18
Total	100.00	100.00

b. Other Assets

The company computes Expected credit loss on other financial assets including trade receivables based on a provision matrix which is constructed using historical credit loss experience as adjusted to reflect current conditions.

(₹ in crores)

Stages->	March 31, 2022				March 31, 2021			
	1	**2**	**3**	**Total**	**1**	**2**	**3**	**Total**
Gross Carrying Amount	14.55	0.07	0.36	14.98	15.39	0.11	0.19	15.69
Expected Credit Loss	0.15	-	0.36	0.51	0.15	-	0.14	0.30
Net Carrying Amount	14.40	0.07	-	14.47	15.24	0.11	0.05	15.39

c. Loan Commitments and Financial Guarantees

(₹ in crores)

Particulars	March 31, 2022	March 31, 2021
Gross Carrying Amount	109.95	125.22
Expected Credit Loss	2.24	1.30
Net Carrying Amount	107.71	123.92

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 classifications.

For investment in debt instruments, one-year transition matrix provided by the rating agencies is used as the PD. Loss given default (LGD) parameters assume a recovery rate of 65%, 75% and 50% for unsecured senior, unsecured subordinated and secured debt securities respectively.

A breakup of investment in debt securities into different stages is given as under:

(₹ in crores)

Particulars	Gross Carrying Amount			
	March 31, 2022		March 31, 2021	
	FVTPL	Amortised Cost	FVTPL	Amortised Cost
Government Securities	-	486.20	-	511.75
Mutual Funds	2,136.48	-	1,351.19	-
Alternate Investment Funds	118.35	-	138.10	-
Pass Through Certificates	-	100.60	-	46.44
T Bills	-	247.88	-	-
Commercial Paper	-	100.07	-	24.06
Total	**2,254.83**	**934.75**	**1,489.29**	**582.25**

The Gross carrying amount in respect of investments classified under amortised cost are at stage 1.

(₹ in crores)

Particulars	Expected Credit loss	
	March 31, 2022	March 31, 2021
Balance at the beginning of the year	0.69	0.54
Additional Provisions (Net)	0.16	0.28
Transfers due to change in creditworthiness	-	-
Financial assets that have been derecognised	0.27	0.13
Write off during the year	-	-
Balance at the end of the year	**0.58**	**0.69**

The Expected credit loss pertains to investments classified under Amortised Cost at Stage 1

37.2 Liquidity Risk

Liquidity risk relates to our potential inability to meet all payment obligations when they fall due or only being able to meet them at excessive costs. The objective of the liquidity risk management framework is to ensure that the Company can fulfil its payment obligations at all times and can manage liquidity and funding risks within its risk appetite. The Asset Liability Committee regularly monitors the liquidity position and the duration of assets/liabilities and ensures that liquidity is strictly managed as per the policy.

Following are the contractual maturities of financial liabilities / financial assets at the reporting date. The amounts are gross and undiscounted and include estimated interest payments / receipts and exclude the impact of netting agreements.

(₹ in crores)

March 31, 2022	Upto 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
Non-Derivative Financial Liabilities							
Payables	88.99	5.77	1.12	1.06	–	–	96.94
Debt Securities	2,968.36	566.82	2,982.27	7,120.69	1,118.09	–	14,756.22
Borrowings (Other than Debt Securities)	1,809.38	833.93	1,762.94	2,854.67	467.14	0.01	7,728.08
Deposits	560.32	764.77	1,074.24	2,137.75	–	–	4,537.08
Subordinated Liabilities	42.46	246.67	170.05	542.71	519.60	2,168.98	3,690.46
Other Financial Liabilities	227.21	37.49	5.34	106.31	12.22	8.32	396.89
Derivative Financial Liabilities	0.41	0.24	0.33	0.16	–	–	1.15
Total	**5,697.13**	**2,455.69**	**5,996.29**	**12,763.35**	**2,117.05**	**2,177.31**	**31,206.82**
Non-Derivative Financial Assets							
Cash and cash equivalents	78.01	–	–	–	–	–	78.01
Bank Balances	23.56	481.18	46.60	1.44	–	–	552.78
Receivables	17.25	–	1.01	–	–	–	18.26
Loans	4,491.29	3,691.67	6,496.28	15,054.57	2,791.74	38.31	32,563.87
Investments	2,402.72	135.32	78.45	160.12	228.68	381.90	3,387.20
Other Financial Assets	45.83	0.35	0.85	1.69	1.12	9.22	59.07
Derivative Financial Assets	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Total	**7,058.66**	**4,308.52**	**6,623.19**	**15,217.82**	**3,021.54**	**429.43**	**36,659.19**

(₹ in crores)

31st March 2021	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	53.20	7.38	0.30	0.83	2.63	–	64.35
Debt Securities	3,464.20	1,783.24	1,835.18	8,257.89	282.31	–	15,622.81
Borrowings (Other than Debt Securities)	715.16	774.71	2,536.60	3,189.89	59.57	–	7,275.93
Deposits	484.11	620.14	1,114.81	2,295.28	–	–	4,514.34
Subordinated Liabilities	64.43	111.71	135.21	627.36	550.06	2,343.03	3,831.80
Other Financial Liabilities	232.09	39.91	4.73	104.47	11.67	9.50	402.38
Derivative Financial Liabilities	30.06	1.00	1.65	2.41	–	–	35.12
Total	**5,043.25**	**3,338.09**	**5,628.48**	**14,478.13**	**906.24**	**2,352.53**	**31,746.73**
Non-Derivative Financial Assets							
Cash and cash equivalents	102.38	–	–	–	–	–	102.38
Bank Balances	12.92	77.69	40.92	505.06	–	–	636.59
Receivables	19.44	0.11	0.60	–	–	–	20.15
Loans	4,203.42	3,712.92	6,733.11	16,237.59	3,106.26	45.36	34,038.65
Investments	1,360.60	55.54	49.19	185.55	165.47	482.65	2,299.00
Other Financial Assets	29.68	0.34	0.50	1.69	1.12	9.13	42.48
Derivative Financial Assets	**–**	–	**5.28**	**11.18**	**11.18**	**11.18**	**38.83**
Total	**5,728.44**	**3,846.60**	**6,829.60**	**16,941.07**	**3,284.03**	**548.32**	**37,178.08**

37.3 Market Risk

Market risk is the risk of loss arising from potential adverse changes in the value of the firm's assets and liabilities from fluctuation in market variables like liquidity, interest rate and foreign exchange (Currency risk).

Interest rate risk

The Company's exposure to changes in interest rates relates to the Company's outstanding floating rate 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 like LIBOR 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, 2022	March 31, 2021
Financial assets		
Fixed-rate instruments		
Loans	28,373.82	29,324.42
Investments	934.17	581.56
Bank Balances	539.12	590.79
	29,847.11	**30,496.77**
Variable rate instruments		
Lease assets	185.71	146.23
Total	**30,032.82**	**30,643.00**
Financial liabilities		
Fixed-rate instruments		
Debt securities	16,252.44	17,198.81
Borrowings (Other than debt securities)	5,621.02	3,129.65
Deposits	4,272.26	4,192.19
	26,145.72	**24,520.65**
Variable rate instruments		
Financial liabilities with floating interest rate	**1,742.11**	**3,730.40**
	27,887.83	**28,251.05**

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.

(₹ in crores)

	Profit or loss / Equity		Profit or loss / Equity	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
	March 31, 2022		March 31, 2021	
Variable rate instruments	(18.66)	18.66	(23.92)	23.92
Forward Contract / Cross currency Interest Rate swap	(0.47)	0.47	(5.32)	5.32
Cash flow sensitivity (net)	(18.19)	18.19	(18.60)	18.60

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 31.03.2022 is ₹19.29 Cr.

b. Currency Risk

The Company 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 Company are primarily denominated in INR. Currency risks arise from the foreign currency loans availed by the Company.

Exposure to Currency risk

The summary quantitative data about the Company's exposure to currency risk (based on notional amounts) as reported:

(₹ in crores)

Particulars	March 31, 2022		March 31, 2021	
	USD	INR	USD	INR
Total foreign currency exposure in respect of recognised assets and liabilities	–	–	5.27	387.25
Cross currency Interest Rate swap / Forward exchange contracts	–	–	(5.27)	(387.25)
Net Exposure	–	–	–	–

Sensitivity

Currency risks related to the amounts of foreign currency loans are fully hedged using derivatives that mature on the same dates as the loans are due for repayment.

Note 38: Financial Instruments - Transferred financial assets that are not derecognised in their entirety

Securitisation:

The company as part of its business model periodically enters into securitisation transactions via Pass through Certificates (PTC) route and/or Direct Assignment (DA). As per RBI guidelines, the company maintained credit enhancement for securitisation transactions which covers the expected losses and thereby retains the risk associated with the assets.

(₹ in crores)

	March 31, 2022	March 31, 2021
Carrying amount of transferred assets	2,629.00	2,240.96
Carrying amount of associated liabilities	2,696.00	2,310.75
Fair value of assets	2,653.70	2,256.07
Fair value of associated liabilities	2,680.20	2,352.94
Net position at Fair value	(26.50)	(96.87)

Note 39: Employee benefits

Post-employment benefits: Defined Contribution Plans

(₹ in crores)

Amount recognised as expense in Employee benefit expense	2021-22	2020-21
Superannuation	0.37	2.11
Pension fund	6.24	6.22
Employee State Insurance scheme	0.02	0.04
Total	**6.63**	**8.37**

Defined benefit plans

Defined benefit plan exposes the Company to a number of risks, the most significant of which are detailed below:

Investment risk: This may arise from volatility in Asset value due to market fluctuations and impairment of assets due to credit losses. The defined benefit plans may hold equity type assets, which may carry volatility and associated risk.

Interest risk: A decrease in bond yields will increase plan liabilities, although this is expected to be partially offset by an increase in the value of the plan's investment in debt instruments.

Salary cost Inflation risk: The present value of some of the defined benefit plan obligations are calculated with reference to the future salaries of plan participants. Increase in salary due to adverse Inflationary pressures might lead to higher liabilities.

Longevity risk: The present value of defined benefit plan obligation is calculated by reference to the best estimate of the mortality of plan participants. Increase or decrease in such rate will affect the plan liability.

A. Gratuity (Funded)

Expected contribution to the plan for the next year is ₹6 crores.

B. Leave encashment & Compensated absences (unfunded)

The company earmarks liability towards leave benefit and provides for payments to vested employees. The benefits under the plan are in the form of a payment to employees as per the leave policy of the company.

C. Post Retirement employees medical scheme (unfunded):

The company earmarks liability towards unfunded post-retirement medical benefit and provides for payments to vested employees. The benefits under the plan are in the form of a medical benefit paid to employees post their employment within the company.

Details of defined benefit plans as per actuarial valuation are as below

(₹ in crores)

Particulars	FUNDED		UNFUNDED	
	Gratuity		Retired Employee Medical Scheme	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Amounts recognised in profit or loss				
Current service cost	4.02	4.21	–	–
Past service cost	–	–	–	–
Net interest expense/(income)	(0.04)	–	0.07	0.07
Total amount included in employee benefits expense	3.98	4.21	0.07	0.07
Amounts recognised in other comprehensive income				
Remeasurement (gains)/losses				
Actuarial (gains)/losses arising from changes in				
- Financial assumptions	(2.43)	(2.45)	(0.02)	0.08
- Experience adjustments	10.54	2.59	(0.04)	(0.03)
Return on plan assets, excluding amount included in net interest expense/ (income)	(0.63)	(0.25)	–	–
Total amount recognised in other comprehensive income	7.47	(0.11)	(0.06)	0.05
Changes in the defined benefit obligation				
Opening defined benefit obligation	64.42	60.71	1.09	1.04
Add/(less) on account of business combination/transfers	–	–	–	–
Current service cost	4.02	4.21	–	–
Past service cost	–	–	–	–
Interest expense	4.31	3.88	0.07	0.07
Remeasurement (gains)/losses arising from changes in				
- Demographic assumptions	–	–	–	–
- Financial assumptions	(2.43)	(2.45)	(0.02)	0.08
- Experience adjustments	10.54	2.59	(0.04)	(0.03)
Benefits paid	(6.27)	(4.53)	(0.05)	(0.05)
Closing defined benefit obligation	74.58	64.42	1.05	1.09
Changes in fair value of plan assets during the year				
Opening fair value of plan assets	64.94	55.70	–	–
Add/(less) on account of business combination	–	–	–	–
Interest income	4.26	3.90		
Return on plan assets excluding interest income	0.63	–	–	–
Contribution by employer	3.84	9.61	0.05	0.05
Benefits paid	(6.27)	(4.53)	(0.05)	(0.05)
Actuarial gain / (loss) on plan assets	0.23	0.25	–	–
Closing fair value of plan assets	67.64	64.94	–	–
Net asset / (liability) recognised in balance sheet				
Defined benefit obligation	74.58	64.42	1.05	1.09
Fair value of plan assets	67.64	64.94	–	–
Surplus/(Deficit)	(6.94)	0.53	(1.05)	(1.09)

(in %)

Particulars	FUNDED		UNFUNDED	
	Gratuity		Retired Employee Medical Scheme	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
I. Actuarial assumptions				
Discount rate	7.34%	7.02%	4.14-6.94%	3.87-6.71%
Expected Return on plan assets	6.70%	6.94%		
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, 2022	March 31, 2021
Actuarial assumptions		
Discount rate	6.94%	7.10%
Salary escalation	8.00%	8.00%
Attrition rate	7.00%	4.00%

(₹ in crores)

Particulars	FUNDED		UNFUNDED	
	Gratuity		Retired Employee Medical Scheme	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
II. Quantitative sensitivity analysis for impact of significant assumptions on defined benefit obligation are as below				
Impact of				
0.5% decrease in discount rate	3.84	3.25	0.02	0.02
0.5% increase in discount rate	(3.57)	(3.00)	(0.02)	(0.02)
0.5% decrease in salary growth rate	(3.57)	(2.99)	–	–
0.5% increase in salary growth rate	3.80	3.02	–	–
Life expectancy -1 year	–	–	0.03	(0.04)
Life expectancy +1 year	–	–	(0.03)	0.04
Weighted average duration of the Defined benefit obligation (in years)	14.89	14.95	9.50	10.00

(₹ in crores)

Particulars	FUNDED		UNFUNDED	
	Gratuity		Retired Employee Medical Scheme	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Maturity profile of defined benefit obligation				
Year 1	2.80	9.58	0.12	0.12
Year 2	5.97	2.32	0.12	0.12
Year 3	5.38	2.91	0.11	0.11
Year 4	6.09	3.39	0.10	0.10
Year 5	5.43	4.20	0.09	0.10
Next 5 years	31.09	25.77	0.36	0.38

In the absence of detailed information regarding plan assets which is funded with Insurance Companies, the composition of each major category of plan assets, the percentage or amount for each category to the fair value of plan assets & the description of the Asset-Liability matching strategies used by the plan has not been disclosed.

D. Provident Fund

The provident fund contributions to trust are managed through trust investments in addition to contribution of a portion of its provident fund liability relating to Employees Pension Scheme to Employee Provident Fund Organisation.

The fund has relatively balanced mix of investments in order to manage the risks. The investment strategy is designed based on the interest rate scenario, liquidity needs of the Plans and Pattern of the investments as prescribed under the statue.

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.

Major Category of Plan Assets as % of the Total Plan Assets

(in %)

Particulars	31.03.2022	31.03.2021
Central Government Securities	9.57	10.86
State Government Securities	41.44	38.66
Public Sector Bonds	40.76	41.43
Private Sector Bonds	1.39	2.23
Special Deposits	2.86	3.13
Equity Fund	3.76	3.69
Short Term Deposit	0.22	–
Total	**100.00**	**100.00**

Note 40: Share Based Payments

The Company grants ESOP to Senior Management employees in accordance with the terms of the Plan.

(a) Description of the ESOP plan (graded vesting) that existed during the period:

Particulars	Grant 13	Grant 13	Grant 12
Board meeting date	28.05.2021	28.05.2021	29.05.2020
Options granted	9,480	4,856	9,375
Exercise price (₹ per share)	10	10	10
Date of grant	28.05.2021	28.05.2021	29.05.2020
Vesting date / period	3 years grant with 30%, 30% and the balance vesting after 1, 2 & 3 years respectively	One year	01-06-2021 / 12 months
Exercise period	Within 5 years after respective vesting	Within 5 years after respective vesting	Within 3 months after vesting
Market price immediately prior to grant date (₹ per share)	2,478.15	2,478.15	1,209.75
Intrinsic value (₹ per share)	2,468.15	2,468.15	1,199.75

(b) Description of the Stock Appreciation Rights (SAR –graded vesting) plan that existed during the period:

Particulars	Grant 13	Grant 13
Board meeting date	28.05.2021	28.05.2021
Options granted	1,370	1,014
Exercise price (₹ per share)	10	10
Date of grant	28.05.2021	28.05.2021
Vesting date / period	3 years grant with 30%, 30% and the balance vesting after 1,2 & 3 years respectively	One year
Exercise period	Within one day after respective vesting	Within one day after respective vesting
Market value of shares on the reporting period is considered and estimated fair value is arrived based on Black-Scholes model using one year, two year and three year G-Sec rates respectively for 1,2 & 3 year exercise period.		

Group share based payments:

The company as a part of ESOP scheme has issued share options to employees of various group Companies. The company does not get reimbursed for the cost of such group share options and such costs are treated as investment in the group companies.

Effect of Share based payments transactions on financial statement of the entity:

(₹ in crores)

Particulars	April to March 2022	April to March 2021
Expenses recognised in Profit & Loss account	2.09	1.18
Amount recognised as Investment in Group companies	0.48	0.24

Unvested share options issued to employees of various group companies are as under: (in numbers)

Particulars	Grant 13	Grant 12
Sundaram Asset Management Company Limited	1,200	700
Sundaram Home Finance Limited	1,520	900
Sundaram Finance Holdings Limited	480	–
TOTAL	**3,200**	**1,600**

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:

Particulars	Grant 13	Grant 12
Risk free interest rate (1 year to 3 years)	3.94% to 5.07%	3.86%
Life of the option	1 to 3 years	12 months
Expected volatility	50.51%	36.48%
Fair value of the option (₹ per share) - ESOP Plan	1 year :2468.54 2 year : 2469.05 3 year 2469.56	1 year :1200.13
Fair value of the option (₹ per share) - SAR Plan	1 year :1930.27 2 year :1930.74 3 year :1931.30	

The expected volatility is based on historical share price volatility. The life of the option has been based on general option holder behaviour.

Reconciliation of the outstanding share options: 2021-22

The number and weighted-average exercise prices of share options under various grants are as follows:

(in numbers)

Grant details	Grant 13 - ESOP		Grant 12	
Particulars	Weighted average exercise price per option	No. of options	Weighted average exercise price per option	No. of options
Outstanding at the beginning of the period	–	–	10	9,375
Granted during the period	10	14,336	–	–
Forfeited / expired during the period	–	–	10	400
Exercised during the period	–	–	10	8,975
Outstanding at the end of the period	10	14,336	–	–
Exercisable at the end of the period	–	–	–	–

Grant details	Grant 13 - SAR		Grant 12	
Particulars	Weighted average exercise price per option	No. of options	Weighted average exercise price per option	No. of options
Outstanding at the beginning of the period	–	–	–	–
Granted during the period	10	2,384	–	–
Forfeited / expired during the period	–	–	–	–
Exercised during the period	–	–	–	–
Outstanding at the end of the period	10	2,384	–	–
Exercisable at the end of the period	–	–	–	–

Exercise price and Contractual life for the share options outstanding at the end of the period

Particulars	31.03.2022 Grant 13	31.03.2021 Grant 12
Exercise Price (₹)	10	10
Contractual life	2 months to 26 months	2 months

Reconciliation of the outstanding share options: 2020-2021

The number and weighted-average exercise prices of share options under various grants are as follows:

(in numbers)

Grant details	Grant 12		Grant 11	
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	9375	–	–
Granted during the period	–	–	10	18,750
Forfeited / expired during the period	10	400	–	–
Exercised during the period	10	8,975	10	18,750
Outstanding at the end of the period	–	–	–	–
Exercisable at the end of the period	–	–	–	–

Note 41: Leases

(₹ in crores)

Details	March 31, 2022		March 31, 2021	
	Gross Investment in Lease	Present value of Minimum Lease payments	Gross Investment in Lease	Present value of Minimum Lease payments
Upto 1 Year	26.67	23.88	91.44	84.49
1-5 Year	22.60	18.84	30.65	27.65
Total	**49.27**	**42.72**	**122.09**	**112.14**
Less: Unearned Finance income	6.55		9.95	
Present value of Minimum Lease payments	**42.72**		**112.14**	

Operating lease as lessor

Maturity pattern of Minimum Lease payments:

(₹ in crores)

Particulars	March 31, 2022	March 31, 2021
Less than 1 year	68.33	57.09
Later than 1 year and not later than 5 years	95.77	76.17
Total	**164.10**	**133.26**

Operating lease as lessee- Ind AS 116 – Leases

COVID-19 - Related Rent Concessions: Ministry of Corporate Affairs (MCA) has issued an amendment to Ind AS 116 – Leases (notified on 24th July 2020 and further extended vide notification dated 18th June 2021) The amendment provide lessees with an exemption from assessing whether a COVID-19 related rent concession is a lease modification. The amendments allowed the expedient to be applied to COVID-19 related rent concessions to payments originally due on or before June 30, 2022 and also require disclosure of the amount recognized in profit or loss to reflect changes in lease payments that arise from COVID-19 related rent concessions.

Accordingly, the Company has applied practical expedient to all its rent concessions and the amount in profit and loss for the reporting period that reflect the change in lease payments arising from rent concession is ₹0.17 crores.

Note 42: General

42.01 Tax u/s 115BAA of the Income Tax Act

The Company has opted for reduced rate of Income tax pursuant to the aforesaid section.

42.02 Segment Information

The Company has opted for reduced rate of Income tax pursuant to the aforesaid section.

42.03 Corporate Social Responsibility(CSR)

(₹ in crores)

Particulars	March 31, 2022	March 31, 2021
(a) Amount required to be spent by the company during the year	18.13	18.05
(b) Amount of expenditure incurred	20.37	18.11
(c) Shortfall at the end of the year	–	–
(d) Total of previous years shortfall	–	–
(e) Reason for shortfall	–	–
(f) Nature of CSR activities	*	
(g) Details of related party transactions, e.g., contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard	–	–
(h) Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year has to be shown separately	–	–

* Education, Art & Culture, Culture & Heritage, preservation and rejuvenation of National heritage and heritage crafts of India, Environment, Disaster Relief, Health, Park Maintenance, Protection / Restoration of Buildings and sites of historical importance, Protection of Ecology, Rural Development, Social Welfare, Sports, Animal Welfare.

42.04 Provisions contingent liabilities and contingent asset

(₹ in crores)

Movement of provisions	Amount
Carrying amount as on 31.03.2021	17.11
Add: Provisions made during the year	2.24
Less: Amount used or reversed during the year	1.30
Carrying amount as on 31.03.2022	18.05

(₹ in crores)

Contingent liabilities	March 31, 2022	March 31, 2021
a) On Cheques discounted	–	0.03
b) Bank guarantee and Letter of credit	19.00	41.48
c) Claims against the company not acknowledged as debts	6.68	7.79
d) Tax disputes	10.57	10.57

Tax disputes in respect of Income Tax, Service Tax, VAT demands and are pending before various appellate forums/authorities and the cash flows would be determined only upon the receipt of decisions. The Company is of the opinion that the demands are not sustainable and expects to succeed in its appeal.

The contested tax demands have been ascertained on the basis of relief allowed by the appellate authorities, on similar issues in earlier assessment years.

42.05 Pending Litigations

The pending litigations as on March 31, 2022 have been compiled by the company . The current position of the litigation has been evaluated and the effect thereof has been appropriately disclosed in the financial statements.

42.06 RELATED PARTIES DISCLOSURES:

Related party disclosures, as per INDAS 24 - 'Related Party Disclosures', for the Year ended March 31, 2022, are given below:

RELATED PARTIES:

Subsidiary Companies:

Sundaram Home Finance Limited

Sundaram Asset Management Company Limited

SAMC Support services Private Limited (w.e.f. 31.12.2021)

Principal Trustee Company Private Limited (w.e.f. 31.12.2021)

Prinicpal Retirement Advisors Private Limited (w.e.f. 31.12.2021)

Sundaram Asset Management Singapore Pte Ltd.

Sundaram Alternate Assets Limited

Sundaram Trustee Company Limited

Sundaram Finance Holdings Limited

Sundaram Business Services Limited

LGF Services Ltd.

Sundaram Fund Services Limited

Sundaram Finance Employees Welfare trust

Associates of a Subsidiary Company:

Flometallic India Private Limited

Dunes Oman LLC (FZC)

Sundaram Hydraulics Limited

Axles India Limited

Turbo Energy Private Limited

Trans Energy Private Limited

Sundaram Dynacast Private Limited

Wheels India Limited

Mind Srl

Sundaram Composite Structures Private Limited

Joint Ventures :

Royal Sundaram General Insurance Co. Ltd.

Key Management Personnel:

Mr. Harsha Viji, Executive Vice Chairman

Mr. Rajiv C. Lochan, Managing Director

Mr. A.N. Raju, Deputy Managing Director

Relatives of Key Management Personnel: (with whom the company has transactions)

Mr. S.Viji

Mrs. Chitra Viji

Mr. Sriram Viji

Mrs.Geetha Chellappa

Mrs. R.N. Mala

Mr.R.N. Pradyumna

Mr. A.N.Sreeram

Enterprises over which Key Management Personnel (KMP) and his relatives can exercise significant influence

M/s.Azorius Holdings Private Limited

M/s. Uthirattadhi Sriram Holdings Private Ltd.

