

Sundaram Fund Services Limited

(Formerly known as Sundaram BNP Paribas Fund Services Limited)

Fifteenth Annual Report

2022-23



SUNDARAM FUND SERVICES



SUNDARAM FINANCE

Board of Directors

T.S.Sritharan	Managing Director
Sunil Subramaniam	Director
C.M. Loganathan	Director

Chief Financial Officer

S. Lakshminarasimhan

Company Secretary

M. Ashwin

Auditors

M/S. N.C. Rajagopal & Co.,
Chartered Accountants

Registered Office

No.21, Patullos Road, Chennai – 600 002
Phone No:044 2852 1181, Fax:044 2858 6641

Banker

HDFC Bank Limited

Contents

Board's Report

Auditors' Report

Balance Sheet

Profit and Loss Statement

Cash Flow Statement

Notes To The Accounts

15th DIRECTORS' REPORT

To,

The Members,
Sundaram Fund Services Limited,
CIN: U67120TN2008PLC068388

Your directors have pleasure in presenting the Fifteenth Annual Report on the business and performance of the Company together with the audited financial statements for the financial year ended March 31, 2023.

FINANCIAL HIGHLIGHTS

(Rs in Lakhs)

Particular	For the financial year ended March 31, 2023	For the financial year ended March 31, 2022
Income	454.84	484.79
Less: Expenses	(203.73)	(253.70)
Profit/ (Loss) before tax	251.11	231.09
Less: Tax Expense / (reversal)	47.72	3.84
Less: Income Tax of earlier years w/off	-	-
Exception Income	-	-
Exception expenditure	-	-
Profit after Tax	203.39	227.25

APPROPRIATION

(Rs in Lakhs)

Interim Dividend	-	-
Final Dividend	-	-
Tax on distribution of dividend	-	-
Transfer of General Reserve	-	-
Balance carried to Balance sheet	203.39	227.25

REVIEW OF OPERATIONS:

During the year under review, your Company earned an income of Rs.454.84 lakhs. Total expenditure, including tax provisions, amounted to Rs.203.73 lakhs. The Company recorded a net profit of Rs.203.39 lakhs.

DIRECTORS

The Board of Directors of the company is vested with general power of superintendence, direction, and management of the affairs of the Company. The Board of Directors monitor and review the functioning of the Company.

On the date of report, the Board consists of 3 Members as follows:

Name of Director	Current Position per Company law
Mr. T.S. Sritharan	Managing Director
Mr. Sunil Subramaniam	Non-Executive Director
Mr. C.M. Loganathan	Non-Executive Director

Mr. C.M. Loganathan, Director, retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. The Board recommends his re-appointment for your approval.

DECLARATION OF INDEPENDENT DIRECTOR:

The provisions section 149(4) as per Companies Act, 2013 for appointing Independent Director is not applicable to the Company.

KEY MANAGERIAL PERSONNEL

During the Year, Mr. R. Vijayendiran resigned as Director of the Company w.e.f. 30th September 2022. Mr. Sunil Subramaniam has

been appointed as Additional Director of the Company w.e.f. 30th September 2022.

DEMERGER

During the year, the proposal for demerging the Fund Accounting Business of the Company and transferring it with Sundaram Asset Management Company Limited by way of Scheme of Arrangement as per provisions of Section 230 to 232 and relevant provisions of the Companies Act, 2013 was approved by the Board on 29th June 2022. Accordingly, the petition for demerger was filed with the National Company Tribunal, Chennai and awaiting orders.

DIRECTORS' RESPONSIBILITY STATEMENT

In terms of Section 134(5) of the Companies Act, 2013, in relation to the audited financial statements of the Company for the year ended March 31, 2023, the Board of Directors hereby confirms that:

- a. In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b. Such accounting policies have been selected and applied consistently and the Directors 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 March 31, 2023 and of the profit/loss of the Company for that year;
- c. Proper and sufficient care was taken for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. The annual accounts of the Company have been prepared on a going concern basis;
- e. Proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

INTERNAL FINANCIAL CONTROL

Your Company's Internal Control Systems are generally found commensurate with the nature, size and complexity of its business and ensure proper safeguarding of assets, maintaining proper accounting records and providing reliable financial information.

BOARD MEETINGS

During the Financial Year 2022-23, 5 meetings of Board of Directors were held on 4th May 2022, 29th June 2022, 29th July 2022, 3rd October 2022 and 30th January 2023.

Attendance of the director at the Board Meetings during the year ended March 31, 2023 is as follows:

Name of the director	No. of Board meeting eligible to attend	No. of board meetings attended
Mr. T.S. Sritharan	5	5
Mr. R. Vijayendiran Rao	3	3
Mr. C.M. Loganathan	5	5
Mr. Sunil Subramaniam	2	2

AUDIT COMMITTEE

During the Financial Year 2022 – 23, the Company was not required to constitute a Audit Committee of the Board as per Section 177 of the Companies Act, 2013.

CORPORATE SOCIAL RESPONSIBILITY

During the Financial Year 2022 – 23, the Company was not required to constitute a Corporate Social Responsibility Committee of the Board as per Section 135 of the Companies Act, 2013.

STATUTORY AUDITORS

M/s. N.C. Rajagopal & Co., Chartered Accountants, Chennai (Registration Number No.003398S), are Statutory Auditors of your Company, who will hold office until the conclusion of ensuing Annual General Meeting and are recommended for re-appointment till the conclusion of 20th Annual General Meeting. The Company has received

a certificate under section 141 of the Companies Act, 2013 and rules issued thereunder.

PUBLIC DEPOSITS

During the Financial Year 2022-23, the Company did not accept any fixed deposits under the applicable provisions of the Companies Act, 2013.

AUDITORS' REPORT

The Auditors' Report to the Members on the Final Accounts of the Company for the Financial Year ended on March, 31, 2023 does not contain any qualification, reservation or adverse remark.

FRAUD REPORTING BY AUDITOR OTHER THAN THOSE WHICH ARE REPORTABLE TO THE CENTRAL GOVERNMENT

There was no reporting of fraud by the Auditor of the Company under Sub-Section (12) of section 143 of the Companies Act, 2013.

EXTRACT OF ANNUAL RETURN

In compliance with section 92(3) of the Companies Act, 2013 read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of Annual Return in MGT-9 forms part of this Report annexed as Annexure I.

PERSONNEL

Your Company has on its rolls 16 employees as on March 31, 2023.

SHARE CAPITAL

During the financial year, no further shares were issued.

The issued, subscribed and paid-up equity share capital of the Company stands at 4,50,03,000 equity shares of Rs. 10/- each.

STATEMENT OF SUBSIDIARY COMPANIES, JOINT VENTURES AND ASSOCIATES

Your Company has no subsidiary, joint ventures or associates and hence the statement to be annexed pursuant to Section 129 of

Companies Act, 2013 is not applicable.

TRANSACTIONS WITH RELATED PARTIES

The transactions with related parties are subject to the applicable provisions of Companies Act, 2013 and are entered into with the approval of the Board of Directors and shareholders (wherever applicable).

The transactions entered into with the related parties during the Financial Year 2022-23 are stated under 'Notes to the Accounts' in the Audited Financial Statements of the Company.

LOANS, GUARANTEES, INVESTMENTS AND SECURITIES

The Company has not given any Loans, Guarantee, provided Securities or made any investments under the provisions of Section 186 of the Companies Act, 2013 during the year. Company has invested an amount of Rs.30 Crores in Inter Corporate Deposit in one of the fellow Subsidiary named Sundaram Asset Management Company Limited during the Previous year 2021-22 for a period of three years.

DISCLOSURE UNDER SECTION 22 OF THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The requirement of having Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, is not applicable to the Company.

COMPANIES DISCLOSURE OF PARTICULARS PURSUANT TO SECTION 134 (3) (m) OF THE COMPANIES ACT, 2013 IS AS UNDER:

(A) Foreign Exchange Earnings and Outflow:

During the Financial Year 2022-23, there were no foreign exchange earnings and outflow.

(B) Conservation of Energy & Technology Absorption:

The Company constantly endeavors to conserve energy and to

improve upon the existing technology to meet global standards and adopt the best available technology for servicing customers.

DIVIDEND

The Board of Directors do not recommend any dividend for the financial year ended March 31, 2023.

TRANSFER TO RESERVES

An amount for Rs. 2.04 Cr. is proposed to be transferred to the reserves of the Company for FY 2022-23.

COMPLAINE WITH SECRETERIAL STANDARDS

During the Financial Year 2022-23, the company has complied with the applicable Secretarial Standards issued by the Institute of the Company Secretaries of India in terms of the Act and approved by Central Government.

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THESE FINANCIALS STATEMENTS RELATE AND THE DATE OF THE REPORT:

There were no material changes and commitments affecting the financial position of the Company have occurred between the end of the financial year of the Company to which the financial statements relate and the date of this report.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY OPERATIONS IN FUTURE

There are no significant and material orders passed by the regulators or Courts or tribunals impacting the going concern status and Company operations in future.

ACKNOWLEDGEMENT

The Board of Directors take this opportunity to thank the customers, shareholders, suppliers, bankers, business partners/associates, Ministry of Corporate Affairs, financial institutions and Central and State Governments for their consistent support and encouragement to the Company.

For and on behalf of the Board of
Sundaram Fund Services Limited

T.S. Sritharan

Managing Director

DIN: 07604247

Date: 2nd May 2023

Place: Chennai

Registered Office

21, Patullos Road, Chennai – 600002

CIN: U67120TN2008PLC068388

C.M. Loganathan

Director

DIN: 09128418

Date: 2nd May 2023

Place: Chennai

Annexure I

FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN AS ON FINANCIAL YEAR ENDED ON MARCH 31, 2023

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS

CIN	U67120TN2008PLC068388
Registration Date	27-06-2008
Name of the Company	Sundaram Fund Services Limited
Category / Sub-Category of the Company	Category: Company Limited by Shares Sub - Category : Indian Non-Government Company
Address of the Registered office and contact details	21, Patullos Road, Chennai - 600002 Contact No.: 044 - 28569900
Whether listed company	No
Name, Address and Contact details of Registrar and Transfer Agent, if any:	Cameo Corporate Services Limited Address: Subramanian Building, 1, Club House Road, Anna Salai, Royapettah, Chennai, Tamil Nadu 600002 Contact: 044 4002 0700

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the Company shall be stated:-

Sl. No	Name & Description of main products / services	NIC Code of the product / service	% to total turnover of the company
1.	Accounting, Book Keeping, and auditing activities	69201	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. No	Name and address of the Company	CIN/GLN	Holding/Subsidiary/ Associate	% of shares held	Applicable Section
1	Sundaram Finance Limited	L65191TN1954PLC002429	Holding Company	100.00%	Section 2(46) of the Companies Act, 2013.

