



SUNDARAM HOME
— Sundaram Finance Group —



Sundaram Home Finance Limited

26th

Annual Report

2024-25

Board of Directors

T.T. Srinivasaraghavan	Chairman
Harsha Viji	Non-Executive Director
A.N. Raju	Non-Executive Director
Bhavani Balasubramanian	Independent Director
Mahesh Parasuraman	Independent Director
S. Mahalingam	Independent Director
C. Sruthi	Independent Director
Lakshminarayanan Duraiswamy	Managing Director

Audit Committee

Bhavani Balasubramanian	Chairperson
Mahesh Parasuraman	
S. Mahalingam	

Executive Committee

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

Asset Liability Management Committee

Lakshminarayanan Duraiswamy	Chairman
P.S. Sridhar	
R. Venkatasubramanian	

Risk Management Committee

A.N. Raju	Chairman
Bhavani Balasubramanian	
Lakshminarayanan Duraiswamy	

Corporate Social Responsibility Committee

Harsha Viji	Chairman
Bhavani Balasubramanian	
Lakshminarayanan Duraiswamy	

Nomination and Remuneration Committee

Mahesh Parasuraman	Chairman
Harsha Viji	
Bhavani Balasubramanian	

Stakeholders Relationship Committee

A.N. Raju	Chairman
C Sruthi	
Lakshminarayanan Duraiswamy	

IT Strategy Committee

S. Mahalingam	Chairman
Mahesh Parasuraman	
Sudheer Warriar	
Lakshminarayanan Duraiswamy	

Customer Service Committee

A.N. Raju	Chairman
C Sruthi	
Lakshminarayanan Duraiswamy	

Wilful Defaulter Review Committee

Lakshminarayanan Duraiswamy	Chairman
Bhavani Balasubramanian	
A.N. Raju	
C. Sruthi	

Key Managerial Personnel

Lakshminarayanan Duraiswamy	Managing Director
P.S. Sridhar	Chief Financial Officer
P Subramanyam	Company Secretary (w.e.f. 01.04.2025)

Senior Executives

P. Nishant	Chief Business Officer (w.e.f. 30.04.2025)
Hema Ganapathy	Chief Operating Officer
R. Mugunda Krishnan	Chief Technology Officer(w.e.f. 01.10.2024)
Anitha Srinivasan	Chief Risk officer
Ganapathi Subramanian	Chief Human Resources Officer
R. Venkatasubramanian	Chief Compliance Officer
Kumaresh Balasubramaniam	Projects - Head
T. Kailashapathy	Head- Internal Audit

Statutory Auditors

M/s. Varma & Varma.
Chartered Accountants
New No 2 (Old No 20), Second Canal Cross Road,
Gandhi Nagar,
Adyar,
Chennai - 600 020

Secretarial Auditor

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

Information Security Assurance Services

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

Bankers

Axis Bank Bank of India
City Union Bank Ltd
Federal Bank
HDFC Bank
ICICI Bank
IDBI Bank

Karnataka Bank
Karur Vysya Bank Limited
State Bank of India
South India Bank
UCO Bank
Union Bank of India

Trustee for Debentures/Public Deposits

IDBI Trusteeship Services Limited
Universal Insurance Building
Ground Floor, Sir. P.M. Road
Fort, Mumbai 400 001

SBICAP Trustee Company Limited
4th Floor, Mistry Bhavan, 122 Dinshaw Vaccha Road,
Churchgate,
Mumbai 400020

Trustee for Securitisation

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

Registered Office

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

Corporate Office

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

Email

compsec@sundaramhome.in

Website

www.sundaramhome.in

Corporate Identity Number

U65922TN1999PLC042759

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HIGHLIGHTS

(₹ in crores)

	2024-25	2023-24	2022-23	2021-22	2020-21
OPERATIONAL HIGHLIGHTS	Ind AS				
Approvals	6,939.80	5581	4310	2476	1446
Disbursements	6,534.21	5029	3901	2311	1254
Loans outstanding	15,489.40	13035	11147	9432	9061
Loans under Management (including assets sold)	17,428.22	13812	11181	9495	9173
FINANCIAL HIGHLIGHTS					
Paid-up capital	101.25	101.25	101.25	101.25	101.25
Reserves and Surplus	1,995.70	1779.01	1703.77	1553.72	1457.45
Networth	2,096.95	1880.26	1805.02	1654.97	1558.70
Total borrowings	13,763.38	11405.45	9873.14	8549.21	8234.10
Fixed Deposits	2,344.26	2269.09	2026.78	2024.20	1875.24
Profit before tax	311.32	308.21	281.70	212.72	251.30
Profit after tax (before exceptional item)	244.66	235.83	215.41	167.70	191.64
Profit after tax (after exceptional item)	244.66	235.83	215.41	167.70	191.64
Total Comprehensive Income for the period comprising Profit and other comprehensive income for the period	244.00	234.18	215.50	166.94	191.24
Dividend %	60.42%	58.23%	100%	80%	70%
Dividend (including tax) - Amount in cr	61.18	58.96	101.25	81.00	70.88

Return on Average Networth (%)	12.30%	12.80%	12.45%	10.44%	12.86%
Book value (Rs.)	207.10	185.70	178.27	163.45	153.94
Earnings per share (Rs.)	24.16	23.29	21.27	16.56	18.93
Capital Adequacy Ratio (%)	18.7%	20.30%	23.5%	25.7%	24.9%
Cost-to-income ratio (%)	48.93%	42.86%	33.56%	30.83%	26.67%
Stage III Assets (%)	1.02%	1.16%	2.26%	3.00%	4.48%
Net non performing loans (%)	0.53%	0.50%	1.13%	1.57%	1.09%

BOARD'S REPORT

To the Members of
Sundaram Home Finance Limited

Your Directors' have pleasure in presenting the Twenty Sixth Annual Report of the Company together with the audited accounts for the year ended 31st March 2025.

FINANCIAL RESULTS

The summarised financial results are given hereunder:

(₹ in crores)
(as per Ind AS)

	Year ended 31st March 2025	Year ended 31st March 2024
Income from Operations	1594.30	1410.63
Other income	2.25	1.12
Total Revenue	1596.55	1411.75
Less: Total Expenses	1285.23	1103.54
Profit Before Tax	311.32	308.21
Profit After Tax before Exceptional Item	244.66	235.83
Exceptional Item	-	-
Profit After Tax after Exceptional Item	244.66	235.83
Other comprehensive income	(0.66)	(1.65)
Total Profit & Other comprehensive income	244.00	234.18
Add: Balance brought forward from the previous year	488.20	460.65
Amount available for appropriation	732.20	694.83

DIVIDEND

During the year 2024-25, the following dividends were paid:

Particulars	Percentage	Amount (Rs. crores)
Final Dividend for the year 2023-24	0.58%	0.59
Interim Dividend for the year 2024-25	27.29%	27.64

The Board has recommended a final dividend of Rs. 3.31 per share (33.13 % on the face value of Rs.10/-) for the Financial Year 2024-25 on the total paid-up capital of Rs.101.25 crore. The Final dividend if declared would amount to Rs. 33.54 crores as against 0.59 crore for FY 2023-24. This together with Interim dividend amounting to Rs. 2.73 per share (27.29%) already paid, (Rs. 27.64 crores as against Rs. 58.37 crores for FY 2023-24) would aggregate to a total dividend of Rs.6.04/- per share (60.42% on the face value of Rs.10/-). The dividend payable shall be subject to the approval of the Members of the Company at the ensuing Annual General Meeting.

In terms of the Companies (Accounting Standard) Rules, 2006, as amended, the proposed dividend is not recorded as a liability as on 31st March 2025. The liability will be recognised after the dividend is approved by the Members in the ensuing Annual General Meeting and will duly reflect in the accounts for the year 2025-26.

OPERATING AND FINANCIAL PERFORMANCE

Gross income of the Company during the year ended 31st March 2025 amounted to

Rs. 1596.55 crore, higher by 13.09% over the previous year. Profit before tax was Rs. 311.32 crore, higher by 1.01% compared to the previous year. At Rs. 244.66 crore, profit after tax was higher by 3.74% over the previous year. The Company's net worth stood at Rs. 2096.95 crore as on 31st March 2025 (Rs.1880.26 crore at the end of the previous year). As on that date, the regulatory capital adequacy

ratio (CRAR) was 18.7%, well above the regulatory minimum of 15%.

The Company approved loans totalling Rs. 6940 crores during the year, as against Rs.5581 crore in FY24, registering an increasing of 24.35%. Disbursements during the year amounted to Rs. 6534 crore as against Rs.5029 crore in FY24, an increase of 29.93%. The average ticket size of home loans disbursed to individuals during the year was Rs. 20 lakhs.

Gross Non-Performing Loans (NPLs) (loans in continuing default for more than 90 days) amounted to Rs. 158.68 crore as on 31st March 2025 which constituted 1.02% of the total loans, down from 1.16%, a year ago. Net Stage 3 after provisioning under ECL was 0.53%, up from 0.50% last year.

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

CHANGE IN THE STATE OF COMPANY'S AFFAIRS OR IN THE NATURE OF BUSINESS, IF ANY

There has been no change in the state of Company's affairs or in the nature of business during the year under review.

DETAILS OF SUBSIDIARY/JOINT VENTURES/ASSOCIATE COMPANIES

During the year under review, your Company had no Subsidiary/Joint Ventures/Associate Companies.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

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

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

As of 31st March 2025, the CSR Committee consisted of three Members, viz. Mr. Harsha Viji, Mrs. Bhavani Balasubramanian and Mr. Lakshminarayanan Duraiswamy. Mr. Harsha Viji is the Chairman of the Committee.

During the Financial Year 2024-25, your Company has spent Rs. 3.10 crores, which together with the Rs.1.35 crores carried forward from the previous year, amounted to a total CSR outlay of Rs. 4.45 crore for the year. A Report on CSR Activities undertaken by the Company for the Financial Year 2024-25 is annexed as part of this Board's Report (Annexure I).

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

CORPORATE GOVERNANCE

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

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

- a. in the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanations relating to material departures, if any;
- b. the Company has selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at the end of the Financial Year and of the profit of the Company for that period;
- c. proper and sufficient care has been exercised for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. the Annual Accounts have been prepared on a going concern basis;
- e. adequate internal financial controls have been put in place and they are operating effectively; and
- f. proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

RELATED PARTY TRANSACTIONS

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

All the transactions entered into by the Company with any of the related parties during the year were in the ordinary course of business and on an arm's length basis. Form AOC-2, as required under Section 134(3)

(h) of the Act, read with Rule 8(2) of the Companies (Accounts) Rules 2014, is annexed as part of this Board's Report (Annexure II (ii)).

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

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

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

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

There were no complaints during the year 2024-25.

SIGNIFICANT AND MATERIAL ORDERS

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

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Indian Economy:

India's economy maintained a steady growth trajectory in FY 2024–25, with GDP growth estimated at 6.4%, supported by recovery across agriculture (3.8% growth), industry (6.2%), and services (7.2%). Rural consumption showed signs of strengthening, and private sector investment activity improved. For FY 2025–26, the Economic Survey projects the GDP growth in the range of 6.3% to 6.8%, indicating a stable macroeconomic environment that is likely to support credit

demand and financial services activity, including sectors served by NBFCs.

Retail inflation moderated to 4.9% during April–December 2024, although food inflation remained elevated at 8.4%. The Reserve Bank of India expects inflation to gradually converge towards its medium-term target. India's external position remained sound, with merchandise and services exports posting growth, and foreign exchange reserves reaching around USD 640.3 billion. Gross FDI inflows increased by 17.9% during April–November 2024, reflecting continued investor interest. These conditions are expected to provide a favorable backdrop for NBFCs to access diversified funding sources and expand their lending portfolios.

The Government is planning to strengthen public investment, with capital expenditure growing by 8.2% during July–November 2024. Through initiatives like the 50,000 crore Self-Reliant India Fund, intended to enhance MSME equity support, credit demand from small businesses — a segment closely linked to NBFC operations, is likely to increase. Additionally, policy efforts under "Ease of Doing Business 2.0" and emphasis on digital public infrastructure are expected to facilitate operational efficiencies and support broader credit outreach by NBFCs, particularly in underserved regions.

In the context of global trade dynamics, the U.S. announced a reciprocal tariff of up to 27% on Indian goods, set to take effect in July 2025. The Economic Survey 2024–25 highlights the importance of diversifying export markets and enhancing domestic manufacturing capabilities to reduce vulnerability to external shocks. For NBFCs, these developments underscore the need for prudent risk assessment and diversification strategies to navigate potential challenges arising from global trade policy shifts.

HOUSING FINANCE SECTOR:

The Indian housing sector experienced steady progress during FY 2024–25, supported by government initiatives and continued emphasis on affordable housing and urban infrastructure. The Pradhan Mantri

Awas Yojana (PMAY), along with other schemes under the Ministry of Housing and Urban Affairs, has been contributing to housing demand, particularly in the low- and middle-income segments. With ongoing urbanization and planned increases in infrastructure investment, housing demand is expected to remain on an upward trend. This environment may create expansion opportunities for housing finance companies (HFCs), especially in underserved and semi-urban regions.

According to the Economic Survey 2024–25, the financial sector has exhibited stable credit conditions. Bank credit growth has been broadly aligned with deposit trends, and the Gross Non-Performing Assets (GNPA) ratio for Scheduled Commercial Banks declined to 2.6%, which indicates an improvement in asset quality. Such developments in the overall financial system are seen as supporting conditions for housing finance, as they enhance credit availability and reduce perceived risks for lenders, including NBFCs and HFCs. The improved risk environment may assist HFCs in expanding their portfolios with greater prudence.

Regulatory authorities, including the Reserve Bank of India (RBI) and the National Housing Bank (NHB), have been taking steps to reinforce lending discipline and maintain financial stability in the housing finance sector. Guidelines introduced in recent times focus on risk management, capital adequacy, and borrower protection. These efforts are intended to strengthen the sector's long-term health and ensure responsible lending. By encouraging prudent, underwriting practices and reinforcing institutional safeguards, regulators aim to reduce asset quality deterioration in a growing credit market.

Looking ahead, the housing finance sector is likely to benefit from demographic changes, gradual improvements in employment, and the expansion of digital lending platforms. The government is intending to continue supporting affordable housing through public investment and schemes such as PMAY and PMAY 2.0, although specific budget allocations and timelines may evolve based on broader fiscal considerations. Housing finance companies are expected to leverage technology and alternative credit assessment tools to expand outreach,

particularly in first-time homebuyer markets. This positions the sector for measured growth in FY 2025–26 and beyond, provided macroeconomic and policy support remains consistent.