All the arrangements and transactions entered into by the company with related parties, during year ended March 31, 2022 were in ordinary course of business and on arm's length price.

Related Party Transactions for Year Ended March 31, 2022

The nature and volume of transactions for the year ended March 31, 2022 with the above related parties are as follows.

Related Party Transactions for Year Ended March 31, 2022

The nature and volume of transactions for the year ended March 31, 2022 with the above related parties are as follows.

(₹ in crores)

Particulars	Subsidiaries	Associates	Joint Ventures	2021-2022	2020-2021
INCOME					
Lease Rental Income	0.17	1.32	0.07	1.56	1.58
Interest Income	1.51	–	–	1.51	0.00
Income from Services	8.32	0.00	5.01	13.33	12.84
Dividend	94.02	–	–	94.02	63.05
Rent Receipts	5.73	–	0.69	6.42	6.07
Income from other Financial Services	7.55	–	15.82	23.37	22.11
Other Non Operating Income	1.90	–	0.06	1.96	1.91
EXPENDITURE					
Interest	0.00	–	11.95	11.95	9.03
Support Services	12.64	–	–	12.64	13.34
Rent Paid	1.07	–	–	1.07	1.08
Insurance Premium	–	–	2.33	2.33	2.04
Training Expenses	–	–	–	–	0.01
Brokerage	0.03	–	–	0.03	0.02
ASSETS					
Purchase of Fixed Assets	–	–	–	–	0.17
Investments	147.63	–	–	147.63	–
Insurance Deposit- Repayment	–	–	–	–	1.50
Sale of Assets	–	–	–	–	0.01
Loans and Advances Disbursed	0.03	–	–	0.03	0.02
Repayment of Loans and Advances	0.03	–	–	0.03	0.02
Insurance Premium paid in advance	–	–	2.41	2.41	1.68
Inter corporate Loans	100.00	–	0.00	100.00	–
LIABILITIES					
Issue of Non Convertible Debentures	–	–	40.04	40.04	51.47
Redemption of Non Convertible Debentures	–	–	29.30	29.30	5.00
Other Liabilities	1.24	–	0.10	1.34	2.10
Dividend Paid	1.46	–	–	1.46	1.39

(₹ in crores)

Compensation paid to Key Managerial Personnel	2021-2022	2020-2021
Short term benefits	13.44	17.78
Post retirement benefits	0.44	0.47
Share based payments	0.26	0.30

Transactions with Key Managerial Personnel/Relatives	2021-2022	2020-2021
Interest on deposits	0.71	2.09
Dividend Paid	8.40	9.84
Deposits placed	0.15	0.21
Dividend Paid to Enterprises over which KMP and his relatives is exercising significant influence	3.73	3.49

Disclosure Of Material Transactions With Related Parties

(₹ in crores)

Particulars	Related Parties	2021-2022	2020-2021
INCOME			
Lease Rental Income	Wheels India Limited	0.81	0.76
	Turbo Energy Private Limited	0.38	0.40
	Axles India Limited	0.13	0.13
	Sundaram Asset Management Company Limited	0.11	0.18
	Royal Sundaram General Insurance Co. Ltd.	0.07	0.07
	Sundaram Home Finance Limited	0.03	0.01
	Sundaram Business Services Limited	0.03	0.03
Interest Income	Sundaram Asset Management Company Limited	1.51	0.00
Income from Services	Sundaram Home Finance Limited	8.17	7.69
	Royal Sundaram General Insurance Co. Ltd.	5.01	4.52
	Sundaram Asset Management Company Limited	0.14	0.25
	Sundaram Business Services Limited	0.00	0.21
	Turbo Energy Private Limited	0.00	0.17
Dividend	Sundaram Home Finance Limited	70.88	45.56
	Sundaram Asset Management Company Limited	15.00	15.00
	Sundaram Finance Holdings Limited	7.83	1.63
	Sundaram Trustee Company Limited	0.25	0.70
	LGF Services Ltd.	0.06	0.15

(₹ in crores)

Particulars	Related Parties	2021-2022	2020-2021
Rent Receipts	Sundaram Asset Management Company Limited	2.21	2.21
	Sundaram Home Finance Limited	1.89	1.90
	Sundaram Business Services Ltd.	1.54	1.14
	Royal Sundaram General Insurance Co. Ltd.	0.69	0.51
	Sundaram Finance Holdings Limited	0.09	0.31
Income from other Financial Services	Royal Sundaram General Insurance Co. Ltd.	15.82	17.06
	Sundaram Home Finance Limited	4.92	3.32
	Sundaram Alternate Assets Limited	2.63	1.73
Other Non Operating Income	Sundaram Home Finance Limited	1.24	1.19
	Sundaram Asset Management Company Limited	0.45	0.47
	Royal Sundaram General Insurance Co. Ltd.	0.06	0.09
	Sundaram Business Services Ltd.	0.10	0.08
	Sundaram Alternate Assets Limited	0.05	0.05
	Sundaram Finance Holdings Limited	0.06	0.04

Disclosure Of Material Transactions With Related Parties

(₹ in crores)

Particulars	Related Parties	2021-22	2020-2021
EXPENDITURE			
Interest	Royal Sundaram General Insurance Co. Ltd.	11.95	9.03
Support Services	Sundaram Finance Holdings Limited	12.64	13.34
Rent Paid	Sundaram Finance Holdings Limited	1.04	1.03
	Sundaram Home Finance Limited	0.03	0.03
	Royal Sundaram General Insurance Co. Ltd.	–	0.03
Insurance Premium	Royal Sundaram General Insurance Co. Ltd.	2.33	2.04
Brokerage	Sundaram Home Finance Limited	0.03	0.02
Training Expenses	Sundaram Finance Holdings Limited	–	0.01

Particulars	Related Parties	2021-2022	2020-2021
Dividend Paid	Sundaram Finance employee Welfare trust	1.46	1.39

(₹ in crores)

Particulars	Related Parties	2021-2022	2020-2021
ASSETS			
Purchase of Fixed Assets	Sundaram Fund Services Limited	–	0.17
	Sundaram Business Services Limited	–	0.00
	Sundaram Finance Holdings Limited	–	0.00
Investment	Sundaram Finance Holdings Limited	97.63	
	Sundaram Asset Management Company Limited	50.00	
Insurance Deposit-Repayment	Royal Sundaram General Insurance Co. Ltd.	–	1.50
Sale of Assets	Sundaram Asset Management Company Limited	–	0.01
	Sundaram Alternate Assets Limited	–	0.01
Loans and Advances Disbursed	Sundaram Asset Management Company Limited	0.03	0.02
Repayment of Loans and Advances	Sundaram Asset Management Company Limited	0.03	0.02
Insurance Premium paid in advance	Royal Sundaram General Insurance Co. Ltd.	2.41	1.68
Inter corporate Loans given	Sundaram Asset Management Company Limited	100.00	–
LIABILITIES			
Issue of Non Convertible Debentures	Royal Sundaram General Insurance Co. Ltd.	40.04	51.47
Redemption of Non Convertible Debentures	Royal Sundaram General Insurance Co. Ltd.	29.30	5.00
Other Liabilities	Sundaram Finance Holdings Limited	1.23	1.71
	Sundaram Home Finance Limited	0.00	–
	Sundaram Business Services Limited	0.00	0.21
	Royal Sundaram General Insurance Co. Ltd.	0.10	–
	Sundaram Fund Services Limited	–	0.18

Balances With Related Parties as at March 31, 2022

(₹ 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	March 31, 2022	March 31, 2021
ASSETS							
Investments	1,530.08	585.27	–	–	–	2,115.35	1,967.24
Loans and Advances	100.00	–	–	–	–	100.00	0.00
Other Assets	1.28	8.62	–	–	–	9.90	9.46
LIABILITIES							
Equity Holdings	5.02	–	1.74	3.51	2.33	12.60	13.96
Non Convertible Debentures	–	152.01	–	–	–	152.01	135.51
Deposits	–	–	0.40	3.16	–	3.56	12.92
Other Liabilities	3.15	0.46		–	–	3.61	4.16
Remuneration payable	–	–	8.62	–	–	8.62	12.45

Balances With Related Parties as at 31st March 2022

(₹ in crores)

BALANCES OUTSTANDING	Subsidiaries	Joint Ventures	March 31, 2022	March 31, 2021
ASSETS				
Investments				
Investments In Equity Shares				
Sundaram Home Finance Limited	1,152.90	–	1,152.90	1,152.69
Royal Sundaram General Insurance Co. Ltd.	–	585.27	585.27	585.27
Sundaram Asset Management Company Limited	236.24	–	236.24	186.04
Sundaram Finance Holdings Limited	114.15	–	114.15	16.45
Sundaram Fund Services Limited	24.45	–	24.45	24.45
Sundaram Trustee Company Limited	2.29	–	2.29	2.29
LGF Services Ltd.	0.05	–	0.05	0.05
Total	**1,530.08**	**585.27**	**2,115.35**	**1,967.24**

Disclosure Of Material Balances With Related Parties as at March 31, 2022 (₹ 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	March 31, 2022	March 31, 2021
Loans and Advances							
Sundaram Asset Management Company Limited	100.00	–	–	–	–	100.00	–
Fleet							
Sundaram Asset Management Company Limited	0.00	–	–	–	–	0.00	0.00
Other Assets							
Royal Sundaram General Insurance Co. Ltd.	–	8.62	–	–	–	8.62	8.55
Sundaram Home Finance Limited	0.92	–	–	–	–	0.92	0.48
Sundaram Asset Management Company Limited	0.01	–	–	–	–	0.01	
Sundaram Business Services Limited	–	–	–	–	–	–	0.19
Sundaram Alternate Assets Limited	0.32	–	–	–	–	0.32	0.22
Sundaram Finance Holdings Limited	0.03	–	–	–	–	0.03	0.02
Total	**1.28**	**8.62**	–	–	–	**9.90**	**9.46**
LIABILITIES							
Equity Holdings	5.02	–	1.74	3.51	2.33	12.60	13.96
Non Convertible Debentures							
Royal Sundaram General Insurance Co. Ltd.	–	152.01	–	–	–	152.01	135.51
Deposits	–	–	0.40	3.16	–	3.56	12.92
Other Liabilities							
Sundaram Home Finance Limited	1.44	–	–	–	–	1.44	1.43
Sundaram Finance Holdings Limited	1.23	–	–	–	–	1.23	1.71
Royal Sundaram General Insurance Co. Ltd.	–	0.46	–	–	–	0.46	0.36
Sundaram Asset Management Company Limited	0.27	–	–	–	–	0.27	0.27
Sundaram Business Sevices Limited	0.21	–	–	–	–	0.21	0.21
Sundaram Fund Services Limited	–	–	–	–	–	-	0.18
Remuneration payable	–	–	8.62	–	–	8.62	12.45
Total	**3.15**	**0.46**	**8.62**	–	–	**12.23**	**16.61**

Maximum amount outstanding in respect of Loans and Advances	2021-2022	2020-2021
Sundaram Asset Management Company Limited	100.00	0.00

42.07 Estimated amount of contracts remaining to be executed on capital account

(₹ in crores)

Particulars	March 31, 2022	March 31, 2021
Estimated amount of contracts remaining to be executed on capital account (net of advance)	12.83	6.28
Uncalled commitment in Alternative Investment Fund Schemes	4.19	15.74

Other Commitments

The Company has given an undertaking not to dilute, in any manner, its shareholding below 51% in respect of the borrowings availed by one of its wholly owned subsidiaries.

42.08 Relationship with Struck off Company:

Sl. No.	Name Of Struck Off Company	Nature of transactions	As at March 31, 2022	As at March 31, 2021	Relationship with the struck off company, if any, to be disclosed for related party
1	M/s Hayath Properties Private Limited	Loan	0.08	0.08	No
2	M/s G R Lubricants Pvt Ltd	Loan	0.03	0.05	No
3	M/s Shantharam Towing & Automotive Repair Services (Staars) Private Limited	Loan	0.01	0.05	No
4	M/s Hydromart India Pvt.ltd	Loan	Nil	Nil	No
5	M/s Omeon Solutions Pvt Ltd	Loan	Nil	Nil	No
6	M/s Fortune Retreats India Pvt Ltd	Loan	Nil	Nil	No
7	M/s Monarch Properties & Developers P. Ltd	Loan	Nil	Nil	No
8	M/s S S Roadlines Logistic & Hiring Services Private Limited	Loan	Nil	Nil	No
9	M/s Anocleanway Private Limited	Loan	Nil	Nil	No
10	M/s Dharan International Trading Co Private Limited	Loan	Nil	Nil	No
11	M/s Urappaa Food Park Pvt Ltd	Loan	Nil	Nil	No
12	M/s Aks Agencies Pvt. Ltd.	Loan	Nil	Nil	No
13	M/s Hindusthaan Innovative Infotech Solutions Private Limited	Loan	Nil	Nil	No
14	M/s Femina Hitech Beauty Parlour India Pvt Ltd	Loan	Nil	Nil	No
15	M/s Bigboss Steel & Alloys Limited	Loan	Nil	Nil	No
16	M/s Sri Lakshminarayana Debts Recovery Service Private Limited	Repossession service provider	Nil	Nil	No
17	M/s Rkid Investment Consultants Private Limited	Shareholder	*	*	No
18	M/s Kothari Intergroup Limited	Shareholder	*	*	No
19	M/s Parivar Developers Private Limited	Shareholder	*	*	No
20	M/s Pant Computers Private Limited	Shareholder	*	Nil	No
21	M/s Energie Wellness Private Limited	Shareholder	0.01	0.01	No

* Note:- In the absence of purchase price of shares held by the above shareholders, face value is considered for reporting purpose. Amount is Less than ₹10,000/-

42.09 Registration of charges or satisfaction:

(₹ in crores)

Particulars	March 31, 2022	March 31, 2021
(a) Where any charges or satisfaction yet to be registered with ROC beyond the statutory period,	Nil	Nil
(b) Details and reasons thereof shall be disclosed		

42.10 Utilisation of Borrowed funds and Share Premium (Diversion of Funds):

No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend to or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

No funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend to or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

42.11 Undisclosed income

There is no surrender or disclosure of income separately on account of search or survey under Income tax since all transactions are recorded in the books.

42.12 Crypto Currency or Virtual Currency

The Company has neither traded nor invested in Crypto currency or virtual currency during the year.

42.13 Administrative and other expenses "under Other Expenditure" include payment to Statutory Auditors towards:

(₹ in Crores)

Particulars	2021-22	2020-21
Auditors' fees and expenses*	1.27	1.24
Statutory fees	0.85	0.82
Tax fees	0.16	0.16
Certification fees	0.24	0.24
Reimbursement of expenses	0.02	0.02

* Including GST provision

42.14 Disclosure under the MSME Act 2006

(₹ in Crores)

Particulars	March 31, 2022	March 31, 2021
ia) Principal amount remaining unpaid*	1.37	0.65
ib) Interest amount remaining unpaid	NIL	NIL
ii) Interest and principal amount paid beyond appointed date	NIL	NIL
iii) Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointment day during the year) but without adding the interest specified under this Act.	NIL	NIL
iv) Interest accrued and remaining unpaid	NIL	NIL

* Subsequently liability is discharged

42.15 Based on the current assessment of the long-term contracts in the ordinary course of business, the Company has made adequate provision for losses where required. The derivative contracts have been entered into for hedging the foreign currency liability and interest liability. Derivative contracts being in the nature of hedge contracts, the Company does not anticipate any material losses from the same.

42.16 The Board of Directors have recommended a final dividend of ₹10/- per share (100%) for the year ended March 31, 2022 in May 2022. This together with interim dividend of ₹10/- per share (100%) paid would aggregate to a total dividend of ₹20/- per share (200 %).

42.17 Earnings per Share

Particulars	March 31, 2022	March 31, 2021
Profit /(Loss) attributable to equity shareholders (₹ in crores)	903.41	809.05
Weighted average number of equity shares	11,11,03,860	11,11,03,860
Earnings per share – Basic & Diluted (in ₹)	81.31	72.82
Face value of Share	10	10

42.18 Previous period's figures have been regrouped wherever necessary to conform to current period's classification.

Note 43: Disclosures as per Non-Banking Financial Company - Systemically Important Non-Deposit Taking Company and Deposit taking Company (Reserve Bank) Directions, 2016:

43.01 Capital to Risk (weighted) Assets Ratio

Particulars	March 31, 2022	March 31, 2021
CRAR (%)	24.37	22.06
CRAR - Tier I Capital (%)	17.45	15.21
CRAR - Tier II Capital (%)	6.92	6.85
Subordinated debt considered as Tier II Capital (₹ in Crore)	**2,014.00**	**2,037.00**

43.02 Investments

(₹ in crores)

Particulars	March 31, 2022	March 31, 2021
Value of Investments		
Gross Value of Investments		
a) In India	5,319.25	4,053.09
b) Outside India	–	–
Provisions for Depreciation		
a) In India	0.58	0.69
b) Outside India	–	–
Net Value of Investments		
a) In India	5,318.67	4,052.40
b) Outside India	–	–
Movement of provisions held towards depreciation on investments		
Opening balance	0.69	0.54
Add : Provisions made during the year	0.16	0.28
Less : Reversal of provisions during the year	0.27	0.13
Closing balance	**0.58**	**0.69**

43.03 Derivatives

43.03.01 Forward Rate Agreement / Interest Rate Swap (FRA / IRS)

(₹ in crores)

Particulars	March 31, 2022	March 31, 2021
The notional principal of swap agreements	375.00	900.00
Losses which would be incurred if counter parties failed to fulfill their obligations under the agreements	0.38	13.81
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	0.61	12.25

The details and terms of IRS / FRA are set out below:

(₹ in crores)

Derivatives	March 31, 2022	March 31, 2021	Benchmark	Terms
	Notional Principal			
Interest Rate Swap	–	125.00	OIS	Fixed Receivable v/s Floating Payable
Interest Rate Swap	375.00	750.00	OIS	Fixed Payable v/s Floating Receivable
Forward Rate Agreement	–	25.00	OIS	Fixed Receivable v/s Floating Payable

43.03.02 Exchange Traded Interest Rate (IR) Derivative : NIL

43.03.03 Qualitative disclosures on risk exposure of derivatives

i) Qualitative disclosures

The Company has a Board approved policy for entering into derivative transactions. Derivative transaction comprises Forward Rate Agreements, Interest Rate Swaps, Coupon only swaps, Currency and Interest rate swap and Forward Exchange contracts. The Company undertakes such transactions for hedging balance sheet assets and liabilities. The Asset Liability Management Committee and Risk Management Committee periodically monitors and reviews the risks involved.

ii) Quantitative disclosures

(₹ in crores)

	Particulars	Currency Derivatives		Interest Rate Derivatives	
		March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
i)	Derivatives (Notional Principal Amount)				
	For Hedging	–	401.97	375.00	900.00
ii)	Marked to Market Position				
	- Asset (+)	–	–	0.61	13.31
	- Liability (-)	–	27.78	-	1.07
iii)	Credit Exposure	–	8.04	2.50	10.13
iv)	Unhedged Exposures	–	–	–	–

43.04 Maturity Pattern of certain items of Assets and Liabilities

As at March 31, 2022:

(₹ in crores)

	0 to 7 days	8 to 14 days	Upto 30/ 31 days	Over 1 month upto 2 months	Over 2 months upto 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
Deposits	91.89	33.16	93.78	169.75	192.30	724.73	1,004.86	1,961.79	–	–	4,272.26
Borrowings	459.90	–	1,402.86	192.05	1,454.24	1,437.87	5,461.01	9,649.56	1,699.10	1,858.35	23,614.94
Foreign Currency Liabilities	–	–	–	–	–	–	–	–	–	–	–
Advances	339.53	565.37	491.28	1,356.79	1,599.71	3,668.10	6,454.01	14,939.76	2,764.00	15.14	32,193.69
Investments	2,125.06	3.77	13.40	25.09	275.81	152.71	196.54	279.14	69.52	2,177.62	5,318.66
Foreign Currency Assets	–	–	–	–	–	–	–	–	–	–	–

43.05 Exposures

43.05.01 Exposure to Real Estate Sector

(₹ in crores)

Particulars	March 31, 2022	March 31, 2021
Residential Mortgages - Lending - Fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented	18.82	15.14
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	32.74	31.35
Investments in Mortgage Backed Securities (MBS) and other securitised exposures - Residential - Commercial Real Estate	 – –	 – –
Total Exposure to Real Estate Sector	**51.56**	**46.49**

43.05.02 Exposure to Capital Market

(₹ in crores)

Particulars	March 31, 2022	March 31, 2021
Direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt; (listed Securities)	114.15	16.45
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	118.35	138.10
Total Exposure to Capital Market	**232.50**	**154.55**

43.05.03 Details of financing of parent company products : NIL

43.05.04 Details of Single Borrower Limit (SBL) / Group Borrower Limit (GBL) exceeded by the company : NIL

43.06 Registration obtained from other financial sector regulators during the year : NIL

43.07 Disclosure of penalties imposed by other regulators: 2021-22 Nil; 2020-21 0.03 Cr.

43.08 Rating Assignment by Credit Rating Agencies and migration of ratings during the year

Instrument	ICRA	CRISIL
Deposits	AAA	FAAA
Debentures	AAA	AAA
Subordinated Debentures	AAA	AAA
Long Term Bank Loans	AAA	AAA
Consortium Bank Facilities	AAA	-
Commercial Paper	A1+	A1+
Short Term Bank Loans	A1+	-

Migration of ratings during the year : NIL

43.09 Provisions and Contingencies

(₹ in crores)

Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account	March 31, 2022	March 31, 2021
Provisions for depreciation on Investments	(0.10)	0.14
Provisions towards Stage III assets (incl. write offs)	327.25	188.71
Provisions for Stage I & II assets	(8.63)	127.21
Provisions made towards Income tax	273.49	247.25

43.10 Concentration of Deposits

(₹ in crores)

Particulars	March 31, 2022	March 31, 2021
Total Deposits of twenty largest depositors	188.57	156.45
% of Twenty largest depositors	4.41%	3.89%

43.11 Concentration of Advances

(₹ in crores)

Particulars	March 31, 2022	March 31, 2021
Total Advances to twenty largest borrowers	442.98	448.15
% of Twenty largest borrowers	3.34%	3.40%

43.12 Concentration of Exposures

(₹ in crores)

Particulars	March 31, 2022	March 31, 2021
Total Exposure to twenty largest borrowers	662.75	629.49
% of Twenty largest borrowers	2.28%	2.11%

43.13 Concentration of NPA assets

(₹ in crores)

Particulars	March 31, 2022	March 31, 2021
Total Exposure to top four NPA assets	46.53	52.00
% of Top four NPA assets to total NPA assets	7.29%	7.61%

43.14 NPA assets as a percentage to Advances in the respective segments

(in %)

Segment	March 31, 2022	March 31, 2021
Truck Operators	2.57	2.64
Auto Loans	1.68	1.70
Infrastructure Loans	1.90	2.24
Agriculture	2.79	2.74
Others	2.62	1.76

43.15 Movement of NPA assets

(₹ in crores)

Particulars	March 31, 2022	March 31, 2021
Net NPA assets to Net Advances (%)	1.26%	1.35%
Movement of NPA assets (Gross)		
Opening balance	683.07	788.06
Additions during the year	518.36	353.77
Reductions during the year	497.89	458.76
Closing balance	703.54	683.07
Movement of Net NPA assets		
Opening balance	400.89	541.41
Additions during the year	152.79	98.89
Reductions during the year	190.06	239.41
Closing balance	363.63	400.89
Movement of Provision on NPA assets		
Opening balance	282.19	246.66
Provisions made during the year	365.57	254.88
Write-off / Write-back of excess provisions	307.83	219.35
Closing balance	339.93	282.19

43.16 Overseas Assets (for those with Joint Ventures and Subsidiaries abroad): NIL

43.17 Off-balance sheet SPVs sponsored (which are required to be consolidated as per accounting norms): NIL

43.18 Customer Complaints

Particulars	March 31, 2022	March 31, 2021
No. of complaints pending at the beginning of the year	–	–
No. of complaints received during the year	2,825	2964
No. of complaints redressed during the year	2,825	2964
No. of complaints pending at the end of the year	–	–

Note 44: Disclosure on frauds

There was no frauds occured during the financial year 2021-22. However, there are 18 fraud cases reported to RBI in earlier years and outstanding as of 31st March 2022, involving ₹13.86 Cr. The company has provided for / written off the amount and has proceeded legally to recover the dues from the respective parties.

Note 45: Disclosures as per RBI notification no. DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated 13th March 2020 - Implementation of Indian Accounting Standards:

A comparison between provisions required under IRACP and impairment allowances made under Ind AS 109:

(₹ in crores)

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms (including income deferred)	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5)=(3)–(4)	(6)	(7) = (4)–(6)
Performing Assets						
Standard	Stage 1	26,575.24	105.53	26,469.71	165.47	(59.95)
	Stage 2	1,907.35	124.27	1,783.08	47.20	77.07
Sub total		**28,482.58**	**229.80**	**28,252.79**	**212.67**	**17.13**
Non-Performing Assets (NPA)						
Substandard	Stage 3	409.30	120.58	288.72	74.00	46.58
Doubtful - up to 1 year	Stage 3	121.21	103.18	18.03	87.50	15.69
1 to 3 years	Stage 3	93.97	93.97	–	70.90	23.07
More than 3 years	Stage 3	7.17	7.17	–	5.79	1.38
Subtotal for doubtful		**222.35**	**204.32**	**18.03**	**164.19**	**40.13**
Loss	Stage 3	6.91	6.91	–	6.91	–
Subtotal for NPA		638.56	331.81	306.75	245.10	86.72

(₹ 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)
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	109.95	2.24	107.71	–	2.24
	Stage 2	–	–	–	–	–
	Stage 3	–	–	–	–	–
Subtotal		109.95	2.24	107.71	-	2.24
Total (On book assets)	**Stage 1**	**26,575.24**	**105.53**	**26,469.71**	**165.47**	**(59.95)**
	Stage 2	**1,907.35**	**124.27**	**1,783.08**	**47.20**	**77.07**
	Stage 3	**638.56**	**331.81**	**306.75**	**245.10**	**86.71**
	Total	**29,121.15**	**561.61**	**28,559.54**	**457.77**	**103.83**

Disclosure on Resolution Framework 2.0 implemented in terms of RBI circulars RBI/2021-22/31 DOR.STR.REC.11/21.04.048/2021-22 dated 5th May 2021:

(₹ in crores)

Type of Borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of the previous half-year (A) 30.09.2021	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 31.03.2022
Personal Loans	–	–	–	–	–
Corporate persons*	–	–	–	–	–
Of which MSMEs	–	–	–	–	–
Others (Business loan)	806.27	15.46	7.03	76.95	706.83

*As defined in Section 3(7) of the Insolvency and Bankruptcy Code 2016.