IV SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(i) Category-wise Share Holding

	Category of Shareholders	No. of Shares held at the beginning of the year				No. of shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A.	PROMOTER									
1)	Indian									
	Individual/ HUF	–	–	–	–	–	–	–	–	–
	Central Govt	–	–	–	–	–	–	–	–	–
	State Govt(s)	–	–	–	–	–	–	–	–	–
	Bodies Corp	45003000	-	-	-	45003000	-	45003000	100%	100%
	Banks / FI	–	–	–	–	–	–	–	–	–
	Any other	–	–	–	–	–	–	–	–	–
	Sub-total(A)(1):	45003000				45003000	-	45003000	100%	100%
2)	Foreign									
	NRIs-Individuals	–	–	–	–	–	–	–	–	–
	Other Individuals	–	–	–	–	–	–	–	–	–
	Bodies Corp	–	–	–	–	–	–	–	–	–
	Banks/FI	–	–	–	–	–	–	–	–	–
	Any Other	–	–	–	–	–	–	–	–	–
	Sub total (A)(2)	–	–	–	–	–	–	–	–	–
	Total shareholding of Promoter (A) = (A)(1)+(A)(2)	45003000	–	45003000	100%	45003000	–	45003000	100%	100%
B.	Public Shareholding									
	Institutions	–	–	–	–	–	–	–	–	–
	Mutual Funds	–	–	–	–	–	–	–	–	–
	Banks / FI	–	–	–	–	–	–	–	–	–
	Central Govt	–	–	–	–	–	–	–	–	–
	State Govt(s)	–	–	–	–	–	–	–	–	–
	Venture Capital Funds	–	–	–	–	–	–	–	–	–
	Insurance Companies	–	–	–	–	–	–	–	–	–

	Category of Shareholders	No. of Shares held at the beginning of the year				No. of shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
	FII's	–	–	–	–	–	–	–	–	–
	Foreign Venture Capital Funds	–	–	–	–	–	–	–	–	–
	Others (specify)	–	–	–	–	–	–	–	–	–
	Sub-total (B) (1):-	–	–	–	–	–	–	–	–	–
2)	Non-Institutions	–	–	–	–	–	–	–	–	–
a)	Bodies Corp.	–	–	–	–	–	–	–	–	–
	Indian	–	–	–	–	–	–	–	–	–
	Overseas	–	–	–	–	–	–	–	–	–
b)	Individuals	–	–	–	–	–	–	–	–	–
	Individual shareholders holding nominal share capital upto ₹1 Lakh	–	–	–	–	–	–	–	–	–
	Individual shareholders holding nominal share capital in excess of ₹1 Lakh	–	–	–	–	–	–	–	–	–
c)	Others (Specify)	–	–	–	–	–	–	–	–	–
	Sub Total B(2)	–	–	–	–	–	–	–	–	–
	Total Public Shareholding (B) = (B) (1) + (B) (2)	–	–	–	–	–	–	–	–	–
C.	Shares held by Custodian for GDRs & ADRs	–	–	–	–	–	–	–	–	–
	Grand Total (A + B + C)	45003000	0	45003000	100%	45003000	-	45003000	100%	100%

(ii) Shareholding of Promoters

Sl. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total shares of the company	% of shares pledged / encumbered to total shares	No. of Shares	% of total shares of the company	% of shares pledged / encumbered to total shares	
1	Sundaram Finance Limited	4,50,03,000	100%	–	4,50,03,000	100%	–	0%
Total		4,50,03,000	100%	–	4,50,03,000	100%	-	0%

(iii) Change in Promoter's Shareholding (Please specify, if there is no change)

Sl. No	Shareholder's Name and other particulars	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No of Shares	% of total shares of the company	No of Shares	% of total shares of the company
1	At the beginning of the year	NO CHANGE IN SHAREHOLDING			
2	At the End of the year				

(iv) Shareholding Pattern of top ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs)

Sl. No	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No of Shares	% of total shares of the company	No of Shares	% of total shares of the company
1	At the beginning of the year	Not applicable			
2	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):				
3	At the end of the year (or on the date of separation, if separated during the year)				

(V) Shareholding of Directors and Key Managerial Personnel:

Sl. No	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No of Shares	% of total shares of the company	No of Shares	% of total shares of the company
1	At the beginning of the year	NIL			
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):				
2	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):				
3	At the end of the year				

VI. INDEBTEDNESS**Indebtedness of the Company including interest outstanding / accrued but not due for payment**

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i + ii + iii)				
Change in Indebtedness during the financial year				
• Addition				
• Reduction				
Net Change			NIL	
Indebtedness at the end of the financial year				
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i + ii + iii)				

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl. No	Particulars of Remuneration	Name of MD/WTD/Manager	Total Amount
1	Name	-	
2	Gross salary	-	
	a. Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	
	b. Value of perquisites u/s 17(2) Income-tax Act, 1961	-	
	c. Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	
3	Stock Option	-	
4	Sweat Equity	-	
5	Commission - as % of profit - others, specify	-	
6	Others, please specify	-	
	Total (A)	-	
	Ceiling as per the Act	-	

B. Remuneration to other directors:

Sl. No.	Particulars of Remuneration	Name of Directors
1.	Independent Directors	NOT APPLICABLE
	• Fee for attending board and committee meetings	
	• Commission	
	• Others –	
	Total (1)	
2.	Other Non-Executive Directors	NIL
	• Fee for attending board committee meetings	
	• Commission	
	• Others, please specify	
	Total (2)	
	Total (B)=(1+2)	
	Total Managerial Remuneration	
	Overall Ceiling as per the Act	-

C. Remuneration to key Managerial Personnel other than MD / Manager / WTD

Sl. No	Particulars of Remuneration	Key Managerial Personnel		
		CS	CFO	Total
1	Gross Salary	–	–	–
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	–	27,04,000	–
	(b) Value of Perquisites u/s 17(2) of the Income Tax Act, 1961	–	6,08,000	–
	(c) Profits in lieu of salary under Section 17(3) of the Income tax Act, 1961	–	–	–
2	Stock Option	–	–	–
3	Sweat Equity	–	–	–
4	Commission			
	- as % of Profits	–	–	–
	- Others, specify	–	–	–
5	Others, please specify	–	–	–
	Total	0	33,12,000	0

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES

	Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A.	COMPANY					
	Penalty			Nil		
	Punishment					
	Compounding					
B.	DIRECTORS					
	Penalty			Nil		
	Punishment					
	Compounding					
C.	OTHER OFFICERS IN DEFAULT					
	Penalty			Nil		
	Punishment					
	Compounding					

For and on behalf of the Board of
Sundaram Fund Services Limited

T.S. Sritharan
Managing Director
DIN: 07604247
Date: 2nd May 2023
Place: Chennai

Registered Office
21, Patullos Road, Chennai – 600002
CIN: U67120TN2008PLC068388

C.M. Loganathan
Director
DIN: 09128418
Date: 2nd May 2023
Place: Chennai

INDEPENDENT AUDITOR'S REPORT

To

The Members

Sundaram Fund Services Limited

(Formerly known as Sundaram BNP Paribas Fund Services Limited)

Report on the Audit of the Standalone Financial Statements

1. Opinion

We have audited the accompanying Ind AS financial statements of Sundaram Fund Services Limited ("the company"), which comprises the Balance Sheet as at 31st March 2023, and the Statement of Profit and Loss (including the statement of Other Comprehensive Income), the Statement of Cash flows for the year ended, notes to the financial statements and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, and profit, changes in equity and its cash flows for the year ended on that date.

2. Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

3. Information other than Financial Statements and Auditor's Report thereon The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's report including Annexure to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information 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 have performed, we conclude that there is a material misstatement of this other information, We are required to report that fact. We have nothing to report in this regard.

4. Responsibility of Management for Ind AS Financial Statements The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position and financial performance, (changes in equity) and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection

and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

5. Auditor's Responsibility for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than

for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

6. Report on Other Legal and Regulatory Requirements

- I. 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 Companies Act, 2013, we give in the Annexure-A a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- II. 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 the statement of Other Comprehensive Income), the Statement of Cash flows and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015 as amended.
 - e) On the basis of the written representations received from the directors as on 31st March, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2023 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 other matters to be included in the Auditor's Report in accordance with the requirement of Section 197 (16) of the Act, as amended:

In our opinion and according to the information and explanations given to us, managerial remuneration has not

been paid or provided during the year and hence reporting on compliance to Section 197 read with Schedule V to the Act does not arise.

- 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 no pending litigations which would affect its financial position.
 - 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 the Investor Education and Protection Fund by the Company.
 - iv. (a) The management has represented that, to the best of its knowledge and belief, as disclosed in the note 30 (xiv) to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, as on the date of this Audit Report, 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, as disclosed in the notes 30 (xiv) to the accounts, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any

manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

- (c) Based on the audit procedures performed 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-clauses (i) and (ii) of Rule 11(e) of the Companies (Audit and Auditors) Rules, 2014 contain any material misstatement.
- v. No dividend has been declared or paid during the year by the Company. vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of

account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from 1st April, 2023, and hence our reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 as to whether the Company has used such accounting software is not furnished.

For **N.C. Rajagopal & Co.**,
Chartered Accountants
Firm Reg No: 003398S
V. Chandrasekaran
(Partner)

Place: Chennai
Date: 02.05.2023

M. No: 024844
UDIN:23024844BGRMVL4834

ANNEXURE - A TO THE AUDITOR'S REPORT

[Referred to in Para 6 (I) of our report of even date]

- i. (a) (A) The Company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment.
- (B) The Company did not have any intangible assets during the year. Hence, reporting under Clause (i) (a) (B) of the Companies (Auditor's Report) Order, 2020 does not arise.
- (b) The Plant, Property & Equipment have been physically verified by the management during the year and no material discrepancies were noticed on such verification.
- (c) The Company did not have any immovable properties during the year. Accordingly, reporting under Clause (i) (c) of the Companies (Auditor's Report) Order, 2020 does not arise.
- (d) According to the information given to us, the company has not revalued its Property, Plant and Equipment (including right of use assets) or intangible assets during the year
- (e) Based on the information and explanations given to us, there have been no proceedings initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- ii. (a) Based on the information and explanations given to us, the Company does not hold any inventory. Hence, reporting under Clause
- (ii) (a) of the Companies (Auditor's Report) Order, 2020 does not arise.
- (b) Based on the information and explanations given to us, the Company has not been sanctioned working capital limits at any point of time of the year. Hence, reporting under Clause
- (ii) (b) of the Companies (Auditor's Report) Order, 2020 does not arise.
- iii. a) Based on the information and explanations given to us, the company has not made any investment in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, Limited Liability Partnerships or any other parties during the year.
- b) According to the information and explanation given to us and based on the audit procedures performed by us, the terms and conditions of the grant of advances in the nature of loans given in the earlier year is not prejudicial to the company's interest.
- c) Based on the information and explanations given to us, the schedule of repayment of principal and payment of interest have been stipulated and the receipts are regular.
- d) Based on the information and explanations given to us, the advance granted in the nature of loan is not overdue. Hence, reporting under Clause
- (iii) (d) of the Companies (Auditor's Report) Order, 2020 does not arise. e) According to the information and explanations given to us, no loan or advance in the nature of loan granted has fallen due during the year. Hence, reporting under Clause
- (iii) (e) of the Companies (Auditor's Report) Order, 2020 does not arise.