The outlook for the housing finance sector remains positive, supported by strong structural demand for home ownership, increasing urbanization, and continued government focus on affordable housing. While interest rate fluctuations and global uncertainties may pose short-term challenges, the long-term fundamentals of the sector remain robust. Regulatory measures aimed at improving transparency and asset quality, combined with increased digitization, are driving greater efficiency and stability across the industry.

Our company is well-positioned to capitalize on these trends through strategic expansion into T2 and T3 towns, enhanced digital capabilities, and a focus on underserved markets. We remain committed to responsible lending, maintaining a strong capital base, and delivering inclusive growth. With a diversified product portfolio and prudent risk management practices, we aim to strengthen our market presence while contributing meaningfully to the vision of 'Housing for All'. Looking ahead, we are confident in our ability to create sustainable value for all stakeholders in a dynamic operating environment

REGULATORY CHANGES

During the year, the RBI/NHB/SEBI had issued various circulars, notifications, directions and guidelines to HFCs, the updates of which were duly placed before the Board at regular intervals. The Company has put in place adequate systems and processes in place to ensure compliance with RBI-HFC Directions and other applicable directions/guidelines issued by the Regulators from time to time.

RESOURCE MOBILISATION

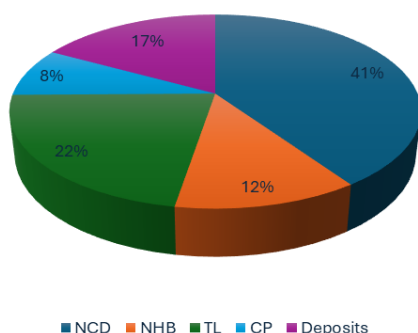
FRESH EQUITY

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

BORROWINGS

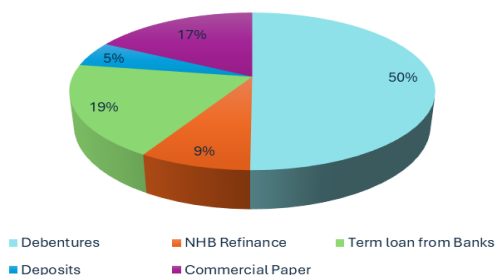
Total borrowings as on 31st March 2025 stood at Rs. 13,763.38 crore as against Rs. 11,405.45 crore a year earlier. Of the total borrowings, NHB Refinance constituted 12%, Non-Convertible Debentures (NCDs) 41%, Term Loans from Banks and Financial Institutions 22% and Public Deposits 17% and Commercial Paper 8%.

Outstanding borrowings



During the year, the Company obtained fresh refinance of Rs. 440 crore from NHB and repaid Rs. 627 crore of refinance. It raised long-term funds to the extent of Rs.2,645 crore through non-convertible debentures and Rs. 1,004 crore from banks. The Company duly repaid its term borrowings including debentures as and when they became due for payment and no debentures remained unclaimed by the investors at the year end. The Company did not opt for moratorium with any of its lenders.

Loan Funds



DEPOSITS

The Company mobilised fresh public deposits of Rs.272 crore during FY25. Fixed Deposits outstanding at the year-end were Rs.2,224 crore (Rs. 2,172 crore at the end of FY24).

The Company notifies depositors well ahead of the maturity of their deposits and thereafter issues periodical reminders if the deposits are not renewed or unclaimed on or after maturity. As of 31st March 2025, deposits totalling Rs.23.79 crore from 686 depositors had matured for payment but the depositors concerned had sought neither renewal nor repayment of their deposits. The Company is closely following up these cases and, as of date, such deposits stand reduced to Rs. 17.87 crore from 550 depositors.

As of 31st March 2025, there were no amounts pending to be transferred to the Investor Education and Protection Fund (IEPF).

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

COMMERCIAL PAPERS

The Company issued commercial paper aggregating Rs.1,150 crore (face value) during the year. The maximum amount of commercial paper outstanding at any time during the year was Rs. 1,150 crore (face value) and the amount outstanding at the end of the year Rs. 1,150 crore (face value).

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

CREDIT RATINGS

The Company's borrowings enjoy the following credit ratings:

Borrowing through	Rating/Outlook and the date of Rating/ Outlook by Rating Agencies	
	ICRA	CRISIL
Short-Term Debt / Commercial Paper	(ICRA) A1+	CRISIL A1+
Fixed Deposits	AAA/Stable	AAA/Stable
Non-Convertible Debentures	(ICRA) AAA/ Stable	CRISIL AAA/Stable

Subordinated Debt	(ICRA) AAA/ Stable	-
Long-term Bank Loans	(ICRA) AAA/ Stable	CRISIL AAA/Stable
Structured Obligations	(ICRA) AAA	(CRISIL) AAA

There were no changes to the credit ratings during the year.

INTERNAL FINANCIAL CONTROLS

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

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

The Company has also established Risk Based Internal Audit (RBIA) in compliance with Reserve Bank of India (RBI) Circular No. RBI/2021-22/53-DoS. CO. PPG.SEC/03/11.01.005/2021-22 dated 11th June, 2021. The current internal audit is robust and provides an assurance to the Board of Directors and the Senior Management on the quality and effectiveness of the organisation's internal controls, risk mitigation and governance related systems and processes.

RISK MANAGEMENT

In accordance with the Directions issued by the Reserve Bank of India (RBI) and the National Housing Bank (NHB), the Company has appointed a senior official as its Chief Risk Officer (CRO). The CRO has been reappointed for a further term of two years commencing from October 25, 2023, underscoring the Company's commitment to strong risk governance. A Risk Management Committee (RMC) has also been constituted to develop and implement a progressive risk management framework, including policy formulation and strategic oversight.

Over the years, the Company has built a robust risk governance and risk management framework, supported by various Board-level and

functional committees. The Audit Committee, Risk Management Committee, Asset Liability Management Committee (ALCO), and the IT Strategy Committee are actively engaged in reviewing and monitoring risks on a regular basis. In addition, an Internal Risk Management Committee, comprising heads of various risk verticals, has been constituted to assess and evaluate organization-wide risks on a periodic basis.

The Company has adopted an Enterprise Risk Management (ERM) approach to identify, monitor, and mitigate risks at an enterprise level. This holistic framework facilitates a systematic assessment of key risk areas and the formulation of robust mitigation strategies. As part of the ERM framework, the Company has formulated a Risk Appetite Statement, defining the level and type of risk the Company is willing to undertake in pursuit of its business objectives.

The risk management process fulfils the requirement under Section 134 of the Companies Act, 2013 and also the guidelines under Regulation 21 of Listing guidelines (Schedule II of Securities as Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

To ensure effective risk oversight, the Company has implemented documented Standard Operating Procedures (SOPs) and Risk Control Matrices (RCMs) across all key processes. These are reviewed periodically to ensure relevance and effectiveness.

The Company has also introduced Key Risk Indicators (KRIs) to monitor various risks across business functions. These KRIs serve as early warning signals and enable pre-emptive action to mitigate potential risks before they escalate.

KEY RISK CATEGORIES AND MANAGEMENT APPROACH

1. CREDIT RISK

Credit risk pertains to the potential inability or unwillingness of borrowers to meet their contractual obligations. The Company addresses credit risk through a comprehensive credit policy

framework, which governs customer selection, due diligence, and creditworthiness assessment.

Loan applications undergo a rigorous evaluation based on parameters such as financial history, income documents, field investigation reports, loan-to-value (LTV) ratios, loan tenure, and end use. Credit approval and administration are managed by an experienced team, supported by a clearly defined delegation of authority.

To strengthen underwriting processes, the Company has adopted API-driven technology for real-time verification of identity and income documents, thereby reducing manual intervention and enhancing productivity and process efficiency.

The Company has an in-house team of qualified professionals besides engaging qualified external experts for title investigation and property valuation to ensure that the property mortgaged has a clear and marketable title. As an added safeguard, sample audits of title and valuation reports are conducted to enhance the accuracy and reliability of assessments, thereby ensuring robust risk management.

A dedicated Recovery Team is in place to oversee and improve the collection of dues, with constant follow-up mechanisms to ensure timely repayments. Additionally, portfolio-level monitoring and analysis of early warning indicators allow for timely corrective actions and policy interventions to maintain portfolio quality and minimize credit losses.

2. MARKET RISK

Market risk, including liquidity risk and interest rate risk, is managed through robust asset-liability management practices. Liquidity risk is addressed through ongoing monitoring of the Asset-Liability Mismatch (ALM). Interest rate risk, arising from maturity mismatches between assets and liabilities, is assessed using methodologies such as the Duration Gap Method and monitored at regular intervals by ALCO.

3. OPERATIONAL RISKS

Operational risks arising from inadequate internal processes, people and systems or from external events are adequately

addressed by the internal control systems and are continuously reviewed and monitored. The Company has well documented Standard Operating Procedures and Risk Control Matrices for all processes to ensure adequate controls are in place. The Senior Management Team regularly assesses the risks and takes appropriate measures to mitigate them. Process improvements and quality control are on-going activities and are built into the employees' training modules as well. Operational risks are also governed through various audits both at the branch and at the process level to identify risks and take actions to mitigate the same.

4. FRAUD RISK

The Company recognises fraud risk as a critical area of concern and has implemented multiple controls to deter and prevent fraudulent activities. A dedicated Risk Containment Unit (RCU) is in place to carry out screening and sampling of key documents and customer information during the underwriting process. This acts as a preventive measure against potential frauds at an early stage.

In addition, the Company has established an Early Warning Signal (EWS) framework as part of its ongoing credit monitoring processes. The EWS framework helps in identifying unusual patterns or deviations in customer behaviour and loan performance, enabling early detection of fraudulent activities where they have occurred and timely intervention to mitigate their impact.

5. TECHNOLOGY AND CYBER SECURITY RISK

The Company has developed a robust Information Security and Cyber Security framework to manage technology-related risks. Governance of the IT landscape is led by the IT Steering Committee and the Information Security Committee, which are responsible for monitoring the integrity, security, and availability of information systems. These committees oversee the implementation of cybersecurity protocols, risk assessments, and incident response measures, ensuring the Company's resilience against evolving cyber threats.

6. REPUTATIONAL RISK

The Company recognises that reputational risk can significantly impact stakeholder confidence and long-term business sustainability. To proactively manage this risk, a centralised customer service team has been established to effectively handle customer grievances and ensure timely and satisfactory resolutions. This team works in close coordination with branch teams, thereby enhancing service delivery and ensuring a seamless, consistent customer experience across all locations. These efforts help mitigate the risk of customer dissatisfaction and potential escalations. In addition, the Customer Services Committee, a sub-committee of the Board, oversees the Company's grievance redressal mechanism, ensuring adherence to the Fair Practices Code and that all stakeholder concerns are addressed in a transparent and responsive manner.

7. REGULATORY & COMPLIANCE RISKS

Adherence to regulatory standards and statutory obligations is a cornerstone of the Company's risk management philosophy. The Company has instituted a robust compliance framework, overseen by a dedicated compliance function, to ensure alignment with applicable laws, regulations, and guidelines issued by the RBI, NHB, SEBI, and other relevant authorities. Ongoing monitoring, internal audits, training, and regulatory updates help the Company maintain a high standard of regulatory compliance, thereby mitigating legal and compliance risks.

DETAILS OF FRAUD REPORTING

During the year 2024-25, there were six instances of fraud amounting to Rs 7.01 crore that are required to be reported by the Statutory Auditors with respect to Sub-Section 3(ca) of Section 134 of the Companies Act, 2013.

INTERNAL AUDIT

In compliance with the requirements of the Companies Act, 2013 read with Circular G.S.R. 742(E) dated 27th July 2016 issued by the Ministry

of Corporate Affairs, the Company has appointed Mr. Kailashapathy as the Internal Auditor of the Company, to carry out an effective internal audit and such other audit functions.

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

INFORMATION TECHNOLOGY AND INFORMATION SECURITY

The Company recognizes Digital & Technology as a critical pillar in operating and growing its business. Significant investments continue to be made in Digital & Technology infrastructure to enhance the Internal stake holders, Customers, and Channel partners experience.

The Company has set up a robust and secure facility for hosting and managing its infrastructure, providing 24/7 support with over 99% uptime. A disaster recovery site for all critical applications is hosted in the data centre, located in a different seismic zone, with near real-time data replication.

The Company adopts a proactive approach to cybersecurity and continues to invest in this critical area. In April 2024, a Chief Information Security Officer (CISO) was appointed to oversee all Information and Cybersecurity initiatives.

A 24/7 Security Operations Centre (SOC) has been set up to provide real-time threat monitoring and alerting. Periodic vulnerability assessments and penetration tests are conducted on both applications and infrastructure to evaluate the effectiveness of the Company's security practices.

Additionally, regular consultations with external experts and industry professionals are held to validate transformation strategies and strengthen Information & Cyber Security frameworks.

With a secure and scalable IT setup that enables remote working, the Company ensures business continuity even during adverse conditions.

The Company ensures strict adherence to all applicable regulatory policies, circulars, and master directions issued by the regulators from time to time.

The Company has developed a robust digital platform to its Customers, Channel Partners, and Employees. This platform is leveraged by both the Prime and Emerging Business verticals for products such as Home Loans, Loan Against Property (LAP), Sundaram Anugraha, and Sundaram Nidhi. Keeping pace with digital trends, the Company continuously adopt latest technologies, providing a competitive edge within the industry.

Our end-to-end digital platform offers a seamless user experience, reduces turnaround time, straight through processing, and ensures timely decision-making—enhancing the overall Sundaram Experience for customers.

Being in a relationship-centric business, the Company continues to rely on time-tested, differentiated strengths based on personal interactions with customers and stakeholders. Its digital strategy has been thoughtfully designed to create an optimal blend of high-touch and high-tech engagement, thereby deepening relationships and delivering enhanced “Sundaram Experience”.

