

# Sundaram Home Finance Limited

23rd Annual Report  
2021-22



| *SUNDARAM HOME*

## Board of Directors

T.T. Srinivasaraghavan	Chairman
Harsha Viji	
A.N. Raju	
Radha Unni	
Bhavani Balasubramanian	
Mahesh Parasuraman	
S. Mahalingam	
C. Sruthi	(w.e.f. 14th May 2022)
Lakshminarayanan Duraiswamy	Managing Director

## Audit Committee

Bhavani Balasubramanian	Chairman
Radha Unni	
Harsha Viji	

## Executive Committee

T.T. Srinivasaraghavan	Chairman
A.N. Raju	
Lakshminarayanan Duraiswamy	

## Asset Liability Management Committee

Lakshminarayanan Duraiswamy	Chairman
S. Sridhar	

## Risk Management Committee

A.N. Raju	Chairman
Bhavani Balasubramanian	
Lakshminarayanan Duraiswamy	

## Corporate Social Responsibility Committee

Harsha Viji	Chairman
Bhavani Balasubramanian	
Lakshminarayanan Duraiswamy	

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## **Nomination & Remuneration Committee**

Radha Unni      Chairman  
Harsha Viji  
Mahesh Parasuraman

## **Stakeholders Relationship Committee**

A.N. Raju      Chairman  
Radha Unni  
Lakshminarayanan Duraiswamy

## **IT Strategy Committee**

Mahesh Parasuraman      Chairman  
Sudheer Warriar  
Lakshminarayanan Duraiswamy

## **Key Managerial Personnel**

Lakshminarayanan Duraiswamy      Managing Director  
S. Sridhar      Chief Financial Officer  
R. Venkatasubramanian      Company Secretary (w.e.f. 26th April 2022)

## **Chief Risk Officer**

Anitha Srinivasan

## **Senior Executives**

Gaurav Mittal      Chief Business Officer  
Hema Ganapathy      Chief Operating Officer  
V. Janaki      Senior General Manager & Head - Information Systems

## **Statutory Auditors**

M/s. Suri & Co.  
Chartered Accountants  
Park Circle, Second Floor  
No.20, Moores Road, Thousand Lights  
Chennai - 600 006

## **Secretarial Auditor**

M/s. M. Damodaran & Associates LLP  
New No.6, Old No.12  
Appavoo Gramani 1st Street  
Mandaveli  
Chennai - 600 028

**Information Security Assurance Services**

M/s. C.V. Ramaswamy & Co.  
No.1, Vidwan Sundaram Street  
Nungambakkam  
Chennai 600 034

**Bankers**

Axis Bank	ICICI Bank
Federal Bank	IndusInd Bank
HDFC Bank	State Bank of India

**Trustee for Debentures / Public Deposits**

IDBI Trusteeship Services Limited  
Asian Building, Ground Floor  
17, Kamani Marg  
Ballard Estate  
Mumbai – 400 001

**Trustee for Securitisation**

Vistra (ITCL) Limited  
(Formerly IL & FS Trust Company Limited)  
The IL & FS Financial Centre  
Plot C-22, G Block, Bandra-Kurla Complex  
Bandra (E), Mumbai – 400 051

**Registered Office**

21, Patullos Road  
Chennai – 600 002  
Phone: 044 2852 1181  
Fax: 044 2858 6641

**Corporate Office**

‘Sundaram Towers’  
46, Whites Road  
Chennai – 600 014  
Phone: 044 2851 5267  
Fax: 044 2858 2235

**Email**

corporateaffairs@sundaramhome.in

**Website**

www.sundaramhome.in

**Corporate Identity Number**

U65922TN1999PLC042759

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## HIGHLIGHTS

(₹ in Crore)

	2021-22	2020-21	2019-20	2018-19	2017-18
<b>OPERATIONAL HIGHLIGHTS</b>	<b>Ind AS</b>				<b>IGAAP</b>
Approvals	2476	1446	2240	2672	2996
Disbursements	2311	1254	2113	2449	2626
Loans outstanding	9432	9061	9479	9043	8236
Loans under Management (including assets sold)	9495	9173	9638	9258	8524
<b>FINANCIAL HIGHLIGHTS</b>					
Paid-up capital	101.25	101.25	101.25	101.25	101.25
Reserves and Surplus	1553.72	1457.45	1319.81	1150.84	1047.66
Networth	1654.97	1558.70	1421.06	1252.09	1148.91
Total borrowings	8549.21	8234.10	8601.23	8037.39	7353.63
Fixed Deposits	2024.20	1875.24	1657.20	1230.13	1124.22
Profit before tax	212.72	251.30	218.08	224.17	211.83
Profit after tax (before exceptional item)	167.70	191.64	157.90	145.48	144.42
Profit after tax (after exceptional item)	167.70	191.64	218.15	145.48	144.42
Total Comprehensive Income for the period comprising Profit and other comprehensive income for the period	166.94	191.24	217.87	145.55	144.25
Dividend %	80%*	70%	42%	35%	35%
Dividend (including tax) - Amount in cr	81.00	70.88	42.53	42.72	42.72
Return on Average Networth (%)	10.44	12.86	11.81	12.12	13.15
Book value (₹)	163.45	153.94	140.35	123.66	113.47
Earnings per share (₹)	16.56	18.93	21.54	14.37	14.26
Capital Adequacy Ratio (%)	25.7	24.85	23.00	23.54	24.28
Cost-to-income ratio (%)	30.83	26.67	30.83	29.31	26.97
Stage III Assets (%)	3.00	4.48	4.78	3.88	4.17
Net non performing loans (%)	1.57	1.09	1.63	0.93	1.27

\* Includes interim dividend of 15% paid during FY 21-22.

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## BOARD'S REPORT

To the Members

Your Directors have pleasure in presenting the Twenty Third Annual Report of the Company together with the audited accounts for the year ended 31st March 2022.

### FINANCIAL RESULTS

The summarised financial results are given hereunder:

(₹ in Crore)  
(as per Ind AS)

	Year ended 31st March 2022	Year ended 31st March 2021
Income from Operations	956.59	1039.11
Other income	0.40	0.05
Total Revenue	956.99	1039.16
Less: Total Expenses	744.27	787.86
Profit Before Tax	212.72	251.30
Profit After Tax before Exceptional Item	167.70	191.64
Exceptional Item	-	-
Profit After Tax after Exceptional Item	167.70	191.64
Other comprehensive income	(0.76)	(0.41)
Total Profit & Other comprehensive income	166.94	191.24
Add: Balance brought forward from the previous year	291.53	159.88
<b>Amount available for appropriation</b>	<b>458.47</b>	<b>351.12</b>

**Appropriations**

(₹ in Crore)

	Year ended 31st March 2022	Year ended 31st March 2021
Transfer to Special Reserve under Section 36(1)(viii) of the Income-tax Act, 1961	32.85	34.95
Transfer to Special Reserve relating to earlier years	0.15	0.05
Transfer to Additional Reserve under Section 29C of National Housing Bank Act, 1987	0.54	3.33
Transfer/(Reversal) to COVID Reserve (net of deferred tax)	-	(24.30)
Other Comprehensive Income	-	(0.78)
Final Dividend paid for 2019-20	-	-
Final Dividend paid for FY 2020-21	55.69	30.38
Interim Dividend paid for FY2021-22	15.19	15.19
Dividend Distribution Tax	-	-
Transfer to General Reserve	-	-
Surplus carried to the Balance Sheet	354.05	292.31
<b>Total</b>	<b>458.47</b>	<b>351.12</b>

**DIVIDEND**

During the year 2021-22, the following dividends were paid:

Final Dividend for the year 2020-21	55%	₹55.69 crore
Interim Dividend for the year 2021-22	15%	₹15.19 crore

Your Directors are pleased to recommend a final dividend of ₹6.50 per share (65%) for the Financial Year 2021-22 on the total paid-up capital of ₹101.25 crore. This together with Interim dividend amounting to ₹1.50 per share (15%) already paid, would aggregate to a total dividend of ₹8/- per share (80%).

In terms of the Companies (Accounting Standard) Rules, 2006, as amended, the final dividend paid for the year 2020-21 and the interim dividend for the year 2021-22 have been recorded as a liability for the year 2021-22. The proposed dividend of ₹65.82 crore is not recorded as a liability as on 31st March 2022. The liability will be recognised after the dividend is approved by the Members in the ensuing Annual General Meeting and duly reflected in the accounts for the year 2021-22.



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## OPERATING AND FINANCIAL PERFORMANCE

Gross income of the Company during the year ended 31st March 2022 amounted to ₹956.99 crore, lower by 7.91% over the previous year. Profit before tax was ₹212.72 crore, lower by 15.35% compared to the previous year. At ₹167.70 crore, profit after tax was lower by 12.50% over the previous year. The Company's net worth stood at ₹1654.97 crore as on 31st March 2022 (₹1558.70 crore at the end of the previous year). As on that date, the regulatory capital adequacy ratio (CRAR) was 25.7%, well above the regulatory minimum of 13%.

The Company approved loans totaling ₹2476 crore during the year, as against ₹1446 crore in FY21, registering an increase of 70.32%. Disbursements during the year amounted to ₹2311 crore as against ₹1254 crore in FY21, an increase of 85.41%. The average ticket size of home loans disbursed to individuals during the year was ₹28.57 lakh.

Gross Non-Performing Loans (NPLs) (loans in continuing default for more than 90 days) amounted to ₹283.23 crore as on 31st March 2022 which constituted 3.00% of the total loans, down from 4.48%, a year ago. Net NPLs after provisioning under ECL were 1.57%, up from 1.09% last year.

The Company continues to follow a prudent loan provisioning policy, as a result of which the provisions for Expected Credit Loss (ECL) allocated to NPL accounts is higher than the regulatory requirement.

During the year, the Company disbursed loans amounting to ₹42.50 crore to Affordable Housing Finance Companies through Line of Credit (LOC).

## CORPORATE SOCIAL RESPONSIBILITY (CSR)

Your Company has duly constituted a Corporate Social Responsibility Committee as per the provisions of Section 135 of the Companies Act, 2013 and devised a Policy for the implementation of the CSR framework, broadly defining the areas of spending, of at least two per cent of the average net profits made during the last three immediately preceding Financial Years on the activities mentioned under Schedule VII of the Companies Act, 2013.

The CSR Committee monitors the Policy of the Company from time to time to ensure that the requisite amount is spent on CSR activities as per the framework.

As at 31st March 2022, the CSR Committee consisted of three Members, viz. Mr. Harsha Viji, Mrs. Bhavani Balasubramanian and Mr. Lakshminarayanan Duraiswamy. Mr. Harsha Viji was the Chairman of the Committee.

During the Financial Year 2021-22, your Company has spent the required amount of ₹5.09 crore. A Report on CSR Activities undertaken by the Company for the Financial Year 2021-22 is annexed as part of this Board's Report (Annexure I).

The Policy on Corporate Social Responsibility has been hosted on Company's website <http://www.sundaramhome.in>

## CORPORATE GOVERNANCE

Reserve Bank of India, vide its Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 dated 17th February 2021, has mandated all Housing Finance Companies to follow the guidelines on Corporate Governance as per the Housing Finance Companies – Corporate Governance (NHB) Directions, 2016. The Company has accordingly framed internal guidelines on Corporate Governance which have been hosted on its website <http://www.sundaramhome.in>

Your Company is committed to achieving the highest standards of Corporate Governance and it aspires to benchmark itself with the best practices in this regard. The Board regularly reviews the Management's reports on statutory and regulatory compliances.

A detailed report on corporate governance, together with a certificate from the Practising Company Secretary, 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 (i).

## DIRECTORS' RESPONSIBILITY STATEMENT

In terms of the provisions of Section 134(3) (c) read with 134(5) of the Companies Act, 2013, the Board of Directors hereby state that:

- a. in the preparation of the Annual Accounts, the applicable accounting standards have been followed;
- b. 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 as at the end of the Financial Year and of the profit of the Company for that period;
- c. 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;
- d. the Annual Accounts have been prepared on a going concern basis;
- e. adequate internal financial controls have been put in place and they are operating effectively; and
- f. proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### **RELATED PARTY TRANSACTIONS**

During the year, the Company did not enter into any materially significant transaction with related parties, i.e., its Promoters, Directors, Key Managerial Personnel and their relatives, conflicting with the Company's interests as laid down under Section 188(1) of the Companies Act, 2013.

Approval of the Audit Committee is obtained by the Company before entering into any related party transaction as per the applicable provisions of Companies Act, 2013. In accordance with the provisions of Section 188 of the Companies Act, 2013, approval of the Board of Directors is also obtained for entering into related party transactions by the Company. A yearly update is also given to the Audit Committee and the Board of Directors on the related party transactions undertaken by the Company for their review and consideration.

All the transactions entered into by the Company with any of the

related parties during the year were in the ordinary course of business and on an arm's length basis. 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 annexed as part of this Board's Report (Annexure II (ii)).

Further, as mandated under the Directions issued by the Reserve Bank of India under Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021, dated 17<sup>th</sup> February 2021, the Company has formulated a Policy on Related Party Transactions and the Policy is annexed as part of this Board's Report (Annexure II (iii)).

The Policy on Related Party Transactions has been hosted on the Company's website <http://www.sundaramhome.in>

### **DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

The Company has in place a Policy for prevention of Sexual Harassment, in line with the requirements of the "Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013." An Internal Complaints Committee (ICC) has been set up to redress complaints, as and when received, regarding sexual harassment and all employees are covered under this Policy.

The Policy has been hosted on the Company's website <http://www.sundaramhome.in>

There were no complaints during the year 2021-22.

### **WHISTLE BLOWER POLICY**

The Company has adopted a Whistle Blower Policy and has established the necessary vigil mechanism with effect from 1st April 2014, for Directors and Employees to report genuine concerns about unethical behaviour, pursuant to the provisions of Section 177(9) and (10) of the Companies Act, 2013 read with Rule 7 of Companies (Meetings of Board and its Powers) Rules, 2014. The vigil mechanism provides for adequate safeguards against victimisation of persons who use such mechanism and makes provision for direct access to the Chairman of the Audit Committee in appropriate or exceptional cases. It is

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hereby affirmed that no personnel of the Company has been denied access to the Audit Committee under the vigil mechanism. The Whistle Blower Policy has been hosted on the Company's website : <http://www.sundaramhome.in>

There were no complaints during the year 2021-22.

### **SIGNIFICANT AND MATERIAL ORDERS**

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.

### **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

#### **INDIAN ECONOMIC SCENARIO**

According to the second advance estimates of India's Gross Domestic Product (GDP) published by the National Statistical Office for the financial year 2021-22, GDP growth in the first and second quarter was 20.1% and 8.4% respectively. In the third quarter, the GDP growth slowed down to 5.4%. In the fourth quarter, India witnessed third wave of infection but remained largely unaffected owing to vaccination of large proportion of population. India's GDP growth in Financial Year 2021-22 is estimated at 8.9%, compared to a contraction of 7.3% in Financial Year 2020-21. The Index of Industrial Production grew 11.3% against an 8.4% contraction in Financial Year 2020-21.

Nonetheless, the global environment remains uncertain. At the time of writing, a new wave in the form of the Omicron variant is sweeping across the world, inflation has spiked in most countries, and the cycle of liquidity withdrawal has been initiated by major central banks.

The geopolitical crisis of Russia Ukraine war, which started in the last week of February 2022, is casting uncertainty over the global economy, with increased volatility in crude prices and inflationary trends across commodities. The consequential financial sanctions and political pressure from the war are causing unpredictable and undesired implications on the global financial system and our economy due to rising crude oil and other commodity prices, leading to higher inflation.

Despite all the disruptions caused by the global pandemic, India's balance of payments remained in surplus throughout the last two

years. This allowed the Reserve Bank of India to keep accumulating foreign exchange reserves. This is equivalent to 13.2 months of merchandise imports and is higher than the country's external debt. The combination of high foreign exchange reserves, sustained foreign direct investment, and rising export earnings should provide an adequate buffer against possible global liquidity tapering in 2022-23. After several rate cuts in 2019-20 and 2020-21, the repo rate was maintained at 4 per cent in 2021-22. The liquidity in the system remained in surplus throughout. RBI undertook various measures, including secondary market G-sec acquisition programme, special Long-Term Repo operations, on tap targeted Long-Term Repo Operations, etc. to provide further liquidity in the system. Thereafter, RBI used Variable Rate Reverse Repo, reverse repo auctions to rebalance liquidity conditions.

#### **HOUSING FINANCE SECTOR**

The residential housing sector was also affected by COVID-19 induced restrictions through both supply and demand channels. Amidst initial COVID-19 restrictions, not only construction of new houses slowed down, but launch of new housing projects also got delayed. With the loss of income, uncertainty about future income, and stay at home orders, home buyers delayed their housing purchases. After the initial COVID-19 induced restrictions were removed, transactions in housing properties increased significantly, possibly because of pent up demand and improvement in affordability in response to measures taken by government during the pandemic, such as lower interest rates, reduction in circle rates, and cut in stamp duties, that made houses affordable to buyers. Besides, several major banks, mortgage companies, and housing finance companies have significantly reduced their interest rates on home loans, that fueled the revival in housing demand.

According to ICRA, the overall Housing Finance Companies credit in India is estimated at ₹11.9 lakh crore as on December 31, 2021, with exposures across home loan (HL), loan against property (LAP), construction finance (CF), and lease rental discounting (LRD). The Covid-19-induced disruptions moderated the portfolio growth to 6% in FY2021.

The second wave of the pandemic impacted disbursements in Q1 FY2022 and the industry registered nil sequential growth in the on-book portfolio in Q1 FY2022. However, there was a sharp recovery in Q2 FY2022, which continued in Q3 & Q4 of FY2022. The healthy demand in the industry, increasing level of economic activity and increasing vaccination in the country are expected to result in a steady growth in disbursements going forward.

Consequently, HFC portfolio is expected to grow by 8-10% in FY2022 and 9-11% in FY2023. The asset quality metrics remain volatile, given the vulnerable borrower profile, especially of self-employed borrowers, through HL and LAP as well as the affordable segment. Though the asset quality deteriorated across segments, CF was worst hit followed by LAP and HL. Thus, entities with high exposure to CF or self-employed borrowers witnessed a higher impact than the industry average.

**REGULATORY CHANGES**

The Finance (No.2) Act, 2019 has amended the National Housing Bank Act, 1987 conferring certain powers for regulation of Housing Finance Companies (HFCs) with Reserve Bank of India and was published in the Official Gazette on 09th August 2019. HFCs will be treated as one of the categories of Non-Banking Financial Companies (NBFCs) for regulatory purposes. NHB will continue to carry out supervision of HFCs including Grievance Redressal Mechanism. Reserve Bank of India vide RBI/2020-21/100 - DOR.FIN.HFC.CC.No.120/03.10.136/2020-21 dated 17th February 2021 has issued Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 which came into effect immediately.

The Reserve Bank of India (‘RBI’) had, on October 22, 2021, announced the Scale Based Regulations (SBR): ‘A Revised Regulatory Framework for NBFCs’. Through SBR, various governance guidelines have been newly introduced while the existing guidelines have been

modified to keep up with the current market practices and one of the requirements is the introduction of Core Financial Services Solution (CFSS) for NBFCs vide RBI circular dated February 23, 2022. The SBR framework is stated to go into effect on October 1, 2022.

The Company is in compliance with the applicable provisions of the RBI HFC Directions and other directions/guidelines issued by RBI/NHB as applicable.

**RESOURCE MOBILISATION**

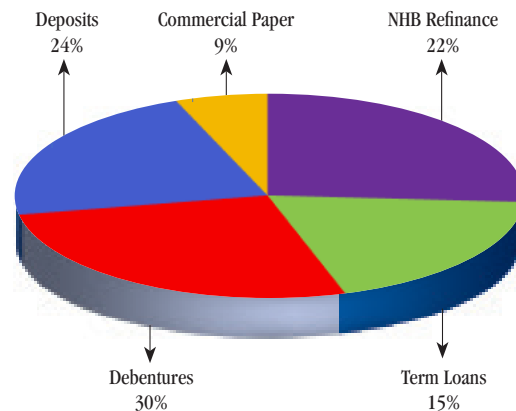
**FRESH EQUITY**

During the year, the Company did not raise funds by way of infusion of fresh equity. The Company did not face any liquidity pressure.

**BORROWINGS**

Total borrowings as on 31st March 2022 stood at ₹8549.21 crore as against ₹8234.10 crore a year earlier. Of the total borrowings, NHB Refinance constituted 22%, Non-Convertible Debentures (NCDs) 30%, Term Loans from Banks and Financial Institutions 15% and Public Deposits 24% and Commercial Paper 9%.

**LOAN FUNDS**



During the year, the Company obtained fresh refinance of ₹693.50 crore from NHB and repaid ₹798 crore of refinance. It raised long-term funds to the extent of ₹815 crore through non-convertible debentures and ₹200 crore from banks. The Company duly repaid its term borrowings including debentures as and when they became due for payment and no debentures remained unclaimed by the investors at the year end. The Company did not opt for moratorium with any of its lenders.

## DEPOSITS

The Company mobilised fresh public deposits of ₹364 crore during FY22. Fixed Deposits outstanding at the year-end were ₹1941 crore (₹1810 crore at the end of FY21).

The Company notifies depositors well ahead of the maturity of their deposits and thereafter issues periodical reminders if the deposits are not renewed or unclaimed on or after maturity. As of 31st March 2022, deposits totaling ₹21.19 crore from 864 depositors had matured for payment but the depositors concerned had sought neither renewal nor repayment of their deposits. The Company is closely following up these cases and, as of date, such deposits stand reduced to ₹9.68 crore from 657 depositors.

As of 31st March 2022, there were no amounts pending to be transferred to the Investor Education and Protection Fund (IEPF).

## COMMERCIAL PAPER

The Company issued commercial paper aggregating ₹1175 crore (face value) during the year. The maximum amount of commercial paper outstanding at any time during the year was ₹1050 crore (face value) and the amount outstanding at the end of the year ₹800 crore (face value).

The Company has listed its commercial paper with the NSE as required under SEBI (Guidelines).

## CREDIT RATINGS

The Company's borrowings enjoy the following credit ratings:

Borrowing through	Rating/Outlook and the date of Rating/ Outlook by Rating Agencies		
	ICRA	CRISIL	CARE
Short-Term Debt / Commercial Paper	(ICRA) A1+	CRISIL A1+	CARE A1+
Fixed Deposits	MAAA/Stable	FAAA/Stable	-
Non-Convertible Debentures	(ICRA) AA+/ Stable	CRISIL AA+/ Stable	CARE AA+/ Stable
Subordinated Debt	(ICRA) AA+/ Stable	-	CARE AA+/ Stable*
Long-term Bank Loans	(ICRA) AA+/ Stable	CRISIL AA+/ Stable	CARE AA+/ Stable
Structured Obligations	(ICRA) AAA (SO)	(CRISIL) AAA (SO)	-

## INTERNAL FINANCIAL CONTROLS

The Company has well defined and adequate internal financial controls and procedures, commensurate with the size and nature of its operations. This is further strengthened by the robust Internal Audit system that is in place.

Besides, the Company has an Audit Committee of the Board, comprising Independent Directors and Non-Executive Directors, which reviews internal financial controls, systems control, financial management and operations of the Company.

## RISK MANAGEMENT POLICY

As mandated under the Directions issued by the Reserve Bank of India and National Housing Bank (NHB), the Company has constituted a Risk Management Committee which is responsible for putting in place a progressive risk management system, risk management policy and strategy to be followed by the Company.

NHB mandated that HFCs with asset size of more than ₹5000 crore shall appoint a Chief Risk Officer (CRO) with a clearly specified role and

responsibilities. Complying with the above requirements, the Company has appointed a senior official as its Chief Risk Officer with effect from 25th October 2019 for a period of two years and has reappointed for a further period of 2 years commencing from 25th October 2021.

The Company has to manage various risks such as credit risk, liquidity risk, interest rate risk and operational risk. The Risk Management Committee and the Asset Liability Management Committee review and monitor these risks at regular intervals.

The Company manages its credit risk through strict credit norms in line with business requirements and continues to follow the time-tested practice of personally assessing every borrower, before committing credit exposure. This process ensures that the expertise in lending operations acquired by the Company over the past years is put to best use and acts to mitigate credit risks.

Successful mortgage lending calls for timely identification, careful assessment and effective management of the credit, operational, market (interest-rate and liquidity) and reputation risks. The Company has adopted efficient risk management policies, systems and processes that seek to strike an appropriate balance between risk and returns.

The Company has also introduced appropriate risk management measures, such as accessing the applicant's credit history with credit information bureaus, field investigation of the applicant's credentials, adoption of prudent loan to value ratio and analysis of the borrower's debt-service capacity. This is in addition to in-house appraisal of the legal documents, monitoring the end-use of approved loans, lending only against approved properties, risk-based loan pricing and property insurance.

The Company has employed qualified personnel to value properties and track property price movements, besides engaging qualified external valuers in appropriate cases. A separate recovery vertical has been set up to monitor recovery of dues from the borrowers. The Recovery Team constantly follows up with the borrowers for the collection of outstanding dues.

The Company monitors its Asset Liability Mismatch on an on-going basis to mitigate the 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 arising from inadequate internal processes, people and systems or from external events are adequately addressed by the internal control systems and are continuously reviewed and monitored. The Senior Management Team regularly assesses the risks and takes appropriate measures to mitigate them. Process improvements and quality control are on-going activities and are built into the employees' training modules as well. The Company has well documented systems to ensure better control over transaction processing and regulatory compliance.

During the year 2021-22, there were no instances of frauds that are required to be reported by the Statutory Auditors with respect to Sub-Section 3 (ca) of Section 134 of the Companies Act, 2013.

## INTERNAL AUDIT

In compliance with the requirements of the Companies Act, 2013 read with Circular G.S.R. 742(E) dated 27th July 2016 issued by the Ministry of Corporate Affairs, the Company has appointed the Internal Audit Department of Sundaram Finance Limited as the Internal Auditors of the Company, to carry out an effective internal audit and such other audit functions in addition to their existing assignment on Audit of Corporate Office, Branch Inspection and Docket Verification.

The Internal Auditors review all the internal control and risk-management measures, highlight areas requiring attention and report the main findings and recommendations to the Audit Committee of the Board. The Committee regularly reviews the audit findings and the actions taken thereon, as well as the adequacy and effectiveness of the internal systems and controls. The internal control systems are being tested on an on-going basis and necessary actions are initiated wherever necessary.

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## **INFORMATION SECURITY ASSURANCE SERVICES – SYSTEMS AUDIT**

The Company's operations have a high degree of automation. Information security assurance service is provided by M/s. C.V. Ramaswamy & Co., whose recommendations have led to the introduction of several additional safeguards in operational, accounting and security-related areas.

## **HUMAN RESOURCES AND TRAINING**

Employees' contribution is vital to the Company's performance - both qualitative and quantitative. Accordingly, the Company's performance management system is used effectively to improve staff capabilities in areas such as leadership, team building, knowledge accessibility and productivity enhancement. An exclusive Training and Development Department, headed by a senior officer, has been set up to give additional impetus to the growing training needs of the employees. In-house on-the-job coaching and enhanced training programmes in various other functional areas were conducted during the year to upgrade the skills of employees and achieve functional effectiveness. In addition, executives were seconded to various external training programmes and seminars on risk management, regulatory know-your-customer guidelines, anti-money laundering and fair practices code. These training programmes enabled the staff members to sharpen their knowledge in their areas of responsibility. New employees are put through an induction programme covering business requirements, Company's processes, regulatory prescriptions and contours of personality development.

There are no material developments in the human resources/industrial relations front adversely affecting the Company's business.

The number of permanent employees on the rolls of the Company as on 31st March 2022 was 822.

## **MATERIAL CHANGES AFTER BALANCE SHEET DATE (31ST MARCH 2022)**

No material changes and commitments favourably or unfavourably affecting the financial position of the Company have occurred between

the end of the Financial Year (FY22) of the Company to which the Financial Statements relate and the date of this Board's Report.

## **BOARD OF DIRECTORS**

During the year, the Board appointed Mr. A.N. Raju as a Non-Executive Director of the Company with effect from 20th May 2021. The Board at its meeting held on 4th February 2022 appointed Mrs. Bhavani Balasubramanian, Mr. Mahesh Parasuraman and Mr. S. Mahalingam as Additional Directors (Independent Directors) with effect from 4th February 2022.

Mr. P.N. Venkatachalam, serving as an Independent Director, resigned from the Board with effect from 21st March 2022.

Further, the Board at its meeting held on 14th May 2022 appointed Ms. C. Sruthi as an Additional Director (Independent Director) with effect from 14th May 2022.

The Company has received necessary declarations from the Independent Directors of the Company under Section 149 (7) of the Companies Act, 2013 that they meet the criteria of Independence as provided in Section 149 (6). Further, the Independent Directors have complied with the Code for Independent Directors prescribed in Schedule IV of the Companies Act, 2013.

The appointment of the Independent Directors has been made in accordance with the provisions of Section 152(5) of the Companies Act, 2013 and other applicable Rules and Regulations. Details of the terms and conditions of the appointment of the Independent Directors have been hosted on the Company's website <http://www.sundaramhome.in>.