- f) According to the information and explanation given to us, the company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment. Hence, reporting under clause
- (iii) (f) of the Companies (Auditor's Report) Order, 2020 does not arise.
- iv. There are no guarantees or security given by the Company under the provisions of Section 185 and 186 of Companies Act, 2013. In respect of loans and investments, the provisions of Sections 185 and 186 of Companies Act, 2013 have been complied with.
- v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits or amounts which are deemed to be deposits from the public within the meaning of Section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under or under the directives of the Reserve Bank of India. Hence, reporting under clause
- (v) of the Companies (Auditor's Report) Order, 2020 does not arise.
- vi. According to the information and explanations given to us, the Central Government has not prescribed maintenance of cost record under Section 148(1) of the Companies Act, 2013 in respect of the company.
- vii a. According to the information and explanations given to us and as per our verification of the records of the Company, in our opinion, the company is generally regular in depositing undisputed statutory dues including Goods and Services Tax, Employees' Provident Fund, Professional Tax, Income Tax and other statutory dues applicable to it and there are no statutory dues outstanding for a period of more than six months from the date they become payable as on the last day of the financial year. b. According to the information and explanation given to us and in our opinion there are no dues on account including Income Tax, Goods and Service Tax, Duty of Customs, Duty of Excise and other Statutory dues applicable to the Company which have not been deposited on account of any dispute.
- viii. According to the information and explanations given to us and as per the records of the Company, there have been no transactions not recorded in the books of account which have been surrendered or disclosed as income during the year and no tax assessments under the Income Tax Act, 1961 (43 of 1961) have been received during the year.
- ix. (a) The company did not have any loans or other borrowings during the year. Hence, reporting under clause
- (ix) (a) of the Companies (Auditor's Report) Order, 2020 does not arise.
- (b) The Company has not been declared as a wilful defaulter by any bank or financial institution or other lender.
- (c) In our opinion and according to the information and explanations given to us, the Company did not have any term loans during the year. Hence, reporting under clause
- (ix) (c) of the Companies (Auditor's Report) Order, 2020 does not arise.
- (d) In our opinion and according to the information and explanations given to us, the Company has not raised any funds on a short term basis. Hence, reporting under clause
- (ix) (d) of the Companies (Auditor's Report) Order, 2020 does not arise.

- (e) Based on the information and explanations given to us, the Company does not have any subsidiaries, associates or joint ventures. Hence, reporting under clauses
- (ix) (e) and (f) of the Companies (Auditor's Report) Order, 2020 does not arise.
- x. (a) Based on the information and explanations given to us, the Company has not raised moneys by way of Initial Public Offer or Further Public Offer (including debt instruments) during the year. Hence, reporting under clause
- (x) (a) of the Companies (Auditor's Report) Order, 2020 does not arise.
- (b) According to the information and explanation given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Hence, reporting under clause
- (x) (b) of the Companies (Auditor's Report) Order, 2020 does not arise.
- xi. (a) According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the year
- (b) No report under section 143 (12) of the Companies Act, 2013 has been filed by us in Form ADT- 4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government;
- (c) According to the information and explanation given to us, there have been no whistle blower complaints received by the Company during the year. Hence, reporting under clause
- (xi) (c) of the Companies (Auditor's Report) Order, 2020 does not arise. xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Hence, reporting under clauses
- (xii) (a) to (c) of the Companies (Auditor's Report) Order, 2020 does not arise.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with related parties are in compliance with section 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements etc., as required by the applicable accounting standards. The provisions of section 177 of the Act are not applicable to the Company since it is a wholly owned subsidiary.
- xiv. (a) Based on the information and explanations given to us and in our opinion, the Company has an internal audit system commensurate with the size and nature of its business;
- (b) Based on the information and explanations given to us, appointment of Internal Auditor is not applicable to the Company as per the provisions of the Company Act, 2013 and the rules made thereunder. Accordingly, appointment of Internal Auditor and reporting under Clause
- (xiv) (b) of the Companies (Auditor's Report) Order, 2020 does not arise.
- xv. According to the information and explanations given to us, the Company has not entered into any non-cash transactions with the directors or persons connected with them. Hence, reporting under Clause
- (xv) of the Companies (Auditor's Report) Order, 2020 does not arise.

- xvi. (a) According to the information and explanations given to us and in our opinion, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. (b) Based on the information and explanations given to us, the Company has not conducted any Non-Banking Financial or Housing Finance Activities without a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.
- (c) In our opinion, the Company is not a Core Investment Company (CIC) and hence, reporting under Clause
- (xvi) (c) of the Companies (Auditor's Report) Order, 2020 does not arise.
- (d) According to the information and explanations given to us, the Group does not have more than one CIC as part of the Group.
- xvii. According to the information and explanations given to us and in our opinion, the company has not incurred any cash losses in the financial year or in the immediately preceding financial year.
- xviii. Based on the information and explanations given to us, there has been no resignation of the statutory auditors during the year. Hence, reporting under Clause
- (xviii) of the Companies (Auditor's Report) Order, 2020 does not arise.
- xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, 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 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. According to the information and explanations given to us and based on our examination of the records of the Company, the provisions of section 135 (5) of the Companies Act, 2013 relating to Corporate Social Responsibility are not applicable to the Company. Hence, reporting under Clause

- (xx) of the Companies (Auditor's Report) Order, 2020 does not arise. xxi. In our opinion, the company does not have to prepare consolidated financial statements. Hence, reporting under Clause
- (xxi) of the Companies (Auditor's Report) Order, 2020 does not arise.

For N.C. Rajagopal & Co.,
Chartered Accountants
Firm Reg No: 003398S

V. Chandrasekaran
(Partner)

Place: Chennai
Date: 02.05.2023

M. No: 024844
UDIN:23024844BGRMVL4834

ANNEXURE - B TO THE AUDITORS' 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 over financial reporting of Sundaram Fund Services Limited ("the Company") as of 31 March, 2023, in conjunction with our audit of the Ind AS Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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 over financial reporting 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, 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 over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal 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 over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting

principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **N.C. Rajagopal & Co.**,
Chartered Accountants
Firm Reg No: 003398S

V. Chandrasekaran
(Partner)

Place: Chennai
Date: 02.05.2023

M. No: 024844
UDIN:23024844BGRMVL4834

SUNDARAM FUND SERVICES LIMITED

BALANCE SHEET AS AT MARCH 31, 2023

(₹ in lakhs)

	Notes	31.03.2023	31.03.2022
I. ASSETS			
(1) Non-Current Assets			
(a) Property, Plant and Equipment	2(a)	0.74	0.03
(b) Right to Use Assets	2(b)	-	-
(c) Financial Assets - Others	3	3,055.48	3,075.75
(d) Deferred Tax Asset (Net)	4	-	32.91
Total Non - Current Assets		3,056.22	3,108.70
(2) Current Assets			
(a) Financial Assets			
(i) Investments	6	1,028.14	765.03
(ii) Trade Receivables	7	45.78	52.92
(iii) Cash and Cash Equivalents	8	3.79	1.14
(b) Other Current Assets	9	4.47	0.44
(c) Current Tax Assets (Net)	5	46.15	47.32
Total Current Assets		1,128.33	866.86
Total Assets		4,184.55	3,975.56
II. EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity Share Capital	10	4,500.30	4,500.30
(b) Other Equity	11		
(i) Retained Earnings		(389.46)	(594.25)
Total Equity		4,110.84	3,906.05
(2) Non- Current Liabilities			
(a) Financial Liabilities			
i) Borrowings		-	-
ia) Lease Liabilities	12(a)	16.90	25.33
ii) Non Current Provision	13(a)	14.81	-
Total Non - Current Liabilities		31.71	25.33
(3) Current Liabilities			
(i) Financial Liabilities			
a) Trade Payables	14	2.96	0.20
(ii) Other Current Liabilities	15	9.50	3.81
(iii) Current Provision	13	29.54	40.16
Total Current Liabilities		42.00	44.17
Total Liabilities		73.71	69.50
Total Equity and Liabilities		4,184.55	3,975.55

The accompanying notes form an integral part of the financial statements.

As per our report on even date attached
For N.C. Rajagopal & Co.,
Chartered Accountants
FRN 003398S

V. Chandrasekaran
Partner
Membership No.024844
Place: Chennai
Date: 2nd May 2023

T.S. Sritharan
Managing Director

S. Lakshminarasimhan
Chief Financial Officer

Loganathan C M
Director

M. Ashwin
Company Secretary

SUNDARAM FUND SERVICES LIMITED
(FORMERLY KNOWN AS SUNDARAM BNP PARIBAS FUND SERVICES LIMITED)

SUNDARAM FUND SERVICES LIMITED
STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED

(₹ in lakhs)

Particulars	Note No.	31.03.2023	31.03.2022
Revenue from operations	16	219.06	220.75
Other income	17	235.78	264.04
Total income		454.84	484.79
Expenses			
Employee Benefit Expense	18	189.96	194.30
Finance Cost	19	-	13.18
Depreciation and amortization expenses	20	0.62	23.80
Administrative and Other Expenses	21	13.15	22.42
Total expenses		203.73	253.70
Profit before Tax		251.11	231.09
Tax Expense			
Current Tax		-	-
Deferred Tax		47.72	2.07
Total - Tax Expenses		47.72	2.07
Profit after tax		203.39	229.02
Other Comprehensive Income			
Gain or (loss) on 'Remeasurement of Defined Benefit Liability		1.40	(7.02)
Tax relating to Remeasurements of defined benefit liability		-	-
Total Other comprehensive Income		1.40	(7.02)
Total Comprehensive Income		204.79	222.00
Earning per equity share			
Basic earnings per share	22	0.45	0.51
Diluted earnings per share	22	0.45	0.51

The accompanying notes form an integral part of the financial statements.