HUMAN RESOURCES AND TRAINING

Employees' contribution is vital to the Company's performance - both qualitative and quantitative. Accordingly, the Company's performance management system is used effectively to improve staff capabilities in areas such as leadership, team building, knowledge accessibility and productivity enhancement. An exclusive Training and Development Department, headed by a senior officer, has been set up to give additional impetus to the growing training needs of the employees. In-house on-the-job coaching and enhanced training programmes in various functional areas such as credit and receivables management, customer service resolution, professional selling skills, NBFC-specific risk management, Psychometric Assessments for Career Advancement

and Sundaram Signature Programmes like ASHA, ASPIRE and SHINE were conducted for selected high potential employees during the year to upgrade their skills. Additionally, specialized workshops have been offered on Excel proficiency, the influence of IT on human behaviour, safeguarding personal data, utilizing Power BI and data visualization tools, and adhering to POSH guidelines were. These training programmes enabled the staff members to sharpen their knowledge in their areas of responsibility. New employees are put through an induction programme covering business requirements, Company's processes, regulatory prescriptions and contours of personality development.

During the FY ending 31st March 2025, the Company expanded its workforce significantly to support its strategic thrust on emerging business. Additionally, the establishment of branches at various locations across India, contributed to the growth in workforce. The number of employees on the rolls of the Company as on 31st March 2025 was 1838.

MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY AFTER BALANCE SHEET DATE (31ST MARCH 2025)

No material changes and commitments favourably or unfavourably 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 Board's Report.

BOARD OF DIRECTORS

During the year, the Board re-appointed Mr. S. Mahalingam as an Independent Director with effect from 26th May 2024.

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

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

KEY MANAGERIAL PERSONNEL

During the financial year, Pursuant to the advisories dated 20.09.2024 & 13.12.2024 received from the National Housing Bank ("NHB") regarding the "Separation of Roles of Chief Compliance Officer (CCO) & Company Secretary (CS)", the Board of Directors of the Company has appointed Mr. P Subramanyam (Membership No. A50561) as the Company Secretary of the Company, with effect from 01st April 2025, in place of Mr. R. Venkatasubramanian, Chief Compliance Officer and Company Secretary, who will continue as the Chief Compliance Officer of the Company as per the NHB requirements.

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

BOARD AND COMMITTEE MEETINGS

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

COMPANY'S POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION INCLUDING CRITERIA OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND OTHER EMPLOYEES

The Company strives to maintain a balanced composition of Executive, Non-Executive, and Independent Directors to ensure the Board's

independence and to separate governance from management functions.

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

- the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;
- relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay, reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

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

EXTRACT OF ANNUAL RETURN

Pursuant to Section 92(3) read with Section 134(3)(a) of the Act, the Annual Return as on March 31, 2025 is available on the Company's website at <http://www.sundaramhome.in>.

CEO AND CFO CERTIFICATION

In terms of Regulation 17(8) and Part B of Schedule II of SEBI (Listing Obligations and Disclosure requirements) Regulation, 2015, a certificate from the Chief Executive Officer (CEO) and the Chief Financial Officer (CFO) of the Company confirming, amongst other aspects, the correctness of the financial statements, adequacy of internal control measures and matters to be reported to the Audit Committee, were taken on record at the Board meeting held on May 05, 2025 convened for approval of the audited financial results of the Company for the year under review. The said certification has been placed as Annexure III to this report.

STATUTORY AUDITORS' REPORT

The Statutory Auditors' Report given by M/s Varma & Varma, Chartered Accountants on the Accounts for the year ended 31st March 2025 does not contain any qualification, reservation, or adverse observation. The Notes on the Financial Statements referred to in the Auditors' Report are self-explanatory.

STATUTORY AUDITORS

Your Directors, with the approval of the Members at the Annual General Meeting on 12th August 2024, have appointed M/s. Varma and Varma (Registration No. 004532S), Chartered Accountants, Chennai, as the Statutory Auditors of the Company in terms of Section 139(1) of the Companies Act, 2013 for a period of three (3) consecutive years.

SECRETARIAL AUDITORS & THEIR REPORT

In terms of Section 204 of the Companies Act, 2013 and the Rules thereunder, the Company has appointed Mr. M. Damodaran, Company Secretary in Practice, for conducting Secretarial Audit of the Company for the Financial Year 2024-25. The Secretarial Audit Report for the Year in Form MR-3 as prescribed under the Companies Act, 2013 is annexed to this Board's Report (Annexure IV).

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

COST RECORDS AND COST AUDIT

Maintenance of cost records and requirement of cost audit as prescribed under the provisions of Section 148(1) of the Companies Act, 2013 is not applicable for the business activities carried out by the Company.

CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION

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

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

FOREIGN EXCHANGE EARNINGS AND OUTGO

During the year, there was no foreign exchange earnings. The Company incurred Rs. 0.007 crores in foreign currency towards subscription charges for maintaining public IP.

LOANS AND INVESTMENTS

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

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

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

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

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

BOARD EVALUATION

The Companies Act, 2013 requires that a formal annual evaluation of the performance of the Board, its Committees and of individual directors be carried out, annually. Further, Schedule IV of the Companies Act, 2013, lays down that the performance evaluation of Independent Directors shall be done by the entire Board of Directors, excluding the Director being evaluated.

The evaluation of all the Directors and the Board as a whole was conducted based on the criteria and framework adopted by the Board as recommended by the Nomination & Remuneration Committee and a statement indicating the criteria for formal annual evaluation as required under Section 134(3) (p) of the Companies Act, 2013, is available on the Company's website at <http://www.sundaramhome.in>.

SEPARATE MEETING OF INDEPENDENT DIRECTORS

As required under Clause VII of Schedule IV of the Companies Act, 2013 on the Code for Independent Directors, a separate Meeting of all the Independent Directors on the Company's Board was held on

26th March 2025, without the attendance of the Non-Independent Directors and the Members of the Management.

At this Meeting, the Independent Directors --

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

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

STATEMENT ON DECLARATION FROM INDEPENDENT DIRECTORS

The Company has received necessary declaration from each Independent Director under Section 149(7) of the Companies Act, 2013 that he / she meets the criteria of independence laid down in Section 149(6) of the Companies Act, 2013 and Regulation 16(1) (b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

LISTING WITH STOCK EXCHANGES

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

STATUTORY AND REGULATORY COMPLIANCE

The Company has complied with the applicable statutory provisions, including those of the Companies Act, 2013, the Income-tax Act, 1961 and other laws related to Goods and Services Tax (GST). Further, the Company has complied with the Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve

Bank) Directions, 2021, Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023, NHB's Housing Finance Companies Directions, 2010, SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, Accounting Standards issued by the Ministry of Corporate Affairs (MCA), Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI), Anti-Money Laundering guidelines, applicable labour laws and forex laws.

DETAILS OF PROCEEDINGS UNDER INSOLVENCY AND BANKRUPTCY CODE, 2016

During the year, no applications were made, or case was pending under the Insolvency and Bankruptcy Code, 2016.

CAUTIONARY STATEMENT

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

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

ACKNOWLEDGEMENT

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

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

For and on behalf of the Board of Directors

Chennai
5th May 2025

T T Srinivasaraghavan
Chairman

Annual Report on CSR Activities for the Financial Year 2024-25

[Pursuant to Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility) Rules, 2014]

1. Brief outline on CSR Policy of the Company:

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

2. Composition of CSR Committee:

The CSR Committee consists of the following Members (as on 31st March 2025):

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Harsha Viji	Chairman	1	1
2	Mrs. Bhavani Balasubramanian	Member	1	1
3	Mr. Lakshminarayanan Duraiswamy	Member	1	1

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

CSR Policy: <https://www.sundaramhome.in>

Composition of CSR Committee: <https://www.sundaramhome.in>

CSR projects approved by the board: Not applicable.

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

Not Applicable

5. (a) Average net profit of the company as per sub-section (5) of section 135: Rs.222.30 Crore

(b) Two percent of average net profit of the company as per sub-section (5) of section 135: Rs.4.45 Crore

(c) Surplus arising out of the CSR Projects or programmes or activities of the previous financial years: Nil

(d) Amount required to be set-off for the financial year, if any: Rs.1.35 Crore

(e) Total CSR obligation for the financial year [(b)+(c)-(d)]: Rs. 3.10 Crore

6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project) (Annexure I (i)): Rs.3.10 Crore

(b) Amount spent in Administrative Overheads: Rs. 0.04 lakh

(c) Amount spent on Impact Assessment, if applicable: Not Applicable

(d) Total amount spent for the Financial Year [(a) + (b) + (c)]: Rs.3.10 Crore

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

Total Amount Spent for the Financial Year (Rs. in Crore)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per sub- section (6) of section 135		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
3.10	-	-	-	-	-

(f) Excess amount for set off, if any

Sl. No.	Particular	Amount (Rs. in crores)
(i)	a) Two percent of average net profit of the company as per section 135(5)	4.45
	b) Less: Excess amount set-off for the financial year	1.35
	c) CSR obligation for the financial year	3.10
(ii)	Total amount spent for the financial year	3.10
(iii)	Excess amount spent for the financial year [(ii)-(i)]	-
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	-

7. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years:

Sl. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under sub-section of section 135 (in Rs.)	Balance Amount in Unspent CSR Account under sub-section (6) of section 135 (in Rs.)	Amount spent in the Financial Year (in Rs.)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.		Amount remaining to be spent in succeeding financial years. (in Rs.)	Deficiency, If any
					Amount (in Rs)	Date of transfer		
Nil								

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

☐ Yes ☒ No

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

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

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

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

Not Applicable

Place: Chennai

Date: 5th May 2025

Lakshminarayanan Duraiswamy

Managing Director

Harsha Viji

Chairman – CSR Committee

Annexure I (i)

Details of CSR amount spent against other than ongoing projects for the financial year 2024-25

(in Lakhs)

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/ No).	Location of the project.		Amount spent for the project (in Rs.).	Mode of implementation - Direct (Yes/No).	Mode of implementation - Through implementing agency.	
				State.	District.			Name	CSR Registration number
1.	Promoting preventive and general health care	Health	Yes	Tamil Nadu	Chennai	3.00	No	SHARANA BREAST CANCER RELIEF AND RESEARCH FOUNDATION	CSR00013905
		Health	Yes	Tamil Nadu	Chennai	3.00	No	CANCER RESEARCH AND RELIEF TRUST	CSR00009049
		Health	Yes	Tamil Nadu	Chennai	1.00	No	DR. MEHTA'S MEDICAL TRUST	CSR00012776
		Health	Yes	Tamil Nadu	Chennai	20.00	No	SRI RAMACHANDRA EDUCATIONAL AND HEALTH TRUST	CSR00001622
		Health	Yes	Tamil Nadu	Chennai	20.00	No	HINDU MISSION HOSPITAL	CSR00005035
		Health	Yes	Tamil Nadu	Chennai	1.00	No	DHARMA PARIPALANA SABHA ANNADHANAM AND CHARITABLE TRUST	CSR00024373
		Health	Yes	Tamil Nadu	Chennai	8.00	No	NEUROSCIENCES INDIA GROUP (BUDDHI CLINIC)	CSR00010540
		Health	Yes	Telangana	Hyderabad	4.00	No	HEARTFULLNESS INSTITUTE	CSR00006715
		Health	Yes	Karnataka	Bengaluru	2.00	No	DYSTROPHY ANNIHILATION RESEARCH TRUST	CSR00010562
2.	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.	Education	Yes	Tamil Nadu	Chennai	150.00	No	LAXMI CHARITIES	CSR00005940

		Education	Yes	Tamil Nadu	Chennai	10.00	No	OM CHARITABLE TRUST	CSR00002768
		Education	Yes	Tamil Nadu	Chennai	2.00	No	SRI VISHWA VIDYALAYA MATRICULATION HIGHER SECONDARY SCHOOL	CSR000023747
		Education	Yes	Tamil Nadu	Chennai	2.00	No	J K FOUNDATION	CSR000072754
		Education	Yes	Tamil Nadu	Chennai	25.00	No	SHANMUGHA ARTS SCIENCE TECHNOLOGY & RESEARCH ACADEMY	CSR00001064
		Education	Yes	Tamil Nadu	Chennai	3.00	No	CHAKKARAM FOUNDATION	CSR00002742
		Education	Yes	Tamil Nadu	Chennai	6.00	No	YATHINDRA EDUCATIONAL TRUST	CSR00004945
		Education	Yes	New Delhi	New Delhi	10.00	No	PRATHAM EDUCATION FOUNDATION	CSR00000258
3.	Protection of National Heritage, Art and Culture	National Heritage	Yes	Tamil Nadu	Chennai	20.00	No	THE KUPPUSWAMI SASTRI RESEARCH INSTITUTE	CSR00008155
4.	Environmental Sustainability, Ecological balance, Conservation of Natural resources	Ensuring environmental sustainability	Yes	Tamil Nadu	Tirunelveli	20.00	No	ATREE- ASHOKA TRUST FOR RESEARCH IN ECOLOGY AND THE ENVIRONMENT	CSR00004694
Total						310.00			

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

To the Members of
SUNDARAM HOME FINANCE LIMITED

We have examined the compliance of Corporate Governance for the year ended 31.03.2025, with respect to Regulation 17 to 27 by Sundaram Home Finance Limited, which has listed its non-convertible debt securities and has an outstanding value of listed non-convertible debt securities of Rupees One Thousand Crore and above, as stipulated under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The compliance of conditions of Corporate Governance with respect to Regulation 17 to 27 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance with respect to the said regulations. It is neither an audit nor an expression of opinion on the financial statements of the Company.

We certify that the Company has complied with the conditions of Corporate Governance for the year ended 31.03.2025, under Regulation 17 to 27 by Sundaram Home Finance Limited, which has listed its non-convertible debt securities and has an outstanding value of listed non-convertible debt securities of Rupees One Thousand Crore and above as stipulated under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We further state that no investor grievances are pending for a period exceeding one month against the Company as per the records maintained by it.

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

For V Suresh Associates
Practising Company Secretaries

V Suresh
Senior Partner
FCS No. 2969
C.P.No. 6032

Peer Review Cert. No.: 667/2020
UDIN: F002969G000266221

Place: Chennai
Date: 05th May 2025

Form No. AOC-2

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

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

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

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

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

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

Place: Chennai

Date: May 05, 2025

T T Srinivasaraghavan

Chairman

CEO/CFO CERTIFICATION FOR THE YEAR ENDED MARCH 31, 2025

[Pursuant to Regulation 17(8) and Part B of Schedule II of SEBI (LODR) Regulations, 2015]

The Board of Directors
Sundaram Home Finance Limited
Chennai

Dear Board Members,

Sub: CEO and CFO certification for the year ended March 31, 2025 in terms of Regulation 17(8) and Part B of Schedule II of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015

In terms of Regulation 17(8) read with Part B of Schedule II of SEBI (Listing obligations & Disclosure Requirements) Regulations 2015, we certify that:

- a) We have reviewed Financial Statements and the Cash Flow statement for the year ended March 31, 2025 and that to the best of our knowledge and belief:
 - i. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year ended March 31, 2025 which are fraudulent, illegal or violative of the Company's Code of Conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps taken or propose to take to rectify these deficiencies.
- d) We have indicated to the Auditors and the Audit Committee.
 - i. Significant changes in internal control over financial reporting during the year;
 - ii. Significant changes in accounting policies, if any, during the year and the same have been disclosed in the notes to the financial statements; and
 - iii. Instances of significant fraud, if any, with involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place: Chennai
Date: May 05, 2025

P.S. Sridhar
Chief Financial Officer

Lakshminarayanan Duraiswamy
Managing Director

FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31.03.2025

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A(1) and 62M(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,

The Members,
 Sundaram Home Finance Limited,
 (CIN: U65922TN1999PLC042759),
 21, Patullos Road, Chennai – 600002.