Note 46: Disclosure as per RBI Notification No. RBI/DOR/2021-22/85 DOR.STR.REC.53/21.04.177/2021-22

Disclosures to be made in Notes to Accounts by originators

(₹ in crores)

Sl. No	Particulars	March 31, 2022	March 31, 2021
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)	9	10
2	Total amount of securitised assets as per books of the SPEs	2,694.05	2,308.87
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	299.91	425.73
	• Others	65.76	46.38
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	–	–

Sl. No	Particulars	March 31, 2022	March 31, 2021
5	Sale consideration received for the securitised assets Gain/loss on sale on account of securitisation		
	- Consideration Received	4,667.83	5,645.25
	- Gain/Loss	NIL	NIL
6	Form and quantum (outstanding value) of services provided by way of, liquidity support, post-securitisation asset servicing, etc.	299.91	425.73
7	Performance of facility provided. Please provide separately for each facility viz. Credit enhancement, liquidity support, servicing agent 60 etc. Mention percent in bracket as of total value of facility provided.		
	(a) Amount Paid (Initial CC)	355.99	452.30
	(b) Repayment received (CC Reset)	56.08	26.58
	(c) Outstanding amount (Outstanding CC)	299.91	425.73
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: 1.36% Tractor: 1.58%	CV: 0.93% Tractor: 1.64%
9	Amount and number of additional/top up loan given on same underlying asset. Please provide breakup separately for each asset class i.e. RMBS, Vehicle Loans etc	NIL	NIL
10	Investor complaints (a) Directly/Indirectly received and; (b) Complaints outstanding	NIL	NIL

Note 47: Disclosure on Liquidity Coverage Ratio (LCR):

As part of the Liquidity Risk Management Framework for NBFCs, RBI has mandated maintenance of Liquidity Coverage Ratio (LCR) effective 1st 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 minimum HQLA of 60% of the LCR, 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 March 31, 2022 is 128% which is well above the regulatory requirement of 60%.

(₹ in crores)

	Particulars	Liquidity Coverage Ratio (LCR)							
		April-June 2021		July-September 2021		October-December 2021		January-March 2022	
		Unweighted Value (Average)	Weighted Value (Average)	Unweighted Value (Average)	Weighted Value (Average)	Unweighted Value (Average)	Weighted Value (Average)	Unweighted Value (Average)	Weighted Value (Average)
	High Quality Liquid Assets								
1	**Total High Quality Liquid Assets (HQLA)		501.73		547.07		509.75		524.76
	Cash Outflows								
2	Deposits (for deposit taking companies)	247.89	285.08	301.95	347.25	286.21	329.14	253.56	291.60
3	Unsecured wholesale funding	125.96	144.85	257.56	296.19	683.69	786.24	192.04	220.85
4	Secured wholesale funding	1,219.16	1,402.03	623.19	716.67	227.24	261.32	573.85	659.92
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	122.19	140.52	110.66	127.26	113.29	130.29	117.21	134.79
6	Other contractual funding obligations	214.82	247.04	217.98	250.68	258.77	297.59	283.27	325.77
7	Other contingent funding obligations	2.59	2.98	1.69	1.95	6.62	7.62	5.99	6.89
8	**TOTAL CASH OUTFLOWS**	**1,932.62**	**2,222.51**	**1,513.04**	**1,739.99**	**1,575.82**	**1,812.20**	**1,425.93**	**1,639.82**
	Cash Inflows								
9	Secured lending	–	–	–	–	–	–	–	–
10	Inflows from fully performing exposures	1,410.85	1,058.14	1,313.61	985.20	1,454.36	1,090.77	1,395.82	1,046.87
11	Other cash inflows	2,045.81	1,534.36	2,186.67	1,640.00	2,419.71	1,814.78	2,877.15	2,157.86
12	**TOTAL CASH INFLOWS**	**3,456.67**	**2,592.50**	**3,500.27**	**2,625.21**	**3,874.06**	**2,905.55**	**4,272.97**	**3,204.73**
		Total Adjusted Value		**Total Adjusted Value**		**Total Adjusted Value**		**Total Adjusted Value**	
13	**TOTAL HQLA**		**5 01.73**		**547.07**		**509.75**		**524.76**
14	**TOTAL NET CASH OUTFLOWS**		**555.63**		**435.00**		**453.05**		**409.95**
15	**LIQUIDITY COVERAGE RATIO (%)**		**90.3%**		**125.8%**		**112.5%**		**128%**
**	Components of HQLA								
	- Cash		6.01		6.29		5.36		4.46
	- Balance with Banks		52.45		16.22		25.04		24.91
	- Government Securities		422.97		419.80		423.45		414.55
	- Commercial Paper		20.31		23.54		39.61		55.32
	- Treasury Bills		-		81.22		16.28		25.52
	Total HQLA		**501.73**		**547.07**		**509.75**		**524.76**

Note 48: Public Disclosure on Liquidity Risk as on March 31, 2022 pursuant to RBI circular dated 4th November 2019 on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies

(i) Funding concentration based on significant counterparty (both deposits and borrowings)

Sl. No.	Number of Significant counter parties	Amount (₹ in crores)	% of Total Deposits *	% of Total Liabilities
1	12	18,109.97	–	63.8

* None of the Depositors hold more than 1% of the Total deposits

(ii) Top 20 large deposits

Amount	₹188.57 cr.
% of Total Deposits	4.4

(iii) Top 10 borrowings

Amount	₹17,383 cr.
% of Total Borrowings	62.3

(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	15,275.87	53.8
2	Term loan	6,149.41	21.7
3	Public Deposits	4,272.26	15.0
4	Commercial paper	976.57	3.4
5	Other Bank borrowings	1,213.70	4.3

(v) Stock Ratios:

Sl. No.	Name of the Instrument / Product	As a % of Total Public funds	As a % of Total Liabilities	As a % of Total Assets
1	Commercial Paper	3.5	3.4	2.8
2	Non-Convertible Debentures (original maturity < 1 year)	-NA-	-NA-	-NA-
3	Other Short- term Liabilities	42.1	41.4	33.3

(vi) Institutional setup for Liquidity Risk management

Board has setup the Asset Liability Management Committee (ALCO) and Risk Management Committee to manage various risks of the Company. ALCO meets on a regular basis and is responsible for ensuring adherence to the risk tolerance/limits set by the Board including the Liquidity risk of the Company. The performance of the ALCO is reviewed by Audit Committee / Board.

The Company has formulated a policy on Liquidity Risk Management Framework. Accordingly, the Company,

- Performs stress testing on a quarterly basis which enables the Company to estimate the liquidity requirements as well as adequacy and cost of the liquidity buffer under stressed conditions.
- Has also formulated a contingency funding plan as a part of the outcome of stress testing results.
- Monitors liquidity risk based on 'Stock' approach to liquidity by way of pre-defined internal limits for various critical ratios pertaining to liquidity risk.

The Company has diversified source of funding to ensure that there is no significant source, the withdrawal of which could trigger liquidity problems.

The Company monitors cumulative mismatches across all time buckets by establishing internal prudential limits. The Company maintains adequate liquidity buffer of readily marketable assets, to protect itself against any liquidity risk at the same time is mindful of the cost associated with it.

Notes:

1. As per the circular issued by RBI on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies dated 04th Nov 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 - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016.
4. Other Short term liabilities represent all Short-term borrowings other than CPs.

As per our report of even date attached
For **B. K. Khare & Co**
Chartered Accountants
Firm Registration No. 105102W
Padmini Khare Kaicker
Partner, Membership No. 044784
Place : Mumbai

For N. C. Rajagopal & Co
Chartered Accountants
Firm Registration No. 003398S
V Chandrasekaran
Partner, Membership No. 024844
Place : Chennai

Date : May 25, 2022

S. Viji
Chairman

Harsha Viji
Executive Vice Chairman

S. Prasad
Director

Rajiv C. Lochan
Managing Director

A.N. Raju
Deputy Managing Director

M. Ramaswamy
Chief Financial Officer

P. Viswanathan
Secretary & Compliance Officer

SCHEDULE

(as required under Annexure IV of Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016)

(₹ in crores)

		Particulars	Amount outstanding	Amount overdue
		Liabilities side:		
(1)		**Loans and advances availed by the NBFCs @**		
	a	Debentures : Secured	12,774.63	–
		: Unsecured	2,501.24	–
		(other than falling within the meaning of public deposits)		
	b	Deferred Credits	–	–
	c	Term Loans	6,149.41	–
	d	Inter-corporate loans and borrowings	–	–
	e	Commercial paper	976.57	–
	f	Public Deposits	4,270.22	52.53 #
	g	Other loans	–	–
		- Bank Borrowing	1,213.70	–
		- Deposits from Corporates	2.04	–
(2)		**Break-up of 1 (f) above (Outstanding public deposits)@**		
	a	In the form of Unsecured debentures	–	–
	b	In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security	–	–
	c	Other public deposits	4,270.22	52.53 #

@ Includes interest accrued thereon but not due and hence not paid

Represents unrenewed deposits and interest accrued thereon

(₹ in crores)

		Particulars	Amount outstanding
		Assets side:	
(3)		**Break-up of Loans and Advances including bills receivables (other than those included in (4) below) :**	
	a	Secured	185.41
	b	Unsecured (including Advance for Business Assets)	309.77
(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	159.39
(ii)		Net Stock on hire including hire charges under sundry debtors	
	a	Assets on hire	42.72
	b	Repossessed Assets	0.23
(iii)		Hypothecation loans counting towards AFC activities	
	a	Loans where assets have been repossessed	45.29
	b	Loans other than (a) above	28,423.86

(₹ in crores)

	Particulars	Amount outstanding	Market Value *
(5)	**Break-up of Investments :**		
	Current Investments:		
1.	Quoted:	–	–
	Others		
	- Treasury Bills	247.88	247.99
2.	Unquoted:		
(i)	Units of mutual funds	2,114.60	2,114.60
(ii)	Others		
	- Investment in Commercial Paper	100.07	98.37
	Long Term Investments:		
1.	Quoted:		
(i)	Equity Shares	114.15	361.58
(ii)	Government Securities	486.20	505.47
2.	Unquoted:		
(i)	Equity Shares	2,012.40	2,849.65
(ii)	Compulsorily Convertible Preference Shares	3.12	3.12
(iii)	Units of mutual funds	21.88	21.88
(iv)	Others		
	- Investment in Pass Through Certificates	100.60	100.53
	- Investment in Alternative Investment Fund	118.35	118.35
	Total	**5,319.25**	**6,421.54**

* Unquoted investments disclosed at break up / fair value / NAV.

(₹ in crores)

(6)	**Borrower group-wise classification of all leased assets, stock-on-hire and loans and advances:**			
	Category	Amount net of provisions		
		Secured	Unsecured	Total
1.	**Related Parties****			
a	Subsidiaries	0.36	100.12	100.47
b	Companies in the same group	4.02	0.11	4.12
c	Other related parties	-	-	-
2.	**Other than related parties**	28,637.16	203.24	28,840.39
	Total	**28,641.54**	**303.47**	**28,944.98**

(₹ 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	2,426.54	1,530.08
b	Companies in the same group	784.69	596.47
c	Other related parties	-	-
2.	**Other than related parties**	3,210.31	3,192.12
	Total	**6,421.54**	**5,318.67**

** As per Ind AS

(₹ in crores)

(8)	**Other Information**	
	Particulars	Amount
(i)	**Gross Non-Performing Assets**	
a	Related Parties	–
b	Other than related parties	703.55
(ii)	**Net Non-Performing Assets**	
a	Related Parties	–
b	Other than related parties	363.62
(iii)	Assets acquired in satisfaction of debt (during the year)	–

Consolidated Financial Statements

INDEPENDENT AUDITOR'S REPORT

To the members of Sundaram Finance Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Sundaram Finance Limited ("the Parent") and its subsidiaries(the Parent and its subsidiaries together referred to as "the Group") which includes the Group's share of profit / loss in its associates and jointly controlled entities which comprise the Consolidated Balance Sheet as at March 31,2022 and the Consolidated Statement of Profit and Loss including Other Comprehensive Income,the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year then ended and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of the other auditors on separate/ consolidated financial statements/financial information of the subsidiaries,associates and jointly controlled entities referred to in the Other Matters section below,the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS')and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its associates and jointly controlled entities as at March 31, 2022 and their consolidated profit,their consolidated total comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group, its associates and jointly controlled entities in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in the sub-paragraphs (a) and (b) of the Other Matters section below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Key Audit Matters

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

Sr. No	*Key Audit Matter*	*How the Key Audit Matter was addressed in our audit*
1	**"Impairment Loss Allowance / ECL on Loans"**	
Refer to the accounting policies in ' Note 2.20 to the Ind AS Financial Statements: Expected Credit Loss',Impairment of Financial Assets and 'Note XX to the Ind AS Financial Statements: Revenue Recognition' and 'Note 2.10 to the Ind AS Financial Statements: and 'Note 37 to the Ind AS Financial Statements: Risk Management'.		
	Subjective estimates: Under Ind AS 109, "Financial Instruments", allowance for loan losses are determined using expected credit loss ('ECL') estimation model. The estimation of ECL on financial instruments involves significant judgement and estimates. The key areas where we identified greater levels of management judgement and therefore increased levels of audit focus in the Company's estimation of ECLs are: • Data inputs - The application of ECL model requires several data inputs. This increases the risk of completeness and accuracy of the data that has been used to create assumptions in the model. • Model estimations - Inherently judgmental models are used to estimate ECL which involves determining Probabilities of Default ("PD"), Loss Given Default ("LGD"), and Exposures at Default ("EAD"). The PD and the LGD are the key drivers of estimation complexity in the ECL and as a result are considered the most significant judgmental aspect of the Company's modelling approach. • Economic scenarios - Ind AS 109 requires the Company to measure ECLs on an unbiased forward-looking basis reflecting a range of future economic conditions. Significant management judgement is applied in determining the economic scenarios used and the probability weights applied to them. The effect of these matters is that, as part of our risk assessment, we determined that the impairment of loans and advances to customers, has a high degree of estimation uncertainty, with a potential range of reasonable outcomes greater than our materiality for the Standalone Ind AS Financial Statements as a whole, and possibly many times that amount. **Disclosures:** The disclosures (including disclosures prescribed by RBI) regarding the Company's application of Ind AS 109 are key to explaining the key judgements and material inputs to the Ind AS 109 ECL results.	**Our key audit procedures included:** Review of Policy/procedures & design/controls • Review of the Board approved Policy and approach concerning the assessment of credit and other risks and ascertainment/ageing of 'default' by the borrowers and procedures in relation to stages and ECL computation. • Studying the report of review of ECL model of the Company for the year, as performed by an independent expert, whose report is placed before the Board of Directors of the Company. • Testing key controls relating to selection and implementation of material macro-economic variables and the controls over the scenario selection and application of probability weights. • Assessing the design, implementation and operating effectiveness of key internal financial controls including monitoring process of overdue loans (and those which became overdue after the reporting date), measurement of provision, stage-wise classification of loans, identification of NPA accounts, assessing the reliability of management information, which included overdue reports. • Understanding management's approach, interpretation, systems and controls implemented in relation to probability of default and stage-wise bifurcation of product-wise portfolios for timely ascertainment of stress and early warning signals. • Testing of review controls over measurement of provisions and disclosures in the Standalone Ind AS Financial Statements. • Involvement of Information system resource to obtain comfort over data integrity and process of report generation through interface of various systems. • Understanding of models and general economic indicator criteria used for regression testing over data of the loan book. **Substantive verification** • Sample testing over key inputs, data and assumptions impacting ECL calculations to assess the completeness, accuracy and relevance of data and reasonableness of economic forecasts, weights, and model assumptions applied. • Model calculations testing through re-performance, where possible. • Assessing disclosures - Assessed whether the disclosures on key judgements, assumptions and quantitative data with respect to impairment of loans (including restructuring related disclosures) in the Standalone Ind AS Financial Statements are appropriate and sufficient.

Sr. No	*Key Audit Matter*	*How the Key Audit Matter was addressed in our audit*
2	**Impairment testing of investments in Subsidiaries /Joint Venture**	
	Impairment testing of investments in Subsidiaries/ Joint venture is considered as a Key Audit Matter since impairment, if any, of these investments may have an impact on the equity of the Group.	To test for impairment in the Investments in Subsidiaries / Joint Venture, we compared the book value of the investments in the year under review with their pro rata share of the respective company's equity based on its financial statements, and evaluated the internal and external sources of information to reassure its values. Evaluate the Company's Internal controls viz a viz the implementation of Investment Risk management System and processes. Test of management oversight and controls over valuation of investments. Accordingly based on our audit procedures, we noted no reportable matters regarding investments and its valuation.
3	**Information Technology**	
	IT systems and controls The Company's financial reporting processes are dependent on technology considering significant number of transactions that are processed daily across multiple and discrete Information Technology ('IT') systems. The Financial accounting system of the Company is interfaced with several other IT systems including Loan Management & Originating systems and several other systemic workflows. IT general and application controls are critical to ensure that changes to applications and underlying data are made in an appropriate manner. Adequate controls contribute to mitigating the risk of potential fraud or errors as a result of changes to the applications and data. These includes implementation of preventive and detective controls across critical applications and infrastructure. Due to the pervasive nature of role of information technology systems in financial reporting, in our preliminary risk assessment, we planned our audit by assessing the risk of a material misstatement arising from the technology as significant for the audit, hence the Key Audit Matter.	In course of audit, our focus was on user access management, change management, segregation of duties, system reconciliation controls and system application controls over key financial accounting and reporting systems. We performed a range of audit procedures, which included: Review of the report of IS Audit carried in earlier year(s) by an independent firm of Chartered Accountants pertaining to IT systems general controls including access rights over applications, operating systems and databases relied upon for financial reporting. Deployed our internal experts to carry out IT general Controls testing and identifying gaps, if any. Our other processes include: • Selectively recomputed interest calculations and maturity dates; • Selectively re-evaluating masters updation, interface with resultant reports; • Selective testing of the interface of Project Sundaram with other IT systems like Oracle, and other workflows. • Testing of the system generated reports and accounting entries manually for core financial reporting matters (i.e. verification around the computer system) • Evaluating the design, implementation and operating effectiveness of the significant accounts-related IT automated controls which are relevant to the accuracy of system calculation, and the consistency of data transmission. • Other areas that were independently assessed included password policies, system configurations, system interface controls, controls over changes to applications and databases • No material exceptions noted.

Other Matters

The comparative financial information of the Company for the year ended 31st March, 2021 included in these Standalone Financial Statements, including but not limited to groupings and disclosures, are based on the previously issued Standalone Financial Statements prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 audited by the predecessor auditor whose report for the year ended 31st March, 2020 dated 28th May, 2021 expressed an unmodified opinion on those Standalone Financial Statements.

Information Other than the Financial Statements and Auditors' Report thereon

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

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

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

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

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

In preparing the 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 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 Financial Statements.

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

We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal 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.

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 Financial Statements comply with the 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, 2022, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022, 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 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 current year is in accordance with the provisions of Section 197 of the Act.

(h) With respect to the other matters to be included in the 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 Financial Statements – Refer Note 42.04 to the Financial Statements;

(ii) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 6 to the Financial Statements;

(iii) During the year, there has been no delay in transferring the amounts required to be transferred to the Investor Education and Protection Fund.

(iv) (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other

persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) above contain any material misstatement.

(v) The interim dividend declared and paid by the Company during the year and until the date of this audit report is in accordance with section 123 of the Companies Act 2013.

As stated in note 42.16 to the 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.

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

Padmini Khare Kaicker
Partner
Membership No. 044784
UDIN:22044784AJNYUS5431
Place: Mumbai
Date: 25 May 2022

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

V. Chandrasekaran
Partner
Membership No. 024844
UDIN: 22024844ALLFLU6835
Place: Chennai
Date: 25 May 2022

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

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

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of the Sundaram Finance Limited as of and for the year ended March 31, 2022, we have audited the internal financial controls with reference to consolidated financial statements of Sundaram Finance Limited (hereinafter referred to as "Parent") and its subsidiary companies which are companies incorporated in India, its associate companies and jointly controlled entities, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Parent, its subsidiary companies, its associate companies and jointly controlled entities, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements of the Parent, its subsidiary companies, its associate companies and jointly controlled entities, which are companies incorporated in India, based on our audit.

We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiaries, associates and jointly controlled entities, which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system with reference to consolidated financial statements of the Parent, its subsidiary companies, its associate companies and jointly controlled entities, which are companies incorporated in India.

Meaning of Internal Financial Controls with reference to financial statements.

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

Inherent Limitations of Internal Financial Controls with reference to financial statements.

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

Opinion

In our opinion to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors referred to in the Other Matters paragraph below, the Parent, its subsidiary companies, its associate companiesand jointly controlled entities, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2022, based on the criteria for internal financial control with reference to consolidated financial statements established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements insofar as it relates to forty-one (41) subsidiary companies, fifteen (15) associate companies and two jointly controlled entities, which are companies incorporated in India, is based solely on the corresponding reports of the auditors of such companies incorporated in India.