The accompanying notes form an integral part of the financial statements.

As per our report on even date attached
For N.C. Rajagopal & Co.,
 Chartered Accountants
 FRN 003398S

V. Chandrasekaran
 Partner
 Membership No.024844
 Place: Chennai
 Date: 2nd May 2023

T.S. Sritharan
 Managing Director

Loganathan C M
 Director

S. Lakshminarasimhan
 Chief Financial Officer

M. Ashwin
 Company Secretary

A) EQUITY SHARE CAPITAL**(1) Current Reporting Period**

(₹ in lakhs)

Outstanding for following periods from due date of transaction				
Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
4,500.30	-	4,500.30	-	4,500.30

(2) Previous Reporting Period

Outstanding for following periods from due date of transaction				
Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
4,500.30	-	4,500.30	-	4,500.30

b. Other Equity
(1) Current reporting period

	Share application money pending allotment	Equity component of compound financial instruments	Capital Reserve	Securities Premium	Other Reserves (specify nature)	Retained Earnings	Debt instruments through Other Comprehensive Income	Equity Instruments through Other Comprehensive Income	Effective portion of Cash Flow Hedges	Revaluation Surplus	Exchange differences on translating the financial statements of a foreign operation	Other items of Other Comprehensive Income (specify nature)	Money received against share warrants	Total
Balance at the beginning of the current reporting period	-	-	-	-	-	(594.25)	-	-	-	-	-	-	-	(594.25)
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Restated balance at the beginning of the current reporting period	-	-	-	-	-	(594.25)	-	-	-	-	-	-	-	(594.25)
Profit after tax						203.39								
Remeasurement of Defined Benefit Liability, Net of Tax						1.40								
Total Comprehensive Income for the current year	-	-	-	-	-	204.79	-	-	-	-	-	-	-	204.79
Dividends	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to retained earnings	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Any other change (to be specified)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance at the end of the current reporting period	-	-	-	-	-	(389.46)	-	-	-	-	-	-	-	(389.46)

(2) Previous reporting period

	Share application money pending allotment	Equity component of compound financial instruments	Capital Reserve	Securities Premium	Other Reserves (specify nature)	Retained Earnings	Debt instruments through Other Comprehensive Income	Equity Instruments through Other Comprehensive Income	Effective portion of Cash Flow Hedges	Revaluation Surplus	Exchange differences on translating the financial statements of a foreign operation	Other items of Other Comprehensive Income (specify nature)	Money received against share warrants	Total
Balance at the beginning of the current reporting period	-	-	-	-	-	(816.25)	-	-	-	-	-	-	-	(816.25)
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Restated balance at the beginning of the current reporting period	-	-	-	-	-	(816.25)	-	-	-	-	-	-	-	(816.25)
Profit after tax						229.02								
Remeasurement of Defined Benefit Liability, Net of Tax						(7.02)								
Total Comprehensive Income for the current year	-	-	-	-	-	222.00	-	-	-	-	-	-	-	222.00
Dividends	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to retained earnings	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Any other change (to be specified)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance at the end of the current reporting period	-	-	-	-	-	(594.25)	-	-	-	-	-	-	-	(594.25)

As per our report on even date attached

For N.C. Rajagopal & Co.,

Chartered Accountants

FRN 003398S

V. Chandrasekaran

Partner

Membership No.024844

Place: Chennai

Date: 2nd May 2023

T.S. Sritharan
 Managing Director

Loganathan C M
 Director

S. Lakshminarasimhan
 Chief Financial Officer

M. Ashwin
 Company Secretary

SUNDARAM FUND SERVICES LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2023

(₹ in lakhs)

	31.03.2023	31.03.2022
A) CASH FLOW FROM OPERATING ACTIVITIES		
PBT	251.11	231.09
Add:		
Misc Expenses	-	13.18
(Profit)/Loss on Sale of assets	-	(5.25)
Amount recognized in OCI	1.40	(7.02)
Depreciation	0.62	23.80
Rent - Ind AS	-	0.40
Interest Income	(183.09)	(70.32)
Realized /unrealized Gain on Sale of Investments	(52.12)	(99.87)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	17.91	86.01
(Increase) / Decrease in Non-Current Assets	1.17	(2,928.94)
(Increase) / Decrease in Other Current Assets	(4.03)	(37.33)
(Increase) / Decrease in Trade Receivables	7.15	(16.37)
(Increase) / Decrease in Financial assets	60.22	39.95
Increase / (Decrease) in Trade Payables	2.76	28.03
Increase / (Decrease) in Short term provisions	(10.62)	(1.82)
Increase / (Decrease) in Long term provisions	(8.43)	18.88
Increase / (Decrease) in Other Liabilities	5.69	0.28
	53.91	(2,897.33)
	71.82	(2,811.31)
Direct Tax Paid	-	-
NET CASH FROM OPERATING ACTIVITIES	(A) 71.82	(2,811.31)
B) CASH FLOW FROM INVESTING ACTIVITIES		
(Purchase)/Sale of fixed assets	(1.33)	190.97
Interest received	143.15	30.38
Net Investments made	(210.99)	2,833.43
NET CASH FROM INVESTING ACTIVITIES	(B) (69.17)	3,054.78
C) CASH FLOW FROM FINANCING ACTIVITIES		
Principal repayments for finance lease obligation	-	(233.37)
Interest expense	-	(13.18)
Increase (Decrease) in Other longterm liabilities	-	-
NET CASH FROM FINANCING ACTIVITIES	(C) -	(246.55)
NET INCREASE IN CASH AND CASH EQUIVALENTS	2.64	(3.09)
(A) + (B) + (C)		
Cash and cash equivalents at the beginning of the year	1.14	4.23
Cash and cash equivalents at the end of the year	3.79	1.14
COMPONENTS OF CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		
Current Accounts with Banks	3.78	1.13
Cash on Hand	0.01	0.01
	3.79	1.14

The accompanying notes form an integral part of the financial statements.

As per our report on even date attached
For N.C. Rajagopal & Co.,
Chartered Accountants
FRN 003398S

V. Chandrasekaran
Partner
Membership No.024844
Place: Chennai
Date: 2nd May 2023

T.S. Sritharan
Managing Director

S. Lakshminarasimhan
Chief Financial Officer

Loganathan C M
Director

M. Ashwin
Company Secretary

SUNDARAM FUND SERVICES LIMITED
(FORMERLY KNOWN AS SUNDARAM BNP PARIBAS FUND SERVICES LIMITED)

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES

1.1 Reporting Entity

Sundaram Fund Services Limited (the 'Company') (formerly known as Sundaram BNP Paribas Fund services limited) is a Public limited company, having a share capital, domiciled in India, with its registered office situated at 21 Patullas Road, Chennai - 600002. The Company has been incorporated under the provisions of Indian Companies Act and is currently unlisted. The Company is a Wholly owned Subsidiary of Sundaram Finance Limited. The Company is engaged in rendering Fund Accounting services and Call Centre Services for Mutual Funds and Alternative Investment Funds (AIF's).

1.2 Basis of preparation

- **Statement of compliance**

These Financial Statements have been prepared on accrual basis of accounting in accordance with Indian Accounting Standards (IND AS) as per the Companies (Indian Accounting Standards) Rule, 2015 notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act. Disclosures under IND AS are made only in respect of material items and in respect of the items that will be useful to the users of Financial Statements in making economic decisions.

The financial statements were authorized for issue by the Company's Board of Directors on 02.05.2023.

- **Functional and presentation currency**

These financial statements are presented in Indian Rupees ('INR'), which is also the Company's functional currency. All financial information presented in INR has been rounded to the nearest Lakhs, except as stated otherwise.

- **Basis of measurement**

The financial statements have been prepared on the historical cost basis except for the following items:

Items	Measurement basis
Financial assets and liabilities	Fair value at initial recognition
Net defined benefit (asset) / liability	Present value of defined benefit obligation less fair value of plan assets

- **Current and non-current classification**

All the assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Ind AS 1 Presentation of Financial Statements.

Operating cycle:

Operating cycle is the time between the acquisition of assets for processing and their realization in cash or cash equivalents. The Company's normal operating cycle is considered as 12 months for the purpose of current and non-current classification of assets and liabilities.

Assets:

An asset is classified as current when it satisfies any of the following criteria:

- it is expected to be realized in, or is intended for sale or consumption in, the Company's normal operating cycle;
- it is held primarily for the purpose of being traded.
- it is expected to be realized within 12 months after the reporting date; and
- it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Liabilities:

A liability is classified as current when it satisfies any of the following criteria:

- it is expected to be settled in the Company's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is due to be settled within 12 months after the reporting date; and
- the Company does not have an unconditional right to defer settlement of the liability for at least 12 months from the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.
- Use of estimates and judgments

The preparation of the financial statements in conformity with Ind AS requires management to make estimates and assumptions that affect the reported amounts of revenues and expenses during the reporting period, reported balances of assets and liabilities, and disclosure of contingent liabilities as at the date of the financial statements. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognized prospectively in current and future periods.

In developing the assumptions relating to possible future uncertainties, the company has used internal and external sources of information for the expected performance of the company. Though the company expects to recover the carrying amount of these assets, it will continue to monitor the potential future impact any material changes in future economic condition and its effects on the financial position and performance of the company.

- Measurement of fair values

The Company's accounting policies and disclosures require the measurement of fair values for financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values. The Company regularly reviews significant unobservable inputs and valuation adjustments. If third party information is required, the Company assesses the evidence obtained by the third parties to support the conclusions that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified.

Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in 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: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following notes.

1.3 Significant accounting policies

The note below provides a list of the significant accounting policies adopted in the preparation of the financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

1.3.1. Property, plant and equipment

- **Recognition and measurement**

Items of property, plant and equipment are measured at cost of acquisition less accumulated depreciation and/or accumulated impairment loss, if any. The cost of an item of property, plant and equipment comprises its purchase price including non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition for its intended use; any trade discounts and rebates are deducted in arriving at the purchase price.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Items of property, plant and equipment are eliminated from the financial statements on disposal or when no further benefit is expected from its use and disposal. Losses arising from retirement or gains or losses arising from disposal of property, plant and equipment which are carried at cost are recognized in the statement of profit and loss.

- **Subsequent expenditure**

Subsequent expenditures related to an item of property, plant and equipment are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

- **Depreciation**

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives using written down value method and is generally recognized in the statement of profit and loss.