We, M Damodaran & Associates LLP, Practicing Company Secretaries, Chennai have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. Sundaram Home Finance Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2025 ("Audit Period"), complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2025 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') including amendment/ re-enactment made thereto; (to the extent applicable):-
 - (a) Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
 - (b) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [SEBI LODR];
 - (c) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (d) Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with clients;
 - (e) Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;
 - (f) Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993;

(vi) The following act and directions applicable specifically to the Company:-

- (a) The National Housing Bank Act, 1987.
- (b) The Housing Finance Companies (NHB) Directions, 2010.
- (c) Housing Finance Companies – Corporate Governance (National Housing Bank) Directions, 2016.
- (d) Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021.
- (e) Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023.

We have also examined compliance with the applicable Clauses of the following:

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

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

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive, Non-Executive and Independent Directors. There was no change in the composition of the Board of Directors during the audit period.

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

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

We further report that during the audit period, the shareholders of the Company, inter alia, had;

- i. passed a special resolution under sections 149, 150, and 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 and regulations 17, 17(1A) & 25(2A) of SEBI LODR, at the Extra-ordinary General Meeting held on May 17, 2024 for re-appointment of Mr. Mahalingam Seturaman (DIN: 00121727), as an Independent Director of the Company, who is beyond the age of 75 years, for a second term of Five years with effect from May 26, 2024 till May 25, 2029.
- ii. passed an ordinary resolution under sections 139, 142 and all other applicable provisions of the Companies Act, 2013 at the Annual General Meeting held on August 12, 2024 for appointment of M/s. Varma & Varma, Chartered Accountants, (Firm Reg. No. 004532S) as statutory auditors of the Company, to hold office for a term of 3 consecutive years and to authorize the Board of Directors of the Company to fix their remuneration.
- iii. passed a special resolution under sections 42, 71 and all other applicable provisions of the Companies Act, 2013 at the Annual General Meeting held on August 12, 2024 to issue secured/unsecured redeemable non-convertible debentures on private placement basis up to an aggregate amount not exceeding Rs. 5,000 crores during a period of one year with effect from August 12, 2024.
- iv. passed a special resolution under section 13 and all other applicable provisions of the Companies Act, 2013 at the Extra-ordinary General Meeting held on December 24, 2024 to add Clause 2 after Clause 1 in the Main Objects of Memorandum of Association of the Company.

We further report that during the audit period;

- i. The Board of Directors of the Company in their meeting dated May 17, 2024, has taken on record the event that, the Reserve Bank of India has imposed a monetary penalty of Rs. 1,50,000/- by an order dated May 09, 2024 relating to non-compliance with periodic updation of KYC of certain customers within the prescribed period for the year ended March 31, 2022 and the same has been paid by the Company on May 15, 2024.
- ii. The Board of Directors of the Company in their meeting dated March 26, 2025, re-appointed Mr. Lakshminarayanan Duraiswamy (DIN: 07988186), as Managing Director of the Company, for a second term of Five consecutive years with effect from April 01, 2025 to March 31, 2030 subject to the approval of Shareholders of the Company at the General Meeting.
- iii. The Board of Directors of the Company in their meeting dated March 26, 2025, appointed Mr. P Subramanyam (Membership No. A50561) as the Company Secretary of the Company with effect from April 01, 2025, in the place of Mr. R. Venkatasubramanian, Chief Compliance Officer and Company Secretary of the Company pursuant to the advisories dated 20.09.2024 & 13.12.2024 received from the National Housing Bank regarding the "Separation of Roles of Chief Compliance Officer & Company Secretary". Mr. R. Venkatasubramanian continued as the Chief Compliance Officer of the Company.

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

- i. issued listed Secured Redeemable Non-Convertible Debentures on Private Placement Basis.
- ii. redeemed the debentures on the respective due dates.
- iii. issued and redeemed commercial papers on various dates.

For **M DAMODARAN & ASSOCIATES LLP**

M. DAMODARAN

Managing Partner

Membership No.: 5837

COP. No.: 5081

FRN: L2019TN006000

PR 3847/2023

ICSI UDIN: F005837G000266790

Place: Chennai

Date: May 5, 2025

(This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report)

Annexure-A

To,

The Members,

Sundaram Home Finance Limited,

(CIN: U65922TN1999PLC042759),

21, Patullos Road,

Chennai – 600002.

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

1. Maintenance of secretarial records is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on the audit conducted by us.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on a test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on the test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For M DAMODARAN & ASSOCIATES LLP

M. DAMODARAN

Managing Partner

Membership No.: 5837

COP. No.: 5081

FRN: L2019TN006000

PR 3847/2023

ICSI UDIN: F005837G000266790

Place: Chennai

Date: May 5, 2025

SECRETARIAL COMPLIANCE REPORT OF THE SUNDARAM HOME FINANCE LIMITED FOR THE YEAR ENDED 31.03.2025

(Pursuant to Regulation 24A(2) & 62M(2) of the Securities and Exchange Board of India
(Listing Obligations and Disclosure Requirements) Regulations, 2015 read with
SEBI Master Circular No. SEBI/HO/DDHS/DDHS-PoD-1/P/CIR/2024/48 dated May 21, 2024)

We, M Damodaran & Associates LLP, Practicing Company Secretaries, Chennai have examined:

- (a) all the documents and records made available to us and explanation provided by SUNDARAM HOME FINANCE LIMITED ("hereinafter referred as 'the listed entity'"),
- (b) the filings/ submissions made by the listed entity to the stock exchanges,
- (c) website of the listed entity,
- (d) any other document/ filing, as may be relevant, which has been relied upon to make this certification.

for the year ended March 31, 2025 ("Review Period") in respect of compliance with the provisions of:

- (a) the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the regulations, circulars, guidelines issued thereunder; and
- (b) the Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI");

The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, include:

- (a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI LODR');
- (b) Securities and Exchange Board of India (Issue and Listing of Non-convertible Securities) Regulations, 2021;
- (c) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (d) Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (e) Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;
- (f) Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993;

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

- (a) The listed entity has complied with the provisions of the above regulations and circulars/ guidelines issued thereunder, except in respect of matters specified below:

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

- (b) The listed entity has maintained proper records under the provisions of the above regulations and circulars/ guidelines issued thereunder insofar as it appears from our examination of those records.
- (c) The following are the details of actions taken against the listed entity/ its promoters/ directors/ material subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under the aforesaid Acts/ Regulations and circulars/ guidelines issued thereunder

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

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

Sl. No.	Observations of the Practicing Company Secretary in the previous reports	Observations made in the secretarial compliance report for the year ended 31.03.2024	Actions taken by the listed entity, if any	Comments of the Practicing Company Secretary on the actions taken by the listed entity
NIL				

- (e) The listed entity is in compliance with Regulation 3(5) & 3(6) of SEBI (Prohibition of Insider Trading) Regulations, 2015 with respect to Structured Digital Database

For **M DAMODARAN & ASSOCIATES LLP**

M. DAMODARAN

Managing Partner

Membership No.: 5837

COP. No.: 5081

FRN: L2019TN006000

PR 3847/2023

ICSI UDIN: F005837G000266856

Place: Chennai

Date: May 5, 2025

Report on Corporate Governance

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

Sponsored by the Sundaram Finance Group, the Company has imbibed the Group's corporate philosophy laying strong emphasis on ethical business practices with transparency and accountability, dedicated customer service and efficient and prudent financial policies.

While striving to enhance shareholder value, the Company has adopted the sound corporate-governance and financial-disclosure policies and practices that its holding company, Sundaram Finance Ltd. (SFL), has been consistently following for over six decades.

The Company has been following the principles of Corporate Governance even before it was made mandatory. Reserve Bank of India has issued Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 mandated all Housing Finance Companies to follow the guidelines on Corporate Governance. The Company has accordingly framed the internal guidelines on Corporate Governance and the guidelines have been hosted on its website www.sundaramhome.in

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

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

2. BOARD OF DIRECTORS

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

As on 31st March 2025, the Company's Board consisted of eight directors. The Composition and category of directors, attendance of each director at the meeting of the board and the last annual general meeting, number of other board of directors or committees in which a director is a member or chairperson and number of meetings of the board of directors held and dates on which held is as under:

2.1 COMPOSITION OF THE BOARD

Sl. No.	Name of Director	Director since	Capacity (i.e. Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	DIN	Number of Board Meetings		Attendance at the last Annual General Meeting (Yes/No)	No. of other Director ships	No. of shares held in and convertible instruments held in the NBFC
					Held	Attended			
1.	Mr. T.T. Srinivasaraghavan	02.07.1999	Chairman	00018247	9	9	Yes	10	1*
2.	Mr. Harsha Viji	24.01.2020	Non-Executive	00602484	9	8	Yes	9	-
3	Mr. A.N. Raju	20.05.2021	Non-Executive	00036201	9	9	Yes	2	1*
4.	Mr. S. Mahalingam ^	04.02.2022	Independent	00121727	9	9	Yes	9	-
5.	Ms. Bhavani Balasubramanian	04.02.2022	Independent	09194973	9	9	Yes	4	-
6.	Mr. Mahesh Parasuraman	04.02.2022	Independent	00233782	9	9	No	5	-
7.	Ms. C. Sruthi	14.05.2022	Independent	07253998	9	7	Yes	3	-
8.	Mr. Lakshminarayanan Duraiswamy	25.10.2019	Executive	07988186	9	9	Yes	1	-

*Held as nominee of Sundaram Finance Limited

^ Re-appointed as Independent director for second consecutive term of 5 years with effect from 26.05.2024

There is no change in the composition of Board during the current financial year.

All the Directors of the Company have declared compliance of the 'Fit and Proper' Criteria for Directors of Housing Finance Companies' in compliance with the Directions laid down by the Reserve Bank of India.

There were no inter-se relationships between any of the Directors of the Company.

2.2 DIRECTORS' TERM

The Company's Articles of Association requires that at least two-third of the Directors shall retire by rotation and one-third of such Non-Executive Non-Independent Directors is liable to retire every year and, if eligible, may offer themselves for re-appointment. Executive Director is generally appointed by the shareholders for a fixed term. As per the provisions of the Companies Act, 2013, the Independent Directors are not liable to retire by rotation.

The details of shareholding of the Non-Executive Directors:

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

*Held as nominee of Sundaram Finance Limited

2.3 MEMBERSHIP OF OTHER BOARDS

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

Details of directorships held by the Directors in other Indian Public Limited Companies including the names of listed entities and their category of directorships as on 31st March 2025 are given below:

S. No.	Director	DIN	Directorships in other Public Limited Companies (as on 31st March 2025) **		Chairmanship/ Membership of Committees of other Public Limited Companies**		Names of Listed Companies where the person is a Director along with Category of Directorship
			Chairman	Director	Chairman	Member	
1.	Mr. T.T. Srinivasaraghavan	00018247	1	6	-	2	Sundaram Finance Limited, Director
							Five Star Business Finance Limited, Independent Director
							R K Swamy Limited, Independent Director
2.	Mr. Harsha Viji	00602484	3	5	-	1	Sundaram Finance Limited, Executive Vice Chairman
							Sundaram Finance Holdings Limited, Chairman
3.	Mr. A.N. Raju	00036201	-	2	-	1	Sundaram Finance Limited, Deputy Managing Director
4.	Ms. Bhavani Balasubramanian	09194973	-	3	3	1	Sundaram Finance Limited, Independent Director
							Hindustan Oil Exploration Company Limited
							HCL Technologies Limited, Independent Director
5.	Mr. Mahesh Parasuraman	00233782	-	1	-	-	Capital Small Finance Bank Limited, Nominee Director
6.	Mr. S. Mahalingam	00121727	-	3	2	1	Sundram Fasteners Limited, Director
							JSW Steel Limited, Independent Director
7.	Ms. C. Sruthi	07253998	-	-	-	-	-
8.	Mr. Lakshminarayanan Duraiswamy	07988186	-	1	-	1	-

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

2.4 BOARD PROCEDURES AND RESPONSIBILITIES

The Board plays a key role in ensuring that the Company adopts good corporate governance practices. The Board has a formal schedule of matters reserved for its consideration and decision. Amongst other things, the Board considers and approves:

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

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

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

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

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

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

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

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

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

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

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

3. BOARD MEETINGS

Board meetings are held in Chennai. The Board meets at least once a quarter, inter-alia, to review the operations and financial results. The Company also holds additional Board Meetings to address any specific requirement, as and when required.

The Directors are informed of the main items on the agenda for every Board meeting along with the Notice of the meeting. Detailed agenda notes are sent to them in advance of the meetings. All the urgent matters approved by way of Circular Resolutions are placed and noted at the subsequent Board meeting. The intervening gap between any two meetings is within the period prescribed by the Companies Act, 2013.

During the FY 2024-25, Nine (9) Board Meetings were held, as listed below:

S. No.	Date of Board Meeting	Total Strength of the Board	No. of Directors Present
1	23rd April 2024	8	8
2	17th May 2024	8	7
3	29th July 2024	8	8
4	23rd August 2024	8	8
5	30th October 2024	8	8
6	18th November 2024	8	7
7	28th January 2025	8	8
8	28th February 2025	8	8
9	26th March 2025	8	7

The Company's Board considered the financial results for the year ended 31st March 2025 as under:

A	First Quarter ended 30 June 2024	29 July 2024
B	Second Quarter ended 30 September 2024	30 October 2024
C	Third Quarter ended 31 December 2024	28 January 2025
D	Fourth Quarter ended 31 March 2025	05 May 2025

4. BOARD COMMITTEES

As on 31st March 2025, the Board has constituted Ten Committees to focus on specific areas and take informed decisions within the framework designed by the Board and make specific recommendations to the Board wherever necessary on the issues falling with their terms of reference.