## **KEY MANAGERIAL PERSONNEL**

Mr. Lakshminarayanan Duraiswamy, Managing Director, Mr. S. Sridhar, Chief Financial Officer and Mr. R. Venkatasubramanian, Company Secretary are deemed to be Key Managerial Personnel of the Company as per the provisions of Section 203 of the Companies Act, 2013 and the Rules made there under.

## BOARD AND COMMITTEE MEETINGS

Details regarding the number of Board and Committee Meetings held during the Financial Year and the composition of the various Committees of the Board are furnished in the Corporate Governance Report.

## POLICY ON REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND OTHER EMPLOYEES

The Nomination & Remuneration Committee formulates the criteria for determining qualifications, positive attributes and independence of a Director and its policy on remuneration of Directors, Key Managerial Personnel and other employees and ensures that:

- the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;
- relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- remuneration to 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.

The Remuneration Policy has been hosted on the website of the Company <http://www.sundaramhome.in>.

## EXTRACT OF ANNUAL RETURN

Pursuant to Section 92(3) read with Section 134(3)(a) of the Act, the Annual Return as on March 31, 2022 is available on the Company's website at <http://www.sundaramhome.in>.

## STATUTORY AUDITORS' REPORT

The Statutory Auditors' Report on the Accounts for the year ended 31st March 2022 does not contain any qualification, reservation or

adverse observation. The Notes on the Financial Statements referred to in the Auditors' Report are self-explanatory.

## STATUTORY AUDITORS

Your Directors, with the approval of the Members at the Extraordinary General Meeting on 7th September 2021, have appointed M/s. Suri & Co (Registration No. 004283S), Chartered Accountants, Chennai, as the Statutory Auditors of the Company in terms of Section 139(1) of the Companies Act, 2013 for a period of three (3) consecutive years.

## SECRETARIAL AUDITORS

In terms of Section 204 of the Companies Act, 2013 and the Rules thereunder, the Company has appointed Mr. M. Damodaran, Company Secretary in Practice, for conducting Secretarial Audit of the Company for the Financial Year 2021-22. The Secretarial Audit Report for the Year in Form MR-3 as prescribed under the Companies Act, 2013 is annexed to this Board's Report (Annexure III).

There is no qualification, adverse observation or remark in the Secretarial Audit Report requiring explanation by the Board of Directors.

## CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION

Since the Company is not engaged in any manufacturing activity and its operations are not energy intensive, the disclosure relating to conservation of energy and technology absorption as stipulated under Section 134(3) (m) read with Rule 8 of the Companies (Accounts) Rules, 2014 is not applicable to the Company. However, adequate measures are always taken to ensure optimum utilization and maximum possible saving of energy. The Company on its lending side, associates itself in all programmes and schemes of the Government and NHB, in promoting energy efficient homes.



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The Company actively pursues a culture of technology adoption, prudently leveraging on the advancements in technology to serve customers better, manage process more efficiently and economically and strengthen control systems. The Company has maintained a technology friendly working environment for its employees. In keeping with the current trends in the areas of digital marketing, the Company has effectively used these avenues in positioning itself in the market to gain better customer engagement.

### **FOREIGN EXCHANGE OUTGO**

During the year, there were no foreign exchange earnings or foreign exchange outgo.

### **DEPOSITS**

The Sections and Rules under Chapter V under the Companies Act, 2013, relating to acceptance of deposits, do not apply to Housing Finance Companies registered with the Reserve Bank of India and, therefore, are not applicable to the Company. The Company has, however, complied with the provisions of the National Housing Bank Directions in relation to acceptance of public deposits.

### **LOANS AND INVESTMENTS**

During the year, the Company duly complied with the provisions of Section 186(1) of the Companies Act, 2013. The Company did not make any investment through more than two layers of investment companies.

Particulars of loans given, investments made, guarantees given and securities provided along with the purpose are provided in the Financial Statements. The Company, being a Housing Finance Company, is exempt from the provisions of Section 186(11) of the Companies Act, 2013.

### **BOARD EVALUATION**

The Companies Act, 2013 states that a formal annual evaluation of the performance of the Board, its Committees and of individual directors

needs to be carried out. Further, Schedule IV of the Companies Act, 2013, lays down that the performance evaluation of Independent Directors shall be done by the entire Board of Directors, excluding the Director being evaluated.

The evaluation of all the Directors and the Board as a whole was conducted based on the criteria and framework adopted by the Board as recommended by the Nomination & Remuneration Committee and a statement indicating the criteria for formal annual evaluation as required under Section 134(3) (p) of the Companies Act, 2013, is annexed as part of this Board's Report (Annexure IV).

### **SEPARATE MEETING OF INDEPENDENT DIRECTORS**

As required under Clause VII of Schedule IV of the Companies Act, 2013 on the Code for Independent Directors, a separate Meeting of all the Independent Directors on the Company's Board, viz. Mrs. Radha Unni, Mrs. Bhavani Balasubramanian, Mr. Mahesh Parasuraman and Mr. S. Mahalingam was held on 30th March 2022, without the attendance of the Non-Independent Directors and the Members of the Management.

At this Meeting, the Independent Directors --

- reviewed the performance of the Non-Independent Directors and the Board as a whole;
- reviewed the performance of the Chairman of the Company, taking into account the views of the Managing Director and the (Non-Independent) Non-Executive Directors; and
- assessed the quality, quantity and timeliness of the flow of information between the Company's Management and the Board that was necessary for the Board to effectively and reasonably perform its duties.

Besides, the Independent Directors discussed other matters of interest concerning the Company.

## LISTING WITH STOCK EXCHANGES

The Company is up-to-date in the payment of annual listing fees to National Stock Exchange (NSE) on which its debentures are listed.

## STATUTORY AND REGULATORY COMPLIANCE

The Company has complied with the applicable statutory provisions, including those of the Companies Act, 2013, the Income-tax Act, 1961 and other laws related to Goods and Services Tax (GST). Further, the Company has complied with the Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021, NHB's Housing Finance Companies Directions, 2010, SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, Accounting Standards issued by the Ministry of Corporate Affairs (MCA), Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI), Anti-Money Laundering guidelines, applicable labour laws and forex laws.

## CAUTIONARY STATEMENT

Statements in the Management Discussion and Analysis Report describing the Company's objectives, expectations or predictions may be forward-looking within the meaning of applicable securities laws and regulations. Actual results may differ materially from those expressed in the statements, since various economic, legal, policy

and regulatory factors may affect or influence the performance of the Company.

## ACKNOWLEDGEMENT

The Directors extend their sincere thanks to all the customers of the Company, its shareholders, executives of Sundaram Finance, vendors, depositors, investors, mutual funds and bankers for their support and co-operation during the year. The Directors also thank the National Housing Bank, the Securities and Exchange Board of India, the Financial Intelligence Unit, the Ministry of Corporate Affairs, the Reserve Bank of India, the Depositories and the Stock Exchanges, for their valuable guidance and look forward to their continued support.

The Directors record their grateful appreciation to the covid warriors like doctors, healthcare and medical staff, police and law enforcement agencies who battled the pandemic tirelessly at the frontline.

The Directors record their appreciation of the dedication and contribution made by the employees of the Company at all levels and look forward to their continued support in the years ahead.

For and on behalf of the Board of Directors

Chennai  
14th May 2022

**T T Srinivasaraghavan**  
Chairman

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

### 1. Brief outline on CSR Policy of the Company.

The Company has formulated its Corporate Social Responsibility (CSR) Policy for implementing the CSR framework, broadly defining the areas in which the Company proposes to spend for CSR promotion / development. The Company has contributed and will contribute further towards the areas mentioned in Schedule VII of the Companies Act, 2013. The CSR Policy of the Company is available on its website [https://www.sundaramhome.in/uploads/investorinfo/80/CSR\\_Policy.pdf](https://www.sundaramhome.in/uploads/investorinfo/80/CSR_Policy.pdf)

### 2. Composition of CSR Committee:

The CSR Committee consists of the following Members (as on 31st March 2022):

S. 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.	Mr. P.N. Venkatachalam #	Chairman	1	1
2.	Mr. T.T. Srinivasaraghavan ##	Member	1	1
3.	Mr. Lakshminarayanan Duraiswamy	Member	1	1
4.	Mr. Harsha Viji *	Chairman	-	-
5.	Mrs. Bhavani Balasubramanian **	Member	-	-

# upto 21st March 2022

## upto 25th June 2021

\* Inducted as Member with effect from 25th June 2021 and as Chairman of the Committee with effect from 21st March 2022

\*\* Inducted as Member with effect from 21st March 2022

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

[https://www.sundaramhome.in/uploads/investorinfo/80/CSR\\_Policy.pdf](https://www.sundaramhome.in/uploads/investorinfo/80/CSR_Policy.pdf)

Composition of CSR Committee:

<https://www.sundaramhome.in>

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

Not applicable

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

Not applicable

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

₹254.30 crore

- Two percent of average net profit of the company as per section 135(5): ₹5.09 crore
- Surplus arising out of the CSR projects or programmes or activities of the previous financial years - Nil
- Amount required to be set off for the financial year, if any - Nil
- Total CSR obligation for the financial year (7a+7b-7c): ₹5.09 crore

**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
₹5.14 crore	-	-	-	-	-

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

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

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

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/No).	State.	District.	Amount spent for the project (in ₹ lakhs)	Mode of implementation - Direct (Yes/No).	Mode of implementation - Through implementing agency.	
								Name	CSR registration number.
1.	Promoting preventive and general health care	Eradicating Hunger and Poverty	Yes	Tamil Nadu	Chennai	0.75	No	Lodge Satsang Masonic Charitable Trust	CSR00006472
		Health	Yes	Tamil Nadu	Chennai	3.00	No	Cancer Research And Relief Trust	CSR00009049
		Health	Yes	Tamil Nadu	Chennai	70.00	No	Sundaram Medical Foundation	CSR00018426
		Health	Yes	Tamil Nadu	Chennai	3.00	No	Cancare Foundation	CSR00008907
		Health	Yes	Tamil Nadu	Chennai	2.00	No	Sharana Breast Cancer Relief And Research Foundation	CSR00013905
		Health	Yes	Tamil Nadu	Chennai	1.50	No	Dr. Mehta's Medical Trust	CSR00012776
		Health	Yes	Tamil Nadu	Chennai	15.00	No	Sri Ramachandra Educational And Health Trust	CSR00001622
		Health	Yes	Tamil Nadu	Chennai	20.00	No	Aravind Eye Hospital	CSR00008730
		Sanitation	Yes	Tamil Nadu	Chennai	5.00	No	Vivekananda Educational Trust	CSR00015140
		Health	Yes	Tamil Nadu	Chennai	10.00	No	Hindu Mission Hospital	CSR00005035
		Health	Yes	Tamil Nadu	Chennai	1.00	No	Tanker Foundation	CSR00001422
		Health	Yes	Tamil Nadu	Chennai	25.00	No	The Voluntary Health Services	CSR00003444
		Health	Yes	Tamil Nadu	Chennai	15.00	No	Cancer Institute (Wia)	CSR00007235
		Eradicating Hunger and Poverty	Yes	Tamil Nadu	Chennai	2.00	No	Chennapuri Annadhana Samajam	CSR00025298
		Health	Yes	Tamil Nadu	Chennai	44.60	No	Vaccination Advocacy Project	NA
		Health	Yes	Gujarat	Valsad	5.00	No	Bochasanwasi Shri Aksharpurushottam Public Charitable Trust	CSR00004193
Health	Yes	Karnataka	Bengaluru	5.00	No	Rangadore Memorial Hospital	CSR00005313		

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Amount spent for the project (in ₹ lakhs)	Mode of implementation - Direct (Yes/No).	Mode of implementation - Through implementing agency.	
				State.	District.			Name	CSR registration number.
2.	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.	Education	Yes	Tamil Nadu	Chennai	70.00	No	Laxmi Charities	CSR00005940
		Education	Yes	Tamil Nadu	Chennai	2.00	No	Aim For Seva	CSR00003273
		Education	Yes	Tamil Nadu	Chennai	10.00	No	Om Charitable Trust	CSR00002768
		Education	Yes	Tamil Nadu	Chennai	5.00	No	Ramakrishna Mission Students' Home	CSR00006101
		Education	Yes	Tamil Nadu	Chennai	2.00	No	Sri Vishwa Vidyalaya Matriculation Higher Secondary School	CSR00023747
		Education	Yes	Tamil Nadu	Chennai	15.00	No	Single Teacher Schools-Svrds	CSR00001905
		Education	Yes	Tamil Nadu	Madurai	50.00	No	Lakshmi Vidya Sangham	CSR00023619
		Education	Yes	Tamil Nadu	Cuddalore	1.00	No	V V Charitable Trust	CSR00001040
		Education	Yes	Tamil Nadu	Tirunelveli	1.00	No	Sri Swamy Nellaippar Trust	CSR00019817
		Promoting employment enhancing vocation skills especially among children, women, elderly and the differently abled	Yes	Tamil Nadu	Tirunelveli	2.00	No	Amar Seva Sangham	CSR00000229
		Livelihood enhancement projects	Yes	Karnataka	Bengaluru	10.00	No	Alamara Residential Centre For Persons With Developmental Disabilities	CSR00005313
		Education	Yes	Karnataka	Bengaluru	5.00	No	Deepika School	CSR00005313
Education	Yes	Gujarat	Ahmedabad	5.00	No	Swaminarayan Vidyapith	CSR00010249		
3.	Protection of National Heritage, Art and Culture	Art & Culture	Yes	Tamil Nadu	Chennai	2.00	No	Kartik Art Festival Trust	CSR00013759
		National Heritage	Yes	Tamil Nadu	Chennai	10.00	No	The Kuppaswami Sastri Research Institute	CSR00008155
		Art & Culture	Yes	Tamil Nadu	Chennai	15.00	No	Dharma Rakshana Samithi Trust	CSR00018616
		National Heritage	Yes	Tamil Nadu	Thiruvarur	1.00	No	Swami Dayananda Educational Trust	CSR00003383
		National Heritage	Yes	Tamil Nadu	Tiruchirapalli	2.00	No	Srimaan Trust	CSR00019444
4.	Environmental Sustainability, Ecological balance, Conservation of Natural resources	Animal welfare	Yes	Tamil Nadu	Tirunelveli	5.00	No	Dharmapathi Sri Ettaluthu Perumal Dharmasthapana Arakkattalai	CSR00014962
		Ensuring environmental sustainability	Yes	Tamil Nadu	Tirunelveli	10.00	No	Atree- Ashoka Trust for Research in Ecology and The Environment	CSR00004694
		Conservation of natural resources and maintaining quality of soil, air and water	Yes	Tamil Nadu	Thanjavur	5.00	No	Ramakrishna Math, Thanjavur	CSR00002806

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Amount spent for the project (in ₹ lakhs)	Mode of implementation - Direct (Yes/No).	Mode of implementation - Through implementing agency.	
				State.	District.			Name	CSR registration number.
5.	Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups.	Setting up old age homes	Yes	Tamil Nadu	Chennai	5.00	No	Anandam	CSR00000963
		Empowering women	Yes	Tamil Nadu	Chennai	1.00	No	Lotus Blind Welfare Trust	CSR00021568
		Measures for reducing inequalities faced by socially and economically backward groups	Yes	Karnataka	Bengaluru	3.00	No	So Care Ind	CSR00005313
6.	Contribution to the prime minister's national relief fund or any other fund set up by the central govt. for socio economic development and relief and welfare of the schedule caste, tribes, other backward classes, minorities and women	Contribution to the prime minister's national relief fund	Yes	Tamil Nadu	Chennai	50.00	No	The Tamil Nadu State Disaster Management Authority	NA
<b>Total</b>						<b>514.85</b>			

**(d) Amount spent in Administrative Overheads:**

Nil

**(e) Amount spent in Impact Assessment, if applicable:**

Not applicable

**(f) Total amount spent for the financial year (8b+8c+8d+8e):**

₹5.14 crore

**(g) Excess amount for set off, if any**

Sl. No.	Particulars	Amount
(i)	Two percent of average net profit of the company as per section 135(5)	₹5.09 Crore
(ii)	Total amount spent for the Financial Year	₹5.14 Crore
(iii)	Excess amount spent for the financial year [(ii)-(i)]	₹0.05 Crore
(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)]	-

**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):**

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
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**

**(asset-wise details). Not applicable**

- (a) Date of creation or acquisition of the capital asset(s).
- (b) Amount of CSR spent for creation or acquisition of capital asset.
- (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.
- (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).

**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

Place: Chennai  
Date: 14th May 2022

Lakshminarayanan Duraiswamy  
Managing Director

Harsha Viji  
Chairman – CSR Committee

**Annexure-II(i)****CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE  
UNDER SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND  
DISCLOSURE REQUIREMENTS) REGULATIONS, 2015.**

To the Members of

SUNDARAM HOME FINANCE LIMITED

I have examined the compliance of Corporate Governance for the year ended 31.03.2022, with respect to Regulation 16 to 27 by Sundaram Home Finance Limited, which has listed its non-convertible debt securities and has an outstanding value of listed non-convertible debt securities of Rupees Five Hundred Crore and above, as stipulated under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The compliance of conditions of Corporate Governance with respect to Regulation 16 to 27 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is the responsibility of the management. My examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance with respect to the said regulations. 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, and considering the relaxations granted by the Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic.

I certify that the Company has complied with the conditions of Corporate Governance for the year ended 31.03.2022, under Regulation 16 to 27 by Sundaram Home Finance Limited, which has listed its non-convertible debt securities and has an outstanding value of listed non-convertible debt securities of Rupees Five Hundred Crore and above as stipulated under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015:

I further state that no investor grievances are pending for a period exceeding one month against the Company as per the records maintained by it. I state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: Chennai  
Date : 21.04.2022

**V Suresh**  
Practising Company Secretary  
FCS No. 2969  
C.P.No. 6032  
UDIN: F002969D000181004



**Form No. AOC-2**

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

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

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

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

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

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

Chennai  
14th May 2022

**T T SRINIVASARAGHAVAN**  
Chairman

**POLICY ON RELATED PARTY TRANSACTIONS**

**PREAMBLE:**

This Policy is formulated in terms of the Directions issued by the National Housing Bank vide Notification No. NHB.HFC.CG-DIR.1/MD&CEO/2016 dated 9th February 2017 known as the "Housing Finance Companies – Corporate Governance (National Housing Bank) Directions, 2016," taking into account the provisions of the Companies Act, 2013 as may be amended from time to time.

**OBJECTIVE:**

The Policy is intended to ensure due and timely identification, approval, disclosure and reporting of transactions between the Company and any of its related parties in compliance with the applicable laws and regulations as may be amended from time to time.

The provisions of the Policy are designed to govern the approval process and disclosure requirements to ensure transparency in the conduct of Related Party Transactions in the best interest of the Company and its shareholders and to comply with the statutory provisions in this regard.

**DEFINITIONS:**

- a. "Audit Committee or Committee" means the Committee of the Board constituted from time to time under the provisions of Section 177 of the Companies Act, 2013.
- b. "Arm's length" means a transaction between two related parties that is conducted as if they were unrelated, so that there is no conflict of interest as defined under the Companies Act, 2013.
- c. "Board" means the Board of Directors as defined under the Companies Act, 2013.
- d. "Key Managerial Personnel" means Key Managerial Personnel as defined under the Companies Act, 2013.
- e. "Material Related Party Transaction" means a Related Party Transaction which individually or taken together with previous transactions during the financial year, exceeds ten percent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company or such limits as may be prescribed either in the Companies Act, 2013 and / or Regulation/Rules/Guidelines or other Directions.

- f. “Related Party” means related party as defined under the Companies Act, 2013 read with the SEBI (Listing Obligations and Disclosure Requirements) 2015 as may be amended from time to time.
- g. “Related Party Transaction” means any transaction between the Company and any Related Party for transfer of resources, services or obligations, regardless of whether a price is charged and includes –
- a. Sale, purchase or supply of any goods or materials;
  - b. Selling or otherwise disposing of, or buying property of any kind;
  - c. Leasing of property of any kind;
  - d. Availing or rendering of any services;
  - e. Appointment of any agent for the purchase or sale of goods, materials, services or property;
  - f. Such related party’s appointment to any office or place of profit in the Company, its subsidiary Company or associate Company;
  - g. Underwriting the subscription of any securities or derivatives thereof, of the Company;
  - h. Financing (including loans and equity contributions in cash or kind);
  - i. Providing or obtaining guarantees and collaterals; and
  - j. Deputation of employees.
- h. “Relative” means a relative as defined under the Companies Act, 2013 and includes anyone who is related in any of the following manner:
- a. Members of a Hindu Undivided Family
  - b. Husband or Wife;
  - c. Father (including Step-Father);
  - d. Mother (including Step-Mother);
  - e. Son (including Step-Son);
  - f. Son’s Wife;
  - g. Daughter;
  - h. Daughter’s Husband;
  - i. Brother (including Step-Brother); or
  - j. Sister (including Step-Sister).
- i. “Transaction” with a related party shall be construed to include a single transaction or a group of transactions.

**POLICY:**

All the proposed Related Party Transactions shall be referred to the Audit Committee irrespective of (i) whether or not the Transactions are in the ordinary course of business; (ii) whether or not they are at arm’s length basis supported by agreement or formal letter; or (iii) whether or not they are material if the transaction / transactions to be entered into individually or taken together with the previous transactions during a financial year, exceed/s 10% of the annual consolidated turnover of the Company as per its last audited financial statements. The Committee shall accord its approval to such of the Transactions which it considers as in the ordinary course of business and at arm’s length basis.

Of the other proposed Related Party Transactions which are not in the ordinary course of business and which are not at arm’s length basis shall be referred to the Board. The Board, on due consideration at its meeting of the relevant factors such as the nature of the transaction, material terms, the manner of determining the pricing and the business rationale for entering into such transactions accord its approval to the Transactions which it deems fit.

The proposed Related Party Transactions which are material in nature shall be placed before the Shareholders for their consideration and approval by special resolution.

The Company shall submit to its Board a quarterly statement of all the Related Party Transactions which are approved by the Audit Committee, the Board and the Shareholders.

**AMENDMENTS:**

This Policy may be amended by the Board at any time and is subject to (i) the amendments to the Companies Act, 2013 (the Act 2013) and (ii) further guidelines from the SEBI/other applicable regulatory authorities.

**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31.03.2022**

(Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

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 Home Finance Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

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

I have examined the books, papers, minute books, forms and returns filed and other records maintained by 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 there under;
- (ii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iii) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment;
- (iv) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (b) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
  - (c) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (v) The following act and directions applicable specifically to the Company:-
  - (a) The National Housing Bank Act, 1987 and
  - (b) The Housing Finance Companies (NHB) Directions, 2010
  - (c) Housing Finance Companies – Corporate Governance (National Housing Bank) Directions, 2016

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

- (i) The Listing Agreement entered into by the Company with National Stock Exchange of India Limited under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for listing of its debt securities;
- (ii) The Secretarial Standards issued by the Institute of Company Secretaries of India.

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

I further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Director, Non-Executive Directors and Independent Directors. The change in the composition of the Board of Directors that took place during the period under review was 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 note 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. Mr. P.N. Venkatachalam (DIN: 00499442), Independent Director of the Company, has resigned from the Board w.e.f. 21st March, 2022.
- ii. Mr. Mahalingam Seturaman (DIN: 00121727), Mr. Mahesh Parasuraman (DIN: 00233782) & Smt. Bhavani Balasubramanian (DIN: 09194973) were appointed as an Additional cum Independent Directors of the Company vide Board Meeting dated 04th February, 2022. Their appointments were subsequently approved by the shareholders of the Company by passing Special Resolutions at the Extra-ordinary General Meeting held on 29th April, 2022.

I further report that during the audit period the Company has:

- (i) passed an Ordinary Resolution under section 149 and 152 of the Companies Act, 2013 at the Annual General Meeting held on 06th September, 2021 for an appointment of Mr. A.N. Raju (DIN: 00036201) as Non-Executive Director of the Company.
- (ii) passed a Special Resolution under section 42 and all other applicable provisions of the Companies Act, 2013 at the Annual General Meeting held on 06th September, 2021 to issue secured/unsecured Redeemable Non-convertible Debentures on private placement basis up to an aggregate amount not exceeding ₹ 1,500 Crores (Rupees One Thousand Five Hundred Crores Only) during a period of one year w.e.f. 06th September, 2021.
- (iii) passed an Ordinary Resolution at the Extra-ordinary General Meeting held on 07th September, 2021 under section 139 of the Companies Act, 2013 to fill the casual vacancy in the office of Company's statutory auditor caused by the resignation of the existing statutory auditors, M/s Sundaram & Srinivasan Chartered Accounts, Chennai (Regn. No. 004207S) by appointing M/s. Suri & Co., Chartered Accountants, Chennai (Regn. No. 004283S) as statutory auditor of the Company to hold office for a term of three (3) consecutive years, from the conclusion of this Extraordinary General Meeting to the conclusion of the 25th Annual General Meeting 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.
- (iv) issued listed Secured Redeemable Non-Convertible Debentures on Private Placement Basis.
- (v) redeemed the debentures on its respective due dates.

Place: Chennai  
Date: 14.05.2022

For **M DAMODARAN & ASSOCIATES LLP**  
M. DAMODARAN  
Managing Partner  
Membership No.: 5837  
COP. No.: 5081  
FRN: L2019TN006000  
PR 1374/2021  
ICSI UDIN: F005837D000323572

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## Disclaimer Certificate

To,

The Members,

**Sundaram Home Finance Limited,**

(CIN: U65922TN1999PLC042759),

21, Patullos Road,

Chennai – 600 002.

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.

Place: Chennai

Date: 14.05.2022

For **M DAMODARAN & ASSOCIATES LLP**

**M.DAMODARAN**

Managing Partner

FCS No.: 5837

COP. No.: 5081

FRN: L2019TN006000

PR 1374/2021

ICSI UDIN: F005837D000323572

## SECRETARIAL COMPLIANCE REPORT OF SUNDARAM HOME 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 HOME 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 Financial Year ended 31.03.2022 (“Review Period”) 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 amended from time to time, 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 - Not Applicable to the Company during the Review Period.
- c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 - Not Applicable to the Company during the Review Period.
- d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 – Not Applicable to the Company during the Review Period.
- e) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 – Not Applicable to the Company during the Review Period.
- f) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 - Not Applicable to the Company during the Review Period.
- 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 to the Company during the Review Period.

- 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 – to the extent applicable to debt listed companies during the Review Period.
- 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; Not Applicable to the Company during the Review Period.
- 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 to the Company.
- n) Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 - Not Applicable to the Company.
- 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 company 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 auditor of the Company.
- c) The listed entity has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued thereunder insofar as it appears from my examination of those records.
- d) There was no action 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.
- e) The Company 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 31.03.2021	Actions taken by the listed entity, if any	Comments of the Practicing Company Secretary on the actions taken by the listed entity
				NA

Place: Chennai  
Date: 14.05.2022

For **M DAMODARAN & ASSOCIATES LLP**  
M. DAMODARAN  
Managing Partner  
Membership No.: 5837  
COP. No.: 5081  
FRN: L2019TN006000  
PR 1374/2021  
ICSI UDIN: F005837D000323572

## Criteria for Evaluation

### A. 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 Directors with the requisite mix of qualifications and experience as would enable the Company to achieve its corporate objectives, and formulate and implement appropriate business policies, plans and strategies.
2. Commitment to good Corporate Governance Practices
  - Whether the Company practises high ethical and moral standards
  - Whether the Company is fair and transparent in dealings with its stakeholders, and in particular whether it deals with its associates at arm's length.
3. Adherence to Regulatory Compliance  
Whether the Company complies with the various applicable statutes and regulations, as well as requirements of municipal and other authorities concerned.
4. Track record of financial performance
  - Whether the Company's operational and financial performance has been satisfactory and has enhanced shareholder value.
  - Whether the Company has duly observed statutory requirements and applicable accounting standards in its financial disclosures.
5. Grievance Redressal mechanism  
Whether a proper system is in place to attend to and resolve complaints/grievances from stakeholders, including 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 carefully assess and effectively manage its business risks.
7. Use of Modern technology  
Whether the Company has an Integrated IT strategy and whether technology hardware and software are periodically upgraded as necessary.
8. Commitment to Corporate Social Responsibility (CSR)  
Whether the Company is committed to social causes and whether it identifies, finances and monitors its CSR commitments.