Estimated useful lives of Tangible Assets:

Assets	Useful life
Computers – End user devices	3 years
Computers – Servers and networks	6years
Office Equipment (Second hand)	5 years
Furniture and Fixtures (Second hand)	10 years

Depreciation on Right Of Use assets is done on SLM method

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate, prospectively.

Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (up to) the date on which asset is ready for use (disposed of).

1.3.2 Other intangible assets

- **Recognition and measurement**

Intangible assets acquired by the Company are initially measured at cost. Such intangible assets are subsequently measured at cost less accumulated amortization and accumulated impairment losses, if any.

An intangible asset is derecognized on disposal or when no future economic benefits are expected from its use and disposal. Losses arising from retirement and gains or losses arising from disposal of an intangible asset are measured

as the difference between the net disposal proceeds and the carrying amount of the assets and are recognized in the statement of profit and loss.

- **Subsequent expenditure**

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognized in profit or loss as incurred.

- **Amortization**

Amortization is calculated to write off the cost of intangible assets less their estimated residual values over their estimated useful lives using the straight-line method and is included in depreciation and amortization in statement of profit and loss.

The estimated useful lives are as follows:

Asset	Estimate of useful life
Software	3 years

Amortization method and useful lives are reviewed at each reporting date. If the useful life of an asset is estimated to be significantly different from previous estimates, the amortization period is changed accordingly. If there has been a significant change in the expected pattern of economic benefits from the asset, the amortization method is changed to reflect the changed pattern.

1.3.3 Employee benefits

- Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognized for the amount expected to be paid, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

- Defined contribution plan – Provident Fund & Superannuation

Eligible employees receive benefits from the provident fund, which is a defined contribution plan. Both the employee and the Company make monthly contributions to the government administered provident fund plan equal to specified percentage of the covered employee's basic salary. The Company contributes a fixed percentage on salary to the superannuation fund, which is administered by trustees and managed by SBI Life Insurance Company Limited. The Company has no further obligations under the plans beyond its monthly contributions. Such contributions are charged to the statement of profit and loss on accrual basis.

- Defined benefit plan - Gratuity

The Company provides gratuity, a defined benefit plan covering eligible employees. Contributions are made to a Gratuity Fund administered by trustees and managed by SBI Life Insurance Company Limited, The Company's net obligation in respect of a defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognized past service costs and the fair value of any plan assets are deducted.

The calculation of defined benefit obligation is performed annually using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan ('the

asset ceiling'). In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized in OCI. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognized in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognized immediately in profit or loss. The Company recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

- Other long-term employee benefits – Compensated absences

The employees can carry-forward a portion of the unutilized accrued compensated absences and utilize it in future service periods or receive cash compensation on termination of employment. Since the compensated absences do not fall due wholly within twelve months after the end of the period in which the employees render the related service and are also not expected to be utilized wholly within twelve months after the end of such period, the benefit is classified as long-term employee benefit. The Company records an obligation for such compensated absences in the period in which the employee renders the services that increase this entitlement. Provision for long-term compensated absences is made on the basis of amount accrued as at the balance sheet date.

1.3.4 Revenue

Income from services is recognized on accrual basis.

1.3.5 Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of the Company at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are, measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences are recognized in profit or loss account.

1.3.6 Provisions (other than for employee benefits)

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost. Expected future operating losses are not provided for.

1.3.7 Income tax

Income tax comprises current and deferred tax. It is recognized in profit or loss except to the extent that it relates to an item recognized directly in equity or in other comprehensive income.

- **Current tax**

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognized amounts, and it is intended to realize the asset and settle the liability on a net basis or simultaneously.

- **Deferred tax**

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognized in respect of carried forward tax losses and tax credits. Deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

1.3.8 Financial instruments

- **Recognition and initial measurement**

All financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument. Trade receivables are initially recognized when they are originated.

A financial asset or financial liability is initially measured at fair value plus or minus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

- **Classification and subsequent measurement**

Financial assets

On initial recognition, a financial asset is classified as measured at

- amortized cost;
- FVOCI - debt investment;
- FVOCI - equity investment; or
- FVTPL

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

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

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

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

On initial recognition of an equity investment 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 investment). This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: Business model assessment

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.
Financial assets at amortized cost	These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.
Debt investments at FVOCI	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.
Equity investments at FVOCI	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.

Financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Any gain or loss on derecognition is also recognized in profit or loss.

- **Derecognition**

Financial assets

The company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognized on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognized.

Financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Company also derecognizes a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognized at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognized in profit or loss.

- **Offsetting**

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

1.3.9 Impairment

- Impairment of financial instruments

The Company recognizes loss allowances for expected credit losses on financial assets measured at amortized cost.

At each reporting date, the Company assesses whether financial assets carried at amortized cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being past due for 365 days or more;
- is probable that the borrower will enter bankruptcy or other financial reorganization;

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Company is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available

without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

Measurement of expected credit losses

Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive).

Loss allowance for receivable and other Financial Assets.

The Company determines the allowance for credit losses based on historical loss experiences adjusted to reflect current and estimated future economic conditions.

Presentation of allowance for expected credit losses in the balance sheet

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

- **Impairment of non-financial assets**

The Company's non-financial assets, other than deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest Company of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognized in the statement of profit and loss.

1.3.10 Borrowing cost

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of fund. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalized as part of the cost of that asset. Other borrowing costs are recognized as an expense in the period in which they are incurred.

- Recognition of interest expense

Interest expense is recognized using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortized cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortized cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortized cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

1.3.11 Earnings per share

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held (if any). Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held and for the effects of all dilutive potential ordinary shares.

1.3.12 Cash flow statements

Cash flow statements are prepared under Indirect Method whereby profit or loss is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments, and items of income or expense associated with investing or financing cash flows.

1.3.13 Cash and cash equivalents

Cash and cash equivalents comprise cash and cash on deposit with banks.

1.3.14 Events occurring after the balance sheet date

Assets and liabilities are adjusted for events occurring after the reporting period that provide additional evidence to assist the estimation of amounts relating to conditions existing at the end of the reporting period.

1.3.15 Leases

The company's lease assets primarily comprises of buildings. The company assesses whether a contract contains a lease at the inception of the 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.

2. Non-Current Assets
Note 2 a : PROPERTY, PLANT AND EQUIPMENT

(₹ in lakhs)

Sl No	DESCRIPTION	GROSS BLOCK AT COST					DEPRECIATION					NET BLOCK		
		As at 01.04.2022	Additions	Deletions/ Disposals	Acquisitions through business combinations	Amount of change due to revaluation	Others adjustments	As at 31.03.2023	Upto 31.03.2022	Depreciation for the year	Deletions/ Disposal	Impairment Losses/ Reversals	Upto 31.03.2023	As at 31.03.2023
1	Computers	-	1.33	-	-	-	1.33	-	0.62	-	-	0.62	0.70	-
2	Office Equipment	0.52	-	-	-	-	0.52	0.49	-	-	-	0.49	0.03	0.03
	Total	0.52	1.33	-	-	-	1.85	0.49	0.62	-	-	1.11	0.74	0.03
	Previous Year (FY 2021-22)	23.52	-	23.00	-	-	0.52	20.56	0.47	20.55	-	0.49	0.03	0.76

Note 2 b : INTANGIBLE ASSETS UNDER DEVELOPMENT

(₹ in lakhs)

Sl No	DESCRIPTION	GROSS BLOCK AT COST					DEPRECIATION					NET BLOCK		
		As at 01.04.2022	Additions	Deletions/ Disposals	Acquisitions through business combinations	Amount of change due to revaluation	Others adjustments	As at 31.03.2023	Upto 31.03.2022	Depreciation for the year	Deletions/ Disposal	Impairment Losses/Reversals	Upto 31.03.2023	As at 31.03.2023
1	Building under lease (ROU asset)	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	-	-	-	-	-	-	-	-	-	-	-	-	-
	Previous Year (FY 2021-22)	286.44	-	286.44	-	-	-	79.85	23.33	103.17	-	-	-	-

NOTES TO BALANCE SHEET

(₹ in lakhs)

Note	Particulars	March 31, 2023	March 31, 2022
3.	Financial Assets - Others		
	Rent Deposits	-	18.75
	Loans		
	i. Loans unsecured - considered good		
	a. Loans to Related Parties (Inter Corporate Deposit)	3,039.95	3,039.95
	Other Deposits	15.53	17.06
	Total	3,055.48	3,075.75
4.	Deferred Tax Asset/ (Liabilities) (Net)		
	Depreciation	-	28.10
	Notional Gain on Mutual Funds	(14.81)	(1.74)
	Employees Benefits	-	6.55
	Total	(14.81)	32.91
5.	Non- Current Assets (Net)		
	Advance Income Tax and Tax Deducted at Source (Net of provisions for Income Tax- NIL (PY-NIL))	46.15	47.32
	Total	46.15	47.32
6.	Investments		
	Sundaram Ultra Short Duration Fund	1,028.14	765.03
	Aggregate amount of Quoted Investments	1,028.14	765.03
7.	Trade Receivables		
	Unsecured considered good		
	- Outstanding for a period more than 6 months	-	-
	- Less than 6 months	45.78	52.92
	Unsecured considered doubtful		
	- Outstanding for a period more than 6 months	-	-
	Less :Provision for doubtful debts	-	-
	Total	45.78	52.92

Trade Receivables ageing schedule
i) Current period

Particulars	Outstanding for following periods from due date of transaction				
	Less than 6 months	6 months - 1 year	1-2 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	45.78	–	–	–	48.00
(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	–	–	–	–	–

ii) Previous period

Particulars	Outstanding for following periods from due date of transaction				
	Less than 6 months	6 months - 1 year	1-2 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	52.92	–	–	–	52.92
(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 BALANCE SHEET

(₹ in lakhs)

Note	Particulars	March 31, 2023	March 31, 2022
8	Cash and cash equivalents		
	Cash on hand	0.01	0.01
	Balance with Banks in Current Account	3.78	1.13
	TOTAL	3.79	1.14
9	Other Current Assets		
	Prepaid Expenses	0.21	0.13
	Staff Advance	3.33	0.32
	Balances with Government Authorities	0.50	-
	Other Current Assets	0.43	-
	Total	4.47	0.44

Note: 10 - Equity Share Capital

(₹ in lakhs)

Shareholder's fund	31.03.2023 ₹	31.03.2022 ₹
a. Authorised:		
10,00,00,000 Equity Shares of Rs.10/- each (Previous year - 10,00,00,000 Equity Shares of Rs.10/- each)	10,000	10,000
b. Issued, Subscribed and Paid up :		
4,50,03,000 Equity Shares of Rs.10/- each (Previous year - 4,50,03,000 Equity Shares of Rs.10/- each)	4,500.30	4,500.30
	4,500.30	4,500.30

Reconciliation of number of equity shares subscribed

Particulars	No of shares
Balance as at March 31, 2021	4,50,03,000
Changes during the year	-
Balance as at March 31, 2022	4,50,03,000
Changes during the year	-
Balance as at March 31, 2023	4,50,03,000

The company has neither issued any bonus shares nor issued any shares for consideration other than cash during the period of five years immediately preceding the reporting date. The company has also not bought back any shares during these years.