4.1 EXECUTIVE COMMITTEE

As on 31st March 2025, the Executive Committee consisted of three Members, viz.

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

Any two Members form the quorum for meetings. The Company Secretary serves as the Secretary to the Committee. The terms of reference of the Committee, inter-alia, includes the following:

- Approval of loans, borrowings, and investments beyond the limits of the Managing Director and within limits specified by the Board.
- Review of the conduct of business and operations, considers new products and parameters and suggests business re-orientation as and when necessary.
- Review and approve builder loans up to limits prescribed by the Committee from time to time (co-investment proposals with AIF).
- Review of status of pending original title deeds.
- Approve write-offs of loans (both Principal and Interest) over and above the powers of the Managing Director and such write-offs be placed to the Board for information.

The Executive Committee met Fifteen (15) times during the year under review. Details of the meetings attended by the Members are as under:

Sl. No.	Name of Director	Member of Committee since	Capacity (i.e., Executive / Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of the Committee		No. of shares held in the NBFC
				Held	Attended	
1.	Mr. T.T. Srinivasaraghavan	31.12.1999	Chairperson	15	15	1*
2.	Mr. A.N. Raju	25.06.2021	Non-Executive	15	14	1*
3.	Mr. Lakshminarayanan Duraiswamy	30.09.2019	Executive	15	15	-

*Held as a nominee of Sundaram Finance Limited

4.2 AUDIT COMMITTEE

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

The Company Secretary serves as the Secretary to the Committee.

As of 31st March 2025, the Committee consisted of three Members. viz.

1. Ms. Bhavani Balasubramanian, Chairperson
2. Mr. S. Mahalingam
3. Mr. Mahesh Parasuraman

The Statutory Auditors and the Internal Auditors of the Company as well as the Managing Director and the senior executives of the Company

are invited to the meetings of the Committee.

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

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

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

Sl. No.	Name of Director	Member of Committee since	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of the Committee		No. of shares held in the NBFC
				Held	Attended	
1.	Ms. Bhavani Balasubramanian	21.03.2022	Chairperson	6	6	-
2.	Mr. Mahesh Parasuraman	20.07.2022	Independent	6	4	-
3.	Mr. S. Mahalingam	11.05.2023	Independent	6	5	-

4.3 ASSET LIABILITY MANAGEMENT COMMITTEE (ALCO)

As of 31st March 2025, ALCO consisted of three Members, viz.

1. Mr. Lakshminarayanan Duraiswamy, Chairperson
2. Mr. P.S. Sridhar
3. Mr. R. Venkatasubramanian

The Company Secretary serves as the Secretary to the Committee.

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

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

Sl. No.	Name of Director	Member of Committee since	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of the Committee		No. of shares held in the NBFC
				Held	Attended	
1.	Mr. Lakshminarayanan Duraiswamy	01.04.2020	Chairperson	6	6	-
2.	Mr. P.S. Sridhar	13.09.2023	Executive	6	6	-
3.	Mr. R. Venkatasubramanian	21.09.2022	Executive	6	6	-

4.4 RISK MANAGEMENT COMMITTEE (RMC)

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

The Company Secretary serves as the Secretary to the Committee.

As of 31st March 2025, the Risk Management Committee consisted of three Members viz.

1. Mr. A.N. Raju, Chairperson
2. Ms. Bhavani Balasubramanian
3. Mr. Lakshminarayanan Duraiswamy

The functions of the Committee includes:

- a) Review the risk management framework of the company – ensure that the identification, measurement and mitigation strategies are in line with the objectives of the company and as agreed to by the Board.
- b) Review Risk categorization of customers as formulated by NHB.
- c) Review Internal Audit findings as part of the risk management process.
- d) Review ALCO minutes as a part of ALM risk management.
- e) Review fraud identification and progress on fraud related cases.
- f) The Risk Management Committee shall have access to any internal and external (legal, technical or accounting) information necessary to fulfil its role.
- g) Perform such other activities related to these terms of reference as requested by the Board of Directors or to address issues related to any significant subject within its term of reference.

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

Sl. No.	Name of Director	Member of Committee since	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of the Committee		No. of shares held in the NBFC
				Held	Attended	
1.	Mr. A.N. Raju	21.03.2022	Chairperson	3	3	1*
2.	Ms. Bhavani Balasubramanian	14.05.2022	Independent	3	3	-
3.	Mr. Lakshminarayanan Duraiswamy	01.04.2020	Executive	3	3	-

*Held as a nominee of Sundaram Finance Limited

4.5 CORPORATE SOCIAL RESPONSIBILITY COMMITTEE (CSR)

In keeping with the Company’s Social Responsibilities and in accordance with the provisions of Section 135 of the Companies Act, 2013,

Corporate Social Responsibility (CSR) Committee was constituted consisting of three Directors of whom two are Independent Directors. The Company Secretary serves as the Secretary to the Committee.

As of 31st March 2025, the CSR Committee consisted of three Members, viz.

1. Mr. Harsha Viji, Chairperson
2. Ms. Bhavani Balasubramanian
3. Mr. Lakshminarayanan Duraiswamy

The functions of the Committee include:

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

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

Sl. No.	Name of Director	Member of Committee since	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of the Committee		No. of shares held in the NBFC
				Held	Attended	
1.	Mr. Harsha Viji	25.06.2021	Chairperson	1	1	-
2.	Ms. Bhavani Balasubramanian	21.03.2022	Independent	1	1	-
3.	Mr. Lakshminarayanan Duraiswamy	01.04.2020	Executive	1	1	-

4.6 NOMINATION & REMUNERATION COMMITTEE (NRC)

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

As of 31st March 2025, the Nomination & Remuneration Committee consisted of three Members, viz.

1. Mr. Mahesh Parasuraman, Chairperson
2. Mr. Harsha Viji
3. Ms. Bhavani Balasubramanian

The functions of the Committee include:

- a. identifying persons who are qualified to become Directors and who may be appointed in senior management;
- b. formulation of the criteria for determining qualifications, positive attributes and independence of Directors and recommend to the Board, a policy relating to the remuneration of Directors, key managerial personnel and other employees;
- c. formulation of criteria for evaluation of Independent Directors and the Board;
- d. devising a policy on Board diversity;
- e. undertaking the process of due diligence to determine the suitability of Directors, based upon qualification, track record, integrity and other fit and proper criteria;

- f. recommending the Director's appointment and continuation as a Director;
- g. ensuring that persons proposed to be appointed as Directors meet the relevant criteria prescribed under applicable laws;
- h. reviewing the said criteria from time to time;
- i. fixing/re-fixing the remuneration of the Executive Directors (Whole-time Directors) of the Company; and
- j. approving the remuneration/any change therein of the managerial personnel of the Company when there are no profits/inadequate profits/negative effective capital as per Schedule V to the Companies Act, 2013.

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

Sl. No.	Name of Director	Member of Committee since	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of the Committee		No. of shares held in the NBFC
				Held	Attended	
1.	Mr. Mahesh Parasuraman	21.03.2022	Chairperson	3	3	-
2.	Mr. Harsha Viji	24.01.2020	Non-Executive	3	3	-
3.	Ms. Bhavani Balasubramanian	20.07.2022	Independent	3	3	-

The Nomination & Remuneration Committee has formulated criteria for evaluation of the Board and

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

The criteria laid down for evaluation of the directors, as approved and adopted by the Board, details of which is covered in the Boards' Report forming part of this Annual Report. The remuneration policy is disclosed on the company's website <http://www.sundaramhome.in>

4.7 STAKEHOLDERS RELATIONSHIP COMMITTEE (SRC)

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

As of 31st March 2025, the Stakeholders Relationship Committee consisted of three Members, viz.

1. Mr. A.N. Raju, Chairperson
2. Ms. C. Sruthi
3. Mr. Lakshminarayanan Duraiswamy

The functions of the Committee include:

- a. approval and monitoring of transfers, transmission, split and consolidation of shares of the Company;
- b. monitoring the compliances with various statutory and regulatory requirements; and
- c. redressal of grievances of investors and security holders of the Company.

The SRC Committee met once during the year on 26th March 2025. The Company Secretary serves as the Secretary to the Committee.

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

Sl. No.	Name of Director	Member of Committee since	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of the Committee		No. of shares held in the NBFC
				Held	Attended	
1.	Mr. A N Raju	21.03.2022	Chairperson	1	1	1*
2.	Ms. C. Sruthi	20.07.2022	Member	1	1	-
3.	Mr. Lakshminarayanan Duraiswamy	01.04.2020	Member	1	1	-

*Held as a nominee of Sundaram Finance Limited

4.8 IT STRATEGY COMMITTEE

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

As of 31st March 2025, the IT Strategy Committee consisted of four Members viz.

1. Mr. S. Mahalingam, Chairperson
2. Mr. Mahesh Parasuraman
3. Mr. Sudheer Warriar
4. Mr. Lakshminarayanan Duraiswamy

The Company Secretary serves as the Secretary to the Committee.

The functions of the Committee include:

- Approving IT Strategy and Policy documents and ensuring that the Management has put an effective strategic planning process in place;
- Ascertaining that the Management has implemented processes and practices to ensure that the IT delivers value to the business;
- Ensuring IT investments represent a balance of risks and benefits and that budgets are acceptable;
- Monitoring the method that the Management uses to determine the IT resources needed to achieve strategic goals and provide high-level direction for sourcing and use of IT resources and
- Ensuring proper balance of IT investments for sustaining the Company's growth and becoming aware about exposure towards IT risks and controls.

The IT Strategy Committee met four times during the year.

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

Sl. No.	Name of Director	Member of Committee since	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of the Committee		No. of shares held in the NBFC
				Held	Attended	
1.	Mr. S. Mahalingam	25.03.2024	Chairperson	4	4	-
2.	Mr. Mahesh Parasuraman	21.03.2022	Member	4	4	-
3.	Mr. Sudheer Warriar	21.03.2022	Member	4	4	-
4.	Mr. Lakshminarayanan Duraiswamy	01.04.2020	Member	4	4	-

4.9 CUSTOMER SERVICE COMMITTEE (CSC)

In accordance with the Master Direction – Reserve Bank of India (Internal Ombudsman for Regulated Entities) Directions, 2023, a Customer Service Committee (CSC) was constituted and consists of two Non-Executive Directors, of whom one is an Independent Director.

As of 31st March 2025, the Customer Service Committee consisted of three Members, viz.

1. Mr. A.N. Raju, Chairperson
2. Ms. C. Sruthi
3. Mr. Lakshminarayanan Duraiswamy

The Company Secretary serves as the Secretary to the Committee.

The functions of the Committee include:

- Ensured that customer service consistently met the Company's standards and provided guidance for continuous improvement.
- Reviewed customer complaints, grievance redressal procedures, and reports from the Internal Ombudsman, ensuring alignment with regulatory requirements.
- Recommended technology-based enhancements ensured timely reporting to regulators and addressed customer-related matters referred by the Board or authorities.

The Customer Service Committee met thrice during the year.

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

Sl. No.	Name of Director	Member of Committee since	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of the Committee		No. of shares held in the NBFC
				Held	Attended	
1.	Mr. A N Raju	23.04.2024	Chairperson	3	3	1*
2.	Ms. C. Sruthi	23.04.2024	Member	3	3	-
3.	Mr. Lakshminarayanan Duraiswamy	23.04.2024	Member	3	3	-

*Held as a nominee of Sundaram Finance Limited

4.10 WILFUL DEFAULTERS REVIEW COMMITTEE (WDRC)

In accordance with the RBI's Master Direction on Treatment of Wilful Defaulters and Large Defaulters, a Wilful Defaulters Review Committee was constituted and consists of three Non-Executive Directors, of whom two are Independent Director.

As of 31st March 2025, the Wilful Defaulters Review Committee consisted of four Members, viz.

1. Mr. Lakshminarayanan Duraiswamy, Chairperson
2. Ms. Bhavani Balasubramanian
3. Mr. A.N. Raju
4. Ms. C. Sruthi

The functions of the Committee include:

Established a mechanism for reporting information on wilful defaulters to all Credit Information Companies (CICs) through the constitution of the Wilful Defaulters Review Committee. During the Financial Year under review, no Wilful Defaulter Review Committee meeting was held.

5. SEPARATE MEETING OF INDEPENDENT DIRECTORS

As required under Clause VII of Schedule IV of the Companies Act, 2013 on the Code for Independent Directors, a separate Meeting of all the Independent Directors on the Company's Board, viz. Mr. S. Mahalingam, Ms. Bhavani Balasubramanian, Mr. Mahesh Parasuraman and Mrs. C. Sruthi was held on 26th March 2025, without the attendance of the Non-Independent Directors and the Members of the Management.

At this Meeting, the Independent Directors:

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

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

Sl. No.	Name of Director	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of the Committee		No. of shares held in the NBFC
			Held	Attended	
1.	Mr. Mahes Parasuraman	Chairperson	1	1	-
2.	Mr. S. Mahalingam	Member	1	1	-
3.	Ms. Bhavani Balasubramanian	Member	1	1	-
4.	Ms. C Sruthi	Member	1	-	-

6. FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

The Company has familiarised the Independent Directors with their roles, rights, responsibilities in the company, nature of the industry in which the company operates, business model etc. through familiarisation programmes.

Details of the familiarisation programmes have been disclosed on the company's website <http://www.sundaramhome.in>.