### B. Criteria for evaluation of Chairman at separate meeting of Independent Directors

1. Integrity
2. Leadership qualities
3. Ability to provide a long-range vision for the Company and suggest innovative ideas
4. Importance attached to corporate governance practices
5. Willingness to allow other members of the Board to express their views and ability to resolve any disagreement among them
6. Understanding of the macroeconomic and relevant industry trends
7. Projection of the Company's external image and public and media relations

### C. Criteria for evaluation of Independent Directors

1. Integrity
2. Relevant qualifications and experience
3. Understanding of the Company's business
4. Attendance at Board and Committee meetings/annual general meetings
5. Value addition to Board discussions

### D. Criteria for evaluation of the Audit Committee

1. Relevant qualifications and experience of members
2. Review of financial performance and disclosure
3. Review of external, internal, statutory, tax, and system audits and inspections, and discussion with the auditors and inspectors of their audit plans and findings, and monitoring of follow-up actions on the audit and inspections
4. Review of statutory and regulatory compliance, and discussion of findings and observations of regulatory inspections and monitoring follow-up action thereon
5. Monitoring of systems and processes for the prevention and detection of frauds, and of steps taken to deal with frauds that have surfaced

Chennai  
14th May 2022

**T T SRINIVASARAGHAVAN**  
Chairman



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# Report on Corporate Governance

Sponsored by the Sundaram Finance Group, the Company has imbibed the Group's corporate philosophy laying strong emphasis on ethical business practices with transparency and accountability, dedicated customer service and efficient and prudent financial policies. While striving to enhance shareholder value, the Company has adopted the sound corporate-governance and financial-disclosure policies and practices that its holding company, Sundaram Finance Ltd. (SFL), has been consistently following for over six decades.

The Company has been following the principles of Corporate Governance even before it was made mandatory. Reserve Bank of India RBI/2020-21/100 - DOR.FIN.HFC.CC.No.120/03.10.136/2020-21 dated 17th February 2021 has issued Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 has mandated all Housing Finance Companies to follow the guidelines on Corporate Governance as per the Housing Finance Companies – Corporate Governance (NHB) Directions, 2016. The Company has accordingly framed the internal guidelines on Corporate Governance and the guidelines have been hosted on the Company's website [www.sundaramhome.in](http://www.sundaramhome.in)

The Company's Corporate Governance is a reflection of its value system, encompassing its culture, policies and relationships with its stakeholders.

The Directors present below a detailed review of the Company's policies and practices on Corporate Governance.

## 1 BOARD OF DIRECTORS

The composition of the Board of Directors of the Company is governed by the relevant provisions of the Companies Act, 2013 and the Rules made thereunder. The Company's Board has an optimum combination of executive and non-executive Directors with expertise and experience in the field of banking, finance, operations management, engineering, auditing and accounting. The Company is immensely benefitted by the range of experience and skills that the Directors bring to the Board.

As on 31st March 2022, the Company's Board consisted of eight Directors as under:

### Non-Executive Promoter Directors:

1. Mr. T.T. Srinivasaraghavan, Chairman
2. Mr. Harsha Viji
3. Mr. A.N. Raju

### Non-Executive Independent Directors:

4. Mrs. Radha Unni
5. Mrs. Bhavani Balasubramanian
6. Mr. Mahesh Parasuraman
7. Mr. S. Mahalingam

### Managing Director:

8. Mr. Lakshminarayanan Duraiswamy

The Independent Directors have affirmed compliance with the provisions of Section 149 and adherence to the Code for Independent Directors as set out in Schedule IV to the Companies Act, 2013.

All the Directors of the Company have declared compliance of the 'Fit and Proper' Criteria for Directors of Housing Finance Companies' in compliance with the Directions laid down by the Reserve Bank of India RBI/2020-21/100 - DOR.FIN.HFC.CC.No.120/03.10.136/2020-21 dated 17th February 2021.

During the year, the Board appointed Mr. A.N. Raju as a Non-Executive Director of the Company with effect from 20th May 2021. The Board at its meeting held on 4th February 2022 appointed Mrs. Bhavani Balasubramanian, Mr. Mahesh Parasuraman and Mr. S. Mahalingam as Additional Directors (Independent Directors) with effect from 4th February 2022.

Mr. P.N. Venkatachalam, serving as an Independent Director, has resigned from the Board with effect from 21st March 2022 due to his pre occupancy.

Further, the Board at its meeting held on 14th May 2022 appointed Ms. C. Sruthi as an Additional Director (Independent Director) with effect from 14th May 2022.

No Director is related to any other Director of the Company.

### 1.1 DIRECTORS' TERM

The Company's Articles of Association require that at least two-thirds of the Directors retire by rotation. However, as per the provisions of the Companies Act, 2013, the Independent Directors are not liable to retire by rotation.

One-third of the Directors (other than Independent Directors) is liable to retire every year and, if eligible, may offer themselves for re-appointment.

The details of shareholding of the non-executive Directors

Name of the non-executive Director	Total No. of Shares	% of Capital
Mr. T.T. Srinivasaraghavan	1	Negligible
Mr. A.N. Raju	1	Negligible

### 1.2 MEMBERSHIP OF OTHER BOARDS

No Director is a Director in more than twenty Companies or is a Member of more than ten committees or chairs more than five committees, within the meaning of the Securities and Exchange Board of India (SEBI) Regulations, across all public limited companies of which he is a Director.

Details of directorships held by the Directors in other Indian Public Limited Companies as on 31st March 2022 are given below:

S. No.	Director	DIN	Attendance Particulars		Directorships in other public limited companies (as on 31st March 2022)		Chairmanship/ Membership of Committees of other Companies*	
			Board Meetings	AGM	Chairman	Director	Chairman	Member
1.	Mr. T.T. Srinivasaraghavan	00018247	9	Yes	1	4	-	2
2.	Mr. Harsha Viji	00602484	7	Yes	-	5	1	3
3.	Mr. A.N. Raju**	00036201	9	Yes	-	2	-	1
4.	Mrs. Radha Unni	03242769	9	Yes	-	7	-	5
5.	Mrs. Bhavani Balasubramanian#	09194973	3	-	-	1	-	1
6.	Mr. Mahesh Parasuraman#	00233782	3	-	-	1	-	-
7.	Mr. S. Mahalingam#	00121727	3	-	-	7	3	2
8.	Mr. Lakshminarayanan Duraiswamy	07988186	9	Yes	-	1	-	-

\* Foreign companies, private companies and companies under Section 8 of the Companies Act, 2013 are excluded for the above purpose. Audit Committee and Stakeholders Relationship Committee have been considered.

\*\* Appointed as Director with effect from 20th May 2021

# Appointed as Independent Directors with effect from 4th February 2022.

### 1.3 BOARD PROCEDURE AND RESPONSIBILITIES

The Board plays a key role in ensuring that the Company adopts good corporate governance practices.

The Board has a formal schedule of matters reserved for its consideration and decision. Amongst other things, the Board considers and approves:

- operational and financial policies;
- annual business strategy, plans and budgets;
- loan proposals exceeding the delegated authority of the Executive Committee of the Board;
- strategy and plans for mobilization of resources and larger borrowing arrangements; and
- quarterly / half-yearly/annual results.

The Board takes decisions after careful consideration of the issues involved with inputs from the Management, wherever needed, and ensures that appropriate action is taken by the Company to implement Board decisions and directions.

The Board also reviews periodically the Company's compliance with various statutory and regulatory requirements.

In accordance with the code of corporate governance and to facilitate closer attention to particular facets of the Company's operations, systems and practices, the Board has constituted Committees with appropriate delegated authority.

The day-to-day operations of the Company are looked after by the Managing Director under the overall superintendence, guidance and control of the Board. The Managing Director is assisted by senior officers with well-defined responsibilities.

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

Category	Expertise	Skills/Competencies
<p><b>Non-Executive Promoter Directors</b> Mr. T.T. Srinivasaraghavan, Chairman Mr. Harsha Viji Mr. A.N. Raju</p> <p><b>Managing Director</b> Mr. Lakshminarayanan Duraiswamy</p>	<ul style="list-style-type: none"> <li>• In-depth Industry Knowledge</li> <li>• Audit and Financial Management</li> <li>• Wealth Management</li> <li>• Treasury Operations and Management</li> <li>• Business Policies</li> <li>• Legal and Regulatory Framework</li> <li>• Capital Markets</li> <li>• Risk Assessment and Management</li> <li>• Asset Liability Management</li> <li>• Strategic Management</li> </ul>	<ul style="list-style-type: none"> <li>• Entrepreneurial</li> <li>• Governance</li> <li>• Leadership</li> <li>• Technical</li> <li>• Analytical</li> <li>• Organisational</li> <li>• Technological</li> <li>• Planning</li> <li>• Resource Management and utilisation</li> <li>• People Management</li> <li>• Communication</li> <li>• Behavioural</li> </ul>
<p><b>Non-Executive Independent Directors</b> Mrs. Radha Unni Mrs. Bhavani Balasubramanian Mr. Mahesh Parasuraman Mr. S. Mahalingam</p>	<ul style="list-style-type: none"> <li>• In-depth Industry Knowledge</li> <li>• Audit and Financial Management</li> <li>• Treasury</li> <li>• Legal and Regulatory Framework</li> <li>• Risk Assessment and Management</li> <li>• Business Policies</li> <li>• Capital Markets</li> </ul>	<ul style="list-style-type: none"> <li>• Technical/Professional</li> <li>• Analytical</li> <li>• Technological</li> <li>• Behavioural</li> </ul>

## 2 BOARD MEETINGS

Board meetings are held in Chennai. The Board meets at least once a quarter, inter-alia, to review the operations and financial results. The Company also holds additional Board Meetings to address any specific requirement, as and when required. The Directors are informed of the main items on the agenda for every Board meeting along with the Notice of the meeting. Detailed agenda notes are sent to them in advance of the meetings. All the urgent matters approved by way of Circular Resolutions are placed and noted at the subsequent Board meeting. The intervening gap between any two meetings is within the period prescribed by the Companies Act, 2013.

During the year ended 31st March 2022, the Board met nine times as noted below:

2021 – 2022	
20th May 2021	24th December 2021
25th June 2021	4th February 2022
28th July 2021	21st March 2022
1st September 2021	30th March 2022
29th October 2021	

Details of the Meetings attended by the Directors are as under:

Sl. No.	Director	No. of Meetings	
		Held	Attended
1.	Mr. T.T. Srinivasaraghavan	9	9
2.	Mr. Harsha Viji	9	7
3.	Mr. A.N. Raju *	9	9
4.	Mr. P.N. Venkatachalam **	7	7
5.	Mrs. Radha Unni	9	9
6.	Mrs. Bhavani Balasubramanian #	3	3
7.	Mr. Mahesh Parasuraman #	3	3
8.	Mr. S. Mahalingam #	3	3
9.	Mr. Lakshminarayanan Duraiswamy	9	9

\* Appointed as Director with effect from 20th May 2021

\*\* Resigned from the Board with effect from 21st March 2022

# Appointed as Independent Directors with effect from 4th February 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 fulfil the conditions specified in the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 and are independent of the management.

A Certificate issued by Sri. M. Damodaran, Partner, M/s. M. Damodaran & Associates LLP, Practising Company Secretaries, under Schedule V Para C.10(i) of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, is attached as part of this report – Annexure (a).

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.

## 3 BOARD COMMITTEES

The Board has reconstituted the following eight Committees during the year:

### 3.1 EXECUTIVE COMMITTEE

As on 31st March 2022, the Executive Committee consisted of three Members, viz.

1. Mr. T.T. Srinivasaraghavan, Chairman
2. Mr. A.N. Raju
3. Mr. Lakshminarayanan Duraiswamy

Any two Members form the quorum for meetings. The Company Secretary serves as the Secretary to the Committee.

- The Committee approves loans, borrowings, and investments beyond the limits of the Managing Director and within limits specified by the Board.
- Besides, the Committee reviews the conduct of business and operations, considers new products and parameters and suggests business re-orientation as and when necessary.

- Review and approve builder loans up to ₹40 Crores (co-investment proposals with AIF).
- Review of status of pending original title deeds.
- Approve write-offs of loans (both Principal and Interest) over and above the powers of the Managing Director and upto ₹5 crore (on an individual account) and such write-offs be placed to the Board for information.

The Committee met nineteen times during the year.

### 3.2 AUDIT COMMITTEE

In accordance with the provisions of Section 177 of the Companies Act, 2013, the Audit Committee consists of three Directors as Members, with Independent Directors forming a majority. All the Members of the Audit Committee have the requisite knowledge and experience in finance and accounting. Any two Members form the quorum for the meetings of the Committee. The primary objective of the Audit Committee is to monitor and provide an effective supervision of the Management's financial reporting process, to ensure accurate and timely disclosures with the highest levels of transparency, integrity and quality of financial reporting.

The Company Secretary serves as the Secretary to the Committee.

As of 31st March 2022, the Committee consisted of three Members. viz.

1. Mrs. Bhavani Balasubramanian, Chairperson\*
2. Mrs. Radha Unni
3. Mr. Harsha Viji

\* Inducted as Chairperson of the Committee with effect from 21st March 2022

The Statutory Auditors and the Internal Auditors of the Company as well as the Managing Director and the senior executives of the Company are invited to the meetings of the Committee.

The Audit Committee acts in accordance with the Terms of Reference specified by the Board in writing and the Committee's functions include:

- a. examination of the Financial Statements and the Auditors' Report thereon;

- b. review and evaluation of the effectiveness and adequacy of the internal financial controls and risk management systems of the Company and its statutory and regulatory compliance;
- c. the recommendation for appointment, remuneration and terms of appointment of Auditors of the Company;
- d. review and monitoring of the Auditors' independence and performance, and effectiveness of audit process;
- e. reviewing the scope and plans of statutory, internal, and systems audits, and discussing the main audit findings and comments with the Management and the Auditors to focus on any significant area of concern and to ensure expeditious rectification of shortcomings, if any noticed;
- f. reviewing the non-performing and delinquent loans;
- g. reviewing frauds committed against the Company;
- h. approval or any subsequent modification of transactions of the Company with related parties;
- i. scrutiny of inter-corporate loans and investments;
- j. valuation of undertakings or assets of the Company, wherever it is necessary; and
- k. monitoring the end use of funds, if any, raised through public offers and related matters.

The Audit Committee met five times during the year under review. Details of the meetings attended by the Members are as under:

Sl. No.	Member	No. of Meetings	
		Held	Attended
1.	Mr. P.N. Venkatachalam **	5	5
2.	Ms. Radha Unni	5	5
3.	Mr. Harsha Viji	5	4

\*\* Resigned from the Board with effect from 21st March 2022

### 3.3 ASSET LIABILITY MANAGEMENT COMMITTEE (ALCO)

As of 31st March 2022, ALCO consisted of two Members, viz.

1. Mr. Lakshminarayanan Duraiswamy, Chairman
2. Mr. S. Sridhar

Functioning under the supervision of the Board of Directors, ALCO lays down policies and quantitative limits relating to assets and liabilities, based on an assessment of the various risks involved in managing them.

The ALCO met nine times during the year. Details of the meetings attended by the Members are as under:

Sl. No.	Member	No. of Meetings	
		Held	Attended
1.	Mr. Lakshminarayanan Duraiswamy	9	9
2.	Mr. G. Sundararajan *	2	2
3.	Mr. S. Sridhar **	8	8
4.	Mr. V. Swaminathan #	7	6

\* The term of office of Mr. G. Sundararajan ended on 30th June 2021

\*\* Inducted as a Member of the Committee with effect from 14th May 2022

# Ceased to be a Member of the Committee with effect from 10th February 2022

### 3.4 RISK MANAGEMENT COMMITTEE (RMC)

In accordance with the Directions issued by the National Housing Bank Directions known as the “Housing Finance Companies – Corporate Governance (National Housing Bank) Directions, 2016”, the Risk Management Committee was constituted in March 2017.

The Company Secretary serves as the Secretary to the Committee.

As of 31st March 2022, the Risk Management Committee consisted of two Members viz.

1. Mr. A.N. Raju Chairman \*
2. Mr. Lakshminarayanan Duraiswamy

\* Inducted as Chairman of the Committee with effect from 21st March 2022

In accordance with the Circular No. NHB/ND/DRS/ Policy Circular No. 95/2018-19 dated 29th May 2019 issued by the National Housing Bank, Mrs. Anitha Srinivasan has appointed as the Chief Risk Officer of the Company for a period of 2 years commencing from 25th October 2019. The Board, vide its Circular Resolution dated 22nd October 2021 has re-appointed Mrs. Anitha Srinivasan as the Chief Risk Officer of the Company for a further period of 2 years commencing from 25th October 2021.

The functions of the Committee includes:

- a) Review the risk management framework of the company – ensure that the identification, measurement and mitigation strategies are in line with the objectives of the company and as agreed to by the Board.
- b) Review Risk categorization of customers as formulated by NHB.
- c) Review Internal Audit findings as part of the risk management process
- d) Review ALCO minutes as a part of ALM risk management
- e) Review fraud identification and progress on fraud related cases

The Risk Management Committee met three times during the year. Details of the meeting attended by the Members are as under:

Sl. No.	Member	No. of Meetings	
		Held	Attended
1.	Mr. P.N. Venkatachalam*	3	3
2.	Mrs. Radha Unni #	3	3
3.	Mr. Harsha Viji #	3	2
4.	Mr. Lakshminarayanan Duraiswamy	3	3

\* Resigned from the Board with effect from 21st March 2022

# Ceased to be Members of the Committee with effect from 21st March 2022

### 3.5 CORPORATE SOCIAL RESPONSIBILITY COMMITTEE (CSR)

In keeping with the Company’s social responsibilities and in accordance with the provisions of Section 135 of the Companies

Act, 2013, Corporate Social Responsibility (CSR) Committee was constituted consisting of three Directors of whom two are Independent Directors.

The Company Secretary serves as the Secretary to the Committee.

As of 31st March 2022, the CSR Committee consisted of three Members, viz.

1. Mr. Harsha Viji, Chairman\*
2. Mrs. Bhavani Balasubramanian\*\*
3. Mr. Lakshminarayanan Duraiswamy

\* Inducted as Member with effect from 25th June 2021 and as Chairman of the Committee with effect from 21st March 2022

\*\* Inducted as Member of the Committee with effect from 21st March 2022

The functions of the Committee include:

- (i) formulation and recommendation to the Board of Corporate Social Responsibility Policy which will indicate the activities to be undertaken by the Company as specified in Schedule VII to the Companies Act, 2013;
- (ii) recommendation of the amount of expenditure to be incurred on the activities referred to in (i) and
- (iii) monitoring the Corporate Social Responsibility Policy of the Company from time to time.

The Corporate Social Responsibility Committee met one time during the year. Details of the meeting attended by the Members are as under:

Sl. No.	Member	No. of Meetings	
		Held	Attended
1.	Mr. P.N. Venkatachalam *	1	1
2.	Mr. T.T. Srinivasaraghavan **	1	1
3.	Mr. Lakshminarayanan Duraiswamy	1	1

\* Resigned from the Board with effect from 21st March 2022

\*\* Ceased to be a Member of the Committee with effect from 25th June 2021

### 3.6 NOMINATION & REMUNERATION COMMITTEE (NRC)

In accordance with the provisions of Section 178 of the Companies Act, 2013, Nomination & Remuneration Committee (NRC) was constituted and consists of three Non-Executive Directors, of whom two are Independent Directors.

The Company Secretary serves as the Secretary to the Committee.

As of 31st March 2022, the Nomination & Remuneration Committee consisted of three Members, viz.

1. Mrs. Radha Unni, Chairperson
2. Mr. Harsha Viji
3. Mr. Mahesh Parasuraman\*

\* Inducted as Member of the Committee with effect from 21st March 2022

The functions of the Committee include:

- a. identifying persons who are qualified to become Directors and who may be appointed in senior management;
- b. formulation of the criteria for determining qualifications, positive attributes and independence of Directors and recommend to the Board, a policy relating to the remuneration of Directors, key managerial personnel and other employees;
- c. formulation of criteria for evaluation of Independent Directors and the Board;
- d. devising a policy on Board diversity;
- e. undertaking the process of due diligence to determine the suitability of Directors, based upon qualification, track record, integrity and other fit and proper criteria;
- f. recommending the Director's appointment and continuation as a Director;
- g. ensuring that persons proposed to be appointed as Directors meet the relevant criteria prescribed under applicable laws;
- h. reviewing the said criteria from time to time;
- i. fixing/re-fixing the remuneration of the Executive Directors (Whole-time Directors) of the Company; and
- j. approving the remuneration/any change therein of the managerial personnel of the Company when there are no profits/inadequate profits/negative effective capital as per Schedule V to the Companies Act, 2013.

The Nomination & Remuneration Committee met three times during the year. Details of the Meetings attended by the Members are as under:

Sl. No.	Member	No. of Meetings	
		Held	Attended
1.	Mrs. Radha Unni	3	3
2.	Mr. Harsha Viji	3	3
3.	Mr. P.N. Venkatachalam*	3	3

\* Resigned from the Board with effect from 21st March 2022

The Nomination & Remuneration Committee have formulated criteria for evaluation of the Board and Non-Independent Director 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, as approved and adopted by the Board, details of which have been covered in the Boards' Report forming part of this Annual Report. The remuneration policy has been disclosed on the company's website <http://www.sundaramhome.in>

### 3.7 STAKEHOLDERS RELATIONSHIP COMMITTEE (SRC)

In accordance with the provisions of Section 178(5) of the Companies Act, 2013, Stakeholders Relationship Committee (SRC) was constituted and consists of two Non-Executive Directors, of whom one is an Independent Director.

As of 31st March 2022, the Stakeholders Relationship Committee consisted of three Members, viz.

1. Mr. Lakshminarayanan Duraiswamy, Chairman
2. Mr. A.N. Raju
3. Mrs. Radha Unni

The functions of the Committee include:

- a. approval and monitoring of transfers, transmission, split and consolidation of shares of the Company;

- b. monitoring the compliances with various statutory and regulatory requirements; and
- c. redressal of grievances of investors and security holders of the Company.

The SRC Committee met once during the year on 30th March 2022.

The Company Secretary acts as the Secretary to the Committee. Mr. R. Venkatasubramanian, Company Secretary is the Compliance Officer.

No investor complaint was pending unresolved as on 31st March 2022.

The Chairman of the Nomination & Remuneration Committee and of the Stakeholders Relationship Committee or any other Member authorised in this behalf by the respective Chairman attend the General Meetings of the Company.

### 3.8 IT STRATEGY COMMITTEE

In accordance with the Guidelines issued by the National Housing Bank Directions known as the "Guidelines on Information Technology Framework", the IT Strategy Committee was constituted in August 2018.

As of 31st March 2022, the IT Strategy Committee consisted of three Members viz.

1. Mr. Mahesh Parasuraman, Chairman\*
2. Mr. Sudheer Warriar\*\*
3. Mr. Lakshminarayanan Duraiswamy

\* Inducted as Chairman of the Committee with effect from 21st March 2022

\*\* Inducted as Member of the Committee with effect from 21st March 2022

The functions of the Committee include:

- Approving IT Strategy and Policy documents and ensuring that the Management has put an effective strategic planning process in place;
- Ascertaining that the Management has implemented processes and practices to ensure that the IT delivers value to the business;
- Ensuring IT investments represent a balance of risks and benefits and that budgets are acceptable;
- Monitoring the method that the Management uses to determine the IT resources needed to achieve strategic goals and provide



high-level direction for sourcing and use of IT resources and

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

The IT Strategy Committee met two times during the year.

Details of the Meetings attended by the Members are as under:

Sl. No.	Member	No. of Meetings	
		Held	Attended
1.	Mr. P N Venkatachalam*	2	2
2.	Mrs. Radha Unni #	2	2
3.	Mr. Lakshminarayanan Duraiswamy	2	2

\* Resigned from the Board with effect from 21st March 2022

# Ceased to be a Member of the Committee with effect from 21st March 2022

#### 4 SEPARATE MEETING OF INDEPENDENT DIRECTORS

As required under Clause VII of Schedule IV of the Companies Act, 2013 on the Code for Independent Directors, a separate Meeting of all the Independent Directors on the Company's Board, viz. Mrs. Radha Unni, Mrs. Bhavani Balasubramanian, Mr. Mahesh Parasuraman and Mr. S. Mahalingam was held on 30th March 2022, without the attendance of the Non-Independent Directors and the Members of the Management.

At this Meeting, the Independent Directors-

- reviewed the performance of the Non-Independent Directors and the Board as a whole;
- reviewed the performance of the Chairman of the Company, taking into account the views of the Managing Director and the (Non-Independent) Non-Executive Directors; and
- assessed the quality, quantity and timeliness of the flow of information between the Company's Management and the Board that was necessary for the Board to effectively and reasonably perform its duties. Besides, they discussed other matters of interest concerning the Company.

#### 5 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 <http://www.sundaramhome.in>

#### 6 REMUNERATION OF DIRECTORS

##### 6.1 NON-EXECUTIVE 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 Director and number of shares held are as follows:

S. No.	Director	Commission ₹	No. of shares held (as on 31.03.2022)
1.	Mr. T.T. Srinivasaraghavan, as a nominee of Sundaram Finance Limited	12,00,000	1

##### 6.2 INDEPENDENT DIRECTORS

Independent Directors are paid sitting fees for attending Board and Committee meetings. Details of the fees paid to them for the year 2021-22 are as under:

S. No.	Director	Sitting Fees Paid ₹
1.	Mr. P.N. Venkatachalam	3,90,000
2.	Mrs. Radha Unni	4,50,000
3.	Mrs. Bhavani Balasubramanian	85,000
4.	Mr. Mahesh Parasuraman	85,000
5.	Mr. S. Mahalingam	85,000

In addition, commission of ₹7.50 lakh was paid to Mr. P.N. Venkatachalam and Mrs. Radha Unni.

### 6.3 MANAGING DIRECTOR

Details of remuneration paid to the Key Managerial Personnel of the Company for the year 2021-22 are as under:

(₹ in lakh)

Particulars	Mr. Lakshminarayanan Duraiswamy, Managing Director
Salary & Allowances	146.61
Commission	125.64
Contribution to Provident, Superannuation, and Gratuity Funds	20.91
Perquisites	3.43
Employee Stock Option	5.02

### 7 DIRECTORS' DEPOSITS WITH THE COMPANY

As on 31st March 2022 Directors and their relatives held deposits aggregating ₹322.67 lakhs with the Company. The interest paid on the deposits of Directors and their relatives during the year amounted to ₹26.79 lakhs.

### 8 RELATED PARTY TRANSACTIONS

During the year, the Company did not enter into any materially significant transaction with related parties, i.e., its Promoters, Directors and their relatives, conflicting with the Company's interests. All related party transactions were being transacted on an arm's length basis.

The Policy on Related Party Transactions has been covered in the Boards' Report forming part of this annual report.

### 9 DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH 2022

The distribution of shareholding in the Company as on 31st March 2022 was as under:

No. of Equity Shares held by each Shareholder	No. of Shareholders	Total No. of Shares	% of Capital
1	6*	6	Negligible
1,00,001 and above	1	10,12,54,432	100%
Total	7	10,12,54,438	100%

\* Nominees of Sundaram Finance Limited, Holding Company.

### 10 SHARE PRICE PERFORMANCE

Share Price Performance is not applicable since the Company's equity shares are not listed.

### 11 SHARE TRANSFER AND INVESTOR GRIEVANCES COMMITTEE

As the shares of the Company are not listed, no Share Transfer and Investors Grievances Committee is required to be constituted.

Share transfer, transmission, split, consolidation and grievances of investors and security holders are taken care of by the Stakeholders Relationship Committee set up by the Board. There were no investor complaints pending resolution at the beginning of the year and no fresh investor complaints were received during the year. Also, during the Financial Year, Company did not receive any complaint from its debenture holders.

### 12 LISTED DEBENTURES

The Company has so far privately placed a total of 319 series of secured/unsecured Non-Convertible Debentures (NCDs) of the total face value of ₹9915.50 crore. The NCDs have been listed on the National Stock Exchange of India Ltd. (NSE) for trading in compulsory dematerialised form. The Company is up-to-date in the payment of annual listing fees to NSE.

During the year, the Company issued fresh NCDs aggregating ₹715 crore (face value) (excluding partly paid NCD issued during FY:2018-19 of which ₹100 crore each received during FY19, FY20, FY21 & FY22 (face value - ₹500 crore)) and redeemed NCDs aggregating ₹510 crore (including debenture application money and subordinated debentures) of ₹2567 crore (face value) were outstanding as on 31st March 2022.

### 13 COMMERCIAL PAPER

During the year, the Company privately placed commercial paper aggregating ₹1175 crore (face value) with mutual funds and banks/companies.

### 14 REGISTRAR AND TRANSFER AGENT

Cameo Corporate Services Ltd. has been appointed as the Registrar and Transfer Agent of the Company, and can be contacted by investors at the following address:

Cameo Corporate Services Ltd.

'Subramaniam Building',

#1, Club House Road, Chennai 600 002

Phone : 044 – 40020700

Fax : 044 – 2846 0129

Email : cameo@cameoindia.com

Contact Person : Mr. R.D. Ramasamy, Whole-Time Director

## 15 ANNUAL GENERAL MEETING

The following table shows when and where the last three Annual General Meetings were held:

Financial Year	Date of Meeting	Time	Venue	Special Resolutions passed
2020-21	6th September 2021	9.00 a.m.	No.21, Patullos Road, Chennai 600 002	For issuance of Non-Convertible Debentures on private placement basis
2019-20	17th July 2020	10.00 a.m.	No.21, Patullos Road, Chennai 600 002	For issuance of Non-Convertible Debentures on private placement basis
2018-19	17th July 2019	2.00 p.m.	No.21, Patullos Road, Chennai 600 002	For issuance of Non-Convertible Debentures on private placement basis

No resolutions were passed through postal ballot during the year ended 31st March 2022. None of the resolutions being placed at the ensuing Annual General Meeting is covered by the Postal Ballot Rules.