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

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

Padmini Khare Kaicker
Partner
Membership No. 044784
UDIN:22044784AJNYUS5431
Place: Mumbai
Date: 25 May 2022

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

V. Chandrasekaran
Partner
Membership No. 024844
UDIN: 22024844ALLFLU6835
Place: Chennai
Date: 25 May 2022

Annexure A- List of Subsidiaries and Jointly controlled entities

Name of the Entity	**Relationship**
Sundaram Finance Holdings Limited	Subsidiary Company
Sundaram Home Finance Limited	Subsidiary Company
Sundaram Asset Management Company	Subsidiary Company
Sundaram Trustee Company Limited	Subsidiary Company
LGF Services Limited	Subsidiary Company
Sundaram Fund Services Limited	Subsidiary Company
Sundaram Finance Employee Welfare Trust	Subsidiary Company
Royal Sundaram General Insurance Company Limited	Joint Ventures

Consolidated Balance Sheet
as at 31st March, 2022

(₹ in crores)

Particulars	Note	March 31, 2022	March 31, 2021
ASSETS			
Financial Assets			
Cash and cash equivalents	4	133.97	149.50
Bank Balances	5	580.57	639.44
Derivative financial instruments	6	0.10	–
Receivables	7		
(I) Trade receivables		43.90	57.41
(II) Other receivables		3.94	3.77
Loans	8	37,476.40	38,088.61
Investments	9	8,087.53	6,056.84
Other Financial assets	10	73.39	144.20
Non-Financial Assets			
Current tax assets (Net)	11	360.39	311.27
Deferred tax Assets (Net)	11	154.33	101.64
Investment Property	12	46.16	49.65
Property, Plant and Equipment	13	300.56	267.47
Right-of-use assets	14	58.63	63.78
Goodwill	15	475.66	474.02
Other intangible assets	15	235.52	9.71
Other non-financial assets	16	122.98	142.52
Total Assets		**48,154.03**	**46,559.83**
LIABILITIES AND EQUITY			
Liabilities			
Financial Liabilities		–	–
Derivative financial instruments	6		18.97
Payables	17		
(I) Trade Payables			
(i) Total outstanding dues of micro enterprises and small enterprises		1.41	0.67
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		127.30	69.12
(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		7.85	11.65
Debt securities	18	16,963.51	17,264.83
Borrowings (Other than debt securities)	19	10,542.96	10,556.34
Deposits	20	6,221.00	6,001.38
Subordinated liabilities	21	2,634.11	2,638.52
Other financial liabilities	22	447.59	462.46
Non-Financial Liabilities			
Provisions	23	76.11	47.70
Other non-financial liabilities	24	43.28	37.69
Equity			
Equity share capital	25	110.19	110.18
Other equity *		8,684.64	7,620.07
Non Controlling Interest		2,294.08	1,720.25
Total Liabilities and Equity		**48,154.03**	**46,559.83**

Significant Accounting policies and notes to the consolidated financial statements 1-42

* Refer Statement of Changes in equity

As per our report of even date attached
For **B. K. Khare & Co**
Chartered Accountants
Firm Registration No. 105102W
Padmini Khare Kaicker
Partner, Membership No. 044784
Place : Mumbai

For N. C. Rajagopal & Co
Chartered Accountants
Firm Registration No. 003398S
V Chandrasekaran
Partner, Membership No. 024844
Place : Chennai

Date : May 25, 2022

S. Viji
Chairman

Rajiv C. Lochan
Managing Director

Harsha Viji
Executive Vice Chairman

A.N. Raju
Deputy Managing Director

S. Prasad
Director

M. Ramaswamy
Chief Financial Officer

P. Viswanathan
Secretary & Compliance Officer

Consolidated Statement of Profit and Loss

for the Year Ended 31st March, 2022

(₹ in crores)

Particulars	Note	2021-22	2020-21
Revenue from operations			
Interest Income	26	4,314.16	4478.30
Lease Rental income (Net)		68.96	57.91
Fees and Commission Income	27	204.89	201.46
Dividend Income		17.43	4.50
Income from other Services		373.84	323.20
Recovery of Bad debts		19.18	12.97
Net gain on fair value changes	28	106.82	164.18
Net gain on derecognition of financial instruments under amortised cost category		3.09	5.14
Total Revenue from operations		**5,108.37**	**5,247.66**
Other Income	29	37.30	69.08
Total Income		**5,145.67**	**5,316.74**
Expenses			
Finance cost	30	2,236.20	2659.39
Employee benefit expenses	31	618.57	560.98
Fees and commission expenses		75.62	91.77
Administrative & other expenses	32	287.55	213.77
Depreciation & amortisation		101.17	92.97
Impairment on financial instruments	33	409.93	368.29
Total expenses		**3,729.04**	**3,987.17**
Profit before tax		**1,416.63**	**1,329.57**
Tax expense:			
Current tax		381.18	385.68
Deferred tax		(31.17)	(58.15)
Profit after tax (before adjustment for non controlling interest)		**1,066.62**	**1,002.04**
Add: Share of Profit from Associates		143.41	64.22
Add: Share of Profit from Joint Ventures		86.21	156.74
Profit after Tax		**1,296.24**	**1,223.00**
Other Comprehensive Income (OCI)			
A (i) Items that will not be reclassified to profit or loss			
Remeasurements of the defined benefit plans		(12.59)	0.09
Equity Instruments through Other Comprehensive Income		305.40	220.89
Share of other comprehensive income from associates & Joint Ventures using equity method		(0.88)	1.16
(ii) Income tax relating to items that will not be reclassified to profit or loss		18.11	(43.39)
Sub-total (A) = (i)-(ii)		**310.04**	**178.76**
B (i) Items that will be reclassified to profit or loss			
Change in fair value of derivative instrument		(8.78)	(14.93)
Share of other comprehensive income from associates & Joint Ventures using equity method		(23.49)	12.61
Foreign currency Translation Reserve		3.58	(1.95)
(ii) Income tax relating to items that will be reclassified to profit or loss		2.14	3.98
Sub-total (B)= (i)-(ii)		(26.54)	(0.29)
Other Comprehensive Income (A + B)		**283.50**	**178.46**
Total Comprehensive Income for the year		**1,579.74**	**1,401.46**
Profit for the year attributable to;			
Owners of the Company		1,173.34	1,165.09
Non-controlling interests		122.90	57.91
Other Comprehensive Income for the year attributable to;			
Owners of the Company		33.72	45.04
Non-controlling interests		249.78	133.42
Total Comprehensive Income for the year attributable to;			
Owners of the Company		1,207.06	1,210.13
Non-controlling interests		372.68	191.33
Earnings per equity share (on PAT)(Face value of ₹10/-each)			
Basic & diluted		106.48	105.74

Significant Accounting policies and notes to the consolidated financial statements 1-42

As per our report of even date attached

For **B. K. Khare & Co**
Chartered Accountants
Firm Registration No. 105102W
Padmini Khare Kaicker
Partner, Membership No. 044784
Place : Mumbai

For N. C. Rajagopal & Co
Chartered Accountants
Firm Registration No. 003398S
V Chandrasekaran
Partner, Membership No. 024844
Place : Chennai

Date : May 25, 2022

S. Viji — Chairman
Harsha Viji — Executive Vice Chairman
S. Prasad — Director
Rajiv C. Lochan — Managing Director
A.N. Raju — Deputy Managing Director
M. Ramaswamy — Chief Financial Officer
P. Viswanathan — Secretary & Compliance Officer

Statement of Changes in Equity for the year ended 31st March 2022

a) Equity Share Capital

(₹ in crores)

Particulars	Amount
Balance as at 31st March, 2020	110.16
Add: Allotment of Shares by ESOP Trust to Employees	0.02
Balance as at 31st March, 2021	110.18
Add: Allotment of Shares by ESOP Trust to Employees	0.01
Balance as at 31st March, 2022	110.19

b) Other equity

(₹ 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	COVID-19 Reserve	Impairment Reserve	Foreign Currency Translation Reserve	Debt instruments through Other Comprehensive Income	Equity instrument through Other Comprehensive Income	Effective portion of cash flow hedge			
Balance as at 31st March, 2020	20.37	2.45	1,381.51	252.74	4,160.96	470.81	59.65	-	5.35	16.06	182.73	14.05	6,566.66	1,455.47	8,022.13
(A) Profit After tax for the year	–	–	–	–	–	1,165.09	–	–	–	–	–	–	1,165.09	57.92	1,223.00
(B) Other comprehensive income:															
(i) Items that will not be reclassified to profit or loss															
Remeasurements of the defined benefit plans	–	–	–	–	–	(0.02)	–	–	–	–	–	–	(0.02)	0.09	0.07
Change in Fair value of equity instruments							–	–	–	–	38.36		38.36	139.17	177.53
Share of other comprehensive income from associates using equity method	–	–	–	–	–	(0.17)	–	–	–	–	–	–	(0.17)	1.34	1.16
(ii) Items that will be reclassified to profit or loss							–	–	–	–	–	–	–	–	–
Change in fair value of derivative instrument	–	–	–	–	–	(1.31)	–	–	–	–	–	(4.88)	(6.19)	(4.75)	(10.95)
Net gain/(loss) on Fair value of debt securities							–	–	–	13.22			13.22	–	13.22
Share of other comprehensive income from associates using equity method	–	–	–	–	–	(0.13)	–	–	–	–	–	–	(0.13)	(0.47)	(0.61)
Foreign currency Translation Reserve	–	–	–	–	–	–	–	–	(0.01)	–	–	–	(0.01)	(1.94)	(1.95)
Total Comprehensive income for the year (A)+(B)	–	–	–	–	–	–	1,163.45	-	(0.01)	13.22	38.36	(4.48)	1,210.14	191.34	1,401.49
Transfer from Covid Reserve	–	–	–	–	–	59.65	(59.65)	–	–	–	–	–	–	–	–
Deferred tax on Covid Reserve provisions	–	–	–	–	–	(15.01)	–	–	–	–	–	–	(15.01)	–	(15.01)
On account of Sundaram Finance Employees' Welfare Trust	–	–	–	–	–	0.16	–	–	–	–	–	–	0.16	–	0.16
Dividend (including dividend distribution tax)	–	–	–	–	–	(165.22)	–	–	–	–	–	–	(165.22)	(5.92)	(171.15)
Lease - Practical expedient adjustments	–	–	–	–	–	0.12	–	–	–	–	–	–	0.12	–	0.12
Change in the value of Holdings in Associates	0.05					21.82	–	–	–	–	–	–	21.88	79.37	101.24
Options Granted during the year	–	1.13	–	–	–	–	–	–	–	–	–	–	1.13	–	1.13
Cost of shares transferred on exercise of option	–	(0.07)	–	–	–	–	–	–	–	–	–	–	(0.07)	–	(0.07)
Deferred Employee Compensation Cost	–	0.30	–	–	–	–	–	–	–	–	–	–	0.30	–	0.30
Transfer to Statutory Reserve	–	–	–	–	–	(179.77)	–	–	–	–	–	–	(179.77)	–	(179.77)
Transfer to Special Reserve	–	–	–	–	–	(64.00)	–	–	–	–	–	–	(64.00)	–	(64.00)
Transfer to General Reserve	–	(2.88)	–	–	–	–	–	–	–	–	–	–	(2.88)	–	(2.88)
Transfer from Share Options Outstanding account	–	–	–	–	2.88	–	–	–	–	–	–	–	2.88	–	2.88
Transfer from Retained earnings	–	–	179.77	64.00	-	–	–	–	–	–	–	–	243.77	–	243.77
Balance as at 31st Mar, 2021	**20.42**	**0.94**	**1,561.27**	**316.74**	**4,163.83**	**1,292.00**	**–**	**–**	**5.34**	**29.28**	**221.09**	**9.17**	**7,620.07**	**1,720.25**	**9,340.32**

(₹ 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	COVID-19 Reserve	Impairment Reserve	Foreign Currency Translation Reserve	Debt instruments through Other Comprehensive Income	Equity instrument through Other Comprehensive Income	Effective portion of cash flow hedge			
Balance as at 31st March, 2021	20.42	0.94	1,561.27	316.74	4,163.83	1,292.00	–	–	5.34	29.28	221.09	9.17	7,620.07	1,720.25	9,340.32
Changes in accounting policy or prior period errors															
Restated balance as at 31st March, 2021	20.42	0.94	1,561.27	316.74	4,163.83	1,292.00	–	–	5.34	29.28	221.09	9.17	7,620.07	1,720.25	9,340.32
(A) Profit After tax for the year	–	–	–	–	–	1,173.34	–	–	–	–	–	–	1,173.34	122.90	1,296.24
(B) Other comprehensive income:															
(i) Items that will not be reclassified to profit or loss															
Remeasurements of the defined benefit plans	–	–	–	–	–	(3.72)	–	–	–	–	–	–	(3.72)	(0.23)	(3.95)
Change in Fair value of equity instruments	–	–	–	–	–		–	–	–	–	70.65	–	70.65	244.21	314.86
Share of other comprehensive income from associates using equity method	–	–	–	–	–	(0.36)	–	–	–	–	–	–	(0.36)	(0.52)	(0.88)
(ii) Items that will be reclassified to profit or loss															
Change in fair value of derivative instrument	–	–	–	–	–	0.47	–	–	–	–		(8.71)	(8.24)	1.60	(6.64)
Net gain/(loss) on Fair value of debt securities	–	–	–	–	–	–	–	–	–	(26.87)			(26.87)		(26.87)
Share of other comprehensive income from associates using equity method	–	–	–	–	–	0.84	–	–	–	–	–	–	0.84	2.55	3.39
Foreign currency Translation Reserve	–	–	–	–	–	-	–	–	1.41	–	–	–	1.41	2.17	3.58
Total Comprehensive income for the year (A)+(B)	–	–	–	–	–	1,170.57	–	–	1.41	26.87	70.65	(8.71)	–	–	–
Transfer to Impairment Reserve	–	–	–	–	–	(11.28)	–	11.28	–	–	–	–	–	–	–
Deferred tax on Impairment Reserve provision	–	–	–	–	–	2.84	–	–	–	–	–	–	2.84	–	2.84
Transfer from Impairment Reserve	–	–	–	–	–	11.28	–	(11.28)	–	–	–	–	-	–	–
Deferred tax on Impairment Reserve provision	–	–	–	–	–	(2.84)	–	–	–	–	–	–	(2.84)	–	(2.84)
On account of Sundaram Finance Employees' Welfare Trust	–	–	–	–	–	2.33	–	–	–	–	–	–	2.33	(2.26)	0.07
Dividend payout (Final)	–	–	–	–	–	(64.99)	–	–	–	–	–	–	(64.99)	(25.49)	(90.48)
Dividend payout (Interim)	–	–	–	–	–	(111.10)	–	–	–	–	–	–	(111.10)	–	(111.10)
Transfer on account of Sale of Equity instruments measured at FVTOCI	–	–	–	–	–	36.35	–	–	–	–	(36.35)	–	–	–	–

(₹ 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	COVID-19 Reserve	Impairment Reserve	Foreign Currency Translation Reserve	Debt instruments through Other Comprehensive Income	Equity instrument through Other Comprehensive Income	Effective portion of cash flow hedge			
Change in the value of Holdings	0.52	–	–	–	2.48	3.14	–	–	0.30	–	22.60	–	29.04	228.84	257.88
Options Granted during the year	–	3.94	–	–	–	–	–	–	–	–	–	–	3.94	0.05	3.99
Cost of shares transferred on exercise of option	–	(0.03)	–	–	–	–	–	–	–	–	–	–	(0.03)	–	(0.03)
Deferred Employee Compensation Cost	–	(1.62)	–	–	–	–	–	–	–	–	–	–	(1.62)	–	(1.62)
Transfer to Statutory Reserve	–	–	–	–	–	(181.22)	–	–	–	–	–	–	(181.22)	–	(181.22)
Transfer to Special Reserve	–	–	–	–	–	(33.00)	–	–	–	–	–	–	(33.00)	–	(33.00)
Transfer to General Reserve	–	(1.02)	–	–	–	–	–	–	–	–	–	–	(1.02)	–	(1.02)
Share options lapsed during the year	–	(0.05)	–	–	–	–	–	–	–	–	–	–	(0.05)	–	(0.05)
Transfer from Share Options Outstanding account	–	–	–	–	1.02	–	–	–	–	–	–	–	1.02	–	1.02
Transfer from Retained earnings	–	–	181.22	33.00		–	–	–	–	–	–	–	214.22	–	214.22
Balance as at 31st Mar, 2022	**20.94**	**2.16**	**1,742.50**	**349.74**	**4167.33**	**2,114.08**	**–**	**–**	**7.05**	**2.40**	**277.98**	**0.46**	**8,684.64**	**2,294.08**	**10,978.71**

Description of nature and purpose of other equity:

a) Capital Reserve: Represents reserve created on account of amalgamations and arrangements

b) Share Options Outstanding Account: Represents reserve on grant of option to employees of the company / group company under Employee Stock option Scheme.

c) General reserve: Represents amount appropriated from retained earnings.

d) Statutory reserve: Represents reserve created as per Section 45-IC of the Reserve Bank of India Act, 1934.

e) 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.

f) COVID-19 reserves: 31st March 20 : Represents amount appropriated from retained earnings (net of tax) as per RBI notification

g) Impairment Reserve: Represents amount appropriated from retained earnings (net of tax) as per RBI notification and subsequently reversed.

As per our report of even date attached
For **B. K. Khare & Co**
Chartered Accountants
Firm Registration No. 105102W
Padmini Khare Kaicker
Partner, Membership No. 044784
Place : Mumbai

For N. C. Rajagopal & Co
Chartered Accountants
Firm Registration No. 003398S
V Chandrasekaran
Partner, Membership No. 024844
Place : Chennai

Date : May 25, 2022

S. Viji
Chairman

Harsha Viji
Executive Vice Chairman

S. Prasad
Director

Rajiv C. Lochan
Managing Director

A.N. Raju
Deputy Managing Director

M. Ramaswamy
Chief Financial Officer

P. Viswanathan
Secretary & Compliance Officer

Consolidated Cash Flow Statement

(₹ in crores)

	2021-22		2020-21	
A. CASH FLOW FROM OPERATING ACTIVITIES:				
Profit before tax	1,416.63		1,329.58	
Add: Finance costs	2,236.20	3,652.83	2,659.39	3,988.97
Depreciation and Amortisation expense		101.17		92.97
Impairment on financial instruments		409.93		368.29
(Gain)/loss on sale of property, plant and equipment		(6.84)		(2.13)
Share-based payment expense		2.50		1.52
Derivatives MTM		–		0.80
Exchange loss on foreign currency translations		–		0.55
Net gain on fair value changes		(106.82)		(1,64.18)
Profit or loss recognised and reversed on account of loss of control		4.98		–
Dividend income		(17.43)		(4.50)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		**4,040.32**		**4,282.28**
(Increase) / Decrease in Leased assets - net of sales	(76.81)		(38.54)	
(Increase) / Decrease in Bank deposits	(101.27)		(14.92)	
(Increase) / Decrease in SLR Investments (net)	187.07		101.72	
(Increase) / Decrease in trade and other receivables	13.29		(17.45)	
(Increase) / Decrease in Loans	281.82		(1,296.09)	
(Increase) / Decrease in Other financial assets	32.47		(87.02)	
(Increase) / Decrease in Non financial assets	16.04		0.96	
(Increase) / Decrease in Other non-financial assets	(163.29)		(70.50)	
Increase / (Decrease) in trade and other payables	58.09		(19.11)	
Increase /(Decrease) in financial liabilities	(50.84)		83.39	
Increase /(Decrease) in other non-financial liabilities and provisions	25.37	221.94	8.06	(1,349.50)
Cash generated from Operations		4,262.26		2,932.78
Financial costs	(2,127.43)		(2,169.22)	
Income Taxes Paid	(272.63)	(,2400.06)	(314.05)	(2,483.27)
NET CASH FROM OPERATING ACTIVITIES (A)		**1,862.20**		**449.51**

(₹ in crores)

	2021-22		2020-21	
B. CASH FLOW FROM INVESTING ACTIVITIES:				
Purchase and construction of property, plant and equipment		(28.06)		(11.28)
Purchase and generation of intangible assets		(248.42)		(3.43)
Purchase of investment in Equity instruments		(413.18)		–
Sale of investment in Equity instruments		184.17		0.02
Purchase of other investments		(15,095.48)		(20,010.98)
Sale of other investments		13,873.41		19,752.15
Payment for purchase and construction of investment properties		0.66		(0.05)
Proceeds from sale of property, plant and equipment, intangible assets and investment property		12.96		17.81
Dividend received		35.78		13.14
NET CASH(USED IN)/ FROM INVESTING ACTIVITIES (B)		**(1,678.16)**		**(242.62)**
C. CASH FLOW FROM FINANCING ACTIVITIES:				
Payment of Lease liability		(32.42)		(29.91)
Debt securities, deposits, sub-ordinated liabilities and other borrowings				
Availment		14,865.14		21,465.63
Repayment		(15,032.63)		(21,386.35)
Proceeds from Rights Issue(net of expenses)		201.93		–
Dividend Paid (including dividend distribution tax)		(201.59)		(171.14)
Proceeds from settlement of Derivative		–		(0.02)
NET CASH (USED IN)/ FROM FINANCING ACTIVITIES (C)		**(199.57)**		**(121.79)**
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS (A)+(B)+(C)		**(15.53)**		**85.10**
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		149.50		64.40
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		133.97		149.50
COMPONENTS OF CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR				
Cash, Cheques & drafts on hand		77.50		85.49
Balances with Banks		56.47		64.01
		133.97		**149.50**

Significant Accounting policies and notes to the consolidated financial statements 1-42

As per our report of even date attached
For **B. K. Khare & Co**
Chartered Accountants
Firm Registration No. 105102W
Padmini Khare Kaicker
Partner, Membership No. 044784
Place : Mumbai

For N. C. Rajagopal & Co
Chartered Accountants
Firm Registration No. 003398S
V Chandrasekaran
Partner, Membership No. 024844
Place : Chennai

Date : May 25, 2022

S. Viji
Chairman

Harsha Viji
Executive Vice Chairman

S. Prasad
Director

Rajiv C. Lochan
Managing Director

A.N. Raju
Deputy Managing Director

M. Ramaswamy
Chief Financial Officer

P. Viswanathan
Secretary & Compliance Officer

NOTES TO THE ACCOUNTS

SIGNIFICANT ACCOUNTING POLICIES

1.1 REPORTING ENTITY

Sundaram Finance Limited (the "Company") is domiciled in India, with its registered office located at No 21 Patullos road, Chennai 600002, The Company has been incorporated under the provisions of the Indian Companies Act 1913 and its equity shares are listed on the National Stock Exchange (NSE) in India.

The consolidated financial statement comprises the company, its subsidiaries and the Group's interest in joint ventures (referred collectively as the Group). The Company, together with its subsidiaries and joint venture is engaged in the business of financing of Commercial vehicles, Cars, construction equipment, other vehicles and Housing Finance in the retail segment, business of Investments, Mutual Funds, General Insurance, Retail Distribution of a wide array of financial services and products, Information Technology, Business Processing and support services.

1.2 Statement of Compliance

The Consolidated Financial Statements are prepared as a going concern in accordance with the Indian Accounting Standards notified under section 133 of The Companies Act, 2013 read together with Rule 3 of The Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) amendments Rules, 2016 issued by the Ministry of Corporate Affairs (MCA) provisions of the Companies Act 2013 (to the extent notified) have been complied.

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

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

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

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

1.3 Accounting Convention

The consolidated financial statements have been prepared and presented on the historical cost basis except for certain financial instruments that are measured at fair value at the end of each reporting period. Historical cost is generally based on the fair value of the consideration given in exchange of goods and services.

1.4 Measurement of Fair Value

The accounting policies and disclosures require the measurement of financial and non-financial assets and liabilities at fair values. The group has established policies and procedures with respect to measurement of fair values.

Fair value measurements are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets and liabilities.

Level 2: Inputs other than quoted prices included in Level 1, which are observable for the asset or liability, either directly or indirectly.

Level 3: Inputs for the asset and liability that are not based on observable market data.

1.5 Basis of Consolidation

The financial statements of the following subsidiaries have been consolidated as per Ind AS 110"Consolidated Financial Statements"

Name of the Company	% of Holdings As On	
	31.03.2022	31.03.2021
Sundaram Asset Management Company#	100	100
Sundaram Trustee Company	100	100
LGF Services Limited	100	100
Sundaram Finance Employee Welfare Trust	100	100
Sundaram Finance Holdings Limited *	23.49	21.61
Sundaram Home Finance Limited	100	100
Sundaram Fund Services Limited	100	100

The investments in the following subsidiaries of Sundaram Asset Management Company (SAMC) have been considered for the company's consolidation

Name of the Company	% of Holdings as on	
	31.03.2022	31.03.2021
Subsidiaries		
Sundaram Asset Management Singapore Pte Ltd	100	100
Sundaram Alternate Assets Limited	100	100
SAMC Support Services Private Limited (formerly known as Principal Asset Management Private Limited) (w.e.f. 31.12.2021)	100	-
Principal Retirement Advisors Private Limited (w.e.f. 31.12.2021)	100	-
Principal Trustee Company Private Limited (w.e.f. 31.12.2021)	100	-

* Sundaram Finance Holdings Limited

The Company along with its promoters holds more than 50% in Sundaram Finance Holdings Limited and hence treated as subsidiary for Consolidation purpose.

The Investments in the following Subsidiaries/ Associates companies of Sundaram Finance Holdings Limited have been considered for the company's consolidation.

Name of the Company	% of Holdings As On	
	31.03.2022	31.03.2021
Subsidiaries:		
Sundaram Business Services Limited	100.00	100.00
Sundaram Composite Structures Private Limited (w.e.f. 06.12.21 upto 21.02.22)	-	-
Mind S.r.l, Italy (w.e.f. 15.12.21 upto 30.03.22)	-	-
Associates		
Flometallic India Private Limited	46.84	40.00
The Dunes Oman LLC (FZC) (Sultanate of Oman)	43.69	43.69
Sundaram Hydraulics Limited	25.71	25.71
Axles India Limited	38.81	38.81
Turbo Energy Private Limited	32.00	32.00
Transenergy Limited	43.74	43.74
Sundaram Dynacast Private Limited	26.00	26.00
Wheels India Limited	23.28	23.28
Mind S.r.l, Italy (w.e.f. 31.03.2021)	48.86	40.60
Sundaram Composite Structures Private Limited (w.e.f. 22.02.2022)	49.00	-

The investment in the following joint venture has been consolidated as per "Ind AS 28 -Investment in Associates and Joint ventures"

	% of Holdings As On	
Name of the Company	31.03.2022	31.03.2021
Royal Sundaram General Insurance Company Limited	50.00	50.00

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

company. Control is achieved when the company has the power over the investee and is exposed or has right to variable returns from its involvement with the investee and has the ability to use its power to affect its returns.

The consolidated financial statement of the group combines the financial statement of the parent and its subsidiaries line by line by adding together the like items of the assets, liabilities, income and expenses. All the intra group assets, liabilities, income, expenses, unrealised profits/losses on intra group transaction are eliminated on consolidation.

Non-controlling interest represents that part of the total comprehensive income and net assets of the subsidiaries, attributable to interests which are not owned directly or indirectly by the company.

The consolidated financial statements of the Joint ventures / Associates have been prepared on the following basis: Interest in Joint ventures / Associates is accounted for using the equity method. An investment in Joint venture/ Associates 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 / Associates resulting in dilution of stake in the Joint ventures is recognised in the Statement of Profit and Loss.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Revenue Recognition

Revenue is recognized when it is probable that economic benefits associated with a transaction flows to the Company in the ordinary course of its activities and the amount of revenue can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment.

A) Interest Income

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

B) Service Income

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

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

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

C) Fee and Commission Income

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

D) Dividend Income

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

E) Lease Income: Refer Note 2.3

F) Trusteeship Fee, Investment management and advisory fees

The trusteeship fee, investment management and advisory fee are accounted on accrual basis.

2.2 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset for one entity and a financial liability or equity instrument for another entity. Financial instruments also include derivative contracts such as foreign currency forward contracts and cross currency swaps. Financial assets and

financial liabilities are recognized when the Group becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities measured at fair value through profit or loss are recognised immediately in profit or loss.

Financial Assets

Classification

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

All regular way purchases or sales of financial assets are recognised and de-recognised on a settlement date basis. Regular way purchases or sales are purchase or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

At Amortised Cost

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

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

Such Financial assets are subsequently measured at amortised cost using the Effective Interest rate method.

The effective interest rate method is a method of calculating the amortised cost of a financial instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition. The interest income, foreign exchange gains and losses are recognized in the profit or loss. The losses arising from impairment are recognised in the profit or loss and the amortised cost is reduced by impairment losses.

Financial Assets at Fair Value Through Other Comprehensive Income: (FVTOCI)

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

Financial Instrument at Fair Value Through Profit and Loss (FVTPL)

Any financial instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL. In addition, the Group may elect to classify a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

Amortization Policy on Brokerage Expenses – Mutual Fund:

Incurred towards Amortized over a period of

- Equity Linked Savings Schemes 36 Months

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

- 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

All equity investments (i.e. other than equity investments in subsidiaries / associates / joint ventures) are designated at Fair Value through OCI. The fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to the statement of profit and loss on sale of investment.