7. SENIOR MANAGEMENT

The particulars of senior management including the changes therein since the close of the previous financial year is as follows:

S. No.	Names of persons categorized under 'Senior Management'	Designation
1	Mr. P S Sridhar	Chief Financial Officer
2	Mr. Gaurav Mittal	Chief Business Officer
3	Ms. Hema Ganapathy	Chief Operating Officer
4	Mr. R Venkatasubramanian ^	Chief Compliance Officer
5	Mr. Nishant P	Vice President – Emerging Business
6	Ms. Anitha Srinivasan	Chief Risk Officer
7	Mr. S Ganapathi Subramanian	Chief Human Resources Officer
8	Mr. R Mukunda Krishnan*	Chief Technology Officer
9	Ms. V Janaki	Chief Technology Officer
10	Mr. T Kailashapathy	Head-Internal Audit

^Redesignated with effect from 31.03.2025

#Resigned with effect from 30.09.2024

*Appointed with effect from 01.10.2024

8. REMUNERATIONS OF DIRECTORS

8.1 NON-EXECUTIVE DIRECTORS

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

S. No.	Name of Director	Commission (Rs.)	Sitting Fee (Rs.)
1	Mr. T.T.Srinivasaraghavan	20,00,000	3,75,000
2	Mr. A.N. Raju	-	-
3	Mr. Harsha Viji	-	-

8.2 INDEPENDENT DIRECTORS

Independent Directors are paid sitting fees for attending Board and Committee meetings. Details of the fees paid to them for the year 2024-25 are as under:

S. No.	Name of Director	Sitting Fees Paid (Rs.)	Commission Paid (Rs.)
1	Ms. Bhavani Balasubramanian	4,30,000	14,00,000
2	Mr. Mahesh Parasuraman	4,05,000	14,00,000
3	Mr. S. Mahalingam	3,75,000	14,00,000
4	Ms. C. Sruthi	2,15,000	14,00,000

8.3 MANAGING DIRECTOR

Details of remuneration paid to the Managing Director of the Company for the year 2024-25 are as under:

Particulars	Mr. Lakshminarayanan Duraiswamy, Managing Director
Salary & Allowances	2,02,27,687
Commission	92,34,989
Contribution to Provident, Superannuation and Gratuity Funds	28,59,777
Perquisites	13,56,532
Employee Stock Option	20,00,000

9. DIRECTORS' DEPOSITS WITH THE COMPANY

As on 31st March 2025, Directors and their relatives held deposits aggregating Rs.667.62 lakhs with the Company. The interest paid on the deposits of Directors and their relatives during the year amounted to Rs. 50.40 lakhs.

10. RELATED PARTY TRANSACTIONS

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

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

There are no materially significant transactions with related parties i.e., directors, management, Holding Company conflicting with the interests of your Company. The RPT Policy annexed to this report covers aspects relating to dealing with and entering into material related party transactions.

Web-link where policy on dealing with the Related Party Transaction is disclosed:

The policy on dealing with the Related Party Transaction is hosted on the website of the Company i.e. www.sundaramhome.in

11. CODE OF CONDUCT

The Company has adopted the "Code of Conduct for Directors and Senior Management of "Sundaram Home Finance Limited". The Code is available on the website of the Company at www.sundaramhome.in

The Managing Director of the Company has given a declaration that the members of the Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct of Board of Directors and Senior Management respectively, during the FY25. The said declaration has been placed as Annexure (b) to this report.

12. DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH 2025

The distribution of shareholding in the Company as on 31st March 2025 was as under:

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

* Nominees of Sundaram Finance Limited, Holding Company.

13. SHARE PRICE PERFORMANCE

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

14. SHARE TRANSFER AND INVESTOR GRIEVANCES COMMITTEE

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

15. LISTED DEBENTURES

The Company has so far privately placed a total of 348 series of secured/unsecured Non-Convertible Debentures (NCDs) of the total face value of Rs. 14575.50 crore. The NCDs have been listed on the National Stock Exchange of India Ltd. (NSE) for trading in compulsory dematerialised form. The Company is up-to-date in the payment of annual listing fees to NSE.

During the year, the Company issued fresh NCDs aggregating Rs. 2,645 crore (face value) and redeemed NCDs aggregating Rs. 1,030 crore (including debenture application money and subordinated debentures) outstanding is Rs.5,325 crore (face value) was outstanding as on 31st March 2025.

16. DETAILS OF DEBENTURE TRUSTEE

As per SEBI circular no. CIR/IMD/DF/18/2013 dated October 29, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the details of Debenture Trustees are as under:

Name: IDBI Trusteeship Services Limited
 Universal Insurance Building
 Ground Floor, Sir. P.M. Road Fort,
 Mumbai 400 001

Phone: 022- 40807000

Email: itsl@idbitrustee.com

Name: SBICAP Trustee Company Limited
 4th Floor, Mistry Bhavan,
 122 Dinshaw Vachha Road, Churchgate,
 Mumbai – 400020

Phone: 022-43025531, 022-43025555/5566

Email: shaanya.srivastava@sbicaptrustee.com, aditya.kapil@sbicaptrustee.com

17. COMMERCIAL PAPER

During the year, the Company privately placed commercial paper aggregating Rs. 1,150 crore (face value) with mutual funds and banks/ companies.

DEPOSITS

The Company mobilised fresh public deposits of Rs.272 crore during FY25. Fixed Deposits outstanding at the year-end were Rs.2,224 crore (Rs. 2,172 crore at the end of FY24).

The Company notifies depositors well ahead of the maturity of their deposits and thereafter issues periodical reminders if the deposits are not renewed or unclaimed on or after maturity. As of 31st March 2025, deposits totaling Rs.23.79 crore from 686 depositors had matured for payment but the depositors concerned had sought neither renewal nor repayment of their deposits. The Company is closely following up these cases and, as of date, such deposits stand reduced to Rs. 19.06 crore from 567 depositors.

As of 31st March 2025, there were no amounts pending to be transferred to the Investor Education and Protection Fund (IEPF).

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

18. REGISTRAR AND TRANSFER AGENT

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

Name: Cameo Corporate Services Ltd.
'Subramaniam Building' #1, Club House Road,
Chennai 600 002.
Phone: 044 – 40020700
Email: cameo@cameoindia.com
Contact Person: Mr. R.D. Ramasamy, Whole-Time Director

19. ANNUAL GENERAL MEETING

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

Financial Year	Date of Meeting	Time	Venue	Special Resolutions passed
2023-24	12th August 2024	9:30 a.m.	No.21, Patullos Road, Chennai 600 002	1. Issue of Redeemable Non-Convertible Debentures on private placement basis, up to Rs.5,000 Crores.
2022-23	7th July 2023	9.30 a.m.	No.21, Patullos Road, Chennai 600 002	1. To increase borrowing powers of the Company. 2. Creation of Charge over assets of the Company. 3. For issuance of Non-Convertible Debentures on private placement basis
2021-22	27th July 2022	9.00 a.m.	No.21, Patullos Road, Chennai 600 002	1. For issuance of Non-Convertible Debentures on private placement basis.

No resolutions were passed through postal ballot during the year ended 31st March 2025. None of the resolutions being placed at the ensuing Annual General Meeting is covered by the Postal Ballot Rules.

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

The disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 has been covered in the Boards' Report forming part of this Annual Report.

21. WHISTLE BLOWER POLICY

The Company has adopted a Whistle Blower Policy and has established the necessary vigil mechanism with effect from 1st April 2014, for Directors and Employees to report genuine concerns about unethical behaviour, pursuant to the provisions of Section 177(9) and (10) of the Companies Act, 2013 read with Rule 7 of Companies (Meetings of Board and its Powers) Rules, 2014. The vigil mechanism provides for adequate safeguards against victimisation of persons who use such mechanism and makes provision for direct access to the Chairman of the Audit Committee in appropriate or exceptional cases. It is hereby affirmed that no personnel of the Company has been denied access to the Audit Committee under the vigil mechanism. The Whistle Blower Policy has been hosted on the Company's website <http://www.sundaramhome.in>. There were no complaints during the year 2024-25.

Details of establishment of vigil mechanism / Whistle Blower policy, and affirmation that no personnel has been denied access to the audit committee:

The Company adopted a Whistle Blower Policy and established the necessary vigil mechanism with effect from April 1, 2014, for Directors and

Employees to report genuine concerns about unethical behaviour, pursuant to the provisions of Section 177(9) and (10) of the Companies Act, 2013 read with Rule 7 of Companies (Meetings of Board and its Powers) Rules, 2014. The vigil mechanism provides for adequate safeguards against victimisation of persons who use such mechanism and makes provision for direct access to the Chairperson of the Audit Committee in appropriate or exceptional cases. It is hereby affirmed that no personnel of the Company has been denied access to the Audit Committee. There were no complaints from the employees during the year 2024-25.

22. SEBI COMPLAINTS REDRESS SYSTEM (SCORES) AND NHB GRIEVANCE REGISTRATION & INFORMATION DATABASE SYSTEM (GRIDS)

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

23. MEANS OF COMMUNICATION

The primary source of information to the shareholders, customers, analysts and other stakeholders of the Company and to the public at large is through the website of the Company www.sundaramhome.in

In accordance with the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Listing Agreement with NSE, Quarterly, half-yearly and annual financial results of the Company in respect of financial year 2024-25 have been sent to NSE in the prescribed format. Further, the results have been published in newspapers, “Financial Express” (English) and “Makkal Kural” (Tamil) and are hosted on the Company’s website www.sundaramhome.in

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

24. ADDRESS FOR CORRESPONDENCE AND ANY ASSISTANCE OR CLARIFICATION

Mr. P Subramanyam is the Company Secretary. He can be contacted at the following address for any assistance or clarification:

Mr. P. Subramanyam

Company Secretary

Sundaram Home Finance Limited

Sundaram Towers, 46, Whites Road,

Chennai-600 014

Phone: 044-2858 2234

E-mail: subramanyam@undaramhome.in

25. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

26. GENERAL SHAREHOLDER INFORMATION

a) Annual General Meeting:

Date	Time	Venue
27 June 2025	10.00 a.m.	Regd. Office: No.21, Patullos Road, Chennai 600002

b) Financial year:

The financial year of the Company starts on 01st April and ends on 31st March.

c) Dividend payment date:

Dividend, if declared, will be paid within 30 days from the date of declaration.

d) Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion date and likely impact on equity:

The Company does not have any outstanding GDRs/ADRs/Warrants/ Convertible Instruments at March 31, 2025

e) Dematerialization of Shares and Liquidity:

The Company is a Wholly-Owned Subsidiary of Sundaram Finance Limited and the equity shares are held by Sundaram Finance Limited and its Nominees in dematerialized form.

f) Plant Locations: Not Applicable

g) Credit Ratings as on 31st March 2025:

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

h) Market price data- high, low during each month in last financial year: Not Applicable

i) Performance in comparison to broad-based indices such as BSE sensx, CRISIL Index etc: Not Applicable

j) In case the securities are suspended from trading: Not Applicable

k) Share Transfer System:

The Company is a Wholly Owned Subsidiary of Sundaram Finance Limited

27. OTHER DISCLOSURES:

a) Details of non-compliance with requirements of Companies Act, 2013: There has been no instance of non-compliance with the requirements of Companies Act, 2013, including with respect to compliance with accounting and secretarial standards.

b) Details of non-compliance by listed entity, penalties, strictures imposed on the listed entity by Stock Exchange(S) or the Board or any statutory authority, on any matter related to capital markets, during the last three years:

1. Year 2024-25:

The Reserve Bank of India ('RBI') has imposed a monetary penalty of Rs.1,50,000/- (Rupees One Lakh Fifty Thousand) by an order dated 10th May 2024 relating to non-compliance with periodic updating of KYC of certain customers within the prescribed period for the year ended 31st March 2022. The Company has paid the penalty of Rs. 1,50,000/- on 15.05.2024 and this was reported to the NSE.

2. Year 2023-24: NIL

3. Year 2022-23:

i. The Company has received a notice from National Stock Exchange of India (NSE) dated 30th August 2022 for non-compliance with Regulation 60(2) of SEBI (LODR) Regulations, 2015 ("Listing Regulations") for delay in record date intimation. The Company has

paid the penalty of Rs. 6,000/- plus tax on 23.06.2023 and this was reported to the NSE.

- ii. The Company has received a notice from National Stock Exchange of India (NSE) dated 27th October 2022 for non-compliance with Regulation 57(4) of SEBI (LODR) Regulations, 2015 ("Listing Regulations") for the delay in submission of details of non-convertible securities for which interest/principal obligations shall be payable during the quarter. The Company's request for waiver has been accepted by NSE vide its letter dated 19th June 2023.

c) Details of Compliance with the Mandatory requirements and adoption of Non-Mandatory Requirements:

Mandatory requirements as mentioned under SEBI LODR Regulations to the extent applicable have been complied by the Company. SEBI Listing Regulations were amended through notification dated September 07, 2021, providing for the applicability of Regulations 16 to 27, relating to corporate governance on high value debt listed entities on comply or explain basis as per the prescribed timeline and on a mandatory basis thereafter. The Company being high value debt listed entity has ensured compliance with the new requirements to the extent applicable to the Company.

D) Details of Utilisation of funds raised through preferential allotment or qualified institutional placement as specified under Regulation 32(7A) – Nil

e) Certificate from a Company Secretary in Practice that none of the Board members of the Company have been debarred or disqualified from being appointed or continuing as directors of Companies by the SEBI/Ministry of Corporate Affairs or any

– Certificate from a Practicing Company Secretary has been provided under Annexure (a).

f) Where the board had not accepted any recommendation of any committee of the board which is mandatorily required, in the relevant financial year, the same to be disclosed along with reasons thereof:

All the recommendations made by the committees of the Board during the relevant financial year were accepted by the Board.

g) Remuneration to Statutory Auditors

As required under Part C of the Schedule V of the SEBI LODR Regulations, the total fee to M/s. Varma & Varma., Chartered Accountants, Statutory Auditors is as under:

Type of Services	Amount (In Rs.)
Statutory Audit	Rs. 36,00,000
Tax Audit	Rs. 8,00,000
Certification	Based on the nature and number of certificates
Goods and Services Tax (GST)	As applicable
Travelling and other Out-of-pocket expenses	Reimbursement at actuals

h) Disclosure by listed entity and its subsidiaries of 'Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount

No such loans and advances are given by the Company.

i) Details of material subsidiaries of the listed entity: The Company has no subsidiaries.

j) The Company has complied with discretionary requirements as specified in Part E of Schedule II of SEBI (LODR) Regulations, 2015 to the extent applicable.

k) The Company has complied with corporate governance requirements specified in regulation 17 to 27 and Clause 1A Regulation 62 SEBI (LODR) Regulations, 2015.

l) The Company has complied with corporate governance requirements specified in Chapter IX of Non-Banking Financial Company-Housing Finance Company (Reserve Bank) Directions, 2021.

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

To.

The Members of SUNDARAM HOME FINANCE LIMITED,
(CIN-U65922TN1999PLC042759)
21, Patullos Road, Chennai – 600002.