## 16 DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The disclosure under the sexual harassment of women at workplace (prevention, prohibition and redressal) Act, 2013 have been covered in the Boards' Report forming part of this annual report.

## 17 WHISTLE BLOWER POLICY

The Company adopted a Whistle Blower Policy and established the necessary vigil mechanism with effect from April 1, 2014, for Directors and Employees to report genuine concerns about unethical behaviour, pursuant to the provisions of Section 177(9) and (10) of the Companies Act, 2013 read with Rule 7 of Companies (Meetings of Board and its Powers) Rules, 2014. The vigil mechanism provides for adequate safeguards against victimisation of persons who use such mechanism and makes provision for direct access to the Chairperson of the Audit Committee in appropriate or exceptional cases. It is hereby affirmed that no personnel of the Company has been denied access to the Audit Committee. There were no complaints from the employees during the year 2021-22.

The Whistle Blower Policy has been hosted on the Company's website [www.sundaramhome.in](http://www.sundaramhome.in)

## 18 SEBI COMPLAINTS REDRESS SYSTEM (SCORES) AND NHB GRIEVANCE REGISTRATION & INFORMATION DATABASE SYSTEM (GRIDS)

The Company is registered with SEBI Complaints Redress System (SCORES) and NHB Grievance Registration & Information Database System (GRIDS). Under both SCORES and GRIDS, the investor/customer complaints are processed in a centralised web based complaints redressal system. The salient features of this system are Centralised database of all complaints, online upload of Action Taken Reports (ATRs) and online viewing by investors/customers of actions taken on the complaints and their current status.

## 19 DISCLOSURE

The Company has complied with the applicable requirements of the Securities and Exchange Board of India (SEBI) and the National Stock Exchange of India Ltd. (NSE) on matters relating to capital markets. There has been no instance of non-compliance by the Company or penalty or strictures imposed / passed on the Company by SEBI or NSE or any statutory authority, on any matter related to capital markets, during the last three years.

## 20 MEANS OF COMMUNICATION

The primary source of information to the shareholders, customers, analysts and other stakeholders of the Company and to the public at large is through the website of the Company [www.sundaramhome.in](http://www.sundaramhome.in)

In accordance with the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Listing Agreement with NSE, half-yearly unaudited financial results/annual audited financial results of the Company in respect of financial year 2021-22 have been forwarded to NSE in the prescribed format. Further, the results have been published in newspapers, “Financial Express” (English) and “Makkal Kural” (Tamil) and are hosted on the Company’s website [www.sundaramhome.in](http://www.sundaramhome.in)

The annual report has been sent in electronic form also to the Members.

## 21 CORPORATE IDENTITY NUMBER

The Corporate Identity Number (CIN), allotted to the Company by the Ministry of Corporate Affairs, Government of India is U65922TN1999PLC042759. With the MCA21 initiative of the Ministry of Corporate Affairs going live, the Company’s master data and details of the compliance filings of the Company with the Ministry may be viewed by the Members and other stakeholders at [www.mca.gov.in](http://www.mca.gov.in) using the CIN.

## 22 REGISTRATION WITH THE RESERVE BANK OF INDIA

The Registration Number allotted to the Company by the National Housing Bank (NHB) is 01.0010.01 in pursuance to Section 29A of the National Housing Bank Act, 1987. The Company has been granted Certificate of Registration to carry on the business of a housing finance institution along with permission to accept deposits from the public.

The Finance (No.2) Act, 2019 has amended the National Housing Bank Act, 1987 conferring certain powers for regulation of Housing Finance Companies (HFCs) with Reserve Bank of India and was published in the Official Gazette on 09th August 2019. HFCs will be treated as one of the categories of Non-Banking Financial Companies (NBFCs) for regulatory purposes. NHB will continue to carry out supervision of HFCs including Grievance Redressal Mechanism.

Reserve Bank of India vide RBI/2020-21/100 - DOR.FIN.HFC. CC.No.120/03.10.136/2020-21 dated 17th February 2021 has issued Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021.

Reserve Bank of India has granted Certificate of Registration No. DOR-00010 in pursuance to Section 29A of the National Housing Bank Act, 1987, in lieu of Certificate of Registration No.01.0010.01 issued by NHB, to carry on the business of a housing finance institution along with permission to accept deposits from the public.

## 23 ADDRESS FOR CORRESPONDENCE AND ANY ASSISTANCE OR CLARIFICATION

Mr. R. Venkatasubramanian, Company Secretary is the Compliance Officer. He can be contacted at the following address for assistance or clarification:

Mr. R. Venkatasubramanian, Compliance Officer  
Sundaram Home Finance Ltd.  
Sundaram Towers,  
46, Whites Road, Chennai - 600 014  
Phone: 044-2851 5267  
E-mail: [venkat.r@sundaramhome.in](mailto:venkat.r@sundaramhome.in)

## 24 MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management Discussion and Analysis Report forms part of the Board’s Report.

## 25 GENERAL SHAREHOLDER INFORMATION

Twenty Third Annual General Meeting

Date	Time	Venue
27th July 2022	9:00 AM	No.21, Patullos Road, Chennai 600002

The Company’s Board is scheduled to consider the audited annual results / unaudited half-yearly results as under:

- Financial Year –1st April 2021 to 31st March 2022 : 14th May 2022
- Unaudited results for the half-year ending 30th September 2022: End of October 2022.
- Date of payment of dividend for the year ending 31st March 2021: 6th September 2021.

## 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 HOME 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 HOME FINANCE LIMITED having CIN - U65922TN1999PLC042759 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.	Mr. Thiruvallur Thattai Srinivasaraghavan	00018247	02/07/1999
2.	Mr. Harsha Viji	00602484	24/01/2020
3.	Mr. Ayalur Natarajan Raju	00036201	20/05/2021
4.	Mr. Mahalingam Seturaman	00121727	04/02/2022
5.	Ms. Radha Unni	03242769	05/03/2015
6.	Ms. Bhavani Balasubramanian	09194973	04/02/2022
7.	Mr. Mahesh Parasuraman	00233782	04/02/2022
8.	Mr. Lakshminarayanan Duraiswamy	07988186	25/10/2019

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: F005837D000535168

Place: Chennai  
Date: 27.06.2022

# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SUNDARAM HOME FINANCE LIMITED, CHENNAI FOR THE YEAR ENDED 31st MARCH, 2022

## REPORT ON FINANCIAL STATEMENTS

### OPINION

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

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 31st March 2022, and its profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

## BASIS FOR OPINION

We conducted our audit in accordance with the Standards on Auditing (“SA”) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with 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 financial statements under the provisions of the Act and the Rules made there under 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 we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

## KEY AUDIT MATTERS

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

Key Audit Matter	How our audit addressed the key audit matter
<p><b>Impairment Loss Allowance:</b></p> <p>Management’s judgements in the calculation of impairment allowances have significant impact on the financial statements. The estimates regarding impairment allowances are complex and require a significant degree of judgement, which increased with implementation of expected credit loss (“ECL”) approach as required by Ind AS 109 relating to “Financial instruments.”</p> <p>The Management is required to determine ECLs that may occur depending on the staging of the individual asset.</p> <p>This staging is determined by an assessment of whether there has been a significant increase in credit risk of the borrower since loan origination. It is also necessary to consider the impact of different future macroeconomic conditions in the determination of ECLs.</p> <p>The accuracy of the assumptions used in the models, including the macroeconomic scenarios, impacts the level of impairment provisions. The management monitors the precision of the ECL models, to ensure that the models appropriately estimate losses comparing to actual results (“back-testing procedures”) and that the level of the impairment allowances is adequate. ECL provision calculations require the use of large volumes of data. The completeness and reliability of data can significantly impact accuracy of the modelled impairment provisions. The accuracy of data flows and the implementation of related controls is critical for the integrity of the estimated impairment provisions. Given the significance of judgements and the high complexity related particularly to the calculation of ECL, management’s Judgement and evaluation regarding the impact Covid 19 Pandemic and the regulatory requirements on such calculation we considered this area as a key audit matter.</p>	<p>We have started our audit procedures with updating our understanding of the internal control environment related to recognition and measurement of impairment allowances and tested the effectiveness of the selected key controls implemented by the Company, in particular:</p> <ul style="list-style-type: none"> <li>• procedures in the area of recording, processing and amending of key customer data applied in the calculation of expected credit losses;</li> <li>• data flows between the Company’s core IT systems and ECL calculation tool;</li> <li>• procedures in the area of timely and complete identification of significant increase in credit risk (stage 2) and default (stage 3).</li> </ul> <p>We also assessed the approach of the Company regarding application of significant increase in credit risk criteria, definition of default, probability of default, loss given date and incorporation of forward-looking information in the calculation of ECL.</p> <p>We have focused on the analysis of the results of the back-testing procedures, by assessing the Company’s assumptions and the expert adjustments applied in the model taking into account the empirical data and the existing credit and monitoring processes.</p> <p>For individually insignificant loans and advances which are assessed for impairment on a portfolio basis we performed particularly the following procedures:</p> <ul style="list-style-type: none"> <li>• we tested the reliability of key data inputs and related management controls</li> <li>• we verified the key judgements and assumptions relating to the macro-economic scenarios including the impact of Covid 19 Pandemic, regulatory requirements and the associated probability weights;</li> <li>• we analyzed impairment coverage of credit portfolio and its changes.</li> </ul> <p>We applied our professional judgement in the selection of significant loans and advances assessed for impairment on an individual basis – we selected the sample taking into account different risk criteria:</p> <ul style="list-style-type: none"> <li>• for selected loans and advances we checked the stage classification as at the Balance sheet date,</li> <li>• for selected impaired loans and advances (Stage 3) we tested the assumptions used in the impairment allowances’ calculation, particularly expected scenarios and probabilities assigned to them and the timing and amount of expected cash flows, including cash flows from repayments, valuation of collaterals, application of haircuts and realisation of collaterals.</li> </ul> <p>As a result of the above audit procedures no material differences were noted.</p> <p>We confirm the adequacy of disclosures made in the Financial Statements.</p>

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

The Company's Board of Directors is responsible for other information. The other information comprises the information included in the financial highlights, board's report and report on corporate governance but does not include the financial statements and our auditor's 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 in the audit or otherwise appears to be materially misstated. If, based on the work we performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance 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 read with the Companies (Indian Accounting Standards) Rules, 2015. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates

that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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

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

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

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis



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for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable

user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

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

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in "Annexure A" to this Report, a statement on the matters specified in paragraphs 3 and 4 of the said Order.
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 Flow 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 read with the Companies (Indian Accounting Standards) Rules, 2015.
- (e) On the basis of the written representations received from the directors as on 31st March, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure B”.
- (g) With respect to the other matters to be included in the Auditor’s Report in accordance with the requirements of section 197(16) of the Act:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- (h) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, 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 no. 33.13 to the financial statements.
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There were no amounts, required to be transferred, to Investor Education Protection Fund during the year by the Company.
- 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 or entity, including foreign entity (“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 or entity, including foreign entity (“Funding Parties”), with the understanding, whether recorded in writing or otherwise,

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- 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.
- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. (a) The final dividend paid by the Company during the year in respect of the same declared for the previous year is in accordance with section 123 of the Companies Act 2013 to the extent it applies to payment of dividend.
- (b) The company has paid an interim dividend of ₹1.5 per share and is in accordance with Section 123 of the companies Act 2013 to the extent it applies to declaration and payment of dividend.
- (c) As stated in Note No.33.8 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 **Suri & Co**  
Chartered Accountants  
Firm Registration. No. 004283S

**M.Sivaram**  
Partner

M.No :211916

UDIN: 22211916AJMFXL1260

Place: Chennai

Date : 14.05.2022

## ANNEXURE - A TO THE INDEPENDENT AUDITOR'S REPORT (Referred to in our report of even date)

The Annexure referred to in Independent Auditors' Report to the members of the company on the financial statements for the year ended 31st March 2022, we report that:

(i) In respect of the Company's Property, Plant and Equipment and Intangible Assets:

(a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) The Property, Plant and Equipment and right-of-use assets is physically verified at reasonable intervals by the management. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) According to the information and explanation given to us, and the books and records verified by us, and based on the examination of the registered sale deeds we report that, the title deeds of immovable properties of Land and Buildings which are freehold, are held in the name of the Company as at Balance sheet date.

(d) The Company has not revalued any of its Property, Plant and Equipment (including right- of-use assets) and intangible assets during the year.

(e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

(ii) (a) The Company does not have any inventory and hence reporting under Clause 3(ii)(a) of the Order is not applicable.

(b) The Company has been sanctioned working capital limits in excess of ₹ 5 crore, during the year, from banks or financial institutions on the basis of security of current assets. There are no material discrepancies between the statements submitted to the bank and the books of accounts.

(iii) The Company has not provided any guarantee or security but has made investments and granted loans or advances in the nature of loans, secured, to companies, firms, Limited Liability Partnerships or any other parties. The reporting as required under this clause is given below

(a) Since the company is a NBFC, the reporting under the Clause (iii) (a) is not applicable.

(b) In our opinion, the investments made and the terms and conditions of the grant of loans, during the year are, prima facie, not prejudicial to the Company's interest. The company has not provided any guarantee and the security given are not prejudicial to the Company's Interest

(c) In respect of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments of principal amounts and receipts of interest are generally been regular as per stipulation except for the disclosure made in Note 8 in the financial statements.

(d) The total amount overdue for more than ninety days is ₹283.24 Crores and reasonable steps have been taken for the recovery of the principal and interest.

No of Cases	Principal Amount Overdue	Interest Amount Overdue	Total Overdue
907	₹232.54 Crores	₹50.70 Crores	₹283.24 Crores

(e) The Company is a NBFC ,whose principal business is to provide loans. Hence, reporting under clause 3(iii) (e) is not applicable.

(f) 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 during the year. Hence, reporting under clause 3(iii) (f) is not applicable.

(iv) The Company has not granted any loans or given guarantees or provided security to directors or to persons in whom the directors are interested. except for a loan provided to the Managing Director and the provisions of section 185 the Companies Act, 2013 has been complied with. The company has not provided loan, guarantees, investments or security which fall under the purview of Section 186 of the Companies Act ,2013

- (v) As per the notification by the Ministry of Corporate Affairs (GSR 256(E) dated March 31, 2014) the provisions of sections 73 to 76 or any other provisions of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014, as amended, with regard to the deposits accepted are not applicable to the Company and hence the reporting under clause 3(v) of the Order is not applicable. The Company has complied with the directions issued by the National Housing Bank with regard to deposits accepted from the public.
- (vi) The maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 for the business activities carried out by the Company. Hence, reporting under clause (vi) of the Order is not applicable to the Company.
- (vii) In respect of statutory dues:
- (a) In our opinion, the Company has generally been regular in depositing undisputed statutory dues, including Goods and Services tax, Provident Fund, Employees' State Insurance, Income Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.
- There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income Tax, Cess and other material statutory dues in arrears as at March 31, 2022 for a period of more than six months from the date they became payable.
- (b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2022 on account of disputes are given below:

Name of the statute	Nature of dues	Amount Disputed and Unpaid (₹ in lakhs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Penalty	1,47,90,069	AY 2014-15	CIT (A)
Income Tax Act, 1961	Penalty	1,15,28,682	AY 2015-16	CIT (A)
Income Tax Act, 1961	Penalty	1,38,07,899	AY 2016-17	CIT (A)

- (viii) There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- (ix) (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) The Company has taken term loans during the year and the term loans were applied for the purpose for which the loans was obtained.
- (d) On an overall examination of the financial statements of the Company, funds raised on short- term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- (e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.
- (f) The Company has not raised any loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies, and hence reporting on clause 3(ix) (f) of the Order is not applicable.
- (x) (a) The Company has raised moneys by way of offer of Non convertible debentures during the year and the same has been utilised for the purposes lending in their financing activities and other activities in the normal course of business.
- (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.
- (xi) (a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules,

- 2014 with the Central Government, during the year and upto the date of this report.
- (c) No whistle blower complaints was received by the company during the year (and upto the date of this report).
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- (xiii) In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- (xiv) (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- (xv) In our opinion during the year the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors. and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi) (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. The company has obtained a certificate of registration under section 29A of the National Housing Bank Act, 1987
- (b) The company has not conducted any Housing finance activities without valid Certificate of registration
- (c) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.
- (xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors of the Company during the year.
- (xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) (a) There are no unspent amounts towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable for the year.
- (b) There are no amount remaining unspent under sub-section (5) of section 135 of the Companies Act, pursuant to any ongoing project, has been transferred to special account in compliance with the provision of sub-section (6) of section 135 of the said Act.

**For Suri & Co**  
Chartered Accountants  
Firm Registration. No. 004283S

**M.Sivaram**  
Partner

Place: Chennai

M.No :211916

Date : 14.05.2022

UDIN: 22211916AJMFXL1260

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**ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT**  
**(Referred to in our report of even date)**  
**Report on the Internal Financial Controls under Clause (i) of**  
**Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

**We have audited the internal financial controls with reference to financial statements of Sundaram Home Finance Limited ("the Company") as of March 31, 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.**

### **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements 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") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to financial statements, both applicable to an audit of Internal Financial Controls and both issued by the Institute of Chartered Accountants of India. 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 financial statements were 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 financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of internal financial controls with reference to 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control with reference to 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 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 Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the Ind AS financial statements.

### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls with reference to 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become

inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Suri & Co**  
Chartered Accountants  
Firm Registration. No. 004283S

**M.Sivaram**  
Partner

Place: Chennai  
Date : 14.05.2022

M.No :211916  
UDIN: 22211916AJMFXL1260



## Balance Sheet as at 31st March, 2022

(₹ in lakhs)

Particulars	Note No.	31st March 2022	31st March 2021
<b>ASSETS</b>			
<b>Financial Assets</b>			
Cash and cash equivalents	5	863.02	2089.20
Bank Balances other than Cash and cash equivalents	6	3961.77	4834.51
Receivables			
- Trade Receivables	7	18.09	62.55
Loans	8	918376.18	875177.33
Investments	9	87628.05	78321.91
Other Financial assets	10	404.41	9459.89
<b>Non-financial Assets</b>			
Current tax Assets (Net)	11	3842.57	3975.87
Deferred tax Assets (Net)	23	5400.24	4492.93
Property, Plant and Equipment	12	2547.54	2586.84
Right Of Use Assets	13	567.48	566.67
Other Intangible assets	14	261.19	340.90
Other Non-Financial assets	15	1042.62	1057.94
<b>Total Assets</b>		<b>1024913.16</b>	<b>982966.54</b>
<b>LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
<b>Financial Liabilities</b>			
<b>Payables</b>			
<b>(I) Trade Payables</b>			
(i) Total outstanding dues of micro enterprises and small enterprises			
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	16	1418.53	789.79
<b>(II) Other Payables</b>			
(i) Total outstanding dues of micro enterprises and small enterprises			
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises			
Debt Securities	17	321230.62	257188.02
Borrowings (Other than Debt Securities)	18	317984.63	365432.58
Deposits	19	200042.21	184588.41
Subordinated Liabilities	20	13286.70	13265.58
Lease Liabilities		615.66	607.06
Other financial liabilities	21	2571.72	3423.86
<b>Non-Financial Liabilities</b>			
Provisions	22	769.50	593.66
Other non-financial liabilities	24	1495.96	1207.18
<b>EQUITY</b>			
Equity Share capital	25	10125.44	10125.44
Other Equity	26	155372.19	145744.96
<b>Total Liabilities and Equity</b>		<b>1024913.16</b>	<b>982966.54</b>

The Notes from 1 to 35 are an integral part of these standalone financial statements.

As per our report of even date attached  
For **Suri and Co**  
Chartered Accountants  
FRN : 004283S  
**M.Sivaram**  
Partner  
Membership No. 211916  
Chennai  
14th May 2022

**T.T. Srinivasaraghavan**  
Chairman

**Lakshminarayanan Duraiswamy**  
Managing Director

**Venkatasubramanian R**  
Company Secretary

**Bhavani Balasubramanian**  
Director

**Sridhar. S**  
Chief Financial Officer

**Statement of Profit and Loss for the year ended 31st March, 2022**

(₹ in lakhs)

Particulars	Note No.	April 2021- March 2022	April 2020- March 2021
<b>Revenue from operations</b>			
Interest Income	27	91872.30	100323.41
Fees and commission Income		466.05	242.40
Net gain on fair value changes	28	1975.53	2043.31
Other Operating Income		1345.29	1302.23
<b>Total Revenue from operations</b>		<b>95659.17</b>	<b>103911.35</b>
<b>Other Income</b>			
Profit on sale of Property Plant & Equipment		11.23	-
Miscellaneous Income		28.31	4.57
<b>Total Other Income</b>		<b>39.54</b>	<b>4.57</b>
<b>Total Income</b>		<b>95698.71</b>	<b>103915.92</b>
<b>Expenses</b>			
Finance Costs	29	53242.96	62537.20
Impairment on financial instruments	30	8093.92	5227.97
Employee Benefits Expenses	31	7270.91	6628.21
Depreciation and amortization	12,13 & 14	1155.79	1293.55
Administrative and other expenses	32	4663.39	3098.91
<b>Total Expenses</b>		<b>74426.97</b>	<b>78785.83</b>
<b>Profit before tax</b>		<b>21271.74</b>	<b>25130.09</b>
Tax Expense:			
Current Tax		5409.40	7013.69
Deferred Tax		(907.31)	(1047.94)
<b>Total Tax Expense</b>		<b>4502.09</b>	<b>5965.75</b>
<b>Profit after tax before exceptional item</b>		<b>16769.65</b>	<b>19164.34</b>
Exceptional item			
Reversal of Deferred Tax Liability relating to past years		-	-
<b>Profit after tax after Exceptional item</b>		<b>16769.65</b>	<b>19164.34</b>
<b>Other Comprehensive Income (OCI)</b>			
(A) (i) Items that will not be reclassified to profit or loss			
Remeasurement of the defined benefit plans		(100.93)	(54.39)
(ii) Income tax relating to items that will not be reclassified to profit or loss		25.40	13.69
<b>Subtotal (A)</b>		<b>(75.53)</b>	<b>(40.70)</b>
(B) (i) Items that will be reclassified to profit or loss			
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
<b>Subtotal (B)</b>		<b>-</b>	<b>-</b>
<b>Other Comprehensive Income (A + B)</b>		<b>(75.53)</b>	<b>(40.70)</b>
<b>Total Comprehensive Income for the period comprising Profit and other comprehensive income for the period</b>		<b>16694.12</b>	<b>19123.64</b>
Earnings per equity share on Face Value of ₹10 per share			
Basic & Diluted (₹)		16.56	18.93

As per our report of even date attached  
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 Chief Financial Officer

**STATEMENT OF CHANGES IN EQUITY**

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

₹ in lakhs

**A. Equity Share Capital**

Particulars	2021-22	2020-21
Balance at the beginning of the reporting period	10125.44	10125.44
Changes in Share Capital due to changes in Accounting Policies and prior period errors	-	-
Restated balance at the beginning of the current reporting period	-	-
Changes in equity share capital during the year	-	-
Balance at the end of the reporting period	<b>10125.44</b>	<b>10125.44</b>

**B. Other Equity**

Particulars	Reserves and Surplus						Total		
	Share application money pending allotment	Statutory Reserves	General Reserve	Securities Premium	Special Reserve U/s 36(1) (viii) of Income Tax Act, 1961	Retained Earnings		ESOP Reserve	COVID-19 Reserve
<b>Balance as at 01st April 2020</b>	-	2965.94	61000.00	20474.56	28174.00	15988.39	131.37	3247.05	<b>131981.32</b>
Changes in accounting policy/prior period errors									
<b>Restated balance at the beginning of the reporting year</b>									
Profit for the period						19164.34			19164.34
Other Comprehensive Income for the year						(40.70)			(40.70)
Appropriations made during the year		332.87			3500.00	(1403.06)		(3247.05)	(817.24)
Dividends						(4556.45)			(4556.45)
Options granted during the year							13.70		13.70
Transfer to retained earnings									
Any other change (to be specified)									
<b>Balance as at 31st March 2021</b>	-	3298.81	61000.00	20474.56	31674.00	29152.52	145.07	-	<b>145744.96</b>
<b>Balance as at 1st April 2021</b>	-	3298.81	61000.00	20474.56	31674.00	29152.52	145.07	-	<b>145744.96</b>
Changes in accounting policy/prior period errors									-
<b>Restated balance at the beginning of the reporting year</b>									-
Profit for the year						16769.65			16769.65

Particulars	Reserves and Surplus							Total
	Share application money pending allotment	Statutory Reserves	General Reserve	Securities Premium	Special Reserve U/s 36(1)(viii) of Income Tax Act, 1961	Retained Earnings	ESOP Reserve	
Other Comprehensive Income for the year						(75.53)		(75.53)
Appropriations made during the year		53.93	-		3,300.00	(3533.93)		-
Dividends						(7087.81)		(7087.81)
Options granted during the year							20.97	20.97
Transfer to retained earnings								-
Any other change (to be specified)								-
<b>Balance as at 31st March 2022</b>	-	<b>3352.74</b>	<b>61000.00</b>	<b>20474.56</b>	<b>34974.00</b>	<b>35404.90</b>	<b>166.04</b>	<b>- 155372.19</b>

a) The Special Reserve has been created over the years in terms of Section 36 (1) (viii) of the Income-tax Act, 1961 and Section 29C of the National Housing Bank Act, 1987.

b) As per Section 29C of the National Housing Bank Act, 1987, the Company is required to transfer at least 20% of its net profits every year to a reserve before any dividend is declared. For this purpose, a transfer to any Special Reserve created by the Company under Section 36 (1)(viii) of the Income-tax Act, 1961 is considered to be an eligible transfer. The Company has transferred ₹53.93 lakhs (March 31, 2021 ₹332.87) to the statutory reserve u/s 29C of NHB Act and ₹3300.00 lakhs (March 31, 2021 - ₹3500.00 lakhs) to the Special Reserve in terms of Section 36 (1) (viii) of the Income-tax Act, 1961.

c) The Amendments in Schedule III pertaining to SOCE:

Particulars	2021-22	2020-21
Equity component of compound financial instruments		
Capital Reserve		
Others- Remeasurement of Employee Benefits		
Debt instruments through Other Comprehensive Income		
Equity Instruments through Other Comprehensive Income	NIL	NIL
Effective portion of Cash Flow Hedges		
Revaluation Surplus		
Exchange differences on translating the financial statements of a foreign operation		
Money received against share warrants		

As per our report of even date attached

For **Suri and Co**

Chartered Accountants

FRN : 004283S

**M. Sivaram**

Partner

Membership No. 211916

Chennai

14th May 2022

**T.T. Srinivasaraghavan**

Chairman

**Lakshminarayanan Duraiswamy**

Managing Director

**Venkatasubramanian R**

Company Secretary

**Bhavani Balasubramanian**

Director

**Sridhar. S**

Chief Financial Officer

## Cash Flow Statement

(₹ in lakhs)

Particulars	April 2021 - March 2022	April 2020 - March 2021
<b>CASH FLOW FROM OPERATING ACTIVITIES:</b>		
<b>Profit After Tax</b>	<b>16769.65</b>	<b>19164.34</b>
Provision for Taxation (Including Deferred Tax)	4502.09	5965.75
Add : Finance Cost	53242.96	62537.20
Depreciation	1155.79	1293.55
Impairment on Financial Instruments	8093.92	5227.97
Share based payments	20.97	13.71
Profit on sale of Property Plant & Equipment (Net)	(10.59)	-
(Profit)/ Loss on sale of Investments	(1975.53)	(2062.60)
Interest Income from Investments	(2571.07)	(2920.43)
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>79228.19</b>	<b>89219.49</b>
(Increase)Decrease in Trade Receivables	44.46	23.01
(Increase) Decrease in Loans	(51291.42)	37482.82
(Increase) Decrease in Bank Balances other than Cash and cash equivalents	872.86	6147.75
(Increase) Decrease in Other Financial Assets	9053.30	(9085.60)
Increase (Decrease) in Other Non Financial Assets	15.32	93.90
Increase (Decrease) in Trade Payables	628.74	(287.52)
Increase (Decrease) in Other Financial Liabilities	(852.14)	906.87
Increase (Decrease) in Other Non Financial Liabilities	288.78	(122.38)
Increase (Decrease) in Provisions	75.93	342.44
<b>Cash Generated From Operations</b>	<b>38064.02</b>	<b>124720.77</b>
Financial Costs	(53364.94)	(64587.64)
Direct Taxes Paid	(5250.70)	(4649.93)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>(A) (20551.62)</b>	<b>55483.20</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of PPE & Other Intangible assets	(456.96)	(246.81)
Sale of PPE & Other Intangible assets	31.60	24.59
(Purchase)/Sale of Investments	(7218.84)	(17227.94)
Interest Received	2458.38	2726.23
<b>NET CASH FROM INVESTING ACTIVITIES</b>	<b>(B) (5185.83)</b>	<b>(14723.92)</b>

(₹ in lakhs)

Particulars		April 2021 - March 2022	April 2020 - March 2021
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Increase (Decrease) in Debt Securities		65687.70	(4061.39)
Increase (Decrease) in Borrowings other than debt securities		(47175.63)	(50999.69)
Increase (Decrease) in Public Deposits		13738.92	19438.58
Repayment of lease liabilities		(651.92)	(645.34)
Dividend paid		(7087.81)	(4556.45)
<b>NET CASH FROM FINANCING ACTIVITIES</b>	<b>( C )</b>	<b>24511.25</b>	<b>(40824.30)</b>
<b>Effect of Foreign Exchange rates on Cash and Cash Equivalents, net</b>	<b>( D )</b>	<b>-</b>	<b>-</b>
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<b>(1226.19)</b>	<b>(65.02)</b>
<b>(A)+(B)+(C)+(D)</b>			
Cash and cash equivalents at the Beginning of the Year		2089.21	2154.23
<b>Cash and cash equivalents at the End of the Year</b>		<b>863.02</b>	<b>2089.21</b>
<b>COMPONENTS OF CASH AND CASH EQUIVALENTS</b>			
<b>AT THE END OF THE YEAR</b>			
Current Account with Banks		105.41	813.18
Cheques Drafts on Hand		694.50	1158.35
Cash, Stamps and Stamp Papers on Hand		63.11	117.68
<b>Cash &amp; Cash equivalents</b>		<b>863.02</b>	<b>2089.21</b>

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Chief Financial Officer

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# NOTES TO THE ACCOUNTS

## 1. Corporate Information

Sundaram Home Finance Ltd (“the company”) is a public limited company incorporated in India, having Corporate Identification Number (CIN) - U65922TN1999PLC042759, with its registered office located at No.21 Patullos Road Chennai 600002.