Investment in Compulsorily Convertible Preference Shares (CCPS)

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

Impairment of Financial Assets

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

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

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

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

Financial Liabilities

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

Contract Asset and Contract Liability.

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

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

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

De-recognition of Financial Assets and Financial Liabilities

Financial Asset

A financial asset or a part thereof is primarily derecognized when:

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

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

If the Group enters into transactions whereby it transfers assets recognized on its balance sheet, but retains all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.On derecognition of a financial asset, the difference between the carrying amount of the asset and the consideration received

including any cumulative gain or loss accounted in OCI till now, is recognised in profit or loss.

Financial Liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expired.

Off-setting 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.

2.3 Leases

Lessor Accounting

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

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

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

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

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

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

Lessee Accounting

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

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

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

2.4 Employee Benefits

Short Term Employee Benefits

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

Post-Employment Benefits

Defined Contribution Plans

1. **Superannuation**

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

2. **Employees' Pension Scheme and Employees' State Insurance Scheme**

   The Group also contributes to a government administered Employees' Pension Scheme under the Employees Provident Fund Act and to Employees' State Insurance Schemes on behalf of its employees.

3. **Provident Fund**

   Contributions of the subsidiaries and associates of the Group are made to the Government administered Provident Fund and Employees' pension scheme under the Employees' Provident Fund Act and through Employees' State Insurance scheme on behalf of its employees. The contributions are charged to statement of Profit and Loss.

Defined Benefit Plans

1. **Gratuity**

   The Group makes an annual contribution to a Gratuity Fund administered by trustees and managed by LIC / SBI Life Insurance Company Limited. The Company accounts its liability based on actuarial valuation as at the balance sheet date, using the Projected Unit Credit method.

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

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

2. **Provident Fund**

   Contributions of the Company are made to the Company's Employees Provident Fund Trust in accordance with the fund rules. The interest rate payable by the trust to the beneficiaries every year is notified by the Government. The Company has an obligation to make good the shortfall, if any, between the return from the Investment of the trust and the notified interest rate. The monthly contribution made by the Company is recognised as employee benefit expense in the Statement of Profit and Loss.

3. **Retired Medical Care Plan**

   The Post-retirement medical benefit plan provides for reimbursement of health care costs to certain categories of employees post their retirement. The reimbursement is subject to an overall ceiling sanctioned based on cadre of the employee at the time of retirement. The plan is unfunded. Employees do not contribute to the plan.

Other Long-Term Employee Benefits

1. **Leave Encashment:**

   The Group accounts its liability based on actuarial valuation as at the balance sheet date, using the Projected Unit Credit method.

2. **Employee Assured Bonus Scheme & Sick leave:**
   The Company accounts its liability in respect of other long-term benefits like Employee Assured Bonus Scheme

and entitlement of sick leave on the basis of an actuarial valuation.

3. Share Based Payments:

Employee Stock Options

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

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

The equity settled shares vest in a graded manner over the vesting period. The fair value determined on the grant date of equity settled share payment is expensed on straight line basis over the vesting period of the respective tranches of such grants based on Group's estimate of equity instruments that will eventually vest with a corresponding increase in equity. At the end of each financial year, the Group revises its estimate of the number of equity instruments that are expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit and loss in such a way that the cumulative expense reflects the revised estimate with a corresponding adjustment to equity.

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

The Option carries neither right to Dividend nor voting rights.

2.5 Income Taxes

Income tax expense comprises current and deferred income tax. Income tax expense is recognised in net profit in the Consolidated Statement of Profit and Loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in other comprehensive income.

a) Current Income Tax

Current income tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. The Group offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

b) Deferred Income Tax

Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date.

A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

MAT Credit Entitlement is in the form of unused tax credits and is accordingly grouped under Deferred Tax Assets.

2.6 Business Combination

Business combinations have been accounted as per the acquisition method prescribed in Ind AS 103.

When a business combination is achieved in stages, any previously held equity interest in the acquired is remeasured at its acquisition-date fair value and the resulting gain or loss,

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

if any, is recognised in the consolidated statement of profit and loss or other comprehensive income, as appropriate.

The excess of

(i) Sum of

- the consideration transferred
- the amount of any non-controlling interests in the acquired entity and
- the acquisition-date fair value of any previously held equity interest in the acquired entity

over

ii) The acquisition-date fair value of the net identifiable assets acquired is recognized as "Goodwill" else as "Gain on bargain purchase".

Any "Gain on a bargain purchase" is recognized in other comprehensive income and accumulated in equity as Capital Reserve if there exists clear evidence of the underlying reasons for classifying the business combination as resulting in a bargain purchase, otherwise the gain is recognized directly in equity as Capital Reserve.

Transaction costs in connection with a business combination are expensed as incurred.

2.7 Property Plant and Equipment (PPE)

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

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

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

The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset, if the recognition criteria for a provision are met.

Freehold land is not depreciated.

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

Subsequent expenditure is added to the carrying amount or recognized as separate asset, when the Group expects future economic benefits from that item

Depreciation commences when the asset is ready for their intended use and is recognized to write off, the cost of assets less their residual values over their useful lives, using the written down value method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Estimated useful lives of the assets, based on technical assessment, which are different in certain cases from those prescribed in Schedule II of the Companies Act 2013, are as follows:

(In Years)

Assets	Own	Operating Lease
Plant and Machinery	15	5
Computer and end user devices	7	3
Computer servers and network	8-10	6
Vehicles	5	4
Office equipment	3-8	-
Electrical installations	15	-
Furniture and Fixtures	3-10	-

Assets	Own	Operating Lease
Improvement to lease hold premises		Equally over the maximum period of the lease initially agreed upon and in case of improvement to existing leased premises, over the balance lease period

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

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

An item of the property plant equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of asset. Any gain or loss arising on the disposal or retirement of the item of property plant equipment is determined as the difference between the sale proceeds and carrying amount of the asset and is recognized in profit and loss. When the use of property changes from owner-occupied to investment property, the property is reclassified as investment property at its Carrying amount on the date of reclassification.

2.8 Investment Property

Properties held to earn rental income or for capital appreciation or both and that are not occupied by the Group is classified as Investment Property.

It is measured initially at cost of acquisition including transaction costs, borrowing cost and other directly attributable cost in bringing the asset to its working condition for its intended use.

Subsequent expenditure is capitalized to the asset carrying amount only when it is probable that the future economic benefit associated with the expenditure will flow to the Group.

The fair value of investment property has been determined by property value, having appropriate recognized professional qualifications and recent experience in the location and category of the property being valued.

Depreciation is provided on written down value method by adopting useful life prescribed under schedule II to the Companies Act, 2013 after retaining 5% of Original cost as residual value for Buildings. The useful life of buildings is between 30 to 60 years.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefit are expected from the disposal. Any gain or loss arising on derecognition of the property is recognised in the statement of profit and loss in the same period.

2.9 Discontinued Operations

Discontinuing operation is a component of an entity that either has been disposed of or is classified as "Held for sale".

Assets and Liabilities in connection with Discontinuing operations are classified under "Held for sale" if their carrying amount is intended to be recovered principally through sale rather than through continued use.

The condition for classification of "Held for sale" is met when the Assets and liabilities are available for immediate sale and the same is highly probable of being completed within one year from the date of classification under "Held for sale".

Assets "Held for sale" are measured at lower of carrying amount and fair value less cost to sell.

2.10 Intangible Assets

Intangible assets are identified non-monetary assets without physical existence.

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

Intangible assets are recognized in books only when it is probable that future economic benefits associated with the asset will flow to the Group and the cost can be measured reliably.

The cost of the intangible asset shall include the purchase price, including non-refundable duties and taxes, all the directly attributable costs to bring the intangible to the present location, working condition and intended use.

Intangible assets represent Computer software whose cost is amortized over their expected useful life 2 to 5 years on a straight-line basis.

The estimated useful life and amortization method are

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Impairment loss, if any, is provided to the extent, the carrying amount of assets exceeds their recoverable amount. Recoverable amount is the higher of an assets net selling price and the present value of estimated future cash flows expected to arise from the continuing use of the asset and from its disposal at the end of its useful life. The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

Intangible Assets under development

Development expenditure on new products is capitalized as intangible asset if all the following are demonstrated.

- Technical feasibility of completing the asset
- Intention to complete the asset
- The ability to use or sell the asset
- Probability that the intangible asset will generate future economic benefits
- Availability of the adequate technical, financial and other resources to complete the intangible asset.
- The ability to measure reliably the expenditure attributable during the development stage

2.11 Impairment of Non-Financial Assets

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

2.12 Foreign Currency Transaction

Transactions in foreign currency are accounted at the exchange rates prevailing on the date of the transaction.

The foreign currency borrowing being a monetary liability is restated to INR (being the functional currency of the group) at the prevailing rates of exchange at the end of every reporting period with the corresponding exchange gain/ loss being recognized in profit or loss. The group enters into forward exchange contracts, forward rate agreements, coupon only swaps and interest rate swaps. The group undertakes such transactions for hedging its balance sheet. The foreign currency borrowing and derivative swaps are treated as separate transactions.

The derivatives (swaps, forward rate agreements and forward contracts) are classified at fair value through profit or loss (FVTPL) under Ind AS 109, Financial Instruments with the resultant gain or loss being taken to profit or loss.

2.13 Derivatives & Hedge Accounting

The company designates certain derivatives held for risk management as hedging instruments in qualifying hedging relationships. These derivatives qualify for hedge accounting and meet the criteria for cash flow hedge. The effective portion of the gain or loss arising on the fair value measurement of the hedging instrument is recognised in other comprehensive income.

2.14 Dividend

The final Dividend on shares is recorded as a liability on the date of approval by the Shareholders and interim dividends are accounted on payment basis as they are revocable till actually paid.

2.15 Cash Flow Statement

Cash comprises of cash on hand and demand deposits with banks. Cash equivalents are short-term deposits with banks (with an original maturity of three months or less from the date of placement) and cheques on hand. Short term and liquid investments being subject to more than insignificant risk of change in value, are not included as part of cash and cash equivalents.

2.16 Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognized only when the group has a present obligation (legal or constructive) as a result of past event, and it is probable that it is required to settle the obligation, and a reliable estimate can be made of the amount of obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the obligation at the reporting date, considering the risk and uncertainties surrounding the obligation.

Contingent Liabilities

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more future uncertain events not wholly within the control of the group (or)

There is a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

2.17 Earnings Per Share

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

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

2.18 Operating Segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components, and for which discrete financial information is available. Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM). The Chairman of the Company is responsible for allocating resources and assessing performance of the operating segments and accordingly is identified as the CODM. The Group's CODM reviews financial information presented, for purposes of making operating decisions and assessing financial performance of the Group.

3. 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Note 4: Cash and Cash Equivalents

(₹ in crores)

Particulars	31st March 2022	31st March 2021
Cash on hand	12.86	18.32
Balances with Banks	56.47	64.01
Cheques, drafts on hand	64.64	67.17
TOTAL	**133.97**	**149.50**

Note 5: Bank Balances other than specified in Note 4 above

(₹ in crores)

Particulars	March 31, 2022	March 31, 2021
Unpaid dividend account	4.20	3.77
Balances with banks*	576.37	635.67
TOTAL	**580.57**	**639.44**

* Balances with Banks Includes,

a) ₹ 328.89 crores (as on 31.03.2021 ₹466.26 crores) provided as collateral for assets securitised.

b) 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 ₹171.51 crores (as on 31.03.2021 ₹106.48 crores) in favour of trustees representing the deposit holders of the Company.

c) Deposits given as margin for Bank Guarantee amounting to ₹ 1.31 crores (as on 31.03.2021 - ₹ Nil) has been provided for demand raised for penalty under TNVAT Act for the year 2012-13 to 2014-15 in respect of VAT levied on sale of repossessed vehicles.

d) Deposits given as margin for Bank Guarantee amounting to ₹ 0.15 crores. (as on 31.03.2021 - ₹ Nil) for Legal proceedings with respect to repossessed assets.

e) Bank deposit of ₹ 2.04 crores (as on 31.03.2021 - ₹ Nil) placed for obtaining Letter of Credit on behalf of our Customers.

Note 6 : Derivative Financial Instruments

The details of the outstanding derivative instruments and their fair values are as below;

Part I

(₹ in crores)

Particulars	31st March 2022			31st March 2021		
	Notional amount	Fair Value		Notional amount	Fair Value	
		Assets	Liabilities		Assets	Liabilities
(i) Currency derivatives:						
- Currency swaps	–	–	–	–	–	–
- Forward Contracts	–	–	0.51	401.97	–	31.22
Subtotal (i)	**–**	–	**0.51**	**401.97**	–	**31.22**
(ii) Interest rate derivatives:						
- Forward Rate Agreements & Interest Rate Swaps	375.00	0.61	–	900.00	12.25	–
Subtotal (ii)	**375.00**	**0.61**	**–**	**900.00**	**12.25**	**–**
Total Derivative Financial Instruments (i)+(ii)	**375.00**	**0.61**	**0.51**	**1,301.97**	**12.25**	**31.22**
Derivative Financial Asset / Liability (net)	–	**0.10**	–	–	–	**18.97**

Part II - Included in above (Part I) are derivatives held for hedging and risk management purposes as follows:

(₹ in crores)

(i) Cash flow hedging:						
- Currency derivatives	–	–	0.51	–	–	3.44
- Interest rate derivatives	375.00	0.61	–	900.00	12.25	–
(ii) Undesignated derivatives	–	–	–	401.97	–	27.78
Total Derivative Financial Instruments (i)+(ii)	375.00	0.61	0.51	1,301.97	12.25	31.22
Derivative Financial Asset / Liability (net)	–	0.10	–	–	–	18.97

Notes:

1) The interest rate risk and exchange rate risk on the borrowings of the Company are managed using various derivative instruments which are entered from time to time. The risk management strategy and the use of derivatives are explained in Note 37 - Financial Risk Management Framework.

2) The Company has designated the Interest rate derivatives (IRS/FRA), which were entered to mitigate interest rate risk on its Subordinated Non Convertible Debentures and Rupee Term Loans, as hedging instruments.

Note 7 Receivables

(₹ in crores)

Particulars	March 31, 2022	March 31, 2021
Trade receivables		
- Secured, considered good	–	–
- Unsecured, considered good	43.82	57.40
- Receivables which have significant increase in Credit Risk	0.04	0.16
- Receivables - credit impaired	0.42	0.23
Less: Impairment loss on the above	(0.38)	(0.38)
Sub-total - Trade receivables	**43.90**	**57.41**
Other receivables		
- Secured, considered good	3.06	–
- Unsecured, considered good	0.88	3.77
Less: Impairment loss on the above	–	–
Sub-total - Other receivables	**3.94**	**3.77**
TOTAL	**47.84**	**61.18**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Trade Receivables ageing schedule as at 31-03-2022

(₹ in crores)

Particulars	Outstanding for following periods from due date of payment						
	Not Due	Less than 6 Months	6 months to 1 year	1 to 2 years	2 to 3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	5.45	36.16	0.04	–	–	–	41.65
(ii) Undisputed Trade Receivables – considered doubtful	–	0.07	0.07	0.16	0.13	–	0.42
(iii) Disputed Trade Receivables considered good	–	–	–	–	–	–	–
(iv) Disputed Trade Receivables considered doubtful	–	–	–	–	–	–	–
(v) Unbilled revenue – considered good	2.20	–	–	–	–	–	2.20
Total	**7.65**	**36.23**	**0.11**	**0.16**	**0.13**	**-**	**44.28**

Trade Receivables ageing schedule as at 31-03-2021

(₹ in crores)

Particulars	Outstanding for following periods from due date of payment						
	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	9.23	45.83	0.30	0.26	0.19	0.06	55.87
(ii) Undisputed Trade Receivables – considered doubtful	–	0.18	0.05	0.15	-	–	0.37
(iii) Disputed Trade Receivables – considered good	–	–	–	–	–	–	–
(iv) Disputed Trade Receivables – considered doubtful	–	–	–	–	–	–	–
(v) Unbilled revenue – considered good	1.55	–	–	–	–	–	1.55
Total	**10.78**	**46.01**	**0.35**	**0.41**	**0.19**	**0.06**	**57.79**

Note 8: Loans

(₹ in crores)

Particulars	March 31, 2022	March 31, 2021
Hypothecation loans	28,033.37	28,797.56
Net Investment in hire purchase	16.39	103.46
Term Loans	467.04	522.02
Housing Loans#	6,481.69	6,270.87
Non Housing Loans	2,941.69	2,784.04
Advance for business assets	154.31	165.98
Amount retained on Assets securitised / assigned	37.77	93.70
Loans repayable on Demand	67.07	73.81
Bills Purchased and Bills Discounted	18.88	23.85
Net investment in lease	26.33	17.19
Other loans @	49.77	51.26
Total Loans - Gross	**38,294.31**	**38,903.74**
Less: Impaiment loss allowance	817.91	815.13
Total Loans - Net	**37,476.40**	**38,088.61**
Of the above		
Secured by tangible assets	38,081.03	38,661.29
Covered by Bank/Government Guarantees	3.26	5.48
Secured by Deposits placed	3.92	12.65
Unsecured	206.10	224.35
Total Loans - Gross	**38,294.31**	**38,903.77**
Less: Impaiment loss allowance	817.91	815.13
Total Loans - Net	**37,476.40**	**38,088.64**
Loans in India		
Public Sector	–	–
Others *	38,294.31	38903.74
Total Loans - Gross	38,294.31	38903.74
Less: Impaiment loss allowance	817.91	815.13
Total Loans in India - Net - (A)	37,476.40	38088.61
Loans outside India	–	–
Less: Impaiment loss allowance	–	–
Total Loans outside India - Net - (B)	–	–
Total loans (A) + (B)	**37,476.40**	**38,088.61**

@ 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 ₹ 42.44 crores (31st March 2021 ₹115.49 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 are granted to promoters, directors, KMPs and the related parties that are:

(a) Repayable on demand or

(b) Without specifying any terms or period of repayment.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Note 9: Investments

(₹ in crores)

Particulars	Face Value (₹)	As at 31.03.2022		As at 31.03.2021	
		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			773.50		714.37
			773.50		**714.37**
- Associates*					
Flometallic India Private Limited	100000	4450	130.06	3,800	73.96
The Dunes Oman LLC (FZC)	1 ^	18,34,980	88.94	22,93,725	95.28
Sundaram Hydraulics Limited	10	1,12,50,000	–	1,12,50,000	–
Axles India Limited	10	98,91,754	68.26	98,91,754	52.78
Turbo Energy Private Limited	10	25,60,000	531.66	25,60,000	493.94
Transenergy Limited	100	1,20,000	12.24	1,20,000	9.14
Sundaram Dynacast Private Limited	10	11,70,000	16.83	11,70,000	14.68
Wheels India Limited	10	56,01,117	266.54	56,01,117	249.55
Mind S.r.l	1#	7,34,675	29.25	3,05,838	20.27
Sundaram Composite Structures Private Ltd	10	1,96,00,000	20.10		–
			1,163.88		1,009.61
Total - A			**1,937.38**		**1,723.98**
At fair value through other comprehensive income:					
Investment in Equity Instruments $			1,682.67		1,177.52
Investment in Preference Shares			3.12		3.12
Total - B			**1,685.79**		**1,180.64**
At fair value through profit or loss:					
Investment in Mutual Funds			3,043.73		2,138.42
Investment in Alternative Investment Funds			204.81		182.20
Investment in Equity Instruments			0.86		0.22
Investment in Preference Securities			6.86		2.98
Total - C			**3,256.26**		**2,323.82**
At amortised cost:					
Investment in Government Securities@			753.20		749.57
Investment in Pass Through Certificates			107.56		55.24
Investment in Commercial Paper			100.07		24.06
Investment in Bonds			–		0.23
Investment in Treasury Bills			247.88		–
			1,208.71		**829.10**
Less: Allowance for Impairment loss			(0.61)		(0.70)
Total - D			**1,208.10**		**828.40**
Total Investments A+B+C+D			**8,087.53**		**6,056.84**
(Net of allowance for impairment loss)					

^ Face value in Omani Riyal

Face value in Euro

$ During the year, Sundaram Finance Holdings Limited(Subsidiary) has alloted shares on rights issue to the eligible applicants and the funds raised has been utilised for acquisition of shares in Brakes India Private Limited.

@ In accordance with the NHB Directions, Sundaram Home Finance Limited(subsidiary) has created a floating charge on the statutory liquid assets comprising investments in Government securities of the face value of ₹257.34 crores (Cost ₹267.01 crores) (31st Mar 2021 – face value ₹227.34 crores (Cost ₹237.82 crores).

* includes goodwill of ₹98.05 Crores and Capital Reserve of ₹7.34 Crores.

(₹ in crores)

Particulars	As at 31.03.2022	As at 31.03.2021
Investment outside India	118.20	115.56
Investment in India	7,969.33	5,941.28

Investments - Categorywise

(₹ in crores)

Particulars	As at 31.03.2022	As at 31.03.2021
Aggregate amount of Quoted Investments	2,337.02	1,738.70
Aggregate amount of Unquoted Investments	5,750.51	4,318.14
Total	8,087.53	6,056.84

Note 10: Other Financial Assets

(₹ in crores)

Particulars	March 31, 2022	March 31, 2021
Carried at amortised cost		
- Security deposits	13.93	14.22
- Other advances	14.12	100.62
- Repossessed Loan Stock (Net Realisable Value)	45.52	29.55
- Unbilled Revenue	0.25	0.24
Less: Impairment loss on the above	(0.43)	(0.43)
TOTAL	**73.39**	**144.20**

Note 11: Tax Reconciliation

Disclosure pursuant to Ind AS 12 "Income Taxes"

(a) Major components of tax expense/(income) :

(₹ in crores)

Sl. No.	Particulars	2021-22	2020-21
(a)	**Profit or Loss section :**		
	(i) Current income tax :		
	Current income tax expense	381.18	385.68
		381.18	**385.68**
	(ii) Deferred tax :		
	Tax expense on origination and reversal of temporary differences	(31.17)	(58.15)
	Reversal of deferred tax liabilities relating to past years		–
	Total Deferred tax (ii)	**(31.17)**	**(58.15)**
	Income tax expense reported in Profit or Loss [(i) + (ii)]	**350.01**	**327.53**
(b)	**Other Comprehensive Income (OCI) section :**		
	(i) Items not to be reclassified to profit or loss in subsequent periods :		
	Current tax expense/(income) :	(18.11)	43.39
	Fair value of equity investments	(9.46)	43.36
	Others	(8.64)	0.03
	(ii) Items to be reclassified to profit or loss in subsequent periods :		
	(A) Deferred tax expense/(income) :		
	On MTM of cash flow hedges	(2.14)	(3.98)
	Income tax expense reported in Other Comprehensive Income [(i) + (ii)]	**(20.25)**	**39.41**
	Income tax expense	**329.77**	**366.93**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

11 b) Reconciliation of tax expense and the tax on accounting profit at applicable tax rate

(₹ in crores)

Sl.no.	Particulars	2021-22	2020-21
(a)	Profit before tax and exceptional items	1,514.58	1,394.69
(b)	Profit on exceptional items	–	–
(c)	Profit before tax	1,514.58	1,394.69
(d)	Tax on Accounting profit	381.38	351.93
(e)	(i) Tax on income exempt from tax :		
	(A) Dividend income (deduction U/s 80M)	23.57	10.22
	(ii) Tax on expenses not tax deductible :		
	(A) CSR expenses/Donations/others	6.53	6.79
	(B) Expenses in relation to exempt income	–	–
	(iii) Tax effect on various other items	14.32	20.97
(f)	**Total effect of tax adjustments [(i) to (iii)] (f)=(i)-(ii)+(iii)**	**31.37**	**24.40**
(g)	Tax on exceptional items	–	–
(h)	**Tax expense recognised during the year (h)=(d)-(f)+(g)**	**350.01**	**327.53**

11(c) Reconciliation of Deferred Tax 2021-22

(₹ in crores)

Summary	01.04.2021	Recognised in P&L	Recognised in OCI	Recognised in retained earnings	31.03.2022
Difference between book depreciation and tax depreciation	37.93	(7.93)	–	–	30.00
Loans and impairment on loans	122.73	24.47	–	–	147.20
Investments	0.83	25.79	3.72	–	30.34
HP income	(65.17)	1.52	–	–	(63.65)
Utilisation of MAT credit	(2.07)	(1.73)	–	–	(3.80)
Others	7.39	6.85	–	–	14.24
Total	101.64	48.97	3.72	–	154.33

Reconciliation of Deferred Tax 2020-21

(₹ in crores)

Summary	01.04.2020	Recognised in P&L	Recognised in OCI	Recognised in retained earnings	31.03.2021
Difference between book depreciation and tax depreciation	38.87	(0.93)	–	–	37.93
Loans and impairment on loans	73.19	49.54	–	–	122.73
Investments	40.06	0.15	(39.38)		0.83
HP income	(61.01)	(4.16)	–	–	(65.17)
Utilisation of MAT credit	(0.19)	(1.89)	–	–	(2.08)
Covid Reserve	15.01	–	–	(15.01)	–
Others	(7.53)	14.92	–	–	7.39
Total	**98.40**	**57.63**	**(39.38)**	**(15.01)**	**101.64**

Note 12 Investment Property

(₹ in crores)

Particulars	Land	Building	Total
GROSS BLOCK AT COST			
As at 31.03.2021	43.57	8.19	51.76
Additions	–	0.07	0.07
Deductions	2.25	–	2.25
Asset Transfer from PPE	–	(1.03)	(1.03)
As at 31.03.2022	**41.32**	**7.23**	**48.55**
DEPRECIATION			
Upto 31.03.2021	–	2.11	2.11
Additions	–	0.28	0.28
Deductions	–	–	–
Asset Transfer from PPE	–	–	–
Upto 31.03.2022	**–**	**2.39**	**2.39**
Carrying Value as at 31.03.2022	**41.32**	**4.84**	**46.16**

(₹ in crores)

Particulars	Land	Building	Total
GROSS BLOCK AT COST			
As at 31.03.2020	50.96	7.32	58.28
Additions	–	–	–
Deductions	7.39	0.47	7.86
Asset Transfer from PPE	–	1.34	1.34
As at 31.03.2021	**43.57**	**8.19**	**51.76**
DEPRECIATION			
Upto 31.03.2020	–	1.62	1.62
Additions	–	0.37	0.37
Deductions	–	0.06	0.06
Asset Transfer from PPE	–	0.18	0.18
Upto 31.03.2021	**–**	**2.11**	**2.11**
Carrying Value as at 31.03.2021	**43.57**	**6.08**	**49.65**

The fair value measurement for all the investment property has been carried out by Registered valuer / Independent Valuer.