We, M Damodaran & Associates LLP, Practicing Company Secretaries have examined the relevant registers, records, forms, returns and disclosures received from the Directors of SUNDARAM HOME FINANCE LIMITED having CIN - U65922TN1999PLC042759 and having registered office at 21, Patullos Road, Chennai – 600002 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2025 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in Company
1.	Mr. Thiruvallur Thattai Srinivasaraghavan	00018247	02/07/1999
2.	Mr. Harsha Viji	00602484	24/01/2020
3.	Mr. Ayalur Natarajan Raju	00036201	20/05/2021
4.	Mr. Mahalingam Seturaman#	00121727	04/02/2022
5.	Ms. Bhavani Balasubramanian	09194973	04/02/2022
6.	Mr. Mahesh Parasuraman	00233782	04/02/2022
7.	Mr. Lakshminarayanan Duraiswamy	07988186	25/10/2019
8.	Ms. Charukuru Sruthi	07253998	14/05/2022

Reappointed as an Independent Director with effect from 26th May 2024

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

For **M DAMODARAN & ASSOCIATES LLP**

M. DAMODARAN

Managing Partner

Membership No.: 5837

COP. No.: 5081

FRN: L2019TN006000

PR 3847/2023

ICSI UDIN: F005837F000387009

Place: Chennai

Date: May 5, 2025

Annexure (b)**DECLARATION BY THE CEO - CODE OF CONDUCT**

[Pursuant to Schedule V(D) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

The Board of Directors
Sundaram Home Finance Limited
Chennai

Dear Board Members,

Sub: Compliance with Code of Conduct by the Board of Directors and Senior Management Personnel in terms of Schedule V(D) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015

I, Lakshminarayanan Duraiswamy, Managing Director of Sundaram Home Finance Limited hereby declare that all the members of the Board and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct of Board of Directors and Senior Management for the financial year ended March 31, 2025.

Place: Chennai
Date: May 5, 2025

Lakshminarayanan Duraiswamy
Managing Director

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SUNDARAM HOME FINANCE LIMITED, CHENNAI FOR THE YEAR ENDED 31ST MARCH, 2025

To the Members of
Sundaram Home Finance Limited
Chennai

REPORT ON FINANCIAL STATEMENTS

OPINION

We have audited the accompanying standalone financial statements of Sundaram Home Finance Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2025, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Cash Flow Statement for the year then ended, and notes to the standalone financial statements, including material accounting policies information and other explanatory information. (hereinafter referred to as Standalone Financial statements).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2025, its profit and total comprehensive income, the changes in equity and its cash flows for the year ended on that date.

BASIS FOR OPINION

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules 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 on the standalone financial statements.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements for the financial year ended March 31, 2025. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	How our audit addressed the key audit matter
<p>Expected credit losses on loan assets</p> <p>Refer Note No 2 of material accounting policies and Note No 7 for the outstanding loan assets and Note No 34.3 of the Standalone Financial Statements for credit risk disclosures.</p> <p>As at 31 March 2025, the Company has reported gross loan assets of Rs. 15,490.55 Crores against which an impairment loss of Rs. 199.26 Crores has been recorded.</p> <p>As per the expected credit loss model of the Company developed in accordance with the principles set out in Ind-AS 109 on Financial Instruments, the Company is required to estimate the probability of expected loss based on past experience, future considerations and grouping of the loan portfolios under homogeneous pools in order to determine the probability of defaults on a collective basis. This involves a significant degree of estimation and judgement in estimating the expected credit losses, including</p> <ul style="list-style-type: none"> Quantitative and Qualitative factors used in determination of staging of financial assets; estimation of probability of defaults, and loss given defaults, <p>The PD and the LGD are the key drivers of estimation complexity in the ECL and as a result are considered the most significant judgmental aspect of the Company's modelling approach.</p> <p>Additionally, regulatory requirements on asset classification as notified by RBI have been collectively considered by the management in the classification / staging of financial assets including additional provision as part of its Expected Credit Loss provision on loans.</p> <p>Considering the significance of the above matters to the overall Standalone Financial Statements, and extent of management's estimates and judgements involved and also the significant auditor attention required to test such complex accounting estimates, we have identified this as a key audit matter.</p>	<p>Our audit focused on assessing the appropriateness of management's judgment and estimates used in the impairment analysis through procedures that included, but were not limited to, the following:</p> <ul style="list-style-type: none"> Obtained an understanding of the modelling techniques adopted by the Company including the key inputs and assumptions. Since modelling assumptions and parameters are based on historical data, we assessed whether historical experience was representative of current circumstances and was relevant in view of the recent impairment losses incurred within the portfolios; Considered the Company's accounting policies for estimation of expected credit loss on loans and assessing compliance with the policies in terms of Ind AS 109. Assessed and tested the design and operating effectiveness of the key controls over the completeness and accuracy of the key inputs and assumptions considered for calculation, recording and monitoring of the impairment loss recognized. Also, evaluated the controls over the modelling process, validation of data and related approvals; Performed a critical assessment of assumptions and input data used in the estimation of expected credit loss models for specific key credit risk parameters, such as the transfer logic between stages, probability of default (PD) or loss given default (LGD); Performed an assessment of the adequacy of the credit losses expected within 12 months by reference to credit losses actually incurred on similar portfolios historically; Assessed the appropriateness and adequacy of the related presentation and disclosures in the accompanying Standalone Financial Statements in accordance with the applicable accounting standards and related RBI circulars; and Obtained written representations from management on whether they believe significant assumptions used in calculation of expected credit losses are reasonable;

Information Other than the Standalone Financial Statements and Auditor's Report thereon (Other Information)

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report of the Company for the financial year ended March 31, 2025 but does not include the standalone financial statements and our auditor's report thereon. The Company's annual report is expected to be made available to us after the date of this Auditors' Report.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the reports containing the other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under the relevant laws and regulations.

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of

the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 standalone financial statements.

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

We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone 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 standalone financial statements including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the financial year ended March 31, 2025 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public

disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
 - (c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with relevant rules issued thereunder.
 - (e) On the basis of the written representations received from the directors as on March 31, 2025 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2025 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to financial statements
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

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

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company has disclosed the impact of pending litigations on its financial position in the standalone financial statements – Refer Note No 33.10 to the standalone financial statements
- ii. The Company did not have any long-term contracts including derivative contracts for which there were material foreseeable losses.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2025.
- iv. a) The Management has represented that, to the best of its knowledge and belief, as disclosed in the Note No 33.30 to the standalone financial statements, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

- b) The Management has represented, that, to the best of its knowledge and belief, as disclosed in the Note No 33.30 to the standalone financial statements, no funds (which are material either individually or in the aggregate) 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;

- c) Based on the audit procedures performed by us that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. a) The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with Section 123 of the Act, as applicable.
- b) The interim dividend declared and paid by the Company during the year is in accordance with section 123 of the Companies Act 2013.
- c) stated in Note No 33.14 to the financial statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act, as applicable.
- vi. Based on our examination, which included test checks, the Company has used accounting software for maintaining its books of account for the financial year ended March 31, 2025, which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with. Additionally, the audit trail has been preserved by the Company as per the statutory requirements for record retention.

For Varma & Varma
Chartered Accountants
Firm Registration. No. 004532S

P.R Prasanna Varma
Partner

Place: Chennai
Date : 05-05-2025

M.No : 025854
UDIN: 25025854BMOBJC5084

ANNEXURE - A TO THE INDEPENDENT AUDITOR'S REPORT

ANNEXURE A REFERRED TO IN PARAGRAPH 1 UNDER THE HEADING “REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS” OF OUR INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF SUNDARAM HOME FINANCE LIMITED FOR THE YEAR ENDED MARCH 31, 2025.

The Annexure referred to in Independent Auditors' Report to the members of the company on the financial statements for the year ended 31st March 2025, we report that:

- i. a) i) According to the information and explanations given to us and the records of the Company examined by us, the Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment, Assets held for sale and relevant details of right-of-use assets.
- ii) According to the information and explanations given to us and the records of the company examined by us, the Company has maintained proper records showing full particulars of intangible assets.
- b) According to the information and explanations given to us and the records of the Company examined by us, the Company has physically verified its Property Plant and Equipment, Assets held for sale and right-of-use assets which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. According to the information and explanations given to us and basis our verification of the records produced, we report that no material discrepancies were noticed on such verification.
- c) According to the information and explanations given to us and the records of the Company examined by us, we report that the title deeds of immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee), disclosed in the financial statements are held in the name of the Company as at the balance sheet date.
- d) According to the information and explanations given to us and the records of the Company examined by us, the Company has not revalued any of its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year. Hence, reporting under clause 3(i)(d) of the Order is not applicable.
- e) According to the information and explanations given to us and the records of the Company examined by us, there are no proceedings initiated or pending against the Company as at March 31, 2025 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- ii. According to the information and explanations given to us and the records of the Company examined by us,
 - a) The Company is a Non-Banking Finance Company (NBFC), primarily engaged in financing activities and it does hold any physical inventories. Hence, reporting under clause 3(ii)(a) of the Order is not applicable.
 - b) The company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks during the year on the basis of security of current assets. In our opinion, based on a comparison, the quarterly statements of receivables filed by the company with such banks are seen to be in agreement with the books of account of the Company. The Company has not availed working capital limit from any financial institution.
- iii. During the year, in the ordinary course of its business, the Company has made investments in and granted loan or advances in the nature of loans secured to Companies, Firms, Limited Liability Partnerships (LLPs) and other parties. The Company has not provided any guarantee or securities or granted any unsecured loans to Companies, Firms, Limited Liability Partnerships (LLPs) and other parties. In respect of the same, we report that;
 - a) The Company being an NBFC, the reporting under the Clause (iii)(a) is not applicable.

- b) According to the information and explanations given to us and the records of the Company examined by us, the terms and conditions of the investments made and grant of loans, during the year are, prima facie, not prejudicial to the Company's interest. The company has not provided any guarantee or given any security during the year.
- c) According to the information and explanations given to us and the records of the Company examined by us, in respect of loans granted by the Company, the schedule of repayment of the principal and payment of interest have been stipulated. Being an NBFC, there are instances of irregularities in repayment of principal amounts and receipt of interest as per stipulated terms, i.e, cases where the same were not repaid/ paid when they were due or were repaid/ paid with a delay, in the normal course of lending business. Loan assets with balance as at 31 March 2025, aggregating to Rs158.69 crore were categorised as credit impaired ('Stage 3') and Rs 680.18 crore were categorised as those where the credit risk has increased significantly since initial recognition ('Stage 2'). Disclosures in respect of such loans have been provided in Note No 34.3.1a to the standalone financial statements. Additionally, out of loans and advances in the nature of loans with balances as at the year end aggregating to Rs.14,650.53 crore, where credit risk has not significantly increased since initial recognition (categorised as 'Stage 1'), delinquencies in the repayment of principal and payment of interest where noted in loans with aggregate outstanding balance amounting to Rs. 201.74 crore as at March 31, 2025. In all other cases, the repayment of principal and interest is regular. Having regard to the nature of business undertaken by the company and the volume of information involved, specific details of the irregularities are not reported.
- d) In respect of loans and advances in the nature of loans, the total amount outstanding of loans classified as credit impaired ("Stage 3", representing overdue for more than 90 days) is Rs. 158.69 crore in respect of 425 loans as at March 31, 2025, as disclosed in Note 34.3.1a to the financial statements. In such instances, in our opinion, reasonable steps have been taken by the Company for recovery of the overdue amount of principal and interest
- e) The Company is an NBFC, whose principal business is to give loans. Hence, reporting under clause 3(iii)(e) is not applicable.
- f) The Company has not granted any loans or advances in the nature of loans that were either repayable on demand or without specifying any terms or period of repayment
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and sub-section (1) of Section 186 of the Act in respect of the investments made by it. The company has not given any loans, or provided any guarantee or security. The provisions of sub-sections (2) to (11) of Section 186 are not applicable to the Company as it is a non-banking financial company registered with the RBI engaged in the business of giving loans.
- v. The Company has complied with the directives issued by the Reserve Bank of India with regard to the deposits accepted and amounts deemed to be deposits during the year. The Company being a Housing Finance Company registered with National Housing Bank, the provisions of sections 73 to 76 or any other relevant provisions of the Act, and the Companies (Acceptance of Deposits) Rules, 2014, as amended are not applicable. According to the information and explanations given to us, no order has been passed by the Company Law Board or the National Company Law Tribunal or Reserve Bank of India or by any other court or tribunal with regard to aforesaid deposits.
- vi. To the best of our knowledge and according to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act for any of the services rendered by the Company. Hence, reporting under clause 3(vi) of the Order is not applicable.
- vii. a. As per the information and explanations furnished to us, and according to our examination of the records of the Company, the undisputed statutory dues including goods and service tax, provident fund, employees state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable to the Company have generally been regularly deposited by the company with the appropriate authorities and no undisputed amounts in respect of

- material statutory dues were in arrears as at 31st March, 2025 for a period of more than six months from the date they became payable.
- b. According to the information and explanations given to us and based on the records of the Company examined by us, there are no dues referred to in sub-clause (a) that have not been deposited on account of any dispute as at 31st March, 2025.
- viii. According to the information and explanations given to us and the records of the Company examined by us, there were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961
 - ix. According to the information and explanations given to us and on the basis of our examination of the records of the Company:
 - a) The Company has not defaulted in repayment of loans or other borrowings or in payment of interest thereon to any lender.
 - b) The Company has not been declared willful 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 has utilized the money obtained by way of term loans during the year for the purposes for which they were obtained, other than temporary deployment pending application of proceeds.
 - d) On an overall examination of the Financial Statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
 - e) The Company does not have any subsidiaries, associates or joint ventures and hence, reporting on clause 3(ix)(e) of the Order is not applicable.
 - f) The Company does not have any subsidiaries, associates or joint ventures and hence, reporting on clause 3(ix)(f) of the Order is not applicable.
 - x. According to the information and explanations given to us and the records of the Company examined by us,
 - a) no moneys were raised by way of initial public offer or further public offer (including debt instruments) and hence, reporting on clause 3(x)(a) of the Order is not applicable.
 - b) The Company has not made any preferential allotment or private placement of equity shares and of fully or partly or optionally convertible debentures during the year.
 - xi.
 - a) During the course of our examination of the books and records of the Company carried out in accordance with generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instances of fraud by the Company or on the Company, noticed or reported during the year, except for frauds on the company amounting to Rs 7.01 crore as stated in Note No 33.11 to the accompanying financial statements.
 - b) A report under sub-section (12) of section 143 of the Companies Act 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 in respect of fraud committed by an employee on the company.
 - c) According to the information and explanations given to us and the records of the Company examined by us, the Company has not received whistle-blower complaints during the year and hence, reporting on clause 3(xi)(c) of the Order is not applicable.
 - xii. The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable.
 - xiii. According to the information and explanations given to us and the records of the Company examined by us, all transactions with the related parties are in compliance with Sections 177 and 188 of the Act, where applicable and the details of such transactions have been disclosed in Note No 33.9 to the standalone financial statements as required by the applicable Ind AS.
 - xiv.
 - a) The Company has an internal audit system, which, in our opinion is commensurate with the size and nature of its business.