The company is a deposit taking housing finance company registered with National Housing Bank, having registration number – DOR-00010. The Company’s main business is to provide loans against/for purchase, construction, repairs and renovations of Housing/Commercial Properties etc. All other activities of the Company revolve around the main business.

The Non-Convertible Debentures issued by the Company are listed on the whole-sale debt market segment of National Stock Exchange of India Limited.

## 2. Basis of preparation and presentation

### 2.1 Statement of Compliance and Basis of Preparation and Presentation

The Balance Sheet, the Statement of Profit and Loss and the Statement of Changes in Equity are prepared and presented in the format prescribed in the Division III of Schedule III to the Companies Act, 2013 (the “Act”). The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 “Statement of Cash Flows”. The Balance Sheet, Statement of Profit and Loss, Statement of Cash Flow and

Statement of Changes in Equity are together referred as the financial statement of the Company.

The financial statements of the Company have been drawn up in accordance with the provisions of Section 129 read with Schedule III of the Companies Act, 2013 and in accordance with the Indian Accounting Standards (Ind AS) as specified under sec 133 of the Companies Act, 2013 and relevant amendment rules issued thereafter (“Ind AS”).

The financial statements are prepared and presented on going concern basis and the relevant provisions of the ACT and the guidelines and directives issued by the Reserve Bank of India (RBI) and National Housing Bank (“NHB”) to the extent applicable.

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

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

Accounting policies are consistently applied except where a newly issued Ind AS initially adopted or a revision to an existing Ind AS requires a change in the accounting policy.

### 2.2 Accounting Convention

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

### 2.3 Measurement of fair values

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.

Fair value measurements are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as mentioned below:

**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.

## NOTES TO THE ACCOUNTS (Contd.)

**Level 3:** Inputs for the asset and liability that are not based on observable market data.

### 3. Use of Estimates and Judgements

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

### 4. Significant Accounting Policies

#### 4.1 Revenue recognition

Interest income from financial assets is recognized on an accrual basis using Effective Interest Rate (EIR) method. Interest revenue would be recognized at the original effective interest rate applied on the gross carrying amount.

The Effective Interest Rate (EIR) method is a method of calculating the amortised cost of a financial instrument and 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 is recognized as revenue in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss and the amortised cost is reduced by impairment losses.

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.

Fee and commission, that are integral to the transaction relating to any financial asset or liability are included in the computation of EIR. Other incomes are accounted on actual receipts.

#### 4.2 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 assets and financial liabilities are recognized when the Company 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 Statement of Profit and Loss.

##### 4.2.a. Financial assets

###### Classification and Subsequent Measurement

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

###### At Amortised Cost

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



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## NOTES TO THE ACCOUNTS (Contd.)

- a) The asset is held within a business model whose objective is to hold them in order to collect contractual cash flows; and
- b) 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.
- c) Such Financial assets are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method.

### At Fair Value through Other Comprehensive Income (FVTOCI)

A debt instrument is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- a) the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss

On initial recognition of an equity instrument that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI – equity instrument). This election is made on an investment-by-investment basis.

These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost

of the investment. Other net gains and losses are recognized in OCI and are not reclassified to profit or loss.

### At Fair Value through Profit or Loss (FVTPL)

Any financial instrument, which does not meet the criteria for categorization as at amortized cost or as Fair Value through Other Comprehensive Income (FVOCI), is classified as at FVTPL. In addition, the Company may elect to classify a debt instrument, which otherwise meets amortized cost or FVOCI 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.

#### 4.2.b. Impairment of Financial Assets

The Company applies the Expected Credit Loss (ECL) model for recognizing impairment losses on financial assets. Under the model, the Company considers Exposure at Default (EAD), Loss Given Default (LGD) & Probability of Default (PD).

12 months ECL represents the probability of expected default events on the financial assets within 12 months after the respective reporting date. Lifetime Expected Credit Loss represent the expected credit loss from default events over the expected life of a financial asset.

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.

In estimating the probability of default for computing the expected credit loss on loans, qualitative regression model has been adopted by considering representative characteristics of the loans from historic data and macro-economic factors relevant to the period. Similarly, loss

## NOTES TO THE ACCOUNTS (Contd.)

given default has been estimated using the past write off experiences and collateral approach. The model of ECL so computed is periodically evaluated and impact thereof is recognised in the Statement of Profit and Loss.

### 4.2.c. 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 derecognition are recognized in the profit or loss.

### 4.2.d. Evaluation of Business Model

Classification and measurement of financial instruments depends on the results of the Solely Payments of Principal and Interest on the principal amount outstanding (“SPPI”) and the business model test.

An assessment of business model for managing financial assets is fundamental to the classification of a financial asset. The Company determines the business model at a level that reflects how financial assets are managed together to achieve a particular business objective. The Company’s business model does not depend on management’s intentions for an individual instrument, therefore the business model assessment is performed at a higher level of aggregation rather than on an instrument-by-instrument basis.

The Company monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company’s continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate

whether there has been a change in business model and so a prospective change to the classification of those instruments.

The Company considers all relevant information and evidence available when making the business model assessment such as:

- how the performance of the business model and the financial assets held within that business model are evaluated and reported to the Company’s key management personnel.
- the risks that affect the performance of the business model (and the financial assets held within that business model) and the way in which those risks are managed.

At initial recognition of a financial asset, the Company determines whether newly recognised financial assets are part of an existing business model or whether they reflect a new business model. The Company reassesses its business model at each reporting period to determine whether the business model has changed since the preceding period.

### 4.2.e Solely Payments of Principal and Interest (“SPPI”)

The Company assesses the contractual terms of financial assets to identify whether they meet the SPPI test.

‘Principal’ for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortization of the premium/discount)

The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Company applies judgement and considers relevant factors.

Contractual terms that introduce exposure to risks or volatility in the contractual cash flows that are unrelated to

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## NOTES TO THE ACCOUNTS (Contd.)

a basic lending arrangement, such as exposure to changes in equity prices or commodity prices, do not give rise to contractual cash flows that are SPPI.

### 4.2.f. Derecognition 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 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 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 derecognized.

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 is recognised in Statement of Profit and Loss.

#### Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expired.

### 4.2.g. Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the balance sheet when the Company has a legally enforceable right to offset the recognised amounts and there is an intention to settle

on a net basis or realise the asset and settle the liability simultaneously.

## 4.3 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

#### A. Defined contribution plans

##### I. Superannuation

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

##### II. Employees' Provident Fund, Pension Scheme and Employees' State Insurance Scheme

The Company contributes to a Government-administered Provident Fund, Pension Fund and Employees State Insurance on behalf of its employees and the contributions are charged to the statement of profit and loss.

#### B. Defined benefit plans

##### 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-

## NOTES TO THE ACCOUNTS (Contd.)

measurements. Changes due to service cost and net interest cost / income is recognized in the statement of profit and loss. Re-measurements of net defined benefit liability / (asset) which comprise of the below are recognized in other comprehensive income:

### Actuarial gains and losses;

The return on plan assets, excluding amounts included in net interest on the net defined benefit liability (asset).

### C. Other Long-Term Employee Benefits

#### Leave Encashment:

The company accounts its liability based on an actuarial valuation, as at the balance sheet date, using the Projected Unit Credit method. The expenses and the actuarial gain or loss on account of the above benefit plans are recognized in the Statement of Profit and Loss on the basis of actuarial valuation.

#### 4.4 Share Based Payments:

##### Employee Stock Options

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

#### 4.5 Income Taxes

Tax expense comprises of current and deferred tax. It is recognised in statement of profit and loss except to the extent that it relates to 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 recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences can be utilized. Deferred tax assets are reviewed at each reporting date and based on management's judgement, are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

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

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

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

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

Current and deferred tax are recognised in Statement of profit and 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.

#### 4.6 Property, plant and equipment

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

Property, plant and equipment 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 incurred for bringing the asset to its working condition for the intended use.

Freehold land is not depreciated.

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 life, 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 life of the assets, based on technical assessment, which are different in certain cases from those prescribed in Schedule II to the Act, are as follows:

<b>Computers and Data Processing Units</b>	
- Servers and Networks	10 years
- End User Devices	7 Years
Office Equipment	8 Years
Furniture and Fixtures	10 Years
Electrical installations	15 Years
Vehicles	5 Years

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.

Further, there is no significant change in the useful life of the above assets as compared to previous year.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset.

#### 4.7 Leases

The Company shall recognise a right-of-use asset and a lease liability whenever it takes any asset on lease. The right-of-use asset shall be measured at cost that comprises of initial value of lease liability, lease payments made on or before the commencement of lease, initial direct costs incurred by the entity and an initial estimated cost of dismantling & removing the leased asset and restoring the site on which the asset is located. The lease liability shall be measured at the present value of the lease payments due. The interest rate implicit in the lease or lessee's incremental borrowing has been used to arrive at the present value. Subsequently, at each balance sheet date, the right-of-use asset shall be depreciated, and lease liability shall be increased by interest amount & decreased by amount paid.

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

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding

lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short term leases) and low value leases.

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. 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.

#### 4.8 Other 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 are 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 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, the cost of which 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 net selling price of the assets 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.

#### 4.9 Impairment of Assets :

The carrying amounts of assets are reviewed as 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 asset and its value in use.

#### 4.10 Dividend

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

#### 4.11 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.

#### 4.12 Provisions and Contingent Liabilities

Provisions are recognized only when the company has a present obligation (legal or constructive) as a result of any 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 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.

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### **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.

#### **4.13 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 diluted equity shares.

#### **4.14 Segment Reporting**

The Company's main business is to provide loans against/ for purchase, construction, repairs & renovations of Housing/Commercial Properties etc. All other activities of the Company revolve around the main business. As such, there are no separate reportable segment, as per the Operating Segments (Ind AS-108), notified by the Companies (Accounting Standard) Rules, 2015.

## NOTES TO THE ACCOUNTS (Contd.)

### Note 5: Cash and cash equivalents:

₹ in lakhs

Particulars	31st March 2022	31st March 2021
(i) Cash on hand	63.11	117.67
(ii) Balances with Banks	105.41	813.18
(iii) Cheques, drafts on hand;	694.50	1158.35
<b>Total</b>	<b>863.02</b>	<b>2089.20</b>

### Note 6: Bank Balances other than specified in Note 5 above

₹ in lakhs

Particulars	31st March 2022	31st March 2021
Bank Deposits	3912.24	4685.55
Earmarked balances with Bank (Interest Warrant)	49.53	148.96
<b>Total</b>	<b>3961.77</b>	<b>4834.51</b>

- i) Bank Deposit accounts include ₹2898.00 lakhs (31st March 2021 - ₹3665.00 lakhs) provided as collateral for assets securitised / assigned.
- ii) In accordance with the NHB Directions, the Company has created a floating charge on the statutory liquid assets comprising bank deposits of ₹998.00 lakhs (31st March 21- ₹998.00 Lakhs) in favour of Trustees representing the public depositors of the company.

### Note 7: Trade Receivables

₹ in lakhs

Particulars	31st March 2022	31st March 2021
Receivables considered Good- Unsecured	18.09	62.55
<b>Total</b>	<b>18.09</b>	<b>62.55</b>

No debts are due from directors or other officers or any of them either severally or jointly with any other person. No debts are due from firms, Limited Liability Partnerships or private companies in which any director is a partner or a director or a member.



## Trade Receivables ageing schedule

### F.Y. 2021-22

Particulars	Outstanding for following periods from due date of payment				
	Less than 6 months	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	18.09	-	-	-	18.09
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-
(iv) Disputed Trade Receivables - considered good	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-

### F.Y. 2020-21

Particulars	Outstanding for following periods from due date of payment				
	Less than 6 months	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	62.55	-	-	-	62.55
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-
(iv) Disputed Trade Receivables - considered good	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-

## NOTES TO THE ACCOUNTS (Contd.)

### Note 8: Loans

₹ in lakhs

Particulars	31st March 2022	31st March 2021
<b>Loans (In India)</b>		
<b>Secured Term Loans - At Amortised Cost</b>		
<b>Housing Loans</b>		
Individuals	629153.01	608932.80
Others	19833.06	18713.37
<b>Non-Housing Loans</b>		
Individuals	263961.45	242839.49
Others	30207.37	35564.73
Loans Against Deposits	843.67	858.38
<b>Total - Gross</b>	<b>943998.56</b>	<b>906908.77</b>
Less :Impairment loss allowance - Stage I & II	11870.50	653.19
Less :Impairment loss allowance - Stage III	13751.88	31078.25
<b>Total - Net</b>	<b>918376.18</b>	<b>875177.33</b>

#### Loans or Advances in the nature of loans granted to promoters, directors, KMPs and related parties - FY.2021-22

Type of Borrower	Amount of loan or advance in the nature of loan outstanding	Percentage to the total Loans and Advances in the nature of loans
Promoters	-	-
Directors	-	-
KMPs	138.21	0.01%
Related Parties	-	-

#### Loans or Advances in the nature of loans granted to promoters, directors, KMPs and related parties - FY.2020-21

Type of Borrower	Amount of loan or advance in the nature of loan outstanding	Percentage to the total Loans and Advances in the nature of loans
Promoters	-	-
Directors	-	-
KMPs	61.25	0.01%
Related Parties	-	-

#### Refer Note 17(a) & Note 18

- Housing / Non-Housing Loans granted by the Company are secured by mortgage of properties/ hypothecation of loan receivables/cash collateral.
- ₹56.63 lakhs (31st March 2021 - ₹61.25 lakhs) due from the Managing Director of the company.
- ₹81.58 lakhs (31st March 2021 - NIL) due from the Officer of the Company.
- Insurance on Housing Loans to the extent of ₹6651.70 lakhs (31st March 2021 ₹6094.93 lakhs) is regrouped under Non-Housing Loans.
- There is no exposure by way of Loans granted against Gold Jewellery /Shares as Security.
- Loans including instalment and interest outstanding amounts to ₹4243.83 lakhs (31st March 2021 ₹11549.05 lakhs) in respect of properties which are held for disposal under Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002.
- The balance in "Impairment loss allowance - Stage III" of ₹13751.88 lakhs is after considering a write off of ₹14201.61 lakhs. (PY ₹4324.31 lakhs)

## NOTES TO THE ACCOUNTS (Contd.)

### Note 9: Investments

₹ in lakhs

Particulars	31st March 2022	31st March 2021
<b>At Fair value through Profit or Loss</b>		
Mutual funds*	53796.73	49785.02
Alternate Investment Fund- Sundaram Alternative Opportunities Series – High Yield Secured Debt Fund II	5168.54	3846.14
Sundaram Alternative High Yield Secured Real Estate Fund III	1270.98	-
<b>At Amortised Cost</b>		
Government securities	26700.55	23782.15
Others- Investments in Pass Through Certificates (PTC)	694.52	909.75
<b>Total – Gross (A)</b>	<b>87631.32</b>	<b>78323.06</b>
(i) Investments outside India	-	-
(ii) Investments in India	87631.32	78323.06
<b>Total (B)</b>	<b>87631.32</b>	<b>78323.06</b>
Less: Allowance for Impairment loss on PTC	3.27	1.15
<b>Total – Net</b>	<b>87628.05</b>	<b>78321.91</b>

In accordance with the NHB Directions, the Company has created a floating charge on the statutory liquid assets comprising investments in Government securities of the face value of ₹25733.60 lakhs (Cost ₹26700.55 lakhs) (31st March 2021 - face value ₹22733.60 lakhs (Cost ₹23782.15 lakhs).

**Mutual Funds\***

Particulars	Face Value	31st March 2022		31st March 2021	
		Holding (Units)	Carrying Amount ₹ in lakhs	Holding (Units)	Carrying Amount ₹ in lakhs
<b>At fair value through Profit or loss</b>					
ABSL Liquid -Direct Growth	10.00	1448886.20	4971.49	2414296.00	8004.18
SBI Liquid Fund -Direct Growth	10.00	104022.95	3467.18	-	-
HDFC Liquid Fund -Direct Growth	10.00	23901.23	1000.21	-	-
ICICI Liquid Fund-Direct Growth	10.00	951991.94	3001.21	-	-
Kotak Liquid Fund-Direct Growth	10.00	23244.00	1000.21	-	-
UTI Liquid Cash Plan -Direct Growth	10.00	-	-	282017.00	9505.37
Kotak Banking & PSU Debt Fund - Direct - Growth	10.00	-	-	4889626.00	2519.31
ABSL Banking & PSU Debt Fund - Direct - Growth	10.00	-	-	887870.00	2572.34
Sundaram Liquid Fund-Direct Growth (formerly known as Principal Cash Management Fund)	10.00	2147675.72	40356.43	21211417.00	9205.31
Sundaram Ultra Short Term Fund - Direct - Growth	10.00	-	-	162438345.00	17978.51
<b>Total</b>			<b>53796.73</b>		<b>49785.02</b>

₹ in lakhs

Particulars	31st March 2022	31st March 2021
	Carrying Amount	Carrying Amount
Sundaram Alternative Opportunities Series – High Yield Secured Debt Fund II	5168.54	3846.14
Sundaram Alternative High Yield Secured Real Estate Fund III	1270.98	-
	<b>6439.52</b>	<b>3846.14</b>

**Note 10: Other Financial Assets**

₹ in lakhs

Particulars	31st March 2022	31st March 2021
<b>At Amortised Cost</b>		
Rental Deposits	379.62	363.40
Other Advances	51.05	9120.57
<b>Subtotal</b>	<b>430.67</b>	<b>9483.97</b>
Less: Impairment loss allowance on Rental Deposits	26.26	24.08
<b>Total</b>	<b>404.41</b>	<b>9459.89</b>

**Note 11: Current tax assets (Net)**

₹ in lakhs

Particulars	31st March 2022	31st March 2021
Advance Income tax and TDS (Net of Provisions)	3842.57	3975.87
<b>Total</b>	<b>3842.57</b>	<b>3975.87</b>

## NOTES TO THE ACCOUNTS (Contd.)

### Note 12 Property, Plant And Equipment

₹ in lakhs

Description	Gross Block at Cost				Depreciation				Carrying Value
	Up to 31.03.2021	Additions	Deductions	As at 31.03.2022	Up to 31.03.2021	Additions	Deductions	As at 31.03.2022	As at 31.03.2022
Freehold Land	1,621.77	-	-	1,621.77	-	-	-	-	1,621.77
	(1621.77)			(1621.77)	-			-	(1621.77)
Buildings	130.49	-	-	130.49	23.62	5.20	-	28.82	101.67
	(130.49)			(130.49)	(18.15)	(5.47)		(23.62)	(106.87)
Buildings- Temporary Structure	201.97	-	-	201.97	122.17	69.70	-	191.87	10.10
	(201.97)			(201.97)	(82.28)	(39.89)		(122.17)	(79.80)
Electrical Installations and Equipments	133.39	8.79	1.23	140.96	49.41	12.23	1.00	60.64	80.32
	(138.09)	(4.31)	(9.01)	(133.39)	(40.56)	(13.68)	(4.83)	(49.41)	(83.98)
Furniture and Fixtures	182.71	24.75	3.25	204.21	103.64	22.38	2.92	123.10	81.11
	(194.39)	(8.02)	(19.71)	(182.71)	(92.77)	(27.07)	(16.20)	(103.64)	(79.07)
Vehicles	518.86	77.88	77.86	518.88	285.01	61.12	59.39	286.75	232.14
	(537.37)	(6.24)	(24.75)	(518.86)	(218.75)	(75.77)	(9.51)	(285.01)	(233.86)
Office Equipment	181.65	6.18	6.86	180.98	114.54	14.54	6.43	122.65	58.32
	(181.41)	(0.69)	(0.44)	(181.65)	(94.36)	(20.56)	(0.38)	(114.54)	(67.12)
Computers and Data Processing Units - Networks & Servers	224.76	69.01	-	293.77	141.06	40.82	-	181.88	111.89
	(204.05)	(20.71)		(224.76)	(105.35)	(35.71)	-	(141.06)	(83.70)
Computers and Data Processing Units - End user devices	634.92	142.16	17.63	759.45	404.23	121.08	16.08	509.22	250.22
	(570.13)	(73.11)	(8.33)	(634.92)	(276.55)	(134.42)	(6.74)	(404.23)	(230.69)
<b>Grand Total</b>	<b>3,830.52</b>	<b>328.77</b>	<b>106.82</b>	<b>4,052.47</b>	<b>1,243.67</b>	<b>347.09</b>	<b>85.82</b>	<b>1,504.94</b>	<b>2,547.54</b>
<b>Previous Year ended March 2021</b>	<b>(3779.67)</b>	<b>(113.09)</b>	<b>(62.24)</b>	<b>(3830.52)</b>	<b>(928.78)</b>	<b>(352.57)</b>	<b>(37.66)</b>	<b>(1243.67)</b>	<b>(2586.84)</b>

**NOTES TO THE ACCOUNTS (Contd.)**
**Note 13 : Right of Use Assets**

₹ in lakhs

Description	Gross Block at Cost				Depreciation				Carrying Value
	Up to 31.03.2021	Additions	Deductions	As at 31.03.2022	Up to 31.03.2021	Additions	Deductions	Up to 31.03.2022	As at 31.03.2022
Premises	1043.97	609.35	542.49	1110.83	477.30	603.90	537.85	543.35	567.48
<b>Previous Year ended March 2021</b>	<b>(882.09)</b>	<b>(628.35)</b>	<b>(466.47)</b>	<b>(1043.97)</b>	<b>(328.83)</b>	<b>(593.48)</b>	<b>(445.01)</b>	<b>(477.30)</b>	<b>(566.67)</b>

**Note 14 Other Intangible Assets**

₹ in lakhs

Description	Gross Block at Cost				Depreciation				Carrying Value
	Up to 31.03.2021	Additions	Deductions	As at 31.03.2022	Up to 31.03.2021	Additions	Deductions	Up to 31.03.2022	As at 31.03.2022
Computer Software	1566.62	128.19	-	1694.81	1225.72	207.91	-	1433.63	261.19
<b>Previous Year ended March 2021</b>	<b>(1432.91)</b>	<b>(133.71)</b>	<b>-</b>	<b>(1566.62)</b>	<b>(878.21)</b>	<b>(347.51)</b>	<b>-</b>	<b>(1225.72)</b>	<b>(340.90)</b>

**Note 15: Other Non Financial Assets**

₹ in lakhs

Particulars	31st March 2022	31st March 2021
Capital Advances	10.09	2.66
Prepaid Expenses	725.37	837.99
Balance from Government Authorities	249.98	134.90
Other Advances	57.18	82.39
<b>Total</b>	<b>1042.62</b>	<b>1057.94</b>

## NOTES TO THE ACCOUNTS (Contd.)

### Note 16: Trade Payables

₹ in lakhs

Particulars	31st March 2022	31st March 2021
Creditors for Expenses	906.64	424.67
Creditors for Other Finance	511.89	365.12
<b>Total</b>	<b>1418.53</b>	<b>789.79</b>

#### F.Y.2021-22

Trade Payables ageing schedule	Outstanding for following periods from due date of payment				
	Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years
(i) MSME	-	-	-	-	-
(ii) Others	1418.53	-	-	-	1418.53
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-

#### F.Y.2020-21

Trade Payables ageing schedule	Outstanding for following periods from due date of payment				
	Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years
(i) MSME	-	-	-	-	-
(ii) Others	789.79	-	-	-	789.79
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-

### Note 17: Debt Securities

₹ in lakhs

Particulars	31st March 2022	31st March 2021
<b>At Amortised Cost</b>		
<b>In India</b>		
<b>Secured</b>		
Non Convertible Debentures		
- From Related Party	7327.46	12100.58
- Others	192715.73	169563.80
<b>Unsecured</b>		
Non Convertible Debentures		
- From Related Party	-	-
- Others	41894.84	31415.43
Commercial Paper	79292.59	44108.21
<b>Total</b>	<b>321230.62</b>	<b>257188.02</b>

- (a) The Face value of Secured Non-Convertible Debentures are secured by a first mortgage over a specific immovable property belonging to the Company, negative lien on the loan assets and specific charge on Loan assets of the Company to the extent of ₹193700 lakhs (face value) as at March 31, 2022 (31st March 2021 - ₹173200.00 lakhs(face value))
- (b) The Face Value of commercial paper outstanding as on March 31, 2022 was ₹80000 lakhs (31st March 2021 - ₹45000 lakhs) Maximum amount of face value of commercial paper outstanding at any time during the period was ₹105000 lakhs (31st March 2021 - ₹97500 lakhs)

## NOTES TO THE ACCOUNTS (Contd.)

### Note 18: Borrowings (Other than Debt Securities)

₹ in lakhs

Particulars	31st March 2022	31st March 2021
<b>At Amortised Cost</b>		
<b>In India</b>		
<b>Secured Loans</b>		
(a) Term loans		
(i) from Banks	121147.94	149275.30
(ii) from National Housing Bank (NHB Refinance)	192752.75	213186.62
(b) Working capital demand loans and Cash Credit with Banks	4083.94	2970.66
<b>Total</b>	<b>317984.63</b>	<b>365432.58</b>

(a) The Term Loans from Scheduled Banks are secured by a negative lien and specific charge on the loan assets of the Company as detailed below:

₹ in lakhs

Particulars	31st March 2022	31st March 2021
(i) Secured by negative lien on loan assets of the Company other than Statutory Liquid Assets having floating charge in favour of Trustees for public deposits, and (ii) and (iii) below in this note.	34394.38	56566.47
(ii) Secured by specific charge on loan assets of the company	71483.04	73144.20
(iii) Pool of Housing loans transferred to Special Purpose Vehicle (SPV) and Securitised	15270.52	19564.63
<b>Total</b>	<b>121147.94</b>	<b>149275.30</b>

(b) The Refinance from NHB is secured by

₹ in lakhs

Particulars	31st March 2022	31st March 2021
(i) Secured by negative lien on assets of the Company other than Statutory Liquid Assets having floating charge in favour of Trustees for public deposits, and (ii) and (iii) below in this note. It is repayable in quarterly instalments.	132205.72	139456.91
(ii) Secured by specific charge on loan assets of the company and repayable in quarterly instalments.	60547.03	48829.71
(iii) Secured by specific charge on loan assets of the company and repayable in May 2021.	-	24900.00
<b>Total</b>	<b>192752.75</b>	<b>213186.62</b>

(c) The Secured Working Capital Demand Loan and Cash Credit with Scheduled Banks are secured by a negative lien on the loan assets of the Company.

(d) Utilization of Borrowed Funds:

The term loans were applied for the purpose for which the loans were obtained, and funds raised on short term basis have not been utilised for long term purposes.