The Fair value of the investment property is ₹ 65.55 crores (2020-21: ₹ 107.26 crores)

Items relating to investment property recognised in Profit & Loss Account for the year ended are given below:

(₹ in crores)

Particulars	2021-22	2020-21
Rental income	2.43	2.43
Direct Operating expenses on properties generating rental income	0.29	0.20
Direct Operating expenses on properties not generating rental income	0.01	0.33

The investment properties are freely realizable.

Note 13 Property, Plant and equipment

(₹ in crores)

Particulars	Freehold Land	Freehold Buildings	Leasehold office / Residential Premises	Plant and Machinery and Computers	Furniture and Fixtures	Vehicles	Office Equipment	Assets on Operating Lease			Total
								Plant and Machinery and Computers	Vehicles	Medical Equip-ments	
GROSS BLOCK AT COST											
As at 31.03.2021	61.10	25.70	9.78	63.32	13.18	28.26	14.64	15.65	189.15	8.95	429.73
Additions	–	1.27	0.82	11.35	1.66	6.23	1.65	3.46	87.15	2.48	116.07
Deductions	–	–	0.31	1.01	0.18	3.50	0.40	2.64	47.54	–	55.58
Asset Transfer to IP	–	(1.03)	–	–	–	–	–	–	–	–	(1.03)
Other Adjustments	–	–	–	–	–	–	–	–	–	–	–
Translation Adjustments	–	–	0.01	–	–	–	–	–	–	–	0.01
As at 31.03.2022	**61.10**	**28.00**	**10.30**	**73.66**	**14.66**	**30.99**	**15.89**	**16.47**	**228.76**	**11.43**	**491.26**
DEPRECIATION											
Upto 31.03.2021	**–**	**6.39**	**3.94**	**37.55**	**7.36**	**14.80**	**7.51**	**7.53**	**75.07**	**2.11**	**162.26**
Additions	–	2.06	0.83	9.64	1.54	3.88	1.62	4.16	35.42	2.81	61.96
Deductions	–	–	0.06	0.79	0.15	2.40	0.32	2.41	27.42	–	33.55
Asset Transfer to IP	–	–	–	–	–	–	–	–	–	–	–
Other Adjustments	–	–	–	–	–	–	–	–	–	–	–
Translation Adjustments	–	–	0.01	(0.01)	–	–	–	–	–	–	-
Upto 31.03.2022	**–**	**8.45**	**4.72**	**46.39**	**8.75**	**16.28**	**8.81**	**9.28**	**83.07**	**4.92**	**190.67**
Carrying Value as at 31.03.2022	**61.10**	**19.55**	**5.58**	**27.27**	**5.91**	**14.71**	**7.08**	**7.19**	**145.69**	**6.51**	**300.55**

No Revaluation of Property, Plant and Equipment has been carried out during the year

Refer Note 18 on mortgage of Immovable Property.

The Group do not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.

Note 13 Property, Plant and equipment

(₹ in crores)

Particulars	Freehold Land	Freehold Buildings	Leasehold office / Residential Premises	Plant and Machinery and Computers	Furniture and Fixtures	Vehicles	Office Equipment	Assets on Operating Lease			Total
								Plant and Machinery and Computers	Vehicles	Medical Equip-ments	
GROSS BLOCK AT COST											
As at 31.03.2020	61.10	25.11	10.83	62.10	12.64	27.90	13.99	9.75	204.46	–	427.88
Additions	–	0.59	0.28	5.18	0.88	1.54	1.04	5.90	42.47	8.95	66.83
Deductions	–	–	0.00	3.96	0.34	1.18	0.39	–	57.78	–	63.65
Asset Transfer to IP	–	–	1.34	–	–	–	–	–	–	–	1.34
Translation Adjustments	–	–	0.01	–	–	–	–	–	–	–	0.01
As at 31.03.2021	61.10	25.70	9.78	63.32	13.18	28.26	14.64	15.65	189.15	8.95	429.73
DEPRECIATION											
Upto 31.03.2020	**–**	**4.55**	**3.00**	**30.46**	**5.87**	**11.14**	**5.91**	**4.24**	**77.80**	**–**	**142.97**
Additions	**–**	**1.84**	**1.11**	**10.56**	**1.73**	**4.28**	**1.88**	**3.29**	**31.33**	**2.11**	**58.13**
Deductions	–	–	–	3.47	0.24	0.62	0.28	0.00	34.06	–	38.67
Asset Transfer to IP	–	–	0.18	–	–	–	–	–	–	–	0.18
Translation Adjustments	–	–	0.01	–	–	–	–	–	–	–	0.01
Upto 31.03.2021	–	6.39	3.94	37.55	7.36	14.80	7.51	7.53	75.07	2.11	162.26
Carrying Value as at 31.03.2021	**61.10**	**19.31**	**5.84**	**25.77**	**5.82**	**13.46**	**7.13**	**8.12**	**114.08**	**6.84**	**267.47**

No Revaluation of Property, Plant and Equipment has been carried out during the year

Refer Note 18 on mortgage of Immovable Property.

The Group do not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Note 14 : Right of use - Assets

(₹ in crores)

Particulars	ROU Land	ROU Buildings	ROU Vehicles	Finance Lease Land	Total
GROSS BLOCK AT COST					
As at 31.03.2021	2.03	104.06	0.35	0.39	106.82
Additions	2.36	27.23	0.26	–	29.85
Deductions	–	19.79	0.14	–	19.93
Other Adjustments	–	(4.01)	0.41	–	(3.60)
As at 31.03.2022	**4.39**	**107.49**	**0.88**	**0.39**	**113.14**
DEPRECIATION					
Up to 31.03.2021	1.98	40.80	0.27	–	43.05
Additions	1.10	23.01	0.11	–	24.22
Deductions	–	13.09	0.13	–	13.22
Other Adjustments	–	0.10	0.37	–	0.47
Upto 31.03.2022	**3.08**	**50.82**	**0.62**	**–**	**54.52**
Carrying Value as at 31.03.2022	**1.31**	**56.67**	**0.26**	**0.39**	**58.62**

(₹ in crores)

Particulars	ROU Land	ROU Buildings	ROU Vehicles	Finance Lease Land	Total
GROSS BLOCK AT COST					
As at 31.03.2020	1.96	91.54	0.43	0.39	94.32
Additions	0.07	22.43	–	–	22.50
Deductions	–	9.87	0.09	–	9.96
Translation Adjustments	–	(0.04)	–	–	(0.04)
As at 31.03.2021	**2.03**	**104.06**	**0.34**	**0.39**	**106.82**
DEPRECIATION					
Up to 31.03.2020	1.12	21.27	0.20	–	22.59
Additions	0.85	25.38	0.15	–	26.38
Deductions	–	5.85	0.08	–	5.93
Translation Adjustments	–	–	–	–	-
Upto 31.03.2021	**1.97**	**40.80**	**0.27**	**–**	**43.04**
Carrying Value as at 31.03.2021	**0.06**	**63.26**	**0.07**	**0.39**	**63.78**

Note 15 A - Goodwill

(₹ in crores)

Gross carrying value as at 01.04.2020	474.02
Additions / Impairment /disposals/Other Adjustments	–
Net carrying calue as at 31.03.2021	474.02
Additions / Impairment /disposals/Other Adjustments	1.64
Net carrying calue as at 31.03.2022	475.66

Note 15 B Other Intangibles Assets & Intangible Assets Under Development

(₹ in crores)

Particulars	Computer Software		Rights	Total	Intangibles Under Development
	Purchased	Self Generated			
GROSS BLOCK AT COST					
As at 31.03.2021	**44.33**	**9.95**	**–**	**54.28**	**–**
Additions	2.91	–	234.81	237.72	
Deductions	–	–	–	–	
Other Adjustments	–	–	–	–	
As at 31.03.2022	**47.24**	**9.95**	**234.81**	**292.00**	**–**
DEPRECIATION					
Up to 31.03.2021	36.70	7.87	–	44.57	–
Additions	5.02	1.10	5.79	11.91	–
Deductions	–	–	–	–	–
Other Adjustments	–	–	–	–	
Upto 31.03.2022	**41.72**	**8.97**	**5.79**	**56.48**	**–**
Carrying Value as at 31.03.2022	**5.52**	**0.98**	**229.02**	**235.52**	**–**

(₹ in crores)

Particulars	Computer Software		Total	Intangibles Under Development
	Purchased	Self Generated		
GROSS BLOCK AT COST				
As at 31.03.2020	**40.30**	**9.95**	**50.25**	**0.02**
Additions	4.03	–	4.03	–
Deductions	–	–	–	0.02
As at 31.03.2021	44.33	9.95	54.28	–
DEPRECIATION				
Up to 31.03.2020	27.62	6.76	34.38	–
Additions	9.08	1.11	10.19	–
Deductions	–	–	–	–
Upto 31.03.2021	36.70	7.87	44.57	–
Carrying Value as at 31.03.2021	**7.63**	**2.08**	**9.71**	**–**

Note 16: Other Non-Financial Assets

(₹ in crores)

Particulars	March 31, 2022	March 31, 2021
Stamp and stamp papers on hand	2.57	2.15
Prepaid expenses	69.05	96.70
Balances with Government authorities	43.28	38.11
Capital Advances	6.26	1.16
Other advances*	1.82	4.40
TOTAL	**122.98**	**142.52**

* Amount paid for which goods / services are to be received.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Note 17: Payables
Trade payables

(₹ in crores)

Particulars	March 31, 2022	March 31, 2021
(i) Total outstanding dues of micro enterprises and small enterprises		
Outstanding Liability	1.41	0.67
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		
Dealer Balances	66.25	42.71
Outstanding Liability	61.05	26.41
TOTAL	**128.71**	**69.79**
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	7.85	11.65
TOTAL	**7.85**	**11.65**

Trade Payables ageing schedule as at 31-03-2022

(₹ 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	–	1.41	–	–	–	1.41
(ii) Others	7.70	108.46	11.08	0.06	–	127.30
(iii) Disputed dues – MSME	–	–	–	–	–	–
(iv) Disputed dues - Others	–	–	–	–	–	–
Total	**7.70**	**109.87**	**11.08**	**0.06**	**-**	**128.71**

Trade Payables ageing schedule as at 31-03-2021

(₹ 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	–	0.67	–	–	–	0.67
(ii) Others	11.17	54.02	3.83	0.10	–	69.12
(iii) Disputed dues – MSME	–	–	–	–	–	–
(iv) Disputed dues - Others	–	–	–	–	–	–
Total	**11.17**	**54.69**	**3.83**	**0.10**	**–**	**69.79**

Note 18: Debt Securities

(₹ in crores)

Particulars	March 31, 2022	March 31, 2021
Carried at amortised cost		
Non-Convertible debentures	15,194.01	14,841.57
Commercial paper	1,769.50	2,423.26
TOTAL	**16,963.51**	**17,264.83**
Of the above		
Debt securities in India	16,963.51	17,264.83
Debt securities outside India	–	–
TOTAL	**16,963.51**	**17,264.83**

The Secured Non - Convertible Debentures are secured by mortgage of immovable property ranking pari passu with charges created in favour of the trustees and Hypothecation of specific Loan receivables / Hire purchase/ Lease agreements with a cover of 100%, as per the terms of issue.

Note 19: Borrowings other than debt securities

(₹ in crores)

Particulars	March 31, 2022	March 31, 2021
Carried at amortised cost		
Secured		
Term Loan from banks	7,360.89	7,606.22
Term Loan from National Housing Bank (Refinance Loan)	1,927.53	2,131.87
Working capital demand loans and Cash credit	1,239.12	788.58
Unsecured		
Term Loan from banks	–	29.67
Credit facilities from banks	15.42	–
TOTAL	**10,542.96**	**10,556.34**
Of the above		
Borrowings in India	10,542.96	10,556.34
Borrowings Outside India	–	–
TOTAL	**10,542.96**	**10,556.34**

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. In respect of a term loan of ₹1,000 Cr. availed from a Bank during the last quarter of the financial year, the application of funds is in progress in accordance with terms of the sanction and the undeployed loan is held in the form of liquid investments.

Working capital demand loans and cash credit are secured by a charge on hypothecation loan receivable/hire purchase /lease agreement, ranking pari passu, excluding assets which are specifically charged to others.

Funds raised on short term basis have not been utilised for long term purposes.

Quarterly Returns or Statements of current assets filed by the Group with Banks or Financial Institutions are in agreement with the Books of Accounts.

The Group has not been declared as wilful defaulter by any Bank or Financial Institution or other lender or government or any government authority.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Note 20: Deposits

(₹ in crores)

Particulars	31st March 2022	31st March 2021
Carried at amortised cost		
- Public Deposits	6,166.63	5,989.28
- From Companies	53.97	12.03
- From Directors	0.40	0.07
TOTAL	**6,221.00**	**6,001.38**

Note 21: Subordinated Liabilities

(₹ in crores)

Particulars	March 31, 2022	March 31, 2021
Carried at amortised cost		
Subordinated Non Convertible Debentures		
- India	2,634.11	2,638.52
- Outside India	–	–
TOTAL	**2634.11**	**2,638.52**

Note 22: Other Financial Liabilities

(₹ in crores)

Particulars	March 31, 2022	March 31, 2021
Amounts due on assets securitised or assigned	52.82	80.21
Unpaid matured deposits and interest accrued thereon	76.30	67.06
Unpaid dividend	3.43	3.57
Payable to Employees	91.78	81.92
Advance received from customers	19.67	20.82
Lease Liability	66.03	69.89
Other liabilities*	137.56	138.99
TOTAL	**447.59**	**462.46**

* Other liabilities include amount payable to creditor for expenses, payable to customers for security deposits received and commission payable to non-whole-time directors.

Note 23: Provisions

(₹ in crores)

Particulars	March 31, 2022	March 31, 2021
Provision for employee benefits	57.55	30.45
Provision for Other expenses^	18.56	17.25
TOTAL	**76.11**	**47.70**

^ Provision for other expenses include provision made for legal cases / claims

Note 24 : Other Non- Financial liabilities

(₹ in crores)

Particulars	March 31, 2022	March 31, 2021
Other Liabilities #	41.87	35.99
Revenue received in advance	1.41	1.70
TOTAL	**43.28**	**35.99**

Others mainly include government dues, taxes payable, GST payable and salary deductions payable.

Note 25: Equity Share Capital

(₹ in crores)

Particulars	March 31, 2022	March 31, 2021
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	**111.10**	**111.10**
Less:		
9,14,185 (2021-9,22,960) Equity Shares of ₹10/- each held by ESOP trust but not yet alloted to Employees	**0.91**	**0.92**
Adjusted, Issued and Subscribed Share Capital	**110.19**	**110.18**

a) reconciliation of the number of shares outstanding at the beginning and at the end of the year

Particulars	31st March 2022	31st March 2021
Issued and Subscribed :		
Balance at the beginning of the Year	11,11,03,860	11,11,03,860
Less: Shares held by Sundaram Finance Employees' Welfare Trust	9,14,185	9,22,960
Adjusted , Issued and Subscribed Share Capital	**11,01,89,675**	**11,01,80,900**

(Refer note no 25 of the Standalone Financial statements for shareholding of promoters)

b) Rights, preferences and restrictions in respect of equity shares:

The Equity share holders are entitled to receive dividends as and when declared; a right to vote in proportion to holding etc. and their rights, preferences and restrictions are governed by / in terms of their issue under the provisions of the Companies Act, 2013.

c) Aggregate number of equity shares issued for consideration other than cash / Bonus shares during the period of five years immediately preceding the reporting date: Nil

d) No shareholder of the company holds more than 5% of the Equity shares.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

STATEMENT OF PROFIT AND LOSS NOTES

Note 26: Interest Income

(₹ in crores)

Particulars	2021-22	2020-21
On Financial assets measured at amortised cost:		
Loans	4,198.50	4,350.17
Investments	69.81	71.65
Deposit with Banks	36.40	47.73
On Financial assets classified at Fair value through profit or loss :		
Investments	9.45	8.77
TOTAL	**4,314.16**	**4,478.30**

Note 27: Fees and Commission Income

(₹ in crores)

Particulars	2021-22	2020-21
Relating to		
- Loans	127.47	113.88
- Selldown servicing fee	26.43	40.82
- Income from other Financial Services	49.21	45.40
- Trusteeship Fees	1.78	1.36
TOTAL	**204.89**	**201.46**

Note 28: Net gain / (loss) on Fair Value Changes

(₹ in crores)

Particulars	2021-22	2020-21
A . Net gain/(loss) 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*	106.82	164.18
- Derivatives	–	–
C. Total Net gain/(loss) on fair value changes (A + B)	**106.82**	**164.18**
Of the above, fair value changes:		
- Realised	95.73	126.82
- Unrealised	11.09	37.36
TOTAL	**106.82**	**164.18**

* includes ₹5.05 crores (net) Loss on fair value of previously held interest of equity investment in Mind S.r.l and Sundaram Composite Structures Private Limited.

Note 29: Other Income

(₹ in crores)

Particulars	2021-22	2020-21
Net gain/(loss) on		
- Derecognition of property, plant and equipment	10.90	7.06
- Foreign currency transaction and translation (other than considered as finance cost)	0.07	2.61
Others		
- Interest income	2.27	44.78
- Rental income	2.43	2.43
- Other non-operating income	21.63	12.20
TOTAL	**37.30**	**69.08**

Note 30: Finance costs

(₹ in crores)

Particulars	2021-22	2020-21
On Financial liabilities carried at amortised cost:		
Interest on		
Deposits	447.72	439.49
Term loans	454.68	611.85
Debt securities	1103.64	1351.95
Subordinated liabilities	226.56	206.44
Other interest expense and borrowing cost	15.09	15.73
Derivatives	(27.78)	85.16
Foreign currency transaction and translation	28.29	(51.23)
TOTAL	**2,236.20**	**2,659.39**

Note 31: Employee Benefits Expenses

(₹ in crores)

Particulars	2021-22	2020-21
Salaries and Wages	572.92	519.84
Contribution to provident and other funds	33.68	33.04
Share Based Payments to employees	2.50	1.43
Staff welfare expenses	9.47	6.67
TOTAL	**618.57**	**560.98**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Note 32: Administrative and other Expenses

(₹ in crores)

Particulars	2021-22	2020-21
Rent, taxes and energy costs	10.80	11.25
Repairs and maintenance	39.26	30.39
Communication Costs	13.61	12.26
Printing and stationery	4.16	3.00
Advertisement and publicity	7.19	1.47
Director's fees, allowances and expenses	2.64	2.17
Auditor's fees and expenses	2.10	2.76
Legal and Professional charges	34.44	10.93
Insurance	4.89	3.89
Outsourcing cost	70.60	62.85
Travel and conveyance	16.52	8.42
Donations	23.00	24.16
Foreign currency transaction and translation	0.00	0.55
Derivative	–	0.80
Other expenditure	58.34	38.87
TOTAL	**287.55**	**213.77**

Note 33: Impairment on Financial Instruments

(₹ in crores)

Particulars	2021-22	2020-21
On Financial instruments measured at amortised cost:		
Loans	393.10	390.63
Investments	(0.08)	(0.06)
Repossessed assets	5.30	(20.73)
Others	11.61	(1.55)
TOTAL	**409.93**	**368.29**

Other Notes

Note 34: Capital Management:

The Group's capital management strategy is to ensure that it has sufficient capital for business operations, strategic investment, regulatory requirements and to provide reasonable return to the shareholders. Equity share capital and other equity are considered for Capital management.

The Group endeavour to source diversified borrowing, depending on asset liability duration and interest rate sensitivities.

The Group monitors the Capital adequacy ratio, Debt equity ratio and Solvency ratio for the purpose of adequacy of capital.

Note 35: Revenue

Disaggregate revenue information: Since the requirement of application of Ind AS 115 on Company's revenue is insignificant, the company believes that disaggregation of data about the nature, amount, timing of our revenues is not required.

Remaining performance obligation

The remaining performance obligation disclosure provides aggregate amount of transaction price yet to be recognised at the end of reporting period and an explanation as to when the company expects to recognise these amounts in revenue.

The aggregate value of performance obligations that are completely or partially unsatisfied as at March 31, 2022 is Nil (2020-21 - ₹0.35 Crore).

Note 36: Financial instruments – Fair value measurements

The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy:

a. Financial Assets / Liabilities that are measured at Fair value through P&L/OCI:

(₹ in crores)

Particulars	Fair Value Hierarchy	March 31, 2022	March 31, 2021
Financial Assets			
Derivatives	Level 2	0.10	–
Investments			
Mutual Funds	Level 1	3,043.72	2,134.12
Mutual Funds #	Level 2	–	4.30
Alternate Investment Funds	Level 1	204.81	182.20
Equity Instruments	Level 2	0.86	0.22
Preference Securities	Level 2	6.86	2.98
Financial Liabilities			
Derivatives	Level 2	–	18.97

Fair value is estimated based on the market inputs for the classification as per level 2 and level 3.

 # Considered as Level 3 as at Mar 31,2021

b. i) Equity Shares designated at Fair value through Other Comprehensive Income:

The Group designated the investments in equity shares (other than subsidiaries, associates and joint ventures) at FVTOCI, because the Group intends to hold these investments for long-term strategic purpose.

(₹ in crores)

Particulars	Fair Value Hierarchy	March 31, 2022	March 31, 2021
India Motor Parts & Accessories Limited	Level 1	185.67	137.50
Sundaram Clayton Limited	Level 1	769.57	585.41
Brakes India Private Limited	Level 2	529.80	302.71
TVS Investments Private Limited	Level 2	–	33.00
Lucas-TVS Limited	Level 3	74.80	73.13
Delphi TVS Technologies Limited	Level 3	13.12	12.44
Vishnu Forge Industries Limited	Level 3	1.36	1.25
D2C Consulting Services Private Limited	Level 3	0.04	0.02
Fettle Tone LLP	Level 3	97.10	20.87
*Experian Credit Information Company of India Private Limited	Level 3	11.20	11.20
*UMW Industries Limited	Level 3	0.00	0.00
Total		**1,682.67**	**1,177.52**

* As per Ind AS 109, Cost has been considered as the best estimate of the fair value.

Dividend income of ₹17.43 cr. and ₹4.48 cr. were recognised during the financial years 2021-22 and 2020-21 respectively.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

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

(₹ in crores)

Particulars	Fair value at the date of derecognition	Cumulative gain on disposal
Sundaram Clayton Limited	126.56	124.66
TVS Investments Private Limited	33.00	30.09

iii) Compulsory Convertible Preference Shares (CCPS) designated at Fair value through Other Comprehensive Income:

(₹ in crores)

Particulars	March 31, 2022	March 31, 2021
Investment in Series A CCPS of RBSG Capital Private Limited	3.12	3.12

For the above investment, as per Ind AS 109, cost has been considered as the best estimate of the fair value.

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, 2022	March 31, 2021		March 31, 2022	March 31, 2021
Financial Assets:					
Cash and cash equivalents	133.97	149.50	Level 1	133.97	149.50
Bank Balances	580.57	639.44	Level 3	585.91	648.32
Receivable	47.84	61.17	Level 3	47.84	61.17
Loans	37,476.40	38,088.61	Level 3	38,000.91	38,386.41
Investments in Government Securities	753.20	749.57	Level 1	775.16	780.76
Investment (Others)	454.89	78.83	Level 3	453.25	79.64
Other Financial Assets	73.39	144.20	Level 3	73.39	144.20
Total	**39,520.26**	**39,911.32**		**40,070.43**	**40,250.00**
Financial Liabilities:					
Payables	136.56	81.45	Level 3	136.56	81.40
Debt Securities	16,963.51	17,264.83	Level 3	17,047.13	17,563.10
Borrowings (Other than Debt Securities)	10,542.96	10,556.34	Level 3	10,527.61	10,648.02
Deposits	6,221.00	6,001.38	Level 3	6,253.85	6,055.26
Subordinated Liabilities	2,634.11	2,638.52	Level 3	2,815.91	2,891.42
Other Financial Liabilities	447.59	462.46	Level 3	449.16	465.43
Total	**36,945.73**	**37,004.98**		**37,230.22**	**37,704.63**

Fair value is arrived at using discounted future cash flows at market rates for the classification as per level 3 hierarchy.

Note 37: Financial Risk Management Framework

Risk is an inherent and integral part of the financial services business and the Group has been judiciously managing this through an efficient risk mitigation system, with a view to achieve the Group's stated objectives of Growth with Quality and Profitability. The risks primarily include credit risk, liquidity risk and market risk.

The policies and procedures laid down by the Group for the purpose of risk identification, measurement and management, compare well with contemporary best practices followed by industry peers. The various committees constituted by the respective Group's Boards such as Risk Management Committee, Asset Liability Management Committee, Investment Committee etc. have enunciated detailed policies for assessment of various types of risks, and fixed tolerance limits as appropriate.