Details of number of shares held by shareholders holding more than 5% shares are set out below:

Name of the Shareholder	Status	No. of Shares	% held as at 31st March 2023	No. of Shares	% held as at 31st March 2022
Sundaram Finance Limited*	Holding Company	4,50,03,000.00	100%	4,50,03,000.00	100%

* includes 6 Equity Shares held by nominees of Sundaram Finance Limited

Shares held by promoters at the end of the year

Name of the Shareholder	No. of Shares	% of Total Shares	% Change during the year
Sundaram Finance Limited*	4,50,30,000	100%	NIL

* includes 6 Equity Shares held by nominees of Sundaram Finance Limited

Note No. 11**Other Equity**

Particulars	Reserves and Surplus		
	Securities Premium Reserve	Retained Earnings	Total
Balance as at 31st March 2022		(594.25)	(594.25)
Remeasurement of defined benefit plans	-	1.40	1.40
Profit/(Loss) for the year	-	203.39	203.39
Balance as at 31st March 2023	-	(389.46)	(389.46)

Particulars	Reserves and Surplus		
	Securities Premium Reserve	Retained Earnings	Total
Balance as at 31st March 2021		(816.25)	(816.25)
Remeasurement of defined benefit plans	-	(5.25)	(5.25)
Profit/(Loss) for the year	-	227.25	227.25
Balance as at 31st March 2022	-	(594.25)	(594.25)

(₹ in lakhs)

Note	Particulars	31.03.2023	31.03.2022
12	Non-Current Provisions		
	Provision for Employee Benefit Obligation:		
	Provisions for Leave Encashment	14.03	12.05
	Provisions for Gratuity	2.87	13.28
	Total	16.90	25.33
13	Current Provisions		
	Provisions for Leave Encashment	1.22	0.68
	Other provisions	28.32	39.48
	Total	29.54	40.16
14	Trade Payables		
	For Services		
	a) Total Outstanding dues of micro enterprises and small enterprises ; and	-	-
	b) Total Outstanding dues of creditors other than micro enterprises and small enterprises	2.96	0.20
	Total	2.96	0.20

Trade Payables aging schedule

i) Current period

Particulars	Outstanding for following periods from due date of payment			
	Less than 1 year	1-2 years	2-3 years	Total
(i) MSME	-	-	-	-
(ii) Others	2.96	-	-	2.96
(iii) Disputed dues – MSME	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-

Trade Payables aging schedule

ii) Previous period

Particulars	Outstanding for following periods from due date of payment			
	Less than 1 year	1-2 years	2-3 years	Total
(i) MSME	-	-	-	-
(ii) Others	0.20	-	-	0.20
(iii) Disputed dues – MSME	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-

Note	Particulars	31.03.2023	31.03.2022
15	Other Current Liabilities		
	Statutory Dues	3.64	3.55
	Other Current Liabilities	5.86	0.26
	Total	9.50	3.81
Notes forming part of the Statement of Profit and Loss for the Period ending 31.03.2023			
16	Revenue from Sale of Services		
	Services Rendered		
	Fund Accounting and Call Centre Services	219.06	220.75
	TOTAL	219.06	220.75
17	Other Income		
	Net Gain (Loss) on Fair Value Changes:		
	a) Net Gain / (Loss) arising on Financial Assets Measured at Fair Value through P&L	52.12	99.87
	Of the above, fair value changes:		
	Realised	4.49	175.70
	Unrealised	47.63	(75.83)
	Rent and Amenities	-	41.48
	Reversal of Provision for Doubtful Debts no longer required	-	10.89
	Interest Receipts	183.09	70.32
	Gain on Termination of Lease	-	32.30
	Profit on Sale of Assets	-	5.25
	Miscellaneous Income	0.57	3.94
	Total	235.78	264.04

(₹ in lakhs)

Note	Particulars	31.03.2023	31.03.2022
18	Employee Benefit Expense		
	Salaries, Bonus and other allowances	159.45	178.63
	Company's contribution to Provident fund, gratuity and other funds	28.27	15.52
	Staff Welfare Expenses	2.24	0.15
	Total	189.96	194.30
19	Finance Cost		
	Interest	-	13.18
	Total	-	13.18
20	Depreciation and amortization expenses		
	Depreciation of property, plant and equipment	0.62	23.80
	Total	0.62	23.80
21	Administrative and Other Expenses		
	Rent	3.00	5.61
	Printing & stationery	0.49	-
	Communication Charges	0.30	0.07
	Outsourcing Charges	0.60	0.60
	Insurance	0.62	0.26
	Repairs & Maintenance	0.92	0.17
	Professional and Consultancy Fees	3.63	0.77
	Audit Fee**	3.40	3.00
	Bad Debts and Advances Written Off	-	11.22
	Miscellaneous Expenses	0.19	0.72
	Total	13.15	22.42
	**Audit Fees:	31.03.2023	31.03.2022
	Statutory Audit	3.00	3.00
	Tax Audit	-	-
	Other Services	0.40	-
	Total	3.40	3.00

22 - Basic and diluted earnings per share

The calculations of profit attributable to equity shareholders and weighted average number of equity shares outstanding for purposes of basic earnings per share calculation are as follows:

Since the shares issued by the Company are non-dilutive in nature, the Company's basic and diluted earnings per share shall remain the same.

i. Profit attributable to equity shareholders (basic and diluted)

(₹ in lakhs)

Particulars	As at 31.03.23	As at 31.03.22
Profit / (Loss) for the year, attributable to the equity holders	203.39	229.02

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

(₹ in lakhs)

Particulars	As at 31.03.23	As at 31.03.22
Opening balance	450.03	450.03
Effect of fresh issue of shares for cash	-	-
Weighted average number of equity shares for the year	450.03	450.03

Particulars	As at 31.03.23	As at 31.03.22
Earnings per share		
Basic earnings per share	0.45	0.51
Diluted earnings per share	0.45	0.51

23 Income taxes

A. Amounts recognised in profit or loss

	2022-23	2021-22
Current tax	-	-
Current period (a)	-	-
Changes in estimates related to prior years (b)	-	-
Deferred tax (c)		
Attributable to -		
Origination and reversal of temporary differences	47.72	2.07
Reduction in tax rate	-	-
Change in unrecognised deductible temporary differences	-	-
Recognition of previously unrecognised tax losses	-	-
Tax expense of continuing operations (a) + (b) + (c)	47.72	2.07

B. Income tax recognised in other comprehensive income (₹ in lakhs)

	2022-23			2021-22		
	Before tax	Tax (expense) /benefit	Net of tax	Before tax	Tax (expense) / benefit	Net of tax
Re-measurements of defined benefit liability (asset)	1.40	-	1.40	(7.02)	-	(7.02)

C. Reconciliation of effective tax rate

	2022-23		2021-22	
	Rates	Amount	Rates	Amount
Profit before tax	25.17%	251.11	25.17%	231.09
Tax using the Company's domestic tax rate :		63.20		58.16
Effect of:				
Origination and reversal of temporary differences		47.72		2.07
Current year losses for which no deferred tax asset was recognised		15.48		56.09
Set off of Carry Forward Loss	-	(15.48)		(56.09)
Effective tax rate	-	-	-	-

D. Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	Deferred tax (assets)		Deferred tax liabilities		Deferred tax (assets) liabilities	
	As at 31-03-2023	As at 31-03-2022	As at 31-03-2023	As at 31-03-2022	As at 31-03-2023	As at 31-03-2022
Property, plant and Equipment	-	28.10			-	28.10
Intangible assets	-	-			-	-
Total	-	28.10		-	-	28.10
Investments at fair value through profit or loss	-	-	14.81	1.74	(14.81)	(1.74)
Provisions - employee benefits	-	6.55	-	-	-	6.55
Total	-	6.55	14.81	1.74	(14.81)	4.81
Deferred tax (assets) liabilities	-	34.65	14.81	1.74	(14.81)	32.91
Offsetting of deferred tax assets and deferred tax liabilities		-		-		-
Net deferred tax (assets) liabilities	-	34.65	14.81	1.74	(14.81)	32.91

E. Unrecognised deferred tax liabilities

There are no such items.

F. Unrecognised deferred tax assets

Based on the assessment done, Company has not recognised Deferred tax assets in respect of the following items, because it is not probable that future taxable profits will be available against which the Company can use the benefits there from:

(in Lakhs)

Particulars	As at 31-03-2023	As at 31-03-2022
Property, plant and Equipment	18.26	-
Provisions - employee benefits	3.84	-
Total	22.10	-

Summary of Tax losses for which no deferred tax asset was recognised are as follows:

(in Lakhs)

Particulars	As at 31-03-2023	As at 31-03-2022
Losses having restriction on carry forward benefit	970.18	1,459.84
Depreciation Loss	2,370.51	2,541.05
Total	3,340.68	4,000.88

24 Employee Benefits

Assets and liabilities relating to employee benefits

(₹ in lakhs)

Particulars	Current		Non Current		Total	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
	Net defined benefit liability - Gratuity plan	-	-	2.87	13.28	2.87
Total employee benefit liability (Current)	-	-	2.87	13.28	2.87	13.28
Liability for compensated absences	1.22	0.68	14.03	12.05	15.25	12.73
Cash-settled share-based payment liability	-	-	-	-	-	-
Total employee benefit liabilities	1.22	0.68	16.90	25.33	18.12	26.01

A. Funding

Defined benefit plan is fully funded by the Company with LIC. The funding requirements are based on the gratuity fund's actuarial measurement framework set out in the funding policies of the plan. The funding of plan is based on a separate actuarial valuation for funding purposes for which the assumptions may differ from the assumptions set out. Employees do not contribute to the plan.

B. Reconciliation of net defined benefit (asset) liability

The following table shows a reconciliation from the opening balances to the closing balances for the net defined benefit asset (liability) and its components.