**Maturity of Secured Non Convertible Debenture**

₹ in Lakhs

Implicit Interest Rate (%) / Maturities	<1 year	> 1- 3 Years	Grand Total
<5 % to 7%	28434.13	112152.58	140586.71
	(1983.36)	(65000.00)	(66983.36)
>7% to 8%	10094.43	10679.14	20773.56
	(10879.84)	(20000.00)	(30879.84)
>8% to 9%	38682.90	-	38682.90
	(22039.98)	(37200.00)	(59239.98)
>9% to 10%	-	-	-
	(24561.20)	-	(24561.20)
<b>TOTAL</b>	<b>77211.46</b>	<b>122831.72</b>	<b>200043.19</b>
	<b>(59464.38)</b>	<b>(122200.00)</b>	<b>(181664.38)</b>

**Maturity of Secured Term Loans from NHB**

₹ in Lakhs

Implicit Interest Rate (%)	< 1 year	1-3 yrs	3-5 yrs	> 5 yrs	Grand Total
<=7%	30171.85	72902.78	44942.05	38848.79	186865.48
	(59746.29)	(63741.42)	(43637.87)	(22835.05)	(189960.63)
7% to 8%	2758.95	3128.33	-	-	5887.28
	(3512.81)	(6823.82)	(5991.45)	(6897.91)	(23225.99)
<b>Total</b>	<b>32930.80</b>	<b>76031.11</b>	<b>44942.05</b>	<b>38848.79</b>	<b>192752.75</b>
	<b>(63259.10)</b>	<b>(70565.24)</b>	<b>(49629.32)</b>	<b>(29732.96)</b>	<b>(213186.62)</b>

**Maturity of Unsecured Non convertible Debentures**

₹ in Lakhs

Implicit Interest Rate (%) / Maturities	< 5 yrs	> 5 yrs	Total
8% to 9%	-	41894.84	41894.84
	-	(31415.43)	(31415.43)
8% to 9%	-	<b>41894.84</b>	<b>41894.84</b>
	-	<b>(31415.43)</b>	<b>(31415.43)</b>

**Maturity of Unsecured Subordinated Non convertible Debenture**

₹ in Lakhs

Implicit Interest Rate (%) / Maturities	> 1 yr	>1-3 Yrs	3-5 Yrs	> 5 Yrs	Total
>9 % to 10%	4023.96	6566.63	-	-	10590.59
	-	(4013.74)	(6559.00)	-	(10572.74)
10% to 11 %	2696.11	-	-	-	2,696.11
	-	(2692.84)	-	-	(2692.84)
<b>TOTAL</b>	<b>6720.07</b>	<b>6566.63</b>	<b>-</b>	<b>-</b>	<b>13286.70</b>
	<b>-</b>	<b>(6706.58)</b>	<b>(6559.00)</b>	<b>-</b>	<b>(13265.58)</b>

**Maturity of Term Loans from Banks**

₹ in Lakhs

Implicit interest rate / Residual maturity	< 1 year	> 1 to 3 yrs	3-5 yrs	> 5 yrs	Total
<7%	62216.34 (51320.60)	39193.26 (78725.85)	13317.41 (9845.70)	6420.94 (9383.15)	121147.94 (149275.30)
>=7% to 8%	-	-	-	-	-
8% to 9%	-	-	-	-	-
<b>Total</b>	<b>62216.34</b> <b>(51320.60)</b>	<b>39193.26</b> <b>(78725.85)</b>	<b>13317.41</b> <b>(9845.70)</b>	<b>6420.94</b> <b>(9383.15)</b>	<b>121147.94</b> <b>(149275.30)</b>

There were no amount of continuing default in the current and previous year.

**Note 19: Deposits**

₹ in lakhs

Particulars	31st March 2022	31st March 2021
<b>At Amortised Cost</b>		
<b>Fixed Deposits</b>		
(i) Public	194604.96	183378.64
(ii) From Companies	5397.71	1202.78
(iii) From Directors of the Company	39.54	6.99
<b>Total</b>	<b>200042.21</b>	<b>184588.41</b>

**Note 20: Subordinated Liabilities**

₹ in lakhs

Particulars	31st March 2022	31st March 2021
<b>At Amortised Cost - Unsecured</b>		
<b>In India</b>		
Subordinated Non-Convertible Debentures		
- From Related Party	-	-
- Others	13286.70	13265.58
<b>Total</b>	<b>13286.70</b>	<b>13265.58</b>

**Note 21: Other Financial Liabilities**

₹ in lakhs

Particulars	31st March 2022	31st March 2021
Unclaimed Matured Deposits and Interest accrued thereon*	2377.29	2935.79
Amounts due on assets securitised / assigned	186.68	481.45
Unclaimed Interest On Deposits*	7.75	6.62
<b>Total</b>	<b>2571.72</b>	<b>3423.86</b>

\* There are no amounts due & outstanding to be credited to the Investor Education and Protection Fund.

**Note 22: Provisions**

₹ in lakhs

Particulars	31st March 2022	31st March 2021
<b>Provision for Employee Benefits</b>		
- Leave Encashment	474.67	292.44
- Gratuity and LTA	266.87	270.29
Others	27.96	30.93
<b>Total</b>	<b>769.50</b>	<b>593.66</b>

**Note 23: Deferred tax Assets /(Liabilities)**

₹ in lakhs

Particulars	31st March 2022	31st March 2021
<b>Deferred Tax Asset (Net)</b>		
Employee benefits	156.21	78.26
Property, Plant and Equipment and Intangibles	64.13	46.88
Fair value measurement and Expected Credit Loss (Net)	5179.90	4367.79
<b>Deferred Tax Assets/(Liabilities) - (Net)</b>	<b>5400.24</b>	<b>4492.93</b>

**Note 24 Other Non Financial Liabilities**

₹ in lakhs

Particulars	31st March 2022	31st March 2021
Statutory Dues	445.89	461.78
Employees related liabilities	951.97	682.49
Advance received from sale of properties of borrowers	98.10	62.91
<b>Total</b>	<b>1495.96</b>	<b>1207.18</b>

## NOTES TO THE ACCOUNTS (Contd.)

### Note 25: Equity Share Capital

₹ in lakhs

Particulars	31st March 2022	31st March 2021
<b>Authorised Capital :</b>		
Equity Shares, ₹10/- Par Value		
150000000 (150000000) Equity Shares	15000.00	15000.00
Issued :		
Equity Shares, ₹10/- Par Value		
101254438 (101254438) Equity Shares	10125.44	10125.44
Subscribed and Fully Paid - up:		
Equity Shares, ₹10/- Par Value		
101254438 (101254438) Equity Shares	10125.44	10125.44
	<b>10125.44</b>	<b>10125.44</b>

#### a) Details of number of shares held by shareholders holding more than 5% shares are as follows:

Name of the Shareholder	Status	No. of Shares	% held as at 31 March 22	No. of Shares	% held as at 31 March 21
Sundaram Finance Limited *	Holding Company	101254438.00	100.00	101254438.00	100.00

\* Includes 6 equity shares held by nominees of Sundaram Finance Limited.

#### b) Reconciliation of number of shares outstanding at the beginning and at the end of the period:

Particulars	FY 21-22		FY 20-21	
	No of Shares	₹ in lakhs	No of Shares	₹ in lakhs
Opening number of shares outstanding	101254438.00	10125.44	101254438.00	10125.44
Add : Shares issued	-	-	-	-
Less: Shares bought back	-	-	-	-
Closing number of shares outstanding	101254438.00	10125.44	101254438.00	10125.44

### Shareholding of Promoters

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

Promoter name	No. of Shares	% of total shares	% Change during the year
	FY 21-22		
Sundaram Finance Limited	101254438	100%	NIL
	FY 20-21		
Sundaram Finance Limited	101254438	100%	NIL

## NOTES TO THE ACCOUNTS (Contd.)

### Note 26: Other Equity

₹ in lakhs

Particulars	31st March 2022	31st March 2021
<b>Reserves &amp; Surplus</b>		
Statutory Reserve	3352.74	3298.81
General Reserve	61000.00	61000.00
Securities Premium	20474.56	20474.56
Special Reserve U/s 36(1)(viii) of Income Tax Act,1961	34974.00	31674.00
Retained Earnings	35404.85	29152.52
ESOP Reserve	166.04	145.07
<b>Total</b>	<b>155372.19</b>	<b>145744.96</b>

### Note 27 Interest Income

₹ in lakhs

Particulars	April 2021 - March 2022	April 2020 - March 2021
Interest on Loans	89052.81	96920.26
Interest income from investments	2517.02	2525.95
Interest on deposits with Banks	212.04	699.36
Other Interest Income	90.43	177.84
<b>Total</b>	<b>91872.30</b>	<b>100323.41</b>

## NOTES TO THE ACCOUNTS (Contd.)

### Note 28 Net Gain on Fair Value Changes

₹ in lakhs

Particulars	April 2021 - March 2022	April 2020 - March 2021
Net gain/ (loss) on financial instruments at fair value through profit or loss	1975.53	2043.31
<b>Total</b>	<b>1975.53</b>	<b>2043.31</b>
Fair Value changes:		
- Realised	1608.48	1773.51
- Unrealised	367.05	269.80

### Note 29 Finance Costs

₹ in lakhs

Particulars	April 2021 - March 2022	April 2020 - March 2021
Interest on deposits	14902.18	13897.26
Interest on Term Loans	7473.35	12963.81
Interest on NHB refinance	10043.52	14603.46
Interest on debt securities- NCD	16845.92	16039.92
Interest on debt securities - Commercial Paper	2324.23	3405.84
Interest on subordinated liabilities	1283.08	1279.20
Interest on Lease Liability	59.43	55.53
Other Borrowing Cost	311.25	292.18
<b>Total</b>	<b>53242.96</b>	<b>62537.20</b>

### Note 30 Impairment on financial instruments

₹ in lakhs

Particulars	April 2021 - March 2022	April 2020 - March 2021
<b>On Financial instruments measured at amortised cost:</b>		
Loans	8092.59	5294.56
Investments	2.12	(19.87)
Others	(0.79)	(46.72)
<b>Total</b>	<b>8093.92</b>	<b>5227.97</b>

## NOTES TO THE ACCOUNTS (Contd.)

### Note 31 Employee Benefits Expenses

₹ in lakhs

Particulars	April 2021 - March 2022	April 2020 - March 2021
Salaries and wages	6598.29	6006.38
Contribution to provident and other funds	428.46	411.22
Share Based Payments to employees	20.97	13.71
Staff welfare expenses	190.41	126.78
Others - Concessional loans to Staffs	32.78	70.12
<b>Total</b>	<b>7270.91</b>	<b>6628.21</b>

### Note 32 Administrative and other expenses

₹ in lakhs

Particulars	April 2021 - March 2022	April 2020 - March 2021
Rent, taxes and energy costs	154.64	122.67
Communication Costs	148.56	120.45
Printing and stationery	63.42	39.51
Travelling and Conveyance	166.27	94.46
Advertisement and publicity	241.60	70.17
Outsourcing Cost	729.56	346.56
Director's fees, allowances and expenses	40.29	23.65
Insurance	40.49	31.09
Repairs and maintenance	200.86	181.16
Software Charges	790.25	683.59
Database and Networking Expenses	584.89	491.15
CSR contributions	514.85	514.65
Legal and Professional charges	680.44	235.30
Audit fees	44.69	46.33
Loss on sale of Property Plant & Equipment	0.64	4.18
Other expenditure including Donation	261.94	93.98
<b>Total</b>	<b>4663.39</b>	<b>3098.91</b>

## NOTES TO THE ACCOUNTS (Contd.)

### 33 Other Notes:

- 33.1 Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM). The Company's main business is to provide loans against/for purchase, construction, repairs & renovations of Housing/Commercial Properties etc. All other activities of the Company revolve around the main business. As such, there are no separate reportable segment, as per the Operating Segments (Ind AS-108), notified by the Companies (Accounting Standard) Rules, 2015.
- 33.2 Expenditure in Foreign Currency:  
On account of Database and Networking Expenses – Membership fees for the year ended March 31, 2022–0.75 lakh (March 31, 2021 - ₹ 0.75 lakh)
- 33.3 The Company did not contract any foreign currency loan during the period.
- 33.4 Non-Performing Loans:  
In accordance with RBI Directions 2021, the company has identified Non- Performing Loans amounting to ₹28323.28 lakhs as on March 31, 2022 (March 31, 2021– ₹ 40659.96 lakhs).
- 33.5 The Company has spent an amount of ₹ 514.85 lakhs as on March 31, 2022 (March 31, 2021–₹ 514.65 lakhs) towards Corporate Social Responsibility (CSR) under Sec 135 of the Companies Act, 2013, in the various areas covered under the regulatory provisions like healthcare, education, environment and protection of art and culture.

#### Corporate Social Responsibility (CSR)

Amount (₹ in lakhs)

Particulars	21-22	20-21
(a) Amount required to be spent by the company during the year,	508.61	514.64
(b) Amount of expenditure incurred,	514.85	514.65
(c) Shortfall at the end of the year,	NIL	NIL
(d) Total of previous years shortfall,	NIL	NIL
(e) Reason for shortfall,	NA	NA
(f) Nature of CSR activities	Healthcare, Education, Gender equality, Art and Culture, gender equality, relief fund	Healthcare, Education, Gender equality, Art and Culture, gender equality, relief fund
(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.	-	-

- 33.6 RBI vide its clarification dated February 15, 2022 has given time till September 30, 2022 for implementation of certain provisions relating to “Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances “ stipulated in their circular dated November 12, 2021. The Company is taking steps to comply with these norms.



## NOTES TO THE ACCOUNTS (Contd.)

- 33.7 As per Ind AS 102, Share Based Payments, a parent that grants rights to its equity instruments directly to the employees of its subsidiary has the obligation to provide the employees of the subsidiary with the equity instruments. The subsidiary does not have an obligation to provide its parent's equity instruments to the subsidiary's employees. The subsidiary shall measure the services received from its employees in accordance with the requirements applicable to equity-settled share-based payment transactions, and recognise a corresponding increase in equity as a contribution from the parent. Accordingly, the company has recognized the employee compensation expense in its financial statements, with a corresponding increase to a separate reserve created for this purpose. During the period, Sundaram Finance Ltd, the holding company has incurred ₹ 20.97 lakhs (March 31, 2021 ₹ 13.71 lakhs) towards the cost of Employee stock option scheme issued under Sundaram Finance Employee Stock Option Scheme 2008 to the Managing Director and three senior executives of the company with corresponding increase to Employee Stock Options Reserve.
- 33.8 The Board of Directors have recommended a final dividend of ₹6.50 per share (65%) for the year ended 31st March 2022 (₹5.50 for P.Y.2020-21). This together with Interim dividend of ₹1.50 per share (15%) (₹1.50 for P.Y.2020-21) already paid, would aggregate to a total dividend of ₹8.00/- per share (80%).
- 33.9 Based on the current status of the loan accounts, the Company has made adequate provisions for losses, where required.
- 33.10 The Company has initiated the process of obtaining confirmation from suppliers who have registered under the Micro, Small and Medium Enterprises Development Act, 2006. Based on the information available with the company there is no amount outstanding as on 31st March 2022. There are no overdue principle amounts and therefore no interest is paid or payable. The information required to be disclosed under the Micro, Small And Medium Enterprises Development Act,2006("the MSMED Act") has been determined to the extent such parties have been identified on the basis of information received from such parties and available with the Company. There is no overdue to parties on account of principal amount and / or interest as disclosed below:

Particulars	For the year ended	
	March 31,2022	March 31,2021
The principal amount and interest thereon, remaining unpaid to any supplier at the end of each accounting year.		
The amount of interest paid by the buyer in terms of Section 16 of the MSMED Act 2006		
The amount of payment made to suppliers beyond the appointed day during each accounting year		
The amount of interest due and payable for the period of delay in making payment (which have been paid beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006		NIL
The amount of interest accrued and remaining unpaid at the end of each accounting year		
The amount of further interest remaining due and payable even in the succeeding years until such dates when the interest due above are actually paid to all the small enterprises, for the purpose of disallowance as a deductible expenditure under Section 23 of the MSMED Act 2006		

33.11 In accordance with IND AS 24: Related Party Disclosures, the details of Related Party Transactions are given below:

**Details of Related Parties:**

Promoters	Sundaram Finance Ltd. (100% of the paid-up share capital)
Other Related parties (Entities in which the Company's promoter has control or significant influence)	LGF Services Ltd. Sundaram Asset Management Company Ltd Sundaram Asset Management Singapore Pte Ltd Sundaram Fund Services Ltd. Sundaram Trustee Company Ltd. Sundaram Business Services Ltd. Royal Sundaram General Insurance Co Ltd. Sundaram Alternate Assets Ltd. Sundaram Finance Holdings Ltd. Sundaram Finance employee Welfare trust SAMC Support Services Pvt Ltd (formerly known as Principal Asset Management Company Pvt Ltd) Principal Retirement Advisors Pvt Ltd Principal Trustee Company Pvt Ltd

**Key Management Personnel:**

Mr. T T Srinivasaraghavan	Chairman
Mr. Harsha Viji	Director
Mr. A.N.Raju	Director
Mr. Lakshminarayanan Duraiswamy	Managing Director

**Relatives of Key Management Personnel with whom the Company has transactions:**

Mr. Viji Father of Mr. Harsha Viji
Mrs Chitra Viji Mother of Mr. Harsha Viji
Mrs Vimala Rangaswamy Mother of Mr. T.T. Srinivasaraghavan
Mrs Bagyam Raghavan Wife of Mr. T.T. Srinivasaraghavan
Mrs. Sheela Lakshminarayanan Wife of Mr. Lakshminarayanan Duraiswamy
Ms. Suguna Sister of Mr. Lakshminarayanan Duraiswamy
Mrs. R.N.Mala Wife of Mr. A.N.Raju

**Details of Related Party Transactions as on 31st March 2022**

₹ in lakhs

Particulars	Promoter	Other Related Parties	Key Management Personnel	Relative of Key Management Personnel	April 2021 - March 2022	April 2020 - March 2021
<b>Income</b>						
Interest on Housing Loan	-	-	2.14	-	2.14	8.51
<b>Rent</b>						
Sundaram Finance Ltd.	2.95	-	-	-	2.95	2.34
<b>Brokerage</b>						
Sundaram Finance Ltd.	2.95	-	-	-	2.95	2.22
<b>Docket Fees</b>						
Sundaram Alternate Assets Limited	-	0.90	-	-	0.90	1.50
<b>Service Income</b>						
Royal Sundaram General Insurance Co Ltd.	-	0.14	-	-	0.14	-
Sundaram Finance Holdings Ltd.	-	0.27	-	-	0.27	-
<b>Expenses</b>						
<b>Rent</b>						
Sundaram Finance Ltd.	218.18	-	-	-	218.18	218.76
<b>Repairs &amp; Maintenance</b>						
Sundaram Fund Services Ltd.	-	4.33	-	-	4.33	-
<b>Brokerage, Commission, Deposit processing services and Tele calling Services</b>						
Sundaram Finance Ltd.	491.71	-	-	-	491.71	331.68
Sundaram Finance Holdings Ltd.	-	53.92	-	-	53.92	42.06
<b>Intranet/ Web Maintenance, Scanning Image Charges</b>						
Sundaram Finance Ltd.	3.42	-	-	-	3.42	2.65
<b>Internal Audit, Branch Inspection fees and Docket Verification fees</b>						
Sundaram Finance Ltd.	95.78	-	-	-	95.78	89.66
<b>Connectivity and Other Charges</b>						
Sundaram Finance Ltd.	718.48	-	-	-	718.48	663.73
<b>Interest On NCDs</b>						
Royal Sundaram General Insurance Co Ltd.	-	578.72	-	-	578.72	958.07
Interest On Public Deposits	-	-	2.85	23.94	26.79	21.56
<b>Insurance Premium</b>						
Royal Sundaram General Insurance Co Ltd.	-	40.85	-	-	40.85	31.31
Remuneration	-	-	320.72	-	320.72	230.89

Particulars	Promoter	Other Related Parties	Key Management Personnel	Relative of Key Management Personnel	April 2021 - March 2022	April 2020 - March 2021
<b>Dividend Paid -Final</b>						
Sundaram Finance Ltd.	5,568.99	-	-	-	5,568.99	3037.63
<b>Dividend Paid -Interim</b>						
Sundaram Finance Ltd.	1,518.82	-	-	-	1,518.82	1,518.82
<b>Portfolio Management Fees</b>						
Sundaram Alternate Assets Limited	-	33.19	-	-	33.19	24.62
<b>Others ( Printing,etc)</b>						
Sundaram Finance Ltd.	-	9.11	-	-	9.11	8.40
<b>Assets</b>						
<b>Purchase of Asset - Software</b>						
Sundaram Finance Ltd.	95.03	-	-	-	95.03	102.63
Sundaram Fund Services Ltd.		1.67			1.67	-
<b>Advances towards Software</b>						
Sundaram Finance Ltd.	-	-	-	-	-	-
<b>Other Deposits</b>						
Sundaram Finance Ltd.	143.44	-	-	-	143.44	143.44
Royal Sundaram General Insurance Co Ltd.	-	11.30	-	-	11.30	10.31
<b>Prepaid Expenses</b>						
Sundaram Finance Ltd.	-	-	-	-	-	-
<b>Income Receivable</b>						
Sundaram Finance Ltd.	0.25	-	-	-	0.25	0.24
Royal Sundaram General Insurance Co Ltd.	-	0.14			0.14	-
Sundaram Finance Holdings Ltd.	-	0.06			0.06	-
Sundaram Alternate Assets Limited	-	-	-	-	-	0.08
Housing Loan - at the end of the year	-	-	68.02	-	68.02	77.49
<b>Insurance Premium Prepaid</b>						
Royal Sundaram General Insurance Co Ltd.		16.14	-	-	16.14	18.53
<b>Liabilities</b>						
Fixed Deposits	-	-	38.61	306.51	345.13	266.81
<b>Issue of Non-Convertible Debentures</b>						
Royal Sundaram General Insurance Co Ltd.	-	7327.33	-	-	7327.33	12100.58
Commission Payable	-	-	-	138.00	138.00	50.00
<b>Other Liabilities</b>						
Sundaram Finance Ltd.	60.85	-	-	-	60.85	36.88
Sundaram Alternate Assets Limited	-	-	-	-	-	-
Sundaram Finance Holdings Ltd.	-	-	-	-	-	0.05

**33.12 Disclosure of Provisions as per IND AS 37:**

PARTICULARS	Provision for Leave Encashment	Provision for Gratuity & LTA	Others
<b>Opening Balance as at 1st April 2020</b>	32.08	42.36	3.70
Additional provision created during the year	25.45	63.88	27.23
Reversal / Payments during the year	-	-	-
<b>Closing Balance as at 31st March 2021</b>	<b>57.53</b>	<b>106.24</b>	<b>30.93</b>
<b>Opening Balance as at 1st April 2021</b>	<b>57.53</b>	<b>106.24</b>	<b>30.93</b>
Additional provision created during the year	417.14	160.63	-
Reversal / Payments during the year	-	-	-2.97
<b>Closing Balance as at 31st March 2022</b>	<b>474.67</b>	<b>266.87</b>	<b>27.96</b>

**33.13 Contingent Liabilities and Commitments (to the extent not provided for)**

I	Contingent Liabilities shall be classified as:	21-22	20-21
a)	Claims against the company not acknowledged as debt	-	-
b)	Guarantees excluding financial guarantees and	-	-
c)	Other money for which the company is contingently liable	-	-
II	Commitments shall be classified as:	21-22	20-21
a)	Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advance)	20.36	2.07
b)	Uncalled liability on shares and other investments partly paid	-	-
c)	Commitments remaining uncalled in Alternatives Investment Fund Schemes	3750.00	1250.00
d)	Sanctioned and Undisbursed loans	22676.53	25458.09
e)	Sanctioned and Partly Disbursed loans	19820.57	18082.68

33.14 Pursuant to NHB Circular on Reporting and Monitoring of Frauds, the Company has reported fraudulent transactions (including transaction pertaining to earlier years) to NHB aggregating to 1351.49 lakhs as on 31st March 2022. (Mar 31, 2021 - 1798.07 lakhs)

33.15 Information as required by Reserve Bank of India's Circular on Resolution Framework for COVID-19 related stress dated 6 August 2020 is given below.

(₹ in lakhs)

Type of Borrower	(A) Exposure to account classified as Standard consequent to implementation of resolution plan - Position as at the end of Previous half-year	Of (A), Aggregate debt that slipped in to NPA during the half-year	Of (A), Amount written off during the half-year	Of (A), Amount paid by the borrower during the half-year	Exposure to account classified as Standard consequent to implementation of resolution plan - Position as at the end of this half-year
Personal Loans	28791.86	561.80	14.28	300.55	27915.23
Corporate Persons*	-	-	-	-	-
- Of which, MSMEs	-	-	-	-	-
- Others	15090.71	-	-	429.54	14661.17
<b>Total</b>	<b>43882.57</b>	<b>561.80</b>	<b>14.28</b>	<b>730.09</b>	<b>42576.40</b>

\* As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016.

33.16 Ratios

Particulars	As on 31st March 22	As on 31st March 21	Variance	Reasons (if above 25%)
CRAR	25.7%	24.9%	3%	-
CRAR - Tier I Capital	24.7%	24.1%	2%	-
CRAR - Tier II Capital	1.0%	0.8%	25%	Increase in stage 1 provision treated as Tier II capital.
Liquidity Coverage Ratio	112.0%	NA	NA	LCR is applicable from Dec 21.

33.17 Earnings per share (Basic and Diluted)

Particulars	2021-22	2020-21
Profit for the year after taxation (₹ in lakhs)	16769.65	19164.34
Weighted Average number of Equity Shares	101254438	101254438
Basic & Diluted Earnings per share	16.56	18.93

33.18 Payment to Statutory Auditors:

(₹ in lakhs)

Particulars	2021-22	2020-21
Statutory Audit	30.00	30.00
Tax Audit	6.00	6.00
Certification	5.00	5.00
Reimbursement of expenses	-	1.50
Tax Expenses	3.69	3.83

33.19 During the year, there were no penalties levied by National Housing Bank (NHB) for non-compliance of the provisions of the Housing Finance Companies (NHB) Directions, 2010. Previous Year Penalty ₹22.24 lakhs. The Details of the same are as follows:

Particulars	2021-22	2020-21
Non-Compliance of provisions against which penalty is raised	NIL	<b>FY 2017-18</b> 1) Paragraph 28 (Housing Finance Companies (NHB) Directions, 2010) 2) Paragraph 10(2) (NHB Directions on issuance of NCDs on private placement basis, 2014) 3) Policy Circular no. 55 <b>FY 2018-19</b> 1) Policy Circular no 41
Amount of Penalty levied (including GST)	—	22.24 lakhs

33.20 Disclosures in accordance with IND AS 116 – Leases

**a) As a Lessee**

(₹ in lakhs)

Particulars	31.03.2022	31.03.2021
Depreciation charge for Right of Use (ROU) Asset	603.90	593.48
Interest expense on lease liability	59.43	55.53
Expenses relating to short term leases (need not include the expense relating to leases with a lease term of one month or less)	-	-
Expense relating to leases of low-value assets (not include the expense relating to short-term leases of low-value assets included in above line)	-	-
Expenses relating to variable lease payments	-	-
Income from sub-leasing of ROU Asset	-	-
Total Cash Outflow for leases	651.92	645.34
Additions to ROU Assets during the year	609.35	628.35
Gains or losses arising from sale and leaseback transactions	0.33	-
Carrying amount of right-of-use assets at the end of the reporting period for each asset category	-	-
Premises	567.48	566.67

33.21 Dues to Investor Education and Protection Fund:

There are no amounts due & outstanding to be credited to the Investor Education and Protection Fund under Section 125 of the Companies Act, 2013 as at March 31, 2022.

33.22 Contractual liabilities:

All contractual liabilities connected with business operations of the Company have been appropriately provided for.

33.23 Benami Property:

There are no benami properties held and hence, no proceedings have been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

33.24 Wilful Defaulter:

The company has not been declared as wilful defaulter by the Bank or Financial Institution or other lender anytime during the Financial Year 2021-2022.

33.25 Relationship with Struck off Companies:

The company has not entered into any kind of transactions with Struck off Companies anytime during the Financial Year 2021 - 2022.

33.26 Registration of charges or satisfaction:

All charges have been properly executed and registered with ROC and there are no charges or satisfaction yet to be registered with Registrar of Companies beyond the statutory period.

33.27 Compliance with number of layers of companies:

The company has complied with the number of layers prescribed under clause (87) of section 2 of the Companies Act, 2013 read with the Companies (Restriction on number of Layers) Rules, 2017.

33.28 Compliance with approved Scheme(s) of Arrangements:

The Company has not entered into any Scheme of Arrangements during the Financial Year 2021 – 2022.

33.29 Utilisation of Borrowed funds and Share Premium (Diversion of Funds):

The Company has not advanced (or) loaned (or) invested funds (either borrowed funds or Share Premium or any other sources or kind of funds) to any other person or entity, including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) anytime during the Financial year 2021 - 2022.

The company has not received any fund from any person or entity, including foreign entity (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company has to 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.

33.30 Title deeds of all the Immovable Properties are held in the name of the Company.

33.31 Valuation of Property Plant and Equipment and Intangible Assets:

The Company follows Cost Model for Valuation of Property, Plant and Equipment and Intangible Assets and hence the company has not revalued the same.



33.32 CWIP and Intangible assets under development:

There are no CWIP and Intangible assets under development during the Financial year 2021-2022.

33.33 There are no discrepancies in the statements submitted to the bank and is in agreement with the books of accounts.

33.34 Undisclosed income:

There are no transactions that are not recorded in the Books of Accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

33.35 Details of Crypto Currency or Virtual Currency:

The Company has not traded or invested in Crypto currency or Virtual Currency during the Financial Year 2021 - 2022.