37.1 Credit Risk

Credit risk is the risk of financial loss to the Group if a customer fails to meet his contractual obligations, and arises principally from the Group's loan receivables.

The Group has in place a robust credit policy which clearly defines the credit filters and the terms of acceptance of proposals for financing different categories of borrowers and asset classes.

The credit appraisal process, inter alia, includes filters for stratification of customers, compliance with know your customer (KYC) norms, Field investigation, Credit bureau verification, exposure ceilings, asset risk and segment and geography risks. The risk metrics also address Loan to Value, loan tenure, based on the useful life of the asset, end-use of the asset and credit enhancements, as appropriate.

The Group's exposure is primarily to retail customers, thereby making for a well-diversified risk portfolio. The time tested monitoring and recovery mechanism ensures timely recovery of instalments and where required, necessary action for resolution of delinquent accounts is initiated, including legal proceedings. Finally, physical presence and in-depth knowledge of the markets in which the Group operates enables early identification of emerging risks thereby facilitating prompt remedial action.

Impairment - Expected Credit Loss (ECL):

The application of Ind AS 109 has necessitated fundamental changes to the accounting for expected default risk (risk provisioning). Specifically, the incurred loss model has been replaced by the Expected Credit Loss model (ECL). Consequent to this change, the Expected Credit losses on financial instruments are classified under three stages.

Stage 1: Every financial asset is classified as stage 1, upon initial recognition. In addition, stage 1 contains all transactions with limited default risk.

Stage 2: Financial assets whose default risk has risen significantly since initial recognition and which are not classified as cases with limited default risk.

Stage 3: Financial assets that display objective evidence of impairment at the reporting date.

The accounting standard, Ind AS 109 does not specifically prescribe any methodology for computing ECL. However, entities are required to adopt sound and market acceptable methodologies which are in line with the size, complexity and risk-profile of the financial entity for

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

computing the ECL. The Group uses three main components to measure ECL. These are, Exposure at Risk (EAR), Probability of Default (PD) and Loss Given Default (LGD). Exposure at Risk (EAR) is defined as the sum of Principal outstanding and interest accrued at the reporting date. PD is defined as the probability of borrowers defaulting on their obligations. LGD represents the economic loss, adjusted for cure rate, as a percentage of exposure at the time of default.

Accordingly, loan assets are categorised under three different stages, as under:

Stage 1: Where instalments are Current and 1-30 days overdue

Stage 2: Where instalments are 31 days – 90 days overdue and

Stage 3: Where instalments are overdue beyond 90 days

The Group is required to provide 12-month expected credit loss (12-month ECL) for stage 1 assets and the life time expected credit loss (LECL) for stage 2 & stage 3 assets.

12-month ECL is the expected credit loss that results from default events that are possible within 12 months after the reporting date. LECL represents the expected credit loss from default events over the expected life of a financial asset.

As prescribed under Para 5.5 in Ind AS 109, 12-months PD is required to be computed for financial instruments which are in stage 1, and life time PD for those in stage 2 & 3. 12 months PD is the likelihood of the borrower defaulting in the 12 months following the reporting date while life time PD is the likelihood of the borrower defaulting during the residual tenor.

The PD model has been developed for all the major asset classes using a statistical and iterative approach. The design and construction of the model involves identification of various credit parameters and variables that have a strong and direct correlation to propensity of default. The PD model reflects to the probability of default, taking into consideration the inherent credit quality of the borrower and the residual tenor of each contract. It relies not only historical information and the current economic environment, but also considers forward-looking information such as the forecasts on the macroeconomic outlook, including emerging risks. The PD for stage 3 contracts is considered at 100%.

Where a customer has one contract in stage 3 and one or more contracts in stage 1 / stage 2, the PD for all the contracts is considered at 100%.

LGD

LGD represents the economic loss, adjusted for cure rate, as a percentage of exposure at the time of default. Economic loss is the estimated shortfall in realisation of dues, in the event of default. Contracts that have turned delinquent do not necessarily involve ultimate losses, since many of them are resolved through corrective actions. The cure rate is the probability of a 'non performing' (i.e. defaulted) contract reverting to a 'performing' (i.e. non-default) status in a year.

Following tables provide an overview of the gross carrying amount and credit loss allowance broken down into stages:

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, 2022**				**March 31, 2021**			
	1	**2**	**3**	**Total**	**1**	**2**	**3**	**Total**
Balance at the beginning of the year	35,625.85	2,453.04	958.66	39,037.54	34,777.98	1,968.68	1,156.09	37,902.75
New business - Net of recovery	1,974.97	(1,038.59)	(32.89)	903.50	1,663.22	(252.12)	(61.96)	1,349.14
Transfers due to change in creditworthiness	(1,532.57)	1,061.17	445.00	(26.40)	(817.77)	737.04	80.73	--
Financial assets that have been derecognised	954.74	56.98	59.56	1,071.28	(2.53)	(0.07)	(0.11)	(2.71)
Write off during the year	0.68	0.25	389.44	390.37	0.11	0.63	216.32	217.06
Balance at the end of the year	**35,112.81**	**2,418.39**	**921.77**	**38,452.99**	**35,625.85**	**2,453.04**	**958.65**	**39,037.54**

* Includes operating lease of ₹159.38 Cr. as on March 31, 2022 and ₹129.04 Cr. as on March 31, 2021

(₹ in crores)

Expected Credit Loss								
Stages->	**March 31, 2022**				**March 31, 2021**			
	1	**2**	**3**	**Total**	**1**	**2**	**3**	**Total**
Balance at the beginning of the year	154.92	96.48	563.71	815.11	48.92	50.40	542.20	641.52
New business - Net of recovery	(4.75)	65.91	299.13	360.29	80.23	55.50	271.57	407.30
Transfers due to change in creditworthiness	(2.70)	39.07	36.85	73.22	25.79	(9.06)	(3.62)	13.11
Financial assets that have been derecognised	(0.67)	0.18	40.90	40.41	(0.09)	(0.26)	30.11	29.76
Write off during the year	0.68	0.25	389.44	390.37	0.11	0.63	216.32	217.06
Balance at the end of the year	**147.46**	**201.03**	**469.35**	**817.84**	**154.92**	**96.47**	**563.72**	**815.11**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Concentration of Credit risk %

(i) Concentration by Geographical risk:

Particulars	March 31, 2022	March 31, 2021
South	66.14	69.51
North	19.96	17.11
West	10.32	9.82
East	3.58	3.56
Total	100.00	100.00

(ii) Concentration by Asset Class:

Particulars	March 31, 2022	March 31, 2021
Commercial Vehicles	33.93	34.92
Cars	19.65	19.19
Housing	16.83	16.26
Construction Equipments	8.47	8.90
Non Housing	7.63	6.97
Tractors & Farm Equipments	6.21	5.94
Others	7.29	7.82
Total	100.00	100.00

b. Other Assets

The Group computes Expected credit loss on other financial assets including trade receivables based on a provision matrix which is constructed using historical credit loss experience as adjusted to reflect current conditions.

(₹ in crores)

Stages->	March 31, 2022				March 31, 2021			
	1	2	3	Total	1	2	3	Total
Gross Carrying Amount	24.12	0.12	0.47	24.71	25.20	0.23	0.45	25.88
Expected Credit Loss	0.35	0.01	0.47	0.82	0.38	0.01	0.42	0.81
Net Carrying Amount	23.77	0.11	-	23.89	24.82	0.22	0.03	25.07

c. Loan Commitments and Financial Guarantees

(₹ in crores)

Stages->	March 31, 2022				March 31, 2021			
	1	2	3	Total	1	2	3	Total
Gross Carrying Amount	533.76	1.17	-	534.92	559.63	1.00	-	560.63
Expected Credit Loss	2.95	0.13	-	3.09	1.33	0.01	-	1.34
Net Carrying Amount	530.81	1.04	-	531.83	558.30	0.99	-	559.29

Credit risk management practices

(i) Policy on write off: Loans are written off when the value of underlying security/other collateral is not sufficient to cover the loan exposure or where the underlying security / customer are not traceable. In such cases, the Group takes legal recourse for recovery of shortfall of dues, if any.

(ii) Narrative description of collateral: The underlying assets, which are financed, are the primary collateral held. These are typically commercial vehicles, cars, construction equipment, farm equipment, etc. Additional collateral, by way of credit enhancement, is obtained based on the management's credit evaluation of the customer.

d. Debt Securities:

All debt investments are allocated to stage 1 under initial recognition. If the rating assigned to the security at the time of investment is downgraded by two notches and / or where there is a delay in interest servicing by more than 30 days, this would result in stage 2 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.

(₹ in crores)

Particulars	March 31, 2022		March 31, 2021	
	Gross Carrying Amount		Gross Carrying Amount	
	FVTPL	Amortised Cost	FVTPL	Amortised Cost
Government securities	–	753.21	–	749.57
Mutual Fund	3,043.73	–	2,138.42	–
Alternative Investment Funds	204.81	–	182.20	–
Pass through certificates	–	107.56	–	55.24
T-Bills	–	247.88	–	–
Commercial paper	–	100.07	–	24.06
Preference Securities	6.86	–	2.98	–
Bonds	-	–	–	0.23
Total	**3,255.40**	**1,208.72**	**2,323.60**	**829.10**

The Gross carrying amount in respect of investments classified under amortised cost are at stage 1.

(₹ in crores)

Particulars	Expected Credit loss	
	March 31, 2022	March 31, 2021
Balance at the beginning of the year	0.70	0.75
Additional Provisions (Net)	0.18	0.28
Transfers due to change in creditworthiness	–	–
Financial assets that have been derecognised	0.27	0.33
Write off during the year	–	–
Balance at the end of the year	**0.61**	**0.70**

The Expected credit loss pertains to investments classified under Amortised Cost at Stage 1.

37.2 Liquidity Risk

Liquidity risk relates to our potential inability to meet all payment obligations when they fall due or only being able to meet them at excessive costs. The objective of the liquidity risk management framework is to ensure that the Group can fulfil its payment obligations at all times and can manage liquidity and funding risks within its risk appetite. The Asset Liability Committee regularly monitors the liquidity position and the duration of assets/liabilities and ensures that liquidity is strictly managed as per the policy.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

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.

(₹ in crores)

March 31, 2022	Upto 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
Non-Derivative Financial Liabilities							
Payables	120.55	8.83	5.11	1.26	0.80	–	136.56
Debt Securities	3,695.52	975.48	3,515.11	8,507.29	1,189.53	650.09	18,533.02
Borrowings (Other than Debt Securities)	2,107.54	1,123.46	2,280.72	4,193.07	1,136.59	512.47	11,353.85
Deposits	789.02	1,041.04	1,522.40	3,191.63	106.77	–	6,650.87
Subordinated Liabilities	45.08	261.79	195.23	619.81	584.60	2,168.98	3,875.48
Other Financial Liabilities	270.23	38.57	10.03	112.53	13.96	8.19	453.51
Derivative Financial Liabilities	0.41	0.24	0.33	0.67	–	–	1.66
Total	**7,028.35**	**3,449.41**	**7,528.93**	**16,626.26**	**3,032.25**	**3,339.73**	**41,004.95**
Non-Derivative Financial Assets							
Cash and cash equivalents	133.97	0.00	–	–	–	–	133.97
Bank Balances	36.02	494.53	62.23	1.44	–	–	594.22
Receivables	46.62	0.23	1.01	–	–	–	47.84
Loans	4,949.72	4,123.17	7,338.68	18,180.47	5,474.91	7,340.08	47,407.03
Investments	3,170.55	139.51	112.57	323.52	275.36	628.72	4,650.22
Other Financial Assets	56.40	0.60	3.02	2.70	1.60	9.31	73.62
Derivative Financial Assets	–	–	–	–	–	–	–
Total	**8,393.28**	**4,758.04**	**7,517.51**	**18,508.13**	**5,751.87**	**7,978.11**	**52,906.90**

(₹ in crores)

March 31, 2021	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	66.15	9.82	0.46	1.13	3.64	0.24	81.45
Debt Securities	3,686.90	2,127.34	2,410.15	9,653.77	335.89	514.32	18,728.38
Borrowings (Other than Debt Securities)	1,217.40	1,047.46	3,125.55	4,897.38	735.75	436.45	11,459.99
Deposits	654.72	799.86	1,511.73	3,518.72	138.65	–	6,623.68
Subordinated Liabilities	67.05	111.71	145.22	711.08	621.08	2,343.03	3,999.16
Other Financial Liabilities	278.59	41.83	8.67	113.39	14.09	10.28	466.84
Derivative Financial Liabilities	30.06	1.00	1.65	5.85	–	–	38.56
Total	**6,000.87**	**4,139.02**	**7,203.43**	**18,901.32**	**1,849.10**	**3,304.32**	**41,398.06**
Non–Derivative Financial Assets							
Cash and cash equivalents	149.50	–	–	–	–	–	149.50
Bank Balances	25.42	77.69	67.09	515.04	–	–	685.25
Receivables	60.03	0.54	0.60	–	–	–	61.17
Loans	4,838.47	4,128.12	7,551.52	19,287.29	5,749.00	7,253.13	48,807.54
Investments	2,146.13	62.67	60.94	243.34	228.59	780.57	3,522.22
Other Financial Assets	123.27	0.64	1.64	6.16	1.41	11.08	144.22
Derivative Financial Assets	–	–	5.28	11.18	11.18	11.18	38.84
Total	**7,342.82**	**4,269.66**	**7,687.07**	**20,063.01**	**5,990.18**	**8,055.96**	**53,408.74**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

37.3 Market Risk

Market risk is the risk of loss arising from potential adverse changes in the value of the firm's assets and liabilities from fluctuation in market variables like liquidity, interest rate and foreign exchange (Currency risk) and equity prices.

a. Interest rate risk

The Group's exposure to changes in interest rates relates to its investment in debt securities/ outstanding floating rate liabilities. Most of the Group's outstanding liability in local currency is on fixed rate basis and hence not subject to interest rate risk. Whereas the foreign currency liability is linked to international rate benchmarks like LIBOR and hence subject to interest rate risk. The Group hedges these risks by way of entering into derivative transactions.

The interest rate profile of the Group's interest bearing financial instruments is as follows:

(₹ in crores)

Particulars	March 31, 2022	March 31, 2021
Financial Assets		
Fixed rate Instruments		
Loans	28,873.67	29,950.47
Investments	1,208.12	828.40
Bank Balances	580.56	639.24
Sub Total (A)	**30,662.35**	**31,418.11**
Variable rate Instruments		
Lease assets	185.71	146.23
Loans	8,576.40	8,505.57
Sub Total (B)	**8,762.11**	**8,651.80**
Total (A) + (B)	**39,424.46**	**40,069.91**
Financial Liabilities		
Fixed rate Instruments		
Debt Securities	19,032.61	19,903.35
Borrowings (Other than debt securities)	6,335.83	4,136.51
Deposits	6,297.30	6,039.02
Sub Total (C)	**31,665.74**	**30,078.88**
Variable rate Instruments		
Financial liabilities with floating interest rate	4,772.15	6,419.83
Sub Total (D)	**4,772.15**	**6,419.83**
Total (C) + (D)	**36,437.89**	**36,498.71**

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.

(₹ in crores)

	March 31, 2022		March 31, 2021	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
Variable rate instruments	55.45	(55.45)	41.77	(41.77)
Cross currency Interest Rate Swap	(0.47)	0.47	(5.32)	5.32
Cash flow sensitivity (Net)	55.92	(55.92)	47.09	(47.09)

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.

i) Exposure to Currency risk

The summary quantitative data about the Group's exposure to currency risk (based on notional amounts) as reported:

(₹ in crores)

Particulars	March 31, 2022		March 31, 2021	
	USD	INR	USD	INR
Total foreign currency exposure in respect of recognised assets and liabilities	–	–	5.27	387.25
Cross currency Interest Rate swap / Forward exchange contracts	–	–	(5.27)	(387.25)
Net Exposure	–	–	–	–

Sensitivity

Currency risks related to the amounts of foreign currency loans are fully hedged using derivatives that mature on the same dates as the loans are due for repayment.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

ii) Exposure to currency risk on account of Services business:

Particulars	Currency	March 31, 2022		March 31, 2021	
		Foreign Currency	₹ in crores	Foreign Currency	₹ in crores
Cash and Cash Equivalents	AUD	23,74,000	13.47	18,64,642	10.27
Cash and Cash Equivalents	AED	34,255	0.07	25,510	0.05
Bank Balances	AED	52,754	0.11	–	–
Trade Receivables	AUD	6,44,617	3.66	6,44,690	3.55
Investments	USD	200	0.00	–	–
Other Financial Assets	AED	4,090	0.01	4,090	0.01
Trade Payable	AUD	11,836	0.07	25,060	0.14
Other Financial Liabilities	AED	39,041	0.07	1,13,574	0.23

The foreign currency risk is mitigated by derivative contracts. The outstanding contracts as at the Balance Sheet date are as follows:

Particulars	March 31, 2022		March 31, 2021	
	Buy	Sell	Buy	Sell
Forward Contract: Cashflow Hedge				
AUD/INR (in A$ '000)	–	10,500.00	–	11,550.00
AUD/INR (₹ in crores)	–	62.11	–	65.50

As at the Balance Sheet date, the Group's net foreign exchange exposures that are not hedged by a derivative instrument or otherwise is below:

Particulars	Foreign Currency	₹ in crores
GBP	1,680	0.02
NZD	6,000	0.03
Total		**0.05**

Equity Risk:

The Group has investments in listed/unlisted companies, which are measured at FVTPL and FVTOCI. The valuation is dependent on market conditions.

Note 38: Financial Instruments - Transferred financial assets that are not derecognised in their entirety

Securitisation:

The Group as part of its business model periodically enters into securitisation transactions via Pass Through Certificates (PTC) route and/or Direct Assignment (DA). As per RBI guidelines, the Group maintained credit enhancement for securitisation transactions which covers the expected losses and thereby retains the risk associated with the assets.

(₹ in crores)

Particulars	March 31, 2022	March 31, 2021
Carrying amount of transferred assets	2,781.80	2,434.44
Carrying amount of associated liabilities	2,848.40	2,506.33
Fair value of assets	2,806.50	2,449.55
Fair value of associated liabilities	2,832.60	2,548.52
Net position at Fair value	(26.10)	(98.97)

Note 39: Employee benefits

Post-employment benefits: Defined Contribution plan

(₹ in crores)

Amount recognised as expense in Employee benefit expense	2021-22	2020-21
Contribution to Provident Fund	6.58	4.75
Contribution to Pension Fund	7.05	8.53
Contribution to Superannuation Fund	0.53	2.25
Contribution to State Insurance Scheme	0.05	0.09
Contribution to Labour Welfare Fund	0.03	0.03
Total	**14.24**	**15.65**

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (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, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Amounts recognised in profit or loss				
Current service cost	6.46	6.96	–	–
Past Service Cost	–	–	–	–
Net interest expense/(income)	0.04	0.09	0.07	0.07
Total amount included in employee benefits expense	**6.50**	**7.05**	**0.07**	**0.07**
Amounts recognised in other comprehensive income				
Re measurement (gains)/losses: Actuarial (gains)/losses arising from changes in				
- Financial assumptions	(3.20)	(3.53)	(0.02)	0.08
- Experience adjustments	16.95	3.39	(0.04)	(0.03)
Return on plan assets, excluding amount included in net interest expense/ (income)	(1.10)	–	–	–
Total amount recognised in other comprehensive income	12.65	(0.14)	(0.06)	0.05
Changes in the defined benefit obligation				
Opening defined benefit obligation	84.52	78.91	1.09	1.04
Add/(less) on account of business combination/transfers	0.25	0.83	–	–
Current service cost	6.46	7.26	–	–
Past Service Cost	–	–	–	–
Interest expense	5.53	5.03	0.07	0.07
Remeasurement (gains)/losses arising from changes in				
- Demographic assumptions	–	–	–	–
- Financial assumptions	(3.20)	(3.53)	(0.02)	0.08
- Experience adjustments	16.95	3.39	(0.04)	(0.03)
Liabilities assumed / (settled)	(0.05)	0.09	–	–
Benefits paid	(11.37)	(7.46)	(0.05)	(0.05)
Closing defined benefit obligation	**99.09**	**84.52**	**1.05**	**1.09**

(₹ in crores)

Particulars	FUNDED		UNFUNDED	
	Gratuity		Retired Employee Medical Scheme	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Opening fair value of plan assets	82.28	72.02	–	–
Add/(less) on account of business combination	0.25	0.81	–	–
Return on plan assets excluding interest income	1.05	3.64	–	–
Contribution by employer	7.51	12.10	0.05	0.05
Benefits paid	(11.37)	(7.60)	(0.05)	(0.05)
Actuarial gain / (loss) on plan assets	0.23	0.25	–	–
Assets acquired / (settled)	(0.09)	–	–	–
interest on plan assets	5.40	1.06	–	–
Closing fair value of plan assets	**85.26**	**82.28**	**–**	**–**
Net asset / (liability) recognised in balance sheet	–	–	–	–
Defined benefit obligation	99.09	84.52	1.05	1.09
Fair value of plan assets	85.26	82.28		–
Surplus/(Deficit)	**(13.83)**	**(2.24)**	**(1.05)**	**(1.09)**

(in %)

Particulars	FUNDED		UNFUNDED	
	Gratuity		Retired Employee Medical Scheme	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
I. Actuarial assumptions				
Discount rate	6.47 - 7.36	6.47 - 7.02	4.14 - 6.94	3.87 - 6.71
Expected Return on plan assets	6.70 - 7.36	6.94 - 6.97	–	–
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 LEVEL	
	31.03.2022	31.03.2021
Actuarial assumptions		
Discount rate	6.20 - 7.34	5.81 - 7.10
Salary escalation	5 to 8	5 to 8
Attrition rate	1 to 10	1 to 10

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

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, 2022	March 31, 2021
Central Government Securities	9.57	10.86
State Government Securities	41.44	38.66
Public Sector Bonds	40.76	41.43
Private Sector Bonds	1.39	2.23
Special Deposits	2.86	3.13
Equity Fund	3.76	3.69
Short Term Deposit	0.22	–
Total	**100.00**	**100.00**

Note 40: Share Based Payments

The Company grants ESOP to Senior Management employees in accordance with the terms of the Plan.

(a) Description of the ESOP plan (graded vesting) that existed during the period:

Particulars	Grant 13	Grant 13	Grant 12
Board meeting date	28.05.2021	28.05.2021	29.05.2020
Options granted	9,480	4,856	9,375
Exercise price (₹ per share)	10	10	10
Date of grant	28.05.2021	28.05.2021	29.05.2020
Vesting date / period	3 years grant with 30%, 30% and the balance vesting after 1,2 & 3 years respectively	One year	01-06-2021 / 12 months
Exercise period	Within 5 years after respective vesting	Within 5 years after respective vesting	Within 3 months after vesting
Market price immediately prior to grant date(₹ per share)	2,478.15	2,478.15	1,209.75
Intrinsic value(₹ per share)	2,468.15	2,468.15	1,199.75

(b) Description of the Stock Appreciation Rights(SAR –graded vesting) plan that existed during the period:

Particulars	Grant 13	Grant 13
Board meeting date	28.05.2021	28.05.2021
Options granted	1,370	1,014
Exercise price (₹ per share)	10	10
Date of grant	28.05.2021	28.05.2021
Vesting date / period	3 years grant with 30%, 30% and the balance vesting after 1,2 & 3 years respectively	One year
Exercise period	Within one day after respective vesting	Within one day after respective vesting
Market value of shares on the reporting period is considered and estimated fair value is arrived based on Black-Scholes model using one year, two year and three year G-Sec rates respectively for 1,2 & 3 year exercise period.		

Group share based payments:

The company as a part of ESOP scheme has issued share options to employees of various group Companies. The company does not get reimbursed for the cost of such group share options and such costs are treated as investment in the group companies.