Gratuity plan

Reconciliation of present value of defined benefit obligation

	As at March 31, 2023	As at March 31, 2022
Balance at the beginning of the year	37.57	29.05
Benefits paid	-	(11.43)
Current service cost **	3.54	2.71
Interest cost	2.62	2.10
Actuarial (gain)/loss from changes in financial assumptions	(1.30)	(1.04)
Actuarial (gain)/loss from experience adjustments	1.26	8.87
Liabilities settled		7.31
Balance at the end of the year	43.69	37.57

Leave Encashment

Reconciliation of present value of plan assets

	As at March 31, 2023	As at March 31, 2022
Balance at the beginning of the year	24.29	28.21
Contributions paid into the plan	13.28	6.70
Benefits paid	-	(11.43)
Interest income	1.89	-
Return on plan assets recognized in other comprehensive income	1.36	0.81
Balance at the end of the year	40.82	24.29
Net defined benefit (asset) / liability	2.87	13.28

(₹ in lakhs)

C. i. Expense recognized in profit or loss

	Year ended March 31, 2023	Year ended March 31, 2022
Current service cost	3.54	2.71
Interest cost	0.73	2.10
Past service gain	-	-
Interest income	-	-
Total	4.27	4.81

ii. Remeasurements recognized in other comprehensive income

	Year ended March 31, 2023	Year ended March 31, 2022
Actuarial (gain) loss on defined benefit obligation	(1.30)	7.83
Experience Adjustments	1.26	-
Return on plan assets excluding interest income	(1.36)	(0.81)
Total	(1.40)	7.02

D Plan Assets

Plan assets comprise of the following:

	As at March 31, 2023	As at March 31, 2022
Insurer managed funds	40.82	24.29
	40.82	24.29

E Defined Benefit Obligation**i. Actuarial Assumptions**

Principal actuarial assumptions at the reporting date (expressed as weighted averages):

	As at March 31, 2023	As at March 31, 2022
Gratuity		
Discount rate	7.45%	7.10%
Future salary growth	7.00%	7.00%
Attrition rate	18.00%	18.00%
Mortality Rate	INDIAN ASSURED LIVES MORTALITY (2012-14) ULTIMATE	"INDIAN ASSURED LIVES MORTALITY (2012-14) ULTIMATE

ii. (a) Sensitivity Analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

(₹ in lakhs)

	As at March 31, 2023	As at March 31, 2022
Gratuity		
Discount rate (+100 basis points)	8.45%	8.10%
Discount rate (-100 basis points)	6.45%	6.10%
Future salary growth (+100 basis points)	8.00%	8.00%
Future salary growth (-100 basis points)	6.00%	6.00%

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

ii. (b) Quantitative sensitivity analysis for impact of significant assumptions on defined benefit obligation are as below:

Particulars	Funded Gratuity	
	31.03.2023	31.03.2022
Impact of :		
Impact of :		
0.5% increase in discount rate	-1.76	-1.66
0.5% decrease in discount rate	1.87	1.76
0.5% increase in salary growth	1.87	1.75
0.5% decrease in salary growth	-1.78	-1.67
Weighted average duration of the Defined Benefit Obligation (in years)	8.32	9.10

ii. (c) Maturity Profile of Defined Benefit Obligation

Particulars	Funded Gratuity	
	31.03.2023	31.03.2022
Maturity profile of defined benefit obligation		
Year 1	4.83	1.29
Year 2	1.51	4.17
Year 3	1.58	1.30
Year 4	5.88	1.36
Year 5	2.41	4.87
Next 5 years	73.10	65.48

25 Financial instruments and fair values

(₹ in Lakhs)

A. Accounting classifications and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

March 31, 2023

	Carrying Amount				Fair Value		
	Mandatorily at FVTPL - Others	Other financial assets - amortized cost	Other financial liabilities	Total carrying amount	Level 1	Level 2	Level 3
Financial assets measured at fair value*							
Mutual fund investments	1,028.14			1,028.14	1,028.14		
Rental and other Deposits		15.53		15.53			15.53
Loans to Related parties		3,039.95		3,039.95			3,039.95
Trade Receivables		45.78		45.78			45.78
'Cash and Cash Equivalents		3.79		3.79			3.79
	1,028.14	3,105.05	-	4,133.18	1,028.14		3,105.05
Financial liabilities measured at fair value*							
Trade payables	-	2.96		2.96			2.96
	-	2.96	-	2.96			2.96

* For all of the Company's assets and liabilities which are not carried at fair value, disclosure of fair value is not required as the carrying amounts approximates the fair values.

March 31, 2022

	Carrying Amount				Fair Value		
	Mandatorily at FVTPL - Others	Other financial assets - amortized cost	Other financial liabilities	Total carrying amount	Level 1	Level 2	Level 3
Financial assets measured at fair value							
Mutual fund investments	765.03			765.03	765.03		
Rental and other Deposits		35.81		35.81			35.81
Loans to Related parties		3,039.95		3,039.95			3,039.95
Trade Receivables		52.92		52.92			52.92
'Cash and Cash Equivalents		1.14		1.14			1.14
	765.03	3,129.82	-	3,894.85	765.02		3,129.82
Financial liabilities measured at fair value*							
Trade payables		0.20		0.20			0.20
	-	0.20	-	0.20			0.20

* For all of the Company's assets and liabilities which are not carried at fair value, disclosure of fair value is not required as the carrying amounts approximates the fair values.

26. Financial instruments and fair values (continued)

Financial risk management

The Company has exposure to the following risks arising from financial instruments

- credit risk
- liquidity risk
- market risk

This note explains the sources of risk which the entity is exposed to and how the Company manages the risk.

Risk	Exposure arising from	Measurement
Credit risk	Cash and cash equivalents, trade receivables and other financial assets measured at amortised cost.	Ageing analysis credit ratings
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts
Market risk - foreign exchange	Recognised financial liabilities not denominated in Indian rupee (INR)	Sensitivity analysis
Market risk - interest rate	Long-term and Short-term borrowings at variable interest rates.	Sensitivity analysis

The company's risk management is carried out by the treasury team under policies approved by the board of directors. The board provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

i. Credit risk

Credit risk arises from cash and cash equivalents, deposits with banks and credit exposures to customers including outstanding receivables with customers.

Credit risk management

Credit risk is managed on a wholistic basis. For banks and financial institutions, only high rated banks/institutions are accepted.

For other financial assets, the Company assesses and manages credit risk based on external credit rating system. The finance function under the guidance of the board assess the credit rating system. Credit rating is performed for each class of financial instruments with different characteristics. The company assigns the following credit ratings to each class of financial assets based on the assumptions, inputs and factors specific to the class of financial assets.

VL 1 : High-quality assets, negligible credit risk

VL 2 : Quality assets, low credit risk

VL 3 : Standard assets, moderate credit risk

VL 4 : Substandard assets, relatively high credit risk

VL 5 : Low quality assets, very high credit risk

VL 6 : Doubtful assets, credit-impaired

The company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information. Especially the following indicators are included -

- Internal credit rating assessment
- External credit rating (as far as available)

In general, it is presumed that credit risk has significantly increased since initial recognition if the payments are more than 30 days past due.

A default on a financial asset is when the counterparty fails to make contractual payments within 180 days of when they fall due. This definition of default is determined by considering the business environment in which entity operates and other macro-economic factors.

- Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's ability to meet its obligations.
- Macroeconomic information (such as regulatory changes, market interest rate or growth rates) is incorporated as part of the internal rating model.

In general, it is presumed that credit risk has significantly increased since initial recognition if the payments are more than 30 days past due.

A default on a financial asset is when the counterparty fails to make contractual payments within 180 days of when they fall due. This definition of default is determined by considering the business environment in which entity operates and other macro-economic factors.

Provision for expected credit losses

The company provides for expected credit loss based on the following:

Internal rating	Category	Description of Category	Basis of recognition of expected credit loss provision	
			Loans and security deposits	Trade receivables
VL 1	High-quality assets, negligible credit risk	Assets where the counter-party has strong capacity to meet the obligations and where risk of default is negligible or nil	12-month expected credit losses	Life-time expected credit losses (simplified approach)
VL 2	Quality assets, low credit risk	Assets where there is low risk of default and where the counter-party has sufficient capacity to meet the obligations and where there has been low frequency of defaults in the past		
VL 3	Standard assets, moderate credit risk	Assets where the probability of default is considered moderate, counter-party where the capacity to meet the obligations is not strong		
VL 4	Substandard assets, relatively high credit risk	Assets where there has been a significant increase in credit risk since initial recognition. Assets where the payments are more than 30 days past due	Life-time expected credit losses	
VL 5	Low quality assets, very high credit risk	Assets where there is a high probability of default. In general, assets where contractual payments are more than 60 days past due are categorised as low quality assets. Also includes assets where the credit risk of counter-party has increased significantly though payments may not be more than 60 days past due		
VL 6	Doubtful assets, credit-impaired	Assets are written off when there is no reasonable expectation of recovery, such as a debtor declaring bankruptcy or failing to engage in a repayment plan with the Company. The Company categorises a loan or receivable for write off when a debtor fails to make contractual payments greater than 365 days past due. Where loans or receivables have been written off, the group continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.	Assets being written off	

(a) Expected credit loss for security deposits

(₹ in Lakhs)

March 31, 2023

Particulars		Internal credit rating	Estimated gross carrying amount at default	Expected probability of default	Expected credit losses	Carrying amount net of impairment provision
Loss allowance measured at 12 month expected credit losses	Financial assets for which credit risk has not increased significantly since initial recognition	VL1	3,055.48	0.00%	-	3,055.48

March 31, 2022

Particulars		Internal credit rating	Estimated gross carrying amount at default	Expected probability of default	Expected credit losses	Carrying amount net of impairment
Loss allowance measured at 12 month expected credit losses	Financial assets for which credit risk has not increased significantly since initial recognition	VL1	3,075.75	0.00%	-	3,075.75

(b) Expected credit loss for trade receivables under simplified approach:

The following table provides information about the exposure to credit risk and expected credit loss for trade receivables

31st March 2023

Particulars	Gross carrying amount	Expected loss rate	Expected credit losses	Provision carried in books *
Current				
1-180 days past due	45.78	-	-	-
181-365 days past due	-	-	-	-
More than 365 days past due	-	-	-	-
Total	45.78	-	-	-

* Provision carried in books include provision made on specific identification.
Movements in the allowance for impairment in respect of trade receivables

31st March 2022

Particulars	Gross carrying amount	Expected loss rate	Expected credit losses	Provision carried in books *
Current				
1-180 days past due	52.92	-	-	-
181-365 days past due	-	-	-	-
More than 365 days past due	-	-	-	-
Total	52.92	-	-	-

* Provision carried in books include provision made on specific identification.