33.36 Disclosures as required in terms of Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021, RBI/2020- 21/73 Principal Business Criteria:

Principal Business Criteria for the Company to be classified as “Housing Finance Company” as per the Paragraph 4.1.17 of Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021, RBI/2020- 21/73 DOR.FIN.HFC.CC. No.120/03.10.136/2020-21, 17 February 2021 is given below:

Criteria %	As at 31 March 2022
Percentage of total assets towards housing finance	61.2%
Percentage of total assets towards housing finance for individuals	60.4%

33.37 Recent Accounting pronouncements:

Ministry of Corporate Affairs notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment rules, 2022 as below:

IND AS 16 - Property Plant and Equipment - The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognized in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant and equipment. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022. The company has evaluated this amendment and there is no impact on its standalone financial statements.

IND AS 37 - Provisions, Contingent Liabilities and Contingent Assets - The amendment specifies that the cost of fulfilling a contract comprises the costs that directly relates to the contract. Costs that directly relate to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022, although early adoption is permitted. The company has evaluated the amendment and the impact is not expected to be material.

33.38 The Financial statements have been prepared complying with the requirements of latest amendments of Division III of Schedule III of Companies Act, 2013. Previous period's figures have been regrouped/ reclassified / restated wherever necessary, for better presentation and to conform with the requirements

## NOTES TO THE ACCOUNTS (Contd.)

### 34.1: Capital Management:

The Company'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 company monitors capital Adequacy ratio as stipulated by NHB for Housing Finance Companies. The Company endeavour to source diversified borrowing, depending on asset liability duration and interest rate sensitivities.

The Company monitors capital using Adjusted net debt to equity ratio. For this purpose, adjusted net debt is defined as total debt less Cash and Cash equivalents.

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Debt securities	321230.62	257188.02
Borrowings (other than debt securities)	317984.63	365432.58
Deposits	202419.50	187524.20
Sub Debt	13286.70	13265.58
<b>Gross Debt</b>	<b>854921.45</b>	<b>823410.38</b>
Less - Cash and Cash Equivalents	863.02	2089.20
<b>Adjusted Net debt</b>	<b>854058.43</b>	<b>821321.18</b>
Total equity	165497.63	155870.40
Adjusted Net debt to equity ratio	5.16	5.27

### 34.2: Financial instruments – Fair value measurements

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

**Level 1** - This level includes financial assets that are measured by reference to quoted prices (unadjusted) 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., as prices) 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.

## NOTES TO THE ACCOUNTS (Contd.)

(₹ in lakhs)

### Accounting classification and fair values

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

Financial Asset at Fair value through P&L	Fair Value Hierarchy	Mar 31, 2022	Mar 31, 2021
<b>Financial Assets</b>			
<b>Investments</b>			
Mutual Funds	Level 1	53796.73	49785.02
Alternate Investment Fund	Level 1	6439.52	3846.14
<b>Total</b>		<b>60236.25</b>	<b>53631.16</b>

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.

	Carrying amount		Fair Value Hierarchy	Fair Value	Fair value
	March 31, 2022	March 31, 2021		March 31, 2022	March 31, 2021
<b>Financial assets</b>					
<b>Investments</b>					
Government securities	26700.55	23782.15	Level 1	26968.83	24212.40
Pass through certificates	694.52	909.75	Level 3	694.52	909.75
Cash and cash equivalents	863.02	2089.21	Level 1	863.02	2089.21
Bank Balances	3961.77	4834.51	Level 3	3961.77	4834.51
Receivables	18.09	62.55	Level 3	18.09	62.55
Loans	943998.56	906908.77	Level 3	939046.02	904183.82
Other Financial assets	404.41	9459.89	Level 3	404.41	9459.89
<b>Sub-total</b>	<b>976640.92</b>	<b>948046.83</b>		<b>971956.66</b>	<b>945752.13</b>
<b>Financial Liabilities</b>					
Payables	1418.53	789.79	Level 3	1418.53	789.79
Non-convertible debentures	241938.03	213079.81	Level 3	243896.85	216969.80
Subordinated Debt	13286.70	13265.58	Level 3	13703.13	14248.66
NHB Refinance	192752.75	213186.62	Level 3	194025.60	216604.15
Long term loan from banks	121147.94	149275.30	Level 3	121294.87	149503.93
Public Deposit	200042.21	184588.41	Level 3	201813.88	186712.65
Working capital demand loans and cash credits	4083.94	2970.66	Level 3	4083.94	2970.66
Commercial paper	79292.59	44108.21	Level 3	79269.34	44187.75

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

(₹ in lakhs)

	Carrying amount		Fair Value Hierarchy	Fair Value	Fair value
	March 31, 2022	March 31, 2021		March 31, 2022	March 31, 2021
Other Financial Liabilities	2571.72	3423.86	Level 3	2571.72	3423.86
Lease Liabilities	615.66	607.06	Level 3	615.66	607.06
Sub-total	857150.07	825295.30		862693.52	836018.31
<b>Net</b>	<b>119490.86</b>	<b>122751.53</b>		<b>109263.14</b>	<b>109733.83</b>

**34.3 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 Board, have enunciated detailed policies for assessment of various types of risks, and fixed tolerance limits as appropriate.

**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 comprehensive 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 classification of customers, compliance with Know Your Customer (KYC) norms, Field investigation, Credit bureau verification, Credit Concentration norms, asset risk, 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):**

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.

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**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 Default (EAD), Probability of Default (PD) and Loss Given Default (LGD). Exposure at Default (EAD) 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 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 on 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' status in a year. LGD is arrived at based on past write off experience and collateral approach for active cases.

The portfolio level averages of both historic loss cases and collateral valuation approach was computed and applied to the respective category of portfolios to arrive at LGD.

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

**a) Loans**

(₹ in lakhs)

	Carrying amount							
	31.03.2022				31.03.2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Balance at the beginning of the year	805715.09	60552.13	40641.56	906908.77	861525.77	41785.54	45430.86	948742.18
New Business - net of recoveries	160939.63	(921.75)	1041.93	161059.80	(64684.22)	26255.76	648.19	(37780.27)
Transfers due to change in creditworthiness	(6560.91)	(2783.52)	6704.38	(2640.05)	8631.23	(7433.10)	(1198.13)	-
Financial assets that have been derecognised	(95474.33)	(5697.86)	(5956.16)	(107128.35)	253.22	6.62	11.33	271.17
Write off during the year	(68.36)	(25.07)	(14108.18)	(14201.61)	(10.91)	(62.70)	(4250.69)	(4324.31)
<b>Balance at the end of the year</b>	<b>864551.11</b>	<b>51123.93</b>	<b>28323.52</b>	<b>943998.56</b>	<b>805715.09</b>	<b>60552.13</b>	<b>40641.56</b>	<b>906908.77</b>

(₹ in lakhs)

	Expected Credit Loss							
	31.03.2022				31.03.2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Balance at the beginning of the year	79.15	574.04	31078.25	31731.44	52.45	289.99	30416.60	30759.04
Add/(Less)								
Additional Provisions (Net)	2837.20	3276.71	(1301.99)	4811.92	29.57	45.50	6886.96	6962.03
Transfers due to change in creditworthiness	1278.42	3869.46	2173.88	7321.76	-0.96	274.90	1036.77	1310.71
Financial assets that have been derecognised	66.67	(17.70)	(4090.08)	(4041.11)	9.00	26.35	-3011.39	-2976.04
Impairment Loss for the year	4182.29	7128.47	(3218.19)	8092.58	37.61	346.75	4912.35	5296.71
Less: Write off during the year	(68.36)	(25.07)	(14108.18)	(14201.61)	(10.91)	(62.70)	(4250.69)	(4324.31)
<b>Balance at the end of the year</b>	<b>4193.08</b>	<b>7677.44</b>	<b>13751.88</b>	<b>25622.40</b>	<b>79.15</b>	<b>574.04</b>	<b>31078.25</b>	<b>31731.44</b>

**Concentration of credit risk %****(i) Concentration by Geographical risk**

Particulars	31.03.2022				31.03.2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
South	94.12%	92.92%	93.53%	94.04%	94.98%	94.25%	92.74%	94.83%
West	2.60%	3.86%	2.54%	2.67%	2.32%	3.52%	2.57%	2.41%
East	1.91%	1.86%	3.74%	1.96%	1.92%	1.20%	4.28%	1.98%
North	1.37%	1.35%	0.19%	1.33%	0.78%	1.04%	0.42%	0.78%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>

**(ii) Concentration by Asset class**

Particulars	31.03.2022				31.03.2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Housing	69.94%	57.84%	54.03%	68.81%	72.66%	51.97%	43.63%	69.98%
Non Housing	30.06%	42.16%	45.97%	31.19%	27.34%	48.03%	56.37%	30.02%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>

**b) Other financial assets**

The Company computes ECL on other financial assets based on provision matrix which is constructed using historical credit loss experience as adjusted to reflect current conditions.

Particulars	31.03.2022				31.03.2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount	370.41	-	9.21	379.62	356.72	-	6.68	363.40
Expected Credit Loss	17.05	-	9.21	26.26	17.40	-	6.68	24.08
Net Carrying amount	353.36	-	-	353.36	369.13	-	-	339.32

**c) Loan Commitments and Financial Guarantees**

These represents a) Sanctioned & Undisbursed loans b) Undisbursed Amount of Partly disbursed contracts.

Particulars	31.03.2022				31.03.2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount	42,380.53	116.57	-	42,497.10	43,440.78	99.99	-	43,540.77
Expected Credit Loss *	71.33	13.26	-	84.59	2.51	1.11	-	3.62
Net Carrying amount	42,309.20	103.31	-	42,412.51	43,438.27	98.88	-	43,537.15

\* ECL on Loan commitments included in Table (a) Loans - Expected Credit Loss

## Credit risk management practices

### (i) Policy on write off

The company has a board approved policy of write off of Loans based on ageing or when the value of underlying security/other collateral is not sufficient to cover the loan amount or where the underlying security / customer is not traceable. 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 properties mortgaged / hypothecation of loan receivables.

### Debt Securities

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

Stages ->	31.03.2022					31.03.2021				
	FVTPL	Gross Carrying amount				FVTPL	Gross Carrying amount			
		At Amortised Cost					At Amortised Cost			
		1	2	3	Total		1	2	3	Total
Government securities		26700.55			26700.55		23782.15			23782.15
Mutual Fund	53796.73				53796.73	49785.02				49785.02
Alternate Investment Fund	6439.52				6439.52	3846.14				3846.14
Pass through certificates		694.52			694.52		909.75			909.75
<b>Total</b>	<b>60236.25</b>	<b>27395.07</b>	<b>0.00</b>	<b>0.00</b>	<b>87631.32</b>	<b>53631.16</b>	<b>24691.90</b>	<b>0.00</b>	<b>0.00</b>	<b>78323.06</b>
Less: Expected Credit Loss		3.27			3.27		1.15			1.15
<b>Net Carrying amount</b>	<b>60236.25</b>	<b>27391.80</b>	<b>0.00</b>	<b>0.00</b>	<b>87628.05</b>	<b>53631.16</b>	<b>24690.75</b>	<b>0.00</b>	<b>0.00</b>	<b>78321.91</b>

Stages ->	Expected Credit Loss							
	31.03.2022				31.03.2021			
	1	2	3	Total	1	2	3	Total
Balance at the beginning of the year	1.15			1.15	21.03			21.03
Additional Provisions (Net)	2.12			2.12				-
Transfers due to change in creditworthiness				-				-
Financial assets that have been derecognised				-	-19.88			-19.88
Write off during the year				-				-
Balance at the end of the year	3.27	-	-	3.27	1.15	-	-	1.15



### 34.4 Liquidity Risk

Liquidity risk relates to the Company's 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 fulfils its payment obligations at all times and can manage liquidity and funding risks. 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.

31 March 2022	Contractual cash flows								
	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
<b>Non-derivative financial liabilities</b>									
Payables	943.54	4.55	46.93	306.46	17.00	20.00	80.05	–	1418.53
Debt Securities	37586.39	20775.01	14355.50	40865.83	53284.30	138660.13	7144.00	65008.90	377680.07
Borrowings (Other than Debt Securities)	5543.34	4211.95	10060.81	38953.40	53294.20	133839.96	66944.75	51245.58	364093.99
Deposits	6007.17	4678.45	12183.10	27621.87	44803.34	105331.42	10668.65	–	211294.01
Subordinated Liabilities	–	–	262.50	1511.98	1001.25	7710.51	6500.00	–	16986.24
Other Financial Liabilities	2571.72	–	–	–	–	–	–	–	2571.72
Lease Liabilities	38.16	0.76	13.25	20.75	293.12	220.72	21.79	7.11	615.66
<b>Non-derivative financial assets</b>									
Cash and cash equivalents	863.02								863.02
Bank Balances	49.53	-	1,014.24	1335.00	1563.00	–	–	–	3961.77
Loans	16300.44	14098.77	25312.32	43142.13	84139.75	315451.82	268560.93	730262.32	1497268.49
Loan against deposits	82.94	-	66.75	41.17	165.43	487.38	–	–	843.67
Investments	53993.46	1070.87	168.95	169.93	186.03	3162.62	3699.13	24629.95	87080.94
Trade Receivables	18.09	–	–	–	–	–	–	–	18.09
Other Financial Assets	25.12	0.47	8.13	12.74	188.31	153.16	13.38	29.36	430.67

31 March 2021	Contractual cash flows								
	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
<b>Non-derivative financial assets</b>									
Cash and cash equivalents	2089.21	–	–	–	–	–	–	–	2089.21
Bank Balances	1196.96	–	1.93	–	2617.00	998.00	–	–	4813.89
Loans	16049.88	13211.28	34119.69	41489.50	81647.73	304685.48	264404.47	720816.66	1476424.68
Loan against deposits	79.16	20.00	23.26	63.02	257.49	520.98	6.21	–	970.12
Investments	49892.33	11.20	139.56	662.25	1074.02	5654.85	6001.89	29340.45	92776.54
Trade Receivables	40.63	–	–	43.10	–	–	–	–	83.73
Other Financial Assets	9089.04	8.05	151.76	19.12	77.78	98.51	5.84	33.88	9483.97
<b>Non-derivative financial liabilities</b>									
Payables	4.01	–	369.95	244.51	16.00	30.00	101.07	24.25	789.79
Debt Securities	586.39	3327.92	18356.05	34410.91	57497.82	139587.99	5358.00	51432.00	310557.08
Borrowings (Other than Debt Securities)	11225.65	28444.88	10224.87	26951.78	55296.63	169519.06	67618.33	43644.65	412925.84
Deposits	7987.46	4208.69	4863.79	17968.73	39685.26	122272.22	13852.46	–	210838.60
Subordinated Liabilities	–	–	261.78	–	1000.17	8372.32	7101.94	–	16736.21
Other Financial Liabilities	3423.86	–	–	–	–	–	–	–	3423.86
Lease Liabilities	–	9.06	248.76	28.41	127.77	163.48	9.11	20.47	607.06

### 34.5 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).

#### a. Interest rate risk

The Company's exposure to changes in interest rates relates to the Company's outstanding floating rate assets & liabilities. The Company's liability in local currency on fixed rate basis is not subject to interest rate risk.

The interest rate profile of the Company's interest bearing financial instruments is as follows:

(₹ in lakhs)

	As at March 31, 2022	As at March 31, 2021
<b>Financial Assets</b>		
<b>Fixed-rate instruments</b>		
Loans	61140.04	56351.54
Investments	27395.07	24691.90
Bank Balances	3961.77	4834.51
	<b>92496.88</b>	<b>85877.95</b>
<b>Variable rate instruments</b>		
Loans	882858.53	850557.23
<b>Total</b>	<b>975355.41</b>	<b>936435.18</b>
<b>Financial liabilities</b>		
<b>Fixed-rate instruments</b>		
Debt securities	278017.32	270453.60
Borrowings (Other than debt securities)	71480.83	96489.58
Deposits	202419.50	187524.20
	<b>551917.65</b>	<b>554467.38</b>
<b>Variable rate instruments</b>		
Financial liabilities with floating interest rate	303003.80	268943.00
	<b>854921.45</b>	<b>823410.38</b>

### 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, remain constant.

	Profit or loss		Profit or loss	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
	31 March 2022		31 March 2021	
Variable rate instruments	7410.06	(7410.89)	6568.37	(6569.48)
Cross currency Interest Rate swap	-	-	-	-
<b>Cash flow sensitivity (net)</b>	<b>7410.06</b>	<b>(7410.89)</b>	<b>6568.37</b>	<b>(6569.48)</b>

### Interest rate sensitivity

The major lending of the company is in the form of Housing/ Loan against property at floating rates. The Loans are financed by various fixed / floating rate borrowings. While the door to door maturity of the assets financed are generally long term, the tenor of the borrowing is primarily medium term. Hence, the interest rate risk and liquidity risk (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% change in interest rate.

#### b. Currency Risk

The Company has not availed any foreign currency loans and hence is not exposed to any Currency risk.

### 34.6 Post-employment benefits: Defined Contribution Plans

(₹ in lakhs)

Amount recognised as expense in Employee benefit expense		
Particulars	2021-22	2020-21
Superannuation	10.08	8.91
Provident Fund & Pension Fund	299.08	253.64
Employee State Insurance scheme	2.24	3.92
<b>Total</b>	<b>311.40</b>	<b>266.47</b>

#### 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 ₹69.34 Lakhs.

**Details of defined benefits plan as per actuarial valuation are as below:**

(₹ in lakhs)

Particulars	31.03.2022	31.03.2021
<b>Amounts recognised in profit or loss</b>		
Current service cost	78.95	111.87
Past Service cost	-	-
Net interest expense/(income)	7.62	3.62
Total amount included in employee benefits expense	86.57	115.49
<b>Amounts recognised in other comprehensive income</b>		
Re measurement (gains)/losses:		
Actuarial (gains)/losses arising from changes in		
- Financial assumptions	(41.31)	(123.06)
- Experience adjustments	171.89	159.28

Particulars	31.03.2022	31.03.2021
Return on plan assets, excluding amount included in net interest expense/ (income)	(29.64)	18.17
<b>Total amount recognised in other comprehensive income</b>	<b>100.94</b>	<b>54.39</b>
<b>Changes in the defined benefit obligation</b>		
Opening defined benefit obligation	741.04	691.73
Add/(less) on account of business combination/transfers		
Current service cost	78.95	111.87
Interest expense	45.92	41.40
Re measurement (gains)/losses arising from changes in		
- Demographic assumptions		
- Financial assumptions	(41.31)	(123.06)
- Experience adjustments	171.89	159.28
Effect of Business Combinations / Disposals	24.65	-
Benefits paid	(164.41)	(140.18)
<b>Closing defined benefit obligation</b>	<b>856.73</b>	<b>741.04</b>
Opening fair value of plan assets	525.62	628.60
Interest income on plan assets	38.30	37.78
Contribution by employer	187.57	17.59
Benefits paid	(164.41)	(140.18)
Actuarial gain / (loss) on plan assets		
Return on plan assets excluding interest income	29.64	(18.17)
Effect of Business Combinations / Disposals	24.65	-
<b>Closing fair value of plan assets</b>	<b>641.37</b>	<b>525.62</b>

(₹ in lakhs)

Net asset / (liability) recognised in balance sheet	31.03.2022	31.03.2021
Defined benefit obligation	856.73	741.04
Fair value of plan assets	641.37	525.62
Surplus/(Deficit)	215.36	215.42

(₹ in lakhs)

Particulars	31.03.2022	31.03.2021
<b>I. Actuarial assumptions</b>		
Discount rate	7.36%	6.97%
Expected Return on plan assets	7.36%	6.97%
Attrition rate (Age based)		
From Age 18 - 20 years	3%	3%
From Age 21 - 40 years	2%	2%
From Age 41 - 58 years	1%	1%
Salary escalation	7.00%	7.00%

(₹ in lakhs)

Particulars	31.03.2022	31.03.2021
<b>II. Quantitative sensitivity analysis for impact of significant assumptions on defined benefit obligation are as below</b>		
Impact of		
0.5% decrease in discount rate	910.19	786.75
0.5% increase in discount rate	807.52	699.11
0.5% decrease in salary growth rate	808.53	700.28
0.5% increase in salary growth rate	907.79	784.64
0.5% decrease in Attrition rate	856.62	741.11
0.5% increase in Attrition rate	856.83	740.97
0.5% decrease in Mortality rate	856.65	741.02
0.5% increase in Mortality rate	856.80	741.07
Weighted average duration of the Defined benefit obligation (in years)	16.67	16.87

Particulars	31.03.2022	31.03.2021
<b>III. Maturity profile of defined benefit obligation</b>		
Year 1	14.12	49.52
Year 2	17.85	38.02
Year 3	43.07	14.35
Year 4	37.81	37.11
Year 5	34.54	31.85
Next 5 years	367.87	276.35

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.

**B. Leave Encashment and Compensated absences (Unfunded):**

The company during the year has closed the existing balance in leave encashment fund account and has settled the balance to the respective employees for their accumulated balance in leave in excess of specified number of days. Subsequent to such payment, the liability of compensated accumulated leave balances as per the scheme of the company has been provided for on actuarial basis using the projected unit cost method and accounted for in the Statement of Profit and Loss.

**Note 34.7 - Income Tax**
**A. The Major components of Tax expense/(Income) for the year are as under:**
**i) Tax Expense / (Income) recognised in statement of Profit or Loss**

(₹ in lakhs)

	Year ended 31 March 2022	Year ended 31 March 2021
<b>Current Tax</b>		
Current period	5409.40	6631.01
Prior period	-	382.68
<b>Deferred Tax</b>		
Current period	(907.31)	(1047.94)
<b>Tax expense recognised in the Statement of Profit and Loss</b>	<b>4502.09</b>	<b>5965.75</b>

**ii) Tax Expense / (Income) recognised in other comprehensive income**

(₹ in lakhs)

	31 March 2022	31 March 2021
Re-measurements of defined benefit liability (asset)	(25.40)	(13.69)
<b>Tax Expense recognised in other comprehensive income</b>	<b>(25.40)</b>	<b>(13.69)</b>

**B. Reconciliation of effective tax rate**

(₹ in lakhs)

	31 March 2022	31 March 2021
<b>Profit before tax</b>	21271.74	25130.09
Statutory Tax Rate	0.25	0.25
Tax expense based on statutory tax rate	5353.67	6324.74
<b>Effect of:</b>		
Non-deductible expenses	139.66	134.36
Tax exempt income	-	-
Deductions Under Income Tax Act 1961	(1016.63)	(889.72)
Additional provision made for previous financial years		382.68
Change in unrecognised temporary differences		
Effect of change in Tax rates	-	
<b>Tax expense recognised in Statement of Profit &amp; Loss</b>	<b>4476.70</b>	<b>5952.06</b>
<b>Effective tax rate</b>	<b>21.05%</b>	<b>23.68%</b>



**C. Movements in Deferred tax and liabilities:**

(₹ in lakhs)

Particulars	As at 31st March 2021	Profit or Loss	OCI	Recognised through retained earnings	As at 31st March 2022
<b>Employee benefits</b>	78.26	77.95	-	-	156.21
Property, Plant and Equipment and Intangibles	46.88	17.25	-	-	64.13
Fair value measurement and Expected Credit Loss (Net)	4367.79	812.11	-	-	5179.90
<b>Total</b>	<b>4492.93</b>	<b>907.31</b>	<b>-</b>	<b>-</b>	<b>5400.24</b>

(₹ in lakhs)

Particulars	As at 31st March 2020	Profit or Loss	OCI	Recognised through retained earnings	As at 31st March 2021
<b>Employee benefits</b>	(5.50)	83.76	-	-	78.26
Property, Plant and Equipment and Intangibles	1.10	45.78	-	-	46.88
Fair value measurement and Expected Credit Loss (Net)	3449.38	918.41	-	-	4367.79
Covid 19 Provision	817.22	-	-	(817.22)	-
<b>Total</b>	<b>4262.20</b>	<b>1047.95</b>	<b>-</b>	<b>(817.22)</b>	<b>4492.93</b>

**Note 35 Disclosure as per Housing Finance Companies – Corporate Governance (National Housing Bank) Directions, 2016.****35.1 Capital**

	Particulars	31st March 2022	31st March 2021
i.	CRAR (%)	25.67%	24.85%
ii.	CRAR – Tier I Capital (%)	24.71%	24.11%
iii.	CRAR – Tier II Capital (%)	0.96%	0.74%
iv.	Amount of subordinated debt raised as Tier- II Capital	-	-
v.	Amount raised by issue of Perpetual Debt Instruments	-	-

**35.2 Reserve Fund u/s 29C, of NHB Act 1987 –**

Particulars	Current Year	Previous Year
<b>Balance at the beginning of the year</b>		
a) Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	32.99	29.66
b) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purpose of Statutory Reserve under Section 29C of the NHB Act, 1987	316.74	281.74
c) Total	349.73	311.40
<b>Additional Appropriation/Withdrawal during the year</b>		
<b>Add:</b>		
a) Amount Transferred u/s 29C of the NHB Act, 1987	0.54	3.33
b) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purpose of Statutory Reserve under Section 29C of the NHB Act, 1987	33.00	35.00
<b>Less:</b>		
a) Amount Appropriated from the Statutory Reserve u/s 29C of the NHB Act, 1987	--	--
b) Amount Withdrawn from the Special Reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purpose of provision u/s 29C of the NHB Act, 1987	--	--
<b>Balance at the end of the year</b>		
a) Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	33.53	32.99
b) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under Section 29C of the NHB Act, 1987	349.74	316.74
c) Total	<b>383.27</b>	<b>349.73</b>

## NOTES TO THE ACCOUNTS (Contd.)

### 35.3 Investments

(₹ in Crore)

Particulars	31st March 2022	31st March 2021
<b>Value of Investments</b>		
(i) Gross value of Investments		
(a) In India	876.31	783.23
(b) Outside India		
(ii) Provisions for Depreciation		
(a) In India	(0.03)	(0.01)
(b) Outside India		
(iii) Net value of Investments		
(a) In India	876.28	783.22
(b) Outside India		
<b>Movement of provisions held towards - depreciation on investments</b>		
(i) Opening balance	0.01	0.21
(ii) Add: Provisions made during the year	0.02	--
(iii) Less: Write-off / Write-back of excess provisions during the year	--	(0.20)
(iv) Closing Balance	0.03	0.01

### 35.4 Derivatives:

- 3.4.1 Forward Rate Agreement (FRA) / Interest Rate Swap (IRS): NIL
- 3.4.2 Exchange Traded Interest Rate (IR) Derivative: NIL
- 3.4.3 Disclosures on Risk Exposure in Derivatives: NA

## NOTES TO THE ACCOUNTS (CONTD.)

### 35.5 Securitisation

35.5.1

(₹ in Crore)

	Particulars	31-03-2022	31-03-2021
1.	No of SPVs sponsored by the HFC for Securitisation transactions*	2	2
2.	Total amount of securitised assets as per books of the SPVs Sponsored	179.99	230.36
3.	Total amount of exposures retained by the HFC towards the MRR as on the date of balance sheet		
	(I) Off-balance sheet exposures towards Credit Concentration		
	(II) On-balance sheet exposures towards Credit Concentration		
	a) Cash Collateral	21.05	21.05
	b) Others	6.95	9.10
4.	Amount of exposures to securitization transactions other than MRR	Nil	Nil
	(I) Off-balance sheet exposures towards Credit Concentration	Nil	Nil
	(II) On-balance sheet exposures towards Credit Concentration	Nil	Nil

\* Only the SPVs relating to outstanding securitization transactions may be reported here

35.5.2 Details of Financial Assets sold to Securitisation / Reconstruction Company for Asset Reconstruction: Nil

35.5.3 Details of Assignment transactions undertaken by HFCs

#### Purchase

(₹ in Crore)

	Particulars	31st March 2022	31st March 2021
(i)	No. of accounts	262	-
(ii)	Aggregate value (net of provisions) of accounts assigned	12.25	-
(iii)	Aggregate consideration	12.31	-
(iv)	Additional consideration realized in respect of accounts transferred in earlier years	-	-
(v)	Aggregate gain / loss over net book value	-	-

35.5.4 Details of non-performing financial assets purchased / sold: Nil

## NOTES TO THE ACCOUNTS (Contd.)

### 35.6 Asset Liability Management (Maturity Pattern of certain items of Assets and Liabilities) (as per contractual cashflows)

(₹ in Crore)