Effect of Share based payments transactions on financial statement of the entity:

(₹ in crores)

Particulars	2021-22	2020-21
Expenses recognised in Profit & Loss account	2.09	1.18
Amount recognised as Investment in Group companies	0.48	0.24

Unvested share options issued to employees of various group companies are as under:

(in numbers)

Particulars	Grant 13	Grant 12
Sundaram Asset Management Company Limited	1,200	700
Sundaram Home Finance Limited	1,520	900
Sundaram Finance Holdings Limited	480	-
TOTAL	**3,200**	**1,600**

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:

Particulars	Grant 13	Grant 12
Risk free interest rate (1 year to 3 years)	3.94% to 5.07%	3.86%
Life of the option	1 to 3 years	12 months
Expected volatility	50.51%	36.48%
Fair value of the option (₹ per share) - ESOP Plan	1 year :2468.54 2 year : 2469.05 3 year 2469.56	1 year :1200.13
Fair value of the option (₹ per share) - SAR Plan	1 year :1930.27 2 year :1930.74 3 year :1931.30	

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 outstanding share options: 2021– 22

The number and weighted-average exercise prices of share options under various grants are as follows:

(in numbers)

Grant details	Grant 13 - ESOP		Grant 12 - ESOP	
Particulars	Weighted average exercise price per option	No. of options	Weighted average exercise price per option	No. of options
Outstanding at the beginning of the period	-	-	10	9,375
Granted during the period	10	14,336	-	-
Forfeited / expired during the period	-	-	10	400
Exercised during the period	-	-	10	8,975
Outstanding at the end of the period	10	14,336	-	-
Exercisable at the end of the period	-	-	-	-

Grant details	Grant 13 - SAR		Grant 12 - SAR	
Particulars	Weighted average exercise price per option	No. of options	Weighted average exercise price per option	No. of options
Outstanding at the beginning of the period	-	-	-	-
Granted during the period	10	2,384	-	-
Forfeited / expired during the period	-	-	-	-
Exercised during the period	-	-	-	-
Outstanding at the end of the period	10	2,384	-	-
Exercisable at the end of the period	-	-	-	-

Exercise price and Contractual life for the share options outstanding at the end of the period

Particulars	31.03.2022 Grant 13	31.03.2021 Grant 12
Exercise Price (₹)	10	10
Contractual life	2 months to 26 months	2 months

Reconciliation of the outstanding share options: 2020-2021

The number and weighted-average exercise prices of share options under various grants are as follows:

(in numbers)

Grant details	Grant 12		Grant 11	
Particulars	Weighted average exercise price per option	No. of options	Weighted average exercise price per option	No. of options
Outstanding at the beginning of the period	10	9,375	-	-
Granted during the period	-	-	10	18,750
Forfeited / expired during the period	10	400	-	-
Exercised during the period	10	8,975	10	18,750
Outstanding at the end of the period	-	-	-	-
Exercisable at the end of the period	-	-	-	-

Note 41: Leases

(₹ in crores)

Details	March 31, 2022		March 31, 2021	
	Gross Investment in Lease	Present value of Minimum Lease payments	Gross Investment in Lease	Present value of Minimum Lease payments
Upto 1 Year	26.67	23.88	91.44	84.49
1-5 Year	22.60	18.84	30.65	27.65
> 5 Year				
Total	**49.27**	**42.72**	**122.09**	**112.14**
Less: Unearned Finance income	6.55		9.95	
Present value of Minimum Lease payments	**42.72**		**112.14**	

Operating lease as lessor

Maturity pattern of Minimum Lease payments:

(₹ in crores)

Particulars	March 31, 2022	March 31, 2021
Less than 1 year	68.33	57.09
Later than 1 year and not later than 5 years	95.77	76.17
Total	**164.10**	**133.26**

Operating lease as lessee- Ind AS 116 – Leases

COVID-19 - Related Rent Concessions: Ministry of Corporate Affairs (MCA) has issued an amendment to Ind AS 116 – Leases (notified on 24th July 2020 and further extended vide notification dated 18th June 2021) The amendment provide lessees with an exemption from assessing whether a COVID-19 related rent concession is a lease modification. The amendments allowed the expedient to be applied to COVID-19 related rent concessions to payments originally due on or before June 30, 2022 and also require disclosure of the amount recognized in profit or loss to reflect changes in lease payments that arise from COVID-19 related rent concessions.

Accordingly, the Company has applied practical expedient to all its rent concessions and the amount in profit and loss for the reporting period that reflect the change in lease payments arising from rent concession is ₹ 0.23 crores.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Note 42: General

42.01 Tax u/s 115BAA of the Income Tax Act

The Group had opted for reduced rate of Income tax pursuant to the aforesaid section, except for Sundaram Finance Holdings Limited and Sundaram Business Services Limited.

42.02 During the year our subsidiary Company, Sundaram Asset Management Company (SAMC) acquired the investment in Principal Asset Management Company Private Limited (PAMC) and together with it the investment in other group companies namely Principal Retirement Advisors Pvt Ltd and Principal Trustee Co Pvt Ltd jointly referred to as PAMC Group. Subsequently, during the year, with effect from 31.12.2021, SAMC has acquired the shares of the said group in accordance with the share purchase agreement entered into with the shareholders of that group. Pursuant to such purchase all the companies in the PAMC group have become wholly owned subsidiaries of SAMC. The name has since been changed from Principal Asset Management Company Private Limited to SAMC Support Services Private Limited.

42.03 Provisions contingent liabilities and contingent asset

Movement of provisions	Amount (₹ in crores)
Carrying amount as on 31.03.2021	17.11
Add: Provisions made during the year	2.24
Less: Amount used or reversed during the year	1.30
Carrying amount as on 31.03.2022	18.05

(₹ in crores)

Contingent liabilities	March 31, 2022	March 31, 2021
a) On Cheques discounted	-	0.03
b) Bank guarantee and Letter of credit	21.05	45.37
c) Claims against the company not acknowledged as debts	6.68	7.80
d) Tax disputes	83.38	100.23
e) Uncalled portion of Partly paid shares	0.59	-
f) Retrospective bonus	0.34	0.34

Tax disputes in respect of Income Tax, Service Tax, VAT demands and are pending before various appellate forums/authorities and the cash flows would be determined only upon the receipt of decisions. The Company is of the opinion that the demands are not sustainable and expects to succeed in its appeal.

The contested tax demands have been ascertained on the basis of relief allowed by the appellate authorities, on similar issues in earlier assessment years.

42.04 Segment Reporting

(₹ in crores)

Business Segments	Asset Financing		Other Operations		Eliminations		Consolidated Total	
	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
REVENUE								
Segment Revenue	4,655.89	4,856.38	452.48	391.28	–	–	5,108.37	5,247.66
Inter segment sales	0.21	(0.70)	126.95	122.63	127.16	121.93	–	–
Total Revenue	4,656.10	4,855.68	579.43	513.91	127.16	121.93	5,108.37	5,247.66
RESULT								
Segment Result	1,330.63	1,226.25	183.63	156.00	90.38	90.95	1,423.88	1,291.30
Unallocated income (net of expense)	–	–	–	–	–	–	(7.24)	38.27
Profit before tax	–	–	–	–	–	–	1,416.63	1,329.57
Less: Income tax	–	–	–	–	–	–	350.01	327.53
Net Profit (before adjustment for minority interest)	–	–	–	–	–	–	1,066.62	1,002.04
Add: Share of Profit in Associates / Joint control Entities	–	–	–	–	–	–	229.63	220.95
Less: Minority Interest	–	–	–	–	–	–	122.89	57.92
Profit after Tax	–	–	–	–	–	–	1,173.34	1,165.07
OTHER INFORMATION	**31.03.2022**	**31.03.2021**	**31.03.2022**	**31.03.2021**	**31.03.2022**	**31.03.2021**	**31.03.2022**	**31.03.2021**
Segment Assets	42,704.91	42,102.42	5827.18	4,811.43	1,697.77	1,412.59	4,6834.32	45,501.26
Unallocated Assets	–	–	–	–	–	–	1,319.71	1,058.57
Total Assets							**48,154.03**	**46,559.83**
Segment Liabilities	36,988.61	37,009.91	227.82	117.78	151.31	18.37	37,065.12	37109.32
Minority Interest								
Total Liabilities							**37,065.12**	**37,109.32**
Capital Expenditure	82.56	67.44	242.03	2.26	–	–	324.59	69.70
Depreciation	84.20	83.20	19.41	11.86	2.44	2.08	101.17	92.97
Non-cash expenses other than depreciation	399.45	368.34	10.47	(0.05)	–	–	409.93	368.29

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

42.05 Pending Litigations

The pending litigations as on 31st March 2022 have been compiled by the company. The current position of the litigation has been evaluated and the effect thereof has been appropriately disclosed in the financial statements.

42.06 Estimated amount of contracts remaining to be executed on capital account

(₹ in crores)

Particulars	March 31, 2022	March 31, 2021
Estimated amount of contracts remaining to be executed on capital account (net of advance)	739.98	448.03
Uncalled commitment in Alternative Investment Fund Schemes	41.76	28.69
Corporate guarantee provided to subsidiary company	–	25.00

Other Commitments

The Company has given an undertaking not to dilute, in any manner, its shareholding below 51% in respect of the borrowings availed by one of its wholly owned subsidiaries.

42.07 Registration of charges or satisfaction:

Particulars	31.03.2022	31.03.2021
(a) Where any charges or satisfaction yet to be registered with ROC beyond the statutory period	NIL	NIL
(b) Details and reasons thereof shall be disclosed		

42.08 Utilisation of Borrowed funds and Share Premium (Diversion of Funds):

No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Group to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend to or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

No funds have been received by the Group from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Group shall, whether, directly or indirectly, lend to or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

42.09 Undisclosed income

There is no surrender or disclosure of income separately on account of search or survey under Income tax since all transactions are recorded in the books.

42.10 Crypto Currency or Virtual Currency

The Group has neither traded nor invested in Crypto currency or virtual currency during the year.

42.11 Administrative and other expenses "under Other Expenditure" include payment to Statutory Auditors towards:

(₹ in crores)

Particulars	2021-22	2020-21
Auditors' fees and expenses*	**2.50**	**2.37**
Statutory fees	1.74	1.57
Tax fees	0.32	0.36
Certification fees	0.41	0.39
Reimbursement of expenses	0.03	0.05

* Including GST provision

42.12 RELATED PARTIES DISCLOSURES:

Related party disclosures, as per INDAS 24 for the Year Ended 31st March 2022, are given below:

RELATED PARTIES:

Associates of a Subsidiary Company

Sundaram Composite Structures Private Limited
Flometallic India Private Ltd.
Dunes Oman LLC (FZC)
Sundaram Hydraulics Ltd.
Axles India Ltd.
Turbo Energy Private Ltd.
Transenergy Ltd.
Sundaram Dynacast Private Ltd.
Wheels India Limited
Mind S.r.l.

Joint Ventures :

Royal Sundaram General Insurance Co. Ltd.

Key Management Personnel:

Mr. Harsha Viji, Executive Vice Chairman
Mr. Rajiv C. Lochan - Managing Director
Mr. A.N. Raju - Deputy Managing Director

Relatives of Key Management Personnel: (with whom the company has transactions)

Mr. S.Viji
Mrs. Chitra Viji
Mrs. Geetha Chellappa
Mrs. R.N. Mala
Mr. R.N. Pradyumna
Mr. Sriram Viji
Mr.A.N.Sreeram

Enterprises over which Key Management Personnel (KMP) and his relatives can exercise significant influence

M/s.Azorius Holdings Private Limited
M/s. Uthirattadhi Sriram Holdings Private Ltd.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

All the arrangements and transactions entered into by the company with related parties, for the Year Ended 31.03.2022 were in ordinary course of business and on arm's length price

Related Party Transactions for the Year Ended 31st March 2022

The nature and volume of transactions for the Year ended 31st March 2022 with the above related parties are as follows.

(₹ in crores)

Particulars	Associates	Joint Ventures	2021-2022	2020-2021
INCOME				
Lease Rental Income	1.32	0.07	1.39	1.36
Interest Income	–	–	–	3.90
Income from Services	0.09	5.71	5.80	9.66
Dividend	18.35	–	18.35	8.64
Rent Receipts	0.38	0.69	1.07	0.86
Income from other Financial Services	–	15.82	15.82	17.06
Other Non Operating Income	–	0.06	0.06	0.09
Solar Power Income	–	–	–	0.00
Sale of Assets	–	–	–	0.04
EXPENDITURE				
Interest	–	17.74	17.74	18.61
Rent Paid	–	–	–	0.03
Insurance Premium	–	3.07	3.07	2.44
ASSETS				
Purchase of equity Shares	53.67	–	53.67	123.71
Sale of equity Shares	4.53	–	4.53	–
Capital Reduction	19.72	–	19.72	–
Payment of Call Money	–	–	–	5.50
Insurance Premium paid in advance	–	2.41	2.41	1.86
LIABILITIES				
Issue of Non Convertible Debentures	–	15.30	15.30	51.47
Other Liabilities	–	0.10	0.10	–
Redemption of Non Convertible Debentures	–	10.00	10.00	5.00

(₹ in crores)

Compensation paid to Key Managerial Personnel	2021-22	2020-21
Short term benefits	13.44	17.78
Post retirement benefits	0.44	0.47
Share based payments	0.26	0.30

Transactions with Key Managerial Personnel/Relatives	2021-22	2020-21
Interest on deposits	0.71	2.09
Dividend Paid	8.40	9.84
Deposis Made	0.15	0.21
Dividend Paid to Enterprises over which KMP and his relatives is exercising significant influence	3.73	3.49

Disclosure Of Material Transactions With Related Parties

(₹ in crores)

Particulars	Related Parties	2021-22	2020-21
INCOME			
Lease Rental Income	Wheels India Limited	0.81	0.76
	Turbo Energy Private Ltd.	0.38	0.40
	Axles India Limited	0.13	0.13
	Royal Sundaram General Insurance Co. Ltd.	0.07	0.07
Interest Income	Royal Sundaram General Insurance Co. Ltd.	–	3.90
Income from Services	Royal Sundaram General Insurance Co. Ltd.	5.71	9.42
	Turbo Energy Private Ltd.	0.00	0.17
	Wheels India Limited	0.09	0.08
Dividend	Turbo Energy Private Ltd.	16.38	–
	Wheels India Limited	0.56	1.48
	Axles India Limited	–	1.48
	Sundaram Dynacast Private Limited	1.40	1.87
	Flometallic India Private Limited	–	3.80
Rent Receipts	Royal Sundaram General Insurance Co. Ltd.	0.69	0.51
	Turbo Energy Private Ltd.	0.38	0.34
Income from other Financial Services	Royal Sundaram General Insurance Co. Ltd.	15.82	17.06
Other Non Operating Income	Royal Sundaram General Insurance Co. Ltd.	0.06	0.09
Solar Power Income	Turbo Energy Private Limited	–	0.00
Sale of Assets	Royal Sundaram General Insurance Co. Ltd.	–	0.04

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Disclosure Of Material Transactions With Related Parties

(₹ in crores)

Particulars	Related Parties	2021–22	2020–2021
EXPENDITURE			
Interest	Royal Sundaram General Insurance Co. Ltd.	17.74	18.61
Rent Paid	Royal Sundaram General Insurance Co. Ltd.	–	0.03
Insurance Premium	Royal Sundaram General Insurance Co. Ltd.	3.07	2.44

(₹ in crores)

Particulars	Related Parties	2021–22	2020–2021
ASSETS			
Purchase of Shares	Wheels India Limited	–	100.00
	Mind S.r.l	17.17	23.71
	Flometallic India Private Limited	12.50	–
	Sundaram Composite Structures Private Limited	24.00	–
Sale of Shares	Sundaram Composite Structures Private Limited	4.53	–
Capital Reduction	Dunes Oman LLC	19.72	–
Payment of Call Money	Flometallic India Private Limited	–	5.50
Insurance Pemium paid in advance	Royal Sundaram General Insurance Co. Ltd.	2.41	1.86
LIABILITIES		–	–
Issue of Non Convertible Debentures	Royal Sundaram General Insurance Co. Ltd.	15.30	51.47
Redemption of Non Convertible Debentures	Royal Sundaram General Insurance Co. Ltd.	10.00	5.00
Other Liabilities	Royal Sundaram General Insurance Co. Ltd.	0.10	–

Balances With Related Parties as at 31st March 2022

(₹ in crores)

BALANCES OUTSTANDING	Associates	Joint Ventures	Key Management Personnel	Relatives of Key Management Personnel	March 31, 2022	March 31, 2021
ASSETS						
Investments	1,163.89	585.27	–	–	1,749.16	1,576.70
Other Assets	0.01	8.96	–	–	8.97	8.92
	–	–	–	–	–	–
LIABILITIES						
Equity Holdings	–	–	1.74	3.51	5.25	8.89
Non Convertible Debentures	–	225.28	–	–	225.28	256.51
Deposits	–	–	0.40	3.16	3.56	12.92
Other Liabilities	–	0.46	–	–	0.46	0.36
Remuneration payable	–	–	8.62	–	8.62	12.45

Disclosure of Material Balances With Related Parties as at 31st March 2022

(₹ in crores)

BALANCES OUTSTANDING	Associates	Joint Ventures	31st March 2022	31st March 2021
ASSETS				
Investments in Equity Shares				
Royal Sundaram General Insurance Co. Ltd	–	585.27	585.27	585.27
Flometallic India Private Limited	130.06	–	130.06	63.20
Dunes Oman LLC (FZC)	88.94	–	88.94	95.28
Sundaram Hydraulics Limited	–	–	–	–
Axles India Limited	68.26	–	68.26	52.78
Turbo Energy Private Limited	531.66	–	531.66	493.94
Transenergy Limited	12.24	–	12.24	9.14
Sundaram Dynacast Private Limited	16.83	–	16.83	14.68
Wheels India Limited	266.54	–	266.54	238.70
Sundaram Composite Structures Private Ltd	20.10	–	20.10	–
– Mind S.r.l Italy	29.25	–	29.25	23.71
Total	**1,163.89**	**585.27**	**1,749.16**	**1,576.70**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Disclosure Of Material Balances With Related Parties as at 31st March 2022

(₹ in crores)

BALANCES OUTSTANDING	Associates	Joint Ventures	Key Management Personnel	Relatives of Key Management Personnel	March 31, 2022	March 31, 2021
Other Assets						
Royal Sundaram General Insurance Co. Ltd.	–	8.96	–	–	8.96	8.92
Wheels India Limited	0.01	–	–	–	0.01	–
Total	0.01	8.96	–	–	8.97	8.92
LIABILITIES						
Equity Holdings	–	–	1.74	3.51	5.25	8.89
Non Convertible Debentures	–	–	–	–	–	–
Royal Sundaram General Insurance Co. Ltd.	–	225.28	–	–	225.28	256.51
Deposits	–	–	0.40	3.16	3.56	12.92
Other Liabilities						
Royal Sundaram General Insurance Co. Ltd.	–	0.46	–	–	0.46	0.36
Remuneration payable	–	–	8.62	–	8.62	12.45
Total	**–**	**0.46**	**8.62**	**–**	**9.08**	**12.81**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

42.13 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 the Consolidated profit or loss				Share in the consolidated Other Comprehensive Income				Share in Consolidated Total Comprehensive Income			
	31.03.2022		31.03.2021		2021-22		2020-21		2021-22		2020-21		2021-22		2020-21	
	As % of net assets	Amount	As % of net assets	Amount	As % of profit or loss	Amount	As % of profit or loss	Amount	As % of OCI	Amount	As % of OCI	Amount	As % of TCI	Amount	As % of TCI	Amount
Sundaram Finance Ltd.	54.07	6,893.09	56.38	6,179.45	64.80	903.41	62.81	809.05	(5.03)	(14.26)	(2.71)	(4.83)	53.00	889.15	54.84	804.22
Subsidiaries:																
Sundaram Finance Holdings Ltd. (Consolidated)	5.53	705.24	4.33	474.29	2.71	37.80	1.24	15.96	25.53	72.38	20.61	36.78	6.57	110.18	3.60	52.74
Sundaram Asset Management Company Ltd. (Consolidated)	2.86	364.08	2.32	253.74	5.14	71.63	4.28	55.13	1.23	3.48	0.47	0.83	4.48	75.11	3.82	55.96
Sundaram Home Finance Ltd	12.98	1,654.98	14.22	1,558.70	12.03	167.70	14.88	191.64	(0.27)	(0.76)	(0.23)	(0.41)	9.95	1,66.94	13.04	191.24
Sundaram Fund Services Ltd	0.31	39.06	0.34	36.84	0.16	2.27	0.01	0.11	(0.02)	(0.05)	–	–	0.13	2.22	0.01	0.12
Sundaram Trustee Company Ltd.	0.02	2.62	0.02	1.89	0.07	0.97	0.06	0.72	–	–	–	–	0.06	0.97	0.05	0.72
LGF Services Ltd	0.03	3.57	0.03	3.52	0.01	0.12	0.00	0.06	–	–	–	–	0.01	0.12	0.00	0.06
Sundaram Finance Employee Welfare Trust	0.14	18.12	0.15	16.95	0.08	1.17	0.06	0.79	–	–	–	–	0.07	1.17	0.05	0.79
Minority Interests in Subsidiaries	**18.00**	**2,294.08**	**15.70**	**1,720.25**	**8.81**	**122.90**	**4.50**	**57.91**	**88.11**	**249.78**	**74.76**	**133.42**	**22.21**	**372.68**	**13.05**	**191.33**
Joint Control Entities																
Royal Sundaram General Insurance Co. Ltd	6.07	773.49	6.52	714.36	6.18	86.21	12.17	156.74	(9.55)	(27.08)	7.10	12.67	3.52	59.13	11.55	169.41
	100.00	**12,748.33**	**100.00**	**10,960.01**	**100.00**	**1,394.19**	**100.00**	**1,288.12**	**100.00**	**283.50**	**100.00**	**178.46**	**100.00**	**1,677.69**	**100.00**	**1,466.58**
Adjustment arising out of Consolidation		(1,659.42)		(1,509.50)		(97.95)		(65.12)						(97.95)		(65.12)
		11,088.91		**9,450.51**		**1,296.24**		**1,223.00**		**283.50**		**178.46**		**1,579.74**		**1401.46**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

42.14- Disclosure under the MSME Act 2006

(₹ in crores)

Particulars	March 31, 2022	March 31, 2021
ia) Principal amount remaining unpaid*	1.41	0.67
ib) Interest amount remaining unpaid	NIL	NIL
ii) Interest and principal amount paid beyond appointed date	NIL	NIL
iii) Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointment day during the year) but without adding the interest specified under this Act.	NIL	NIL
iv) Interest accrued and remaining unpaid	NIL	NIL

* Subsequently liability is discharged

42.15 Based on the current assessment of the long-term contracts in the ordinary course of business, the Company has made adequate provision for losses where required. The derivative contracts have been entered into for hedging the foreign currency liability and interest liability. Derivative contracts being in the nature of hedge contracts, the Company does not anticipate any material losses from the same.

42.16 The Board of Directors have recommended a final dividend of ₹10/- per share (100 %) for the year ended 31st March 2022 in May 2022. This together with interim dividend of ₹10/- per share (100%) paid would aggregate to a total dividend of ₹20 /- per share (200 %).

42.17 Earnings per Share

Particulars	31.03.2022	31.03.2021
Profit /(Loss) attributable to equity shareholders (₹ in crores)	1,173.34	1165.09
Weighted average number of equity shares	11,01,89,715	11,01,80,940
Earnings per share – Basic & Diluted (in ₹)	106.48	105.74
Face value of Share	10	10

42.18 Previous year's figures have been regrouped wherever necessary to confirm to current year's classification.

As per our report of even date attached
For **B. K. Khare & Co**
Chartered Accountants
Firm Registration No. 105102W
Padmini Khare Kaicker
Partner, Membership No. 044784
Place : Mumbai

For N. C. Rajagopal & Co
Chartered Accountants
Firm Registration No. 003398S
V Chandrasekaran
Partner, Membership No. 024844
Place : Chennai

Date : May 25, 2022

S. Viji
Chairman

Harsha Viji
Executive Vice Chairman

S. Prasad
Director

Rajiv C. Lochan
Managing Director

A.N. Raju
Deputy Managing Director

M. Ramaswamy
Chief Financial Officer

P. Viswanathan
Secretary & Compliance Officer

Form AOC-I

(Pursuant to first provision to sub-section (3) of section 129 of the Companies Act, 2013, read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of Subsidiaries/Associate companies/Joint Ventures

Part "A": Subsidiaries

(₹ in crores)

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 subsidiary	Sundaram Trustee Company Limited	LGF Services Limited	Sundaram Home Finance Ltd	Sundaram Fund Services Ltd
3.	Date since when the Subsidiary was acquired	26-02-1996	13-10-1993	02-12-2003	23-01-2004	02-07-1999	27-06-2008
4.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	NA	NA	NA	NA	NA	NA
5.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	NA	NA	NA	NA	NA	NA
6.	Share capital	23.95	111.05	0.05	0.25	101.25	45.00
7.	Other Equity	340.13	2,891.00	2.57	3.32	1,553.72	(5.94)
8.	Total assets	582.80	3,095.51	2.87	3.60	10,249.13	39.76
9.	Total Liabilities	218.72	93.46	0.25	0.03	8,594.16	0.69
10.	Investments	174.92	3,052.91	2.49	2.27	876.28	7.65
11.	Turnover	345.00	88.04	1.85	0.20	956.99	4.85
12.	Profit/(Loss) before taxation	97.96	21.86	1.30	0.16	212.72	2.31
13.	Tax Expense	26.33	4.57	0.33	0.04	45.02	0.04
14.	Profit/(Loss) after taxation*	71.63	160.70	0.97	0.12	167.70	2.27
15.	Other Comprehensive Income	3.48	322.14	–	–	(0.76)	(0.05)
16.	Total Comprehensive Income	75.11	482.84	0.97	0.12	166.94	2.22
17.	Proposed Dividend	38.00	38.87	0.30	0.13	65.82	–
18.	% of shareholding	100.00%	23.49%	100.00%	100.00%	100.00%	100.00%

Subsidiaries yet to commence operations : NIL
Subsidiaries liquidated or sold during the year : NIL
* Includes Share of profit from Associates : ₹143.41 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	31-03-2022
2.	Date on which the associate/JV was acquired	22-08-2000
3.	Shares of Associate/Joint Venture held by the company on the year end	
	Number	22,45,00,000
	Amount of Investment in Joint Venture	585.27
	Extend of Holding %	50.00%
4.	Description of how there is significant influence	Joint Venture
5.	Reason why the Associate/Joint Venture is not consolidated	NA
6.	Networth attributable to Shareholding as per latest audited Balance Sheet	1,546.98
7.	Total Comprehensive Income for the period	
	i. Considered in Consolidation	59.13
	ii. Not Considered in Consolidation	59.13

Associates/Joint ventures yet to commence operations : NIL

Associates/Joint ventures liquidated or sold during the year : NIL

As per our report of even date attached
For **B. K. Khare & Co**
Chartered Accountants
Firm Registration No. 105102W
Padmini Khare Kaicker
Partner, Membership No. 044784
Place : Mumbai

For N. C. Rajagopal & Co
Chartered Accountants
Firm Registration No. 003398S
V Chandrasekaran
Partner, Membership No. 024844
Place : Chennai

Date : May 25, 2022

S. Viji
Chairman

Harsha Viji
Executive Vice Chairman

S. Prasad
Director

Rajiv C. Lochan
Managing Director

A.N. Raju
Deputy Managing Director

M. Ramaswamy
Chief Financial Officer

P. Viswanathan
Secretary & Compliance Officer

Sundaram Finance Branch Network – 618 Branches