Movements in the allowance for impairment in respect of trade receivables

The movement in the allowance for impairment in respect of trade receivables and loans is as follows:

	As at March, 31 2023	As at March, 31 2022
Balance at beginning of the period	-	10.89
Changes in loss allowance	-	(10.89)
Balance at end of the period	-	-

iii. Liquidity risk

Liquid assets consist of cash and cash equivalents. With the investment of liquid assets, banks are selected very carefully and diversified in accordance with a limit system. In the past years, the limit methodology was continuously enhanced to counteract the decline of the creditworthiness of the banking sector in the course of the financial crisis. In connection with investment decisions, priority is placed on the borrower's very high creditworthiness and on balanced risk diversification. The limits and their utilizations are reassessed continuously. In this assessment, the Company also considers the credit risk assessment of its counterparties by the capital markets. In line with the Company's risk policy, most liquid assets are held in investments with an external rating of "A" or better.

Exposure to liquidity risk

March, 31 2023

	Contractual cash flows						Total
	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	
A. Non-Derivative Financial Assets							
Cash and cash equivalents							
Cash and cash equivalents	0.01	-	-	-	-	-	0.01
Bank balances other than cash and cash equivalents	3.78	-	-	-	-	-	3.78
Trade receivables	45.78	-	-	-	-	-	45.78
Investments	1,028.14	-	-	-	-	-	1,028.14
Loans	39.95	-	-	3,000.00	-	-	3,039.95
Other financial assets							
Security deposits	-	-	-	15.53	-	-	15.53
Non-derivative financial liabilities							
Trade payables	2.96	-	-	-	-	-	2.96
Total	1,120.60	-	-	3,015.53	-	-	4,136.13

March, 31 2022

	Contractual cash flows						
	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
A. Non-Derivative Financial Assets							
Cash and cash equivalents							
Cash and cash equivalents	0.01	-	-	-	-	-	0.01
Bank balances other than cash and cash equivalents	1.13	-	-	-	-	-	1.13
Trade receivables	52.92	-	-	-	-	-	52.92
Investments	765.03	-	-	-	-	-	765.03
Loans	39.95	-	-	3,000.00	-	-	3,039.95
Other financial assets							
Security deposits	18.75	-	-	17.06	-	-	35.81
Non-derivative financial liabilities							
Trade payables	0.20	-	-	-	-	-	0.20
Total	877.98	-	-	3,017.05	-	-	3,895.04

iv. Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The Company does not have any derivatives hence there are no market risks.

Interest rate risk

The Company adopts a policy of ensuring that between 80 and 90% of its interest rate risk exposure is at a fixed rate. This is achieved partly by entering into fixed-rate instruments and partly by borrowing at a floating rate and using interest rate swaps as hedges of the variability in cash flows attributable to interest rate risk.

Exposure to interest rate risk

The interest rate profile of the Company's interest-bearing financial instruments as reported to management is as follows.

	As at March, 31 2023	As at March, 31 2022
Fixed rate instruments		
Financial assets	6%	6%
Financial liabilities	-	-

(₹ in lakhs)

27 Leases**Leases as lessee****i. Future minimum lease payments***

As at year end, the future minimum lease payments to be made under non-cancellable operating leases are as follows:

	2022-23	2021-22
Payable within one year	-	-
Payable between one and five years	-	-
Payable after five years	-	-
Total	-	-

ii. Amount recognized in profit or loss

	2022-23	2021-22
Lease expense - Minimum lease payments	3.00	5.61
Total	3.00	5.61

28 Dues to micro, small and medium enterprises

There are no amounts due to small scale industries in terms of "The Micro, Small and Medium Enterprises Development Act, 2006"

29 Disclosures in accordance with Ind AS 24

Related Party Disclosures

Holding Company

Sundaram Finance Limited

Fellow subsidiaries

Sundaram Asset Management Company Limited

Sundaram Asset Management Singapore Pte Limited

Sundaram Alternate Assets Limited

Sundaram Trustee Company Limited

Sundaram Finance Holdings Limited

Sundaram Business Services Limited

Sundaram Home Finance Limited

LGF Services Limited

Sundaram Finance Employee Welfare Trust

SAMC Support Services Private Limited (w.e.f 31st December, 2021)

SAMC Trustee Private Limited (w.e.f 31st December, 2021)

SAMC Services Private Limited (w.e.f 31st December, 2021)

Associates of Fellow Subsidiaries

Flomettallic India Private Limited

The Dunes Oman LLC (FZC)

Sundaram Hydraulics Limited

Axles India Limited

Turbo Energy Private Limited

Transenergy Private Limited

Sundaram Dynacast Private Limited

Wheels India Limited

Mind S.r.l.

Sundaram Composite Structures Private Limited

Joint Ventures:

Royal Sundaram General Insurance Company Limited

Key managerial personnel

T S Sritharan - Managing Director

M. Ashwin - Company Secretary

S. Lakshminarasimhan - Chief Financial Officer

The nature and volume of transactions of the company during the year, with the above related parties are as follows:

(₹ in lakhs)

Nature of Transactions	Holding Company		Fellow Subsidiaries		Key Management Personnel / Entity in which Director is interested	
	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
INCOME						
Income from Operations						
Sundaram Asset Management Company Limited			219.06	220.75		
Other Income						
Interest on ICD -Sundaram Asset Management Company Limited			180.00	66.08		
Sale of Assets						
Sundaram Finance Holdings Limited			-	7.08		
Expense						
Rent						
Sundaram Asset Management Company Limited			3.00	3.00		
Payroll						
Sundaram Finance Holdings Limited			0.60	0.60		
Assets						
Sundry Debtors						
Sundaram Asset Management Company Limited			45.78	52.92		
Inter Corporate Deposits						
Sundaram Asset Management Company Ltd			3,039.95	3,039.95		
LIABILITIES						
Equity Shares						
Sundaram Finance Limited	4,500.30	4,500.30				
Rent & Reimbursements						
Sundaram Asset Management Company Limited			2.83	-		
Payables						
Sundaram Finance Holdings Limited			0.05	0.05		
Remuneration of Key Managerial Personnel						
S. Lakshminarasimhan - Chief Financial Officer					33.82	27.08

* No amounts payable to or receivable from related parties has been written off / written back during the year.

* All the outstanding balances (payables or receivables) with related parties are unsecured.

Note: 30 - Additional Regulatory Information

(₹ in lakhs)

- (i) The Company does not have any Immovable Properties not held in its name.
- (ii) The Company does not have and investment property.
- (iii) The Company has not revalued its Property, Plant and Equipment (including Right-of-Use Assets) or intangible assets.
- (iv) The company has not granted any loans or advances in the nature of loans to promoters, Directors, KMPs and related parties (as defined under Companies Act, 2013), either severally or jointly with any other person, either repayable on demand or without specifying any terms or period of repayment except inter company corporate deposit issued to Sundaram asset management company limited.
- (v) The Company does not have any Capital-Work-in Progress (CWIP).
- (vi) The Company does not have any Intangible Assets under Development.
- (vii) There have been no proceedings initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- (viii) The Company does not have borrowings from banks or financial institutions on the basis of security of current assets.
- (ix) The Company has not been declared as wilful defaulter by any bank or financial institution or other lender.
- (x) The company has not had any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.
- (xi) There are no charges or satisfactions yet to be registered with the Registrar of Companies beyond the statutory period.
- (xii) The company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.
- (xiii) There has been no Scheme of Arrangements approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013. However, during the year, a scheme of arrangement has been approved by the Board of Directors of the company on 29th June, 2022. approving demerger of fund accounting division with one of the fellow subsidiary named Sundaram Asset Management Limited and the application is pending for approval before the NCLT as on 31st March 2023. On Approval of the scheme, the company shall issue 1 equity share of Face Value Rs.10 each (in absolute figures) fully paid up for every 100 equity shares held in Sundaram Fund Services Limited having face value of Rs.10 each (in absolute figures) fully paid up in consideration for takeover of their Net assets.
- (xiv) Utilisation of Borrowed funds and share premium:

No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities (“Intermediaries”) with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (xv) Undisclosed Income:

No tax assessments under the Income Tax Act, 1961 (43 of 1961) have been received during the year and hence, there have been no transactions not recorded in the books of account which have been surrendered or disclosed as income during the year. There has also not been any previously unrecorded income or related assets.
- (xvi) The Company is not covered under the provisions of Section 135 of the Companies Act, 2013.
- (xvii) The Company has neither traded nor invested in Crypto currency or Virtual Currency during the financial year.

Note: 31 Ratios

(₹ in lakhs)

Particulars	Items included in the Numerator / Denominator	Ratio		Variation (%)
		2022-23	2021-22	
(a) Current ratio**	Current Assets/ Current Liabilities	26.87%	19.63%	36.89%
(b) Debt-Equity ratio	Total Outside Debt/Equity Share Holder's Funds	NA	NA	NA
(c) Debt Service Coverage ratio	Earnings Available for Debt services/ Interest + Instilments	NA	NA	NA
(d) Return on Equity ratio	Net Profit After Taxes / Equity Shareholder's Funds	4.95%	5.86%	-15.61%
(e) Inventory turnover ratio	Cost of Goods Sold / Average Inventory	NA	NA	NA
(f) Trade Receivables turnover ratio	Net Sales/ Average Receivables	4.44%	5.19%	-14.51%
(g) Trade payables turnover ratio	Net Purchases / Average Payables	NA	NA	NA
(h) Net capital turnover ratio	Revenue from Operations / Capital Employed	5.33%	5.65%	-5.71%
(i) Net profit ratio	Net Profit After Taxes / Revenue from Operations	93%	104%	-10.50%
(j) Return on Capital employed	Earnings before Interest & Taxes/ Capital Employed	6.11%	6.25%	-2.32%
(k) Return on investment	Net Profit After Taxes / Capital Employed	4.95%	5.86%	-15.61%

**During the year, there is an increase in mutual fund investments for an amount of 2.63 crore which results increase in current ratio by 36.89%.

32. Previous year figures have been regrouped / reclassified wherever necessary to conform to the current year's presentation.

The accompanying notes form an integral part of the financial statements.

As per our report on even date attached

For N.C. Rajagopal & Co.,

Chartered Accountants

FRN 003398S

V. Chandrasekaran

Partner

Membership No.024844

Chennai

Date: Date: 2nd May 2023

T.S. Sritharan
Managing Director

S. Lakshminarasimhan
Chief Financial Officer

Ranganatha Vijayendiran Rao
Director

M. Ashwin
Company Secretary