Particulars	1 day to 7 days	8 to 14 days	15 days to 30/31 days	Over one month upto 2 months	Over 2 months upto 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 to 3 year	Over 3 to 5 years	Over 5 years	Total
<b>Liabilities</b>											
Deposits (including unrenewed deposits)	37.91	11.82	35.14	47.96	115.50	275.25	426.88	980.20	93.55	-	2024.21
Borrowings from Banks	53.36	-	1.45	36.59	94.92	233.07	243.60	391.93	133.17	64.21	1252.32
Market Borrowings	-	75.59	299.03	205.90	166.26	502.98	771.91	2014.36	449.39	787.28	5272.70
Foreign Currency Liabilities	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>91.27</b>	<b>87.40</b>	<b>335.63</b>	<b>290.44</b>	<b>376.68</b>	<b>1011.31</b>	<b>1442.39</b>	<b>3386.50</b>	<b>676.12</b>	<b>851.49</b>	<b>8549.23</b>
<b>Assets</b>											
Advances	32.04	32.04	71.37	136.03	140.56	410.52	809.15	3071.78	2631.98	7184.12	14519.59
Investments	4.99	-	533.20	9.47	10.05	13.56	17.50	32.01	36.50	251.73	909.01
Foreign Currency Assets	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>37.03</b>	<b>32.04</b>	<b>604.57</b>	<b>145.50</b>	<b>150.61</b>	<b>424.08</b>	<b>826.64</b>	<b>3103.79</b>	<b>2668.48</b>	<b>7435.85</b>	<b>15428.60</b>

### 35.7 Exposure

#### 35.7.1 Exposure to Real Estate Sector

Category		31.03.2022 (₹ in Crore)	31.03.2021 (₹ in Crore)
a)	<b>Direct exposure #</b>		
	(i) Residential Mortgages *		
	Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented;		
	• Individual Housing Loans up to ₹15 Lakhs	1157.46	1247.44
	• Others	7030.47	6625.35
	Total	8187.93	7872.79
	(ii) Commercial Real Estate –		
	Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose 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 (NFB) limits;	1133.53	1084.69
	(iii) Investments in Mortgage Backed Securities (MBS) and other securitised exposures –		
	a. Residential	6.95	9.11
	b. Commercial Real Estate	-	-
b)	<b>Indirect Exposure</b>		
	Fund Based and Non-Fund Based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	110.09	103.02
	Total Exposure to Real Estate Sector	9438.50	9069.61

**Notes:**

# Consists of future Principal and Principal component of EMI outstanding.

\* Includes exposures to Non-Housing loans secured by residential mortgages amounting to 1808.16 crore (Previous year – 1698.96 crore)

**35.7.2 Exposure to Capital Market:** NIL

**35.7.3 Details of financing of Parent Company products:** NIL

**35.7.4 Details of Single Borrower Limit (SGL)/ Group Borrower Limit (GBL) exceeded by HFC:** NIL

**35.7.5 Unsecured Advances:** Nil

**35.7.6 Exposure to group companies engaged in real estate business - Nil**

**35.8 Miscellaneous**

**35.8.1 Registration obtained from other financial sector regulators – NA**

**35.8.2 Disclosure of penalties imposed by NHB/RBI and other regulators – Refer Point no: 33.19**

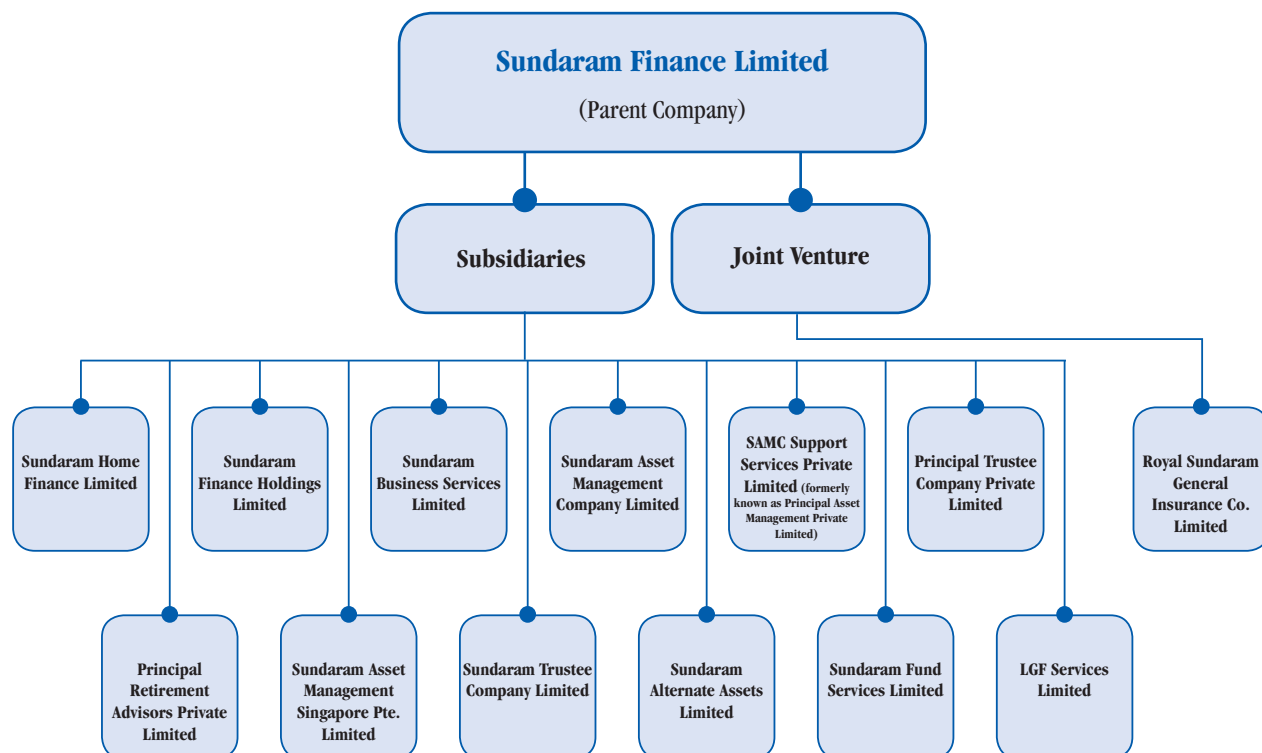
**35.8.3 Related Party Transactions**

35.8.3.1 Details of all material transactions with related parties – Refer Point No: 33.11

35.8.3.2 The Policy on dealing with Related Party Transactions – Refer Annexure - II (ii) of Board's Report

**35.8.4 Group Structure**

Diagrammatic representation of group structure



## NOTES TO THE ACCOUNTS (Contd.)

### 35.8.5 Rating assigned by Credit Rating Agencies and migration of rating during the year

Borrowing through	Rating/Outlook and the date of Rating/Outlook by Rating Agencies		
	ICRA	CRISIL	CARE
Short-Term Debt / Commercial Paper	(ICRA) A1+	CRISIL A1+	CARE A1+
Fixed Deposits	MAAA/Stable	FAAA/Stable	-
Non-Convertible Debentures	(ICRA) AA+ / Stable	CRISIL AA+/Stable	CARE AA+/Stable
Subordinated Debt	(ICRA) AA+ / Stable	-	CARE AA+/Stable
Long-term Bank Loans	(ICRA) AA+ / Stable	CRISIL AA+ / Stable	CARE AA+/Stable
Structured Obligations	(ICRA) AAA (SO)	(CRISIL) AAA (SO)	-

There was no migration of ratings during the year.

### 35.8.6 Remuneration of Directors

The Details of Remuneration of directors are disclosed in Form No MGT-9

### 35.8.7 Management Discussion & Analysis

The Details of the Management Discussion & Analysis forms part of the Board's Report.

### 35.8.8 Net Profit or Loss for the period, prior period items and changes in accounting policies –

There are no prior period items accounted and hence there are no changes in accounting policies. The Statement of Profit & Loss discloses the net profit for the year ended 31st March 2022.

### 35.8.9 Revenue Recognition – There have been no instances where revenue recognition has been postponed pending resolution of significant uncertainties

### 35.8.10 Consolidated Financial Statement (CFS) – NA. There are no subsidiaries/Joint Ventures for the Company.

## Additional Disclosures

### 35.9 Provisions and Contingencies

(₹ in Crore)

Break up of 'Provisions and Contingencies' shown under the head Expenditure in Statement of Profit and Loss Account		2021-22	2020-21
1.	Provision for depreciation on Investment	0.02	(0.20)
2.	Provision towards NPA – Stage III *	(173.26)	6.62
3.	Provision made towards Income Tax (Current Tax)	54.09	70.14
4.	Provision for Standard Assets (excludes Covid-19 provision)	112.17	3.11
5.	Other Provision and Contingencies (Provision for loans sold/ securitised and Security deposits)	(0.01)	(0.49)
6.	Provision for Standard Assets (with details like teaser loans, CRE, CRE–RH etc.)	--	--

\* Excluding Write off of ₹142.01 Cr (previous year ₹43.24 Cr)



## NOTES TO THE ACCOUNTS (Contd.)

(₹ in Crore)

Break up of Loan & Advances and Provisions thereon	Housing		Non-Housing	
	31.03.2022	31.03.2021	31.03.2022	31.03.2021
<b>Standard Assets</b>				
a) Total Outstanding Amount	6336.83	6100.54	2811.48	2553.54
b) Provisions made	70.57	4.81	47.28	1.69
<b>Sub-Standard Assets</b>				
a) Total Outstanding Amount	53.65	33.62	22.94	30.37
b) Provisions made	18.75	7.62	6.41	6.22
<b>Doubtful Assets – Category-I</b>				
a) Total Outstanding Amount	26.79	36.82	25.33	60.88
b) Provisions made	10.32	23.42	9.15	37.34
<b>Doubtful Assets – Category-II</b>				
a) Total Outstanding Amount	60.42	49.73	65.67	42.06
b) Provisions made	36.15	46.76	34.24	37.93
<b>Doubtful Assets – Category-III</b>				
a) Total Outstanding Amount	11.48	54.92	16.11	96.21
b) Provisions made	8.25	54.32	13.41	95.36
<b>Loss Assets</b>				
a) Total Outstanding Amount	0.70	1.30	0.15	0.51
b) Provisions made	0.70	1.30	0.15	0.51
<b>TOTAL</b>				
a) Total Outstanding Amount	6489.87	6276.93	2941.68	2783.57
b) Provisions made	144.74	138.23	110.64	179.05

**Note:**

- The total outstanding amount means principal + accrued interest + other charges pertaining to loans without netting off.
- The Category of Doubtful Assets will be as under:

Period for which the assets have been considered as doubtful	Category
Up to one year	Category-I
One to three years	Category-II
More than three years	Category-III

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

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms (including income deferred)	Difference between Ind AS 109 provisions and IRACP norms
1	2	3	4	5=3-4	6	7=4-6
Performing Assets						
Standard	Stage - 1	827232.83	1972.96	825259.87	3151.67	-1178.71
	Stage - 2	40594.19	3708.53	36885.66	185.34	3523.20
<b>Sub total</b>		<b>867827.02</b>	<b>5681.49</b>	<b>862145.53</b>	<b>3337.01</b>	<b>2344.48</b>
Restructured Assets	Stage - 1	36474.62	3161.71	33312.91	3739.39	-577.68
	Stage - 2	10529.74	2942.72	7587.02	962.23	1980.49
<b>Sub total</b>		<b>47004.36</b>	<b>6104.43</b>	<b>40899.93</b>	<b>4701.62</b>	<b>1402.81</b>
<b>Non Performing Assets</b>						
Substandard	Stage 3	7658.87	2515.89	5142.98	1577.27	938.62
Doubtful - up to 1 year	Stage 3	5211.97	1946.48	3265.49	1954.1	-7.62
1 to 3 year	Stage 3	12609.55	7038.85	5570.70	7000.72	38.13
More than 3 yrs	Stage 3	2758.59	2165.67	592.92	2759.02	-593.35
<b>Subtotal for doubtful</b>		<b>20580.11</b>	<b>11151.00</b>	<b>9429.11</b>	<b>11713.84</b>	<b>-562.84</b>
Loss	Stage 3	84.54	84.99	-0.45	84.99	-
<b>Subtotal for NPA</b>		<b>28323.52</b>	<b>13751.88</b>	<b>14571.64</b>	<b>13376.10</b>	<b>375.78</b>
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		42497.11	84.59	42412.52	-	84.59
<b>Subtotal</b>		<b>42497.11</b>	<b>84.59</b>	<b>42412.52</b>	<b>-</b>	<b>84.59</b>
<b>Total (on book assets)</b>	Stage 1	<b>863707.45</b>	<b>5219.26</b>	<b>858488.19</b>	<b>6891.06</b>	<b>-1756.39</b>
	Stage 2	<b>51123.93</b>	<b>6651.25</b>	<b>44472.68</b>	<b>1147.56</b>	<b>5503.69</b>
	Stage 3	<b>28323.52</b>	<b>13751.88</b>	<b>14571.64</b>	<b>13376.10</b>	<b>375.78</b>
	<b>Total</b>	<b>943154.90</b>	<b>25622.39</b>	<b>917532.51</b>	<b>21414.73</b>	<b>4207.67</b>

## NOTES TO THE ACCOUNTS (Contd.)

### 35.10 Draw Down from Reserves: NIL

### 35.11 Concentration of Public Deposits, Advances, Exposures and NPAs

#### 35.11.1 Concentration of Public Deposits (for Public Deposit taking/holding HFCs) (₹ in Crore)

Particulars	31.03.2022	31.03.2021
Total Deposits of twenty largest depositors	573.69	511.34
Percentage of Deposits of twenty largest depositors to Total Deposits of the HFC	28.34%	28.25%

#### 35.11.2 Concentration of Loans & Advances (₹ in Crore)

Particulars	31.03.2022	31.03.2021
Total Loans & Advances to twenty largest borrowers	314.01	311.30
Percentage of Loans & Advances to twenty largest borrowers to Total Advances of the HFC	3.33%	3.43%

#### 35.11.3 Concentration of all Exposure (including off balance sheet exposure) (₹ in Crore)

Particulars	31.03.2022	31.03.2021
Total Exposure to twenty largest borrowers /customers	314.01	311.30
Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the HFC on borrowers / customers	3.31%	3.40%

#### 35.11.4 Concentration of NPAs (₹ in Crore)

Particulars	31.03.2022	31.03.2021
Total Exposure to top ten NPA accounts	45.41	46.71

#### 35.11.5 Sector-wise NPAs

Sl. No.	Sector	Percentage of NPAs to Total Advances in that sector
<b>A.</b>	<b>Housing Loans:</b>	
1.	Individuals	2.43%
2.	Builders/Project Loans	--
3.	Corporates	--
4.	Others (specify)	--
<b>B.</b>	<b>Non-Housing Loans:</b>	
1.	Individuals	4.66%
2.	Builders/Project Loans	--
3.	Corporates	2.42%
4.	Others (specify)	-

### 35.12 Movement of NPAs

(₹ in Crore)

Particulars	31.03.2022	31.03.2021
(I) Net NPAs to Net Advances (%)	1.57%	1.09%
(II) Movement of NPAs (Gross)		
a) Opening balance	406.60	454.79
b) Additions during the year	89.69	84.23
c) Reductions during the year	213.06	132.42
d) Closing balance	283.23	406.60
(III) Movement of Net NPAs		
a) Opening balance	95.82	150.62
b) Additions during the year	49.41	-0.41
c) Reductions during the year	-0.49	54.39
d) Closing balance	145.71	95.82
(IV) Movement of provisions for NPAs (excluding provisions on standard assets)		
a) Opening balance	310.78	304.17
b) Provisions made during the year	40.28	84.64
c) Write-off/write-back of excess provisions	213.54	78.03
d) Closing balance	137.52	310.78

### 35.13 Overseas Assets – Nil

### 35.14 Off-balance Sheet SPVs sponsored (which are required to be consolidated as per accounting Norms) – Nil

### 35.15 Disclosure of Complaints

#### Customers Complaints

Particulars	2021-22	2020-21
a) No. of complaints pending at the beginning of the year	0	0
b) No. of complaints received during the year	126	109
c) No. of complaints redressed during the year	123	109
d) No. of complaints pending at the end of the year	3	0

### 35.16 Previous year figures have been regrouped/ reclassified / restated wherever necessary, to conform to the current year's presentation

### 35.17 Disclosure on Liquidity Coverage Ratio

As part of the Liquidity Risk Management Framework for NBFCs, RBI has mandated maintenance of Liquidity Coverage Ratio (LCR) effective Dec 2021. 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. Presently, the Company is required to maintain minimum HQLA of 50% of the LCR, progressively reaching 100% by December 1, 2025.

The LCR is calculated by dividing the company's stock of HQLA by its total net cash outflows over a 30- day stress period. 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 NHB Refinance, Non-Convertible Debentures, Term loans from Banks, and Public deposits.

The average LCR for the quarter ended Mar 22 is 111.99% which is above the regulatory requirement of 50%.

S. No.	Particulars	Apr 21 to Jun 21		Jul 21 to Sep 21		Oct 21 to Dec 21		Jan 22 to Mar 22	
		Total Unweighted (Average)	Total Weighted Value (Average)	Total Unweighted (Average)	Total Weighted Value (Average)	Total Unweighted (Average)	Total Weighted Value (Average)	Total Unweighted (Average)	Total Weighted Value (Average)
1	<b>High Quality Liquid Assets</b>		198.67		199.92		207.84		214.19
	<b>Cash Outflows</b>								
2	Deposits (for deposit taking companies)	90.91	104.55	89.74	103.20	89.99	103.49	94.94	109.18
3	Unsecured wholesale funding	33.33	38.33	158.33	182.08	-	-	183.33	210.83
4	Secured wholesale funding	264.88	304.61	133.11	153.08	107.44	123.56	161.32	185.51
5	Additional requirements	-	-	-	-	-	-	-	-
6	Other Contractual Funding	118.22	135.95	221.24	254.43	212.17	244.00	225.62	259.46
7	Other contingent funding	-	-						
8	<b>TOTAL CASH OUTFLOWS</b>	<b>507.35</b>	<b>583.45</b>	<b>602.43</b>	<b>692.79</b>	<b>409.60</b>	<b>471.04</b>	<b>665.21</b>	<b>764.99</b>
	<b>Cash Inflows</b>								
9	Secured Lending								
10	Inflows from fully performing exposures	129.81	97.36	128.22	96.17	126.51	94.88	132.71	99.53
11	Other Cash inflows	652.22	489.16	619.78	464.83	428.13	321.10	1,314.72	986.04
12	<b>TOTAL CASH INFLOWS</b>	<b>782.03</b>	<b>586.52</b>	<b>748.00</b>	<b>561.00</b>	<b>554.64</b>	<b>415.98</b>	<b>1,447.42</b>	<b>1,085.57</b>
13	<b>TOTAL HQLA</b>		198.67		199.92		207.84		214.19
14	<b>TOTAL NET CASH OUTFLOWS</b>		145.86		173.20		117.76		191.25
15	<b>LIQUIDITY COVERAGE RATIO %</b>		<b>136.21%</b>		<b>115.43%</b>		<b>176.49%</b>		<b>111.99%</b>

#### Components of High Quality Liquid Assets

Cash	0.93	1.22	0.91	0.72
G-Sec	197.75	198.69	206.93	213.46
<b>Total</b>	<b>198.67</b>	<b>199.92</b>	<b>207.84</b>	<b>214.19</b>

**35.18 Public Disclosure on Liquidity Risk for the quarter ended 31st Mar 2022 pursuant to RBI circular dated 17th February 2021 on Liquidity Risk Management Framework**

**(i) Funding concentration based on significant counterparty (both deposits and borrowings)**

S.No	Number of Significant Counterparties	Amount (₹ in Cr)	% of Total Deposits	% of Total Liabilities
1.	18	5708.32	282%	66.43%

**(ii) Top 20 large deposits**

Amount – ₹573.69 Cr

% of total deposits – 28.34%

**(iii) Top 10 borrowings**

Amount – ₹4796.01 Cr

% of total borrowings – 55.8%

**(iv) Funding Concentration based on significant instrument/product**

Name of the Instrument	As on 31st March 2022	
	Amount (₹ in Cr)	%
NCD	2552.25	30%
Deposits	2024.20	24%
Refinance	1927.53	22%
Term Loan	1252.32	15%
Commercial Paper	792.93	9%
<b>Total</b>	<b>8549.21</b>	<b>100%</b>

**(v) Stock Ratios**

S. No	Name of Instrument/Product	As a % of Total Public Funds	As a % of Total Liabilities	As a % of Total Assets
1	Commercial Paper	9.3%	9.2%	7.8%
2	Non-Convertible Debentures (original maturity < 1 year)	--	--	--
3	Other Short-term Liabilities	33.8%	33.7%	28.6%

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## Institutional Set up for Liquidity Risk Management

Board has set up the Asset Liability Management Committee (ALCO) and Risk Management Committee to manage various risks of the Company. ALCO meets on 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.
- 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 counter party or group of connected or affiliated counter parties 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 represents all short-term borrowings other than CPs.

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As per our report of even date attached  
For **Suri and Co**  
Chartered Accountants  
FRN : 004283S  
**M.Sivaram**  
Partner  
Membership No. 211916  
Chennai  
14th May 2022

**T.T. Srinivasaraghavan**  
Chairman

**Lakshminarayanan Duraiswamy**  
Managing Director

**Venkatasubramanian R**  
Company Secretary

**Bhavani Balasubramanian**  
Director

**Sridhar. S**  
Chief Financial Officer

### ANNEXURE III

(as required under Annexure III of Master Direction – Non-Banking Financial Company –  
Housing Finance Company (Reserve Bank) Directions, 2021

#### SCHEDULE TO THE BALANCE SHEET OF SUNDARAM HOME FINANCE LIMITED

(₹ in crore)

Particulars		Amount outstanding	Amount overdue
Liabilities side			
<b>1 Loans and advances availed by the HFC inclusive of interest accrued thereon but not paid:</b>			
(a)	Debentures :		
	Secured	2,000.43	
	Unsecured	418.95	
	(other than falling within the meaning of public deposits*)		
(b)	Deferred Credits		
(c)	Term Loans	3,179.85	
(d)	Inter-corporate loans and borrowing	-	
(e)	Commercial Paper	792.93	
(f)	Public Deposits*	2,024.20	23.77
(g)	Other Loans-Subordinated Debt	132.87	
<b>2 Break-up of (1) (f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid):</b>			
(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	2,024.20	

# Represents unrenewed deposits and interest accrued thereon

Particulars		Amount outstanding
Assets Side		
<b>3 Break-up of Loans and Advances including bills receivables [other than those included in (4) below]:</b>		
(a)	Secured	8.44
(b)	Unsecured	
<b>4 Break up of Leased Assets and stock on hire and other assets counting towards asset financing activities</b>		
(i)	Lease assets including lease rentals under sundry debtors	
	(a) Financial lease	
	(b) Operating lease	
(ii)	Stock on hire including hire charges under Sundry Debtors	
	(a) Assets on hire	
	(b) Repossessed Assets	
(iii)	Other loans counting towards asset financing activities	
	(a) Loans where assets have been repossessed	42.44
	(b) Loans other than (a) above	9389.11



<b>Particulars</b>		<b>Amount</b>
<b>Assets Side</b>		<b>outstanding</b>
<b>5 Break-up of Investments</b>		
<b>Current Investments</b>		
1	Quoted	
(i)	Shares	-
	(a) Equity	-
	(b) Preference	-
(ii)	Debentures and Bonds	-
(iii)	Units of mutual funds	-
(iv)	Government Securities	
(v)	Others (please specify)	-
2	Unquoted	
(i)	Shares	
	(a) Equity	-
	(b) Preference	-
(ii)	Debentures and Bonds	-
(iii)	Units of mutual funds	537.97
(iv)	Government Securities	-
(v)	Others (please specify)	-
<b>Long Term investments</b>		
1	Quoted	
(i)	Shares	
	(a) Equity	-
	(b) Preference	-
(ii)	Debentures and Bonds	-
(iii)	Units of mutual funds	-
(iv)	Government Securities	267.01
(v)	Others (please specify)	-
2	<b>Unquoted</b>	
1	Quoted	
(i)	Shares	
	(a) Equity	
	(b) Preference	
(ii)	Debentures and Bonds	
(iii)	Units of mutual funds	64.40
(iv)	Government Securities	
(v)	Others-Investments in Senior Pass Through Certificates	6.95

(₹ in crore)

Category		Amount net of provisions		
		Secured	Unsecured	Total
1	Related Parties **			
(a)	Subsidiaries			
(b)	Companies in the same group			
(c)	Other related parties	0.57		
2	Other than related parties Total	9183.19		

(₹ in crore)

Category		Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)
(a)	Subsidiaries		
(b)	Companies in the same group	467.96	467.96
(c)	Other related parties		
2	Other than related parties	411.04	408.36
	Total	879.00	876.31

(₹ in crore)

8 Other information		
	Particulars	Amount
(i)	Gross Non-Performing Assets	283.23
(a)	Related parties	
(b)	Other than related parties	
(ii)	Net Non-Performing Assets	145.71
(a)	Related parties	
(b)	Other than related parties	
(iii)	Assets acquired in satisfaction of debt	



**SUNDARAM HOME**

**Registered Office :** 21, Patullas Road, Chennai - 600 002. Phone : (044) 28521181

**Corporate Office :** Sundaram Towers, 46, Whites Road, Chennai - 600 014

**Phone :** (044) 28515267

**Email:** customercare@sundaramhome.in; depositorcare@sundaramhome.in

**Website:** www.sundaramhome.in

#### **Andhra Pradesh**

Bhimavaram : 08816 226119, Cuddappah : 08562 253366, Eluru : 08812 233432, Gajuwaka : 0891 2573077  
Guntur : 0863 2331469, Kakinada : 0884 2351618, Kurnool : 08518 225146, Nellore : 0861 2322269, Ongole : 08592 283959,  
Rajahmundry : 0883 2468579, Srikakulam : 08942 229123, Tanuku : 08819 227667, Tirupathi : 0877 2237378,  
Vijayawada : 0866 2471717, Visakhapatnam : 0891 2575522, Vizianagaram : 08922 237778

#### **Telangana**

Hyderabad - Secunderabad : 040 27806002, Hyderabad - Kukkatpally : 040 23162224, Hyderabad - LB Nagar : 040 24126456, Hyderabad - Hitech City: 040 23119847  
Karimnagar : 0878 2237676, Khammam : 08742 242160, Mancheril : 08736 255456, Nizamabad : 08462 220224, Warrangal : 0870 2441244

#### **Karnataka**

Bengaluru - Seshadripuram: 080 23567911, Bengaluru - Jayanagar: 080 26493737, Bengaluru - Whitefield: 080 28450035,  
Bengaluru - Yelahanka : 080 2362 0310, Belagavi: 0831 2471019, Ballari : 0839 2256437, Davanagere : 0819 2297075, Gulbarga : 0847 2244419, Hubli: 0836 2371954,  
Mangaluru : 0824 2451517, Mysuru : 0821 2425007, Raichur: 08532 225009, Shivamogga: 08182 275719, Vijayapura : 0835 2265639

#### **Kerala**

Aluva : 0484 2943265, Calicut : 0495 2722066, Kannur : 0497 2761917, Kayamkulam : 0479 2441157, Kochi : 0484 2350341, Kollam: 0474 2742490,  
Kottayam : 0481 2561549, Muvattupuzha: 0485 2812906, Palakkad : 0491 2503610, Pathanamthitta : 0468 222 4289,  
Payyannur : 0498 5209917, Trichur: 0487 2221191, Thirupunithura: 0484-2779170, Thiruvananthapuram : 0471 2534686

#### **Puducherry : 0413 2330509**

#### **Tamil Nadu**

Attur: 04282 253354, Chennai - Ambattur: 044 26521656, Chennai - Chromepet: 044 22210244, Chennai - Parrys: 044 25241099, Chennai - Porur: 044 48581096,  
Chennai - T Nagar: 044 45635600, Chennai - Thiruvanniyur: 044 24430030, Chengalpet: 044 27432929, Coimbatore - P.N. Palayam : 0422 2246655,  
Coimbatore - R S Puram: 0422 2545333, Dindigul : 0451 2422001, Erode : 0424 2262999, Hosur : 04344 223318,  
Kancheepuram: 044 27233660, Karaikudi : 04565 233202, Karur: 04324 231235, Kumbakonam : 0435 2433216, Madurai : 0452 4380202,  
Mettupalayam: 04254 221125, Namakkal : 04286 233454, Nanganallur : 044-22242204, Neyveli: 04142 213435, Perambalur: 04328 275563,  
Pollachi: 04259 223552, Pudukottai: 04322 232455, Ranipet: 04172 271979, Salem : 0427 2334554, Sivakasi: 04562 222262, Tanjore : 04362 233216,  
Theni: 04546 263004, Thiruvallur: 044 27664590, Thiruvannamalai: 04175 252020, Thiruvarur: 04366 220293, Tiruchengode: 04288 257381,  
Tirunelveli : 0462 2574274, Tiruppur : 0421 2474450, Trichy : 0431 2402150, Tuticorin : 0461 2328827, Vellore : 0416 2245884

#### **Rest of India**

**Gujarat** - Ahmedabad: 079 66168910, Vadodara: 0265 2355070

**Maharashtra** - Aurangabad: 0240 2993020, Nagpur: 0712 255 8017,

Nasik: 0253 2501766, Pune: 020-25651575, Thane : 022-40052777, Kolhapur: 0231 2667381

**Madhya Pradesh** - Bhopal: 0755 2550240, Indore: 0731 2532246,

**Odisha** - Bhubaneswar

**West Bengal** - Kolkata: 033-40606120 / 033-24420570

**Rajasthan** - Jaipur: 0141-4035386