- b) We have considered the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- xv. According to the information and explanations given to us and based on the records of the Company examined by us, the company has not entered into any non-cash transactions with directors or persons connected with the directors and hence, reporting under clause 3(xv) of the Order is not applicable.
- xvi. According to the information and explanations given to us and the records of the Company examined by us,
- a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Therefore, the provisions of clause 3(xvi)(a) of the Order are not applicable to the Company.
- b) The Company has conducted Housing Finance activities during the year with a valid Certificate of Registration (CoR) from the National Housing Bank.
- c) The company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Hence, reporting under clause 3(xvi)(c) of the Order is not applicable.
- d) Based on the information and explanations given to us and the audit procedures performed by us, we report that the Group has one Core Investment Company.
- xvii. The Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors of the Company during the year.
- xix. According to the information and explanations given to us and the records of the Company examined by us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets, payment of financial liabilities and other information accompanying the standalone financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that the 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 the records of the Company examined by us,
- a) There are no unspent amounts towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable for the year.
- b) There are no unspent amounts towards Corporate Social Responsibility (CSR) on ongoing projects as at the end of the previous financial year or at the end of current financial year requiring a transfer to a Special Account in compliance with sub-section (6) of Section 135 of the said Act. Accordingly, reporting under clause 3(xx)(b) of the Order is not applicable for the year.

For Varma & Varma
Chartered Accountants
Firm Registration. No. 004532S

P.R Prasanna Varma
Partner

Place: Chennai
Date : 05-05-2025

M.No : 025854
UDIN: 25025854BMOBJC5084

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

ANNEXURE B' REFERRED TO IN PARAGRAPH 2(F) UNDER THE HEADING
"REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR INDEPENDENT AUDITOR'S REPORT OF
EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF

SUNDARAM HOME FINANCE LIMITED FOR THE YEAR ENDED MARCH 31, 2025

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

We have audited the internal financial control with reference to standalone financial statements of Sundaram Home Finance Limited ("the Company") as of March 31, 2025 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls with reference to standalone financial statements based on 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 Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act,

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 with reference to standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls with reference to Standalone Financial Statements

A Company's internal financial controls with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the

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

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

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to standalone financial statements to future periods are subject to the risk that the internal financial controls with reference

to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2025, based on the criteria for internal financial control with reference to standalone financial statements 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 ICAI.

For Varma & Varma
Chartered Accountants
Firm Registration. No. 004532S

P.R Prasanna Varma
Partner

Place: Chennai
Date : 05-05-2025

M.No : 025854
UDIN: 25025854BMOBJC5084

FINANCIAL STATEMENTS

2024-2025

Balance Sheet as at 31st March, 2025

(₹ in crores)

Particulars	Note No.	31st March 2025	31st March 2024
ASSETS			
Financial Assets			
Cash and cash equivalents	4	91.54	12.68
Bank Balances other than Cash and cash equivalents	5	11.51	21.75
Receivables			
- Trade Receivables	6	5.67	1.82
Loans	7	15,291.29	12,811.85
Investments	8	380.82	331.22
Other Financial assets	9	106.06	42.14
Non-financial Assets			
Current tax Assets (Net)		38.81	44.96
Deferred tax Assets (Net)	10	30.43	48.77
Property, Plant and Equipment	11	26.96	34.20
Asset Held for Sale	11 (a)	8.81	-
Right of Use Assets	12	29.38	21.85
Intangible assets under development	13	0.11	3.73
Other Intangible assets	13	7.54	1.68
Other Non-Financial assets	14	32.02	29.36
Total Assets		16,060.95	13,406.01
LIABILITIES AND EQUITY			
LIABILITIES			
Financial Liabilities			
Payables			
(I) Trade Payables			
(i) Total outstanding dues of micro enterprises and small enterprises	15	5.68	0.57
(i) Total outstanding dues of creditors other than micro enterprises and small enterprises	15	23.11	22.94
(II) Other Payables			
(i) Total outstanding dues of micro enterprises and small enterprises	15	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	15	6.58	-
Debt Securities	16	6,684.50	4,114.20
Borrowings (Other than Debt Securities)	17	4,734.62	4,956.31
Deposits	18	2,317.21	2,235.53
Subordinated Liabilities	19	-	65.85
Other financial liabilities	20	165.36	106.41
Non-Financial Liabilities			
Provisions	21	16.07	15.08
Other Non-Financial liabilities	22	10.87	8.86
EQUITY			
Equity Share Capital	23	101.25	101.25
Other Equity *	23 (e)	1,995.70	1779.01
Total Liabilities and Equity		16,060.95	13,406.01

Material Accounting Policies Information and Notes to the Standalone Financial Statements 1 - 38

* Refer Statement of Changes of Equity

As per our report of even date attached
For **Varma & Varma**
Chartered Accountants
FRN : 004532S

P.R.Prasanna Varma
Partner
Membership No. 025854
Chennai
5th May 2025

T.T. Srinivasaraghavan
Chairman
DIN No.00018247

Lakshminarayanan Duraiswamy
Managing Director
DIN No.07988186

P Subramanyam
Company Secretary

Bhavani Balasubramanian
Director
DIN No.09194973

Sridhar. P.S
Chief Financial Officer

SUNDARAM HOME FINANCE LIMITED

Statement of Profit and Loss for the year ended 31st March, 2025

(₹ in crores)

Particulars	Note No.	April 2024 - March 2025	April 2023 - March 2024
Revenue from operations			
Interest Income	24	1,472.42	1,318.36
Fees and commission Income	25	17.38	14.42
Recovery of Bad debts		9.09	14.22
Net gain on fair value changes	26	7.12	24.73
Net gain on derecognition of Financial Assets (At Amortised Cost)	27	88.29	38.90
Total Revenue from operations		1,594.30	1,410.63
Other Income	28	2.25	1.12
Total Income		1,596.55	1,411.75
Expenses			
Finance Costs	29	966.55	830.30
Employee Benefits Expenses	30	181.49	142.03
Depreciation, Amortization and Impairment	11,12 &13	22.71	17.14
Administrative and other expenses	31	104.11	90.04
Impairment on financial instruments	32	10.37	24.04
Total Expenses		1,285.23	1,103.55
Profit before tax		311.32	308.21
Tax Expense:			
Current Tax		48.32	64.35
Deferred Tax		18.34	8.03
Total Tax Expense		66.66	72.38
Profit after tax		244.66	235.83
Other Comprehensive Income (OCI)			
(A) (i) Items that will not be reclassified to profit or loss			
Remeasurement of the defined benefit plans		(0.88)	(2.20)
(ii) Income tax relating to items that will not be reclassified to profit or loss		0.22	0.55
Subtotal (A)		(0.66)	(1.65)
(B) (i) Items that will be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
Subtotal (B)		-	-
Other Comprehensive Income (A + B)		(0.66)	(1.65)
Total Comprehensive Income for the period comprising Profit and other comprehensive income for the period		244.00	234.18
Earnings per equity share on Face Value of ₹10 per share			
Basic & Diluted (₹) (Annualised)		24.16	23.29

Material Accounting Policies Information and Notes to the Standalone Financial Statements 1-38

As per our report of even date attached
For **Varma & Varma**
Chartered Accountants
FRN : 004532S

P.R.Prasanna Varma
Partner
Membership No. 025854
Chennai
5th May 2025

T.T. Srinivasaraghavan
Chairman
DIN No.00018247

Lakshminarayanan Duraiswamy
Managing Director
DIN No.07988186

P Subramanyam
Company Secretary

Bhavani Balasubramanian
Director
DIN No.09194973

Sridhar. P.S
Chief Financial Officer

Statement of Changes in Equity for the year ended 31st March 2025

A. Equity Share Capital

(₹ in crores)

Particulars	As at 31st March 2025	As at 31st March 2024
Balance at the beginning of the reporting period	101.25	101.25
Changes in Share Capital due to changes in Accounting Policies and prior period errors	-	-
Restated balance at the beginning of the current reporting period	101.25	101.25
Changes in equity share capital during the year	-	-
Balance at the end of the reporting period	101.25	101.25

B. Other Equity

(₹ in crores)

Particulars	Reserves and Surplus							Total
	Statutory Reserves	General Reserve	Securities Premium	Special Reserve U/s 36(1)(viii) of Income Tax Act, 1961	Retained Earnings	ESOP Reserve	ESOP Reserve	
Balance as at 01st April 2023	-	39.61	610.00	204.75	386.74	460.65	2.03	1,703.78
Changes in accounting policy/prior period errors	-	-	-	-	-	-	-	-
Restated balance at the beginning of the reporting year	-	39.61	610.00	204.75	386.74	460.65	2.03	1,703.78
Profit for the year	-	-	-	-	-	235.82	-	235.82
Other Comprehensive Income for the year	-	-	-	-	-	(1.65)	-	(1.65)
Appropriations made during the year	-	15.46	-	-	31.71	(47.17)	-	-
Dividends (Final FY 22-23))	-	-	-	-	-	(101.25)	-	(101.25)
Dividends (Interim FY 23-24)	-	-	-	-	-	(58.37)	-	(58.37)
Options granted during the year	-	-	-	-	-	-	0.51	0.51
Transfer to retained earnings	-	-	-	-	-	-	-	-
INDAS Amendment of Deferred tax on ROU Assets	-	-	-	-	-	0.16	-	0.16
Balance as at 31st March, 2024	-	55.07	610.00	204.75	418.45	488.20	2.54	1,779.01
Balance as at 01st April 2024	-	55.07	610.00	204.75	418.45	488.20	2.54	1,779.01
Changes in accounting policy/prior period errors	-	-	-	-	-	-	-	-
Restated balance at the beginning of the reporting year	-	55.07	610.00	204.75	418.45	488.20	2.54	1,779.01
Profit for the year	-	-	-	-	-	244.66	-	244.66
Other Comprehensive Income for the year	-	-	-	-	-	(0.66)	-	(0.66)
Appropriations made during the year	-	14.76	-	-	34.17	(48.93)	-	-
Dividends (Final FY 23-24))	-	-	-	-	-	(0.59)	-	(0.59)

Particulars	Reserves and Surplus							Total
	Statutory Reserves	General Reserve	Securities Premium	Special Reserve U/s 36(1)(viii) of Income Tax Act, 1961	Retained Earnings	ESOP Reserve	ESOP Reserve	
Dividends (Interim FY 24-25)	-	-	-	-	-	(27.64)	-	(27.64)
Options granted during the year	-	-	-	-	-	-	0.92	0.92
Transfer to retained earnings	-	-	-	-	-	-	-	-
Balance as at 31st March 2025	-	69.83	610.00	204.75	452.62	655.04	3.46	1995.70

- a) Statutory Reserve & Special Reserve U/s.36(1)(viii) of the Income Tax Act, 1961
- The Special Reserve has been created over the years in terms of Section 36 (1) (viii) of the Income-tax Act, 1961 and Section 29C(i) of the National Housing Bank Act, 1987.
 - As per Section 29C(i) of the National Housing Bank Act, 1987, the Company is required to transfer at least 20% of its net profits every year to a reserve before any dividend is declared. For this purpose, a transfer to any Special Reserve created by the Company under Section 36 (1) (viii) of the Income-tax Act, 1961 is considered to be an eligible transfer. The Company has transferred 14.76 Crores (March 31, 2024 - 15.46 crore) to the statutory reserve u/s 29C(i) of NHB Act and 34.17 Crores (March 31, 2024 - 31.71 Crores) to the Special Reserve in terms of Section 36 (1) (viii) of the Income-tax Act, 1961.
- b) ESOP Reserve: Represents reserve on grant of option to employees of the company by the Holding company under Employee Stock option Scheme.
- c) Securities Premium: Represents proceeds received in excess of the face value of shares of the Company.
- d) General reserve: Represents amount appropriated from retained earnings.
- e) The Amendments in Schedule III pertaining to SOCE:

Particulars	31st March 2025	31st March 2024
Equity component of compound financial instruments	NIL	NIL
Capital Reserve		
Others- Remeasurement of Employee Benefits		
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		
Money received against share warrants		

As per our report of even date attached
For **Varma & Varma**
Chartered Accountants
FRN : 004532S
P.R.Prasanna Varma
Partner
Membership No. 025854
Chennai
5th May 2025

T.T. Srinivasaraghavan
Chairman
DIN No.00018247

Lakshminarayanan Duraiswamy
Managing Director
DIN No.07988186

P Subramanyam
Company Secretary

Bhavani Balasubramanian
Director
DIN No.09194973

Sridhar. P.S
Chief Financial Officer

Cash Flow Statement for the year ended 31 March 2024

(₹ in crores)

Particulars		2024-25	2023-24
CASH FLOW FROM OPERATING ACTIVITIES:			
Profit before Tax		311.32	308.21
Add: Finance Cost		966.55	830.30
Depreciation & Amortization		22.71	17.14
Impairment on Financial Instruments		10.37	24.04
Share Based Payments to employees		0.92	0.51
Less: Profit on sale of Property Plant & Equipment (Net)		(0.06)	(0.30)
Gain on Preclosure of Lease		(0.01)	(0.04)
(Profit) / Loss on sale of Investments		(7.12)	(24.73)
Interest Income from Investments		(23.42)	(30.00)
IND AS interest income net of prepaid rent amortisation		(0.27)	(0.24)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		1,280.99	1,124.90
(Increase)Decrease in Trade Receivables		(3.85)	(1.73)
(Increase) Decrease in Loans		(2,485.50)	(1,947.93)
(Increase) Decrease in Bank Balances other than Cash and cash equivalents		10.13	(0.23)
(Increase) Decrease in Other Financial Assets		(64.30)	(36.90)
(Increase) Decrease in Other Non Financial Assets		(6.34)	(7.75)
Increase (Decrease) in Trade Payables		11.86	8.53
Increase (Decrease) in Other Financial Liabilities		50.25	46.31
Increase (Decrease) in Other Non Financial Liabilities		2.01	4.25
Increase (Decrease) in Provisions		0.11	3.28
Cash Generated From Operations		(1,204.64)	(807.28)
Finance Cost		(887.22)	(726.76)
Direct Taxes Paid		(41.95)	(69.85)
NET CASH FROM OPERATING ACTIVITIES	(A)	(2,133.80)	(1,603.89)
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of PPE & Other Intangible assets		(14.04)	(16.07)
Sale of PPE & Other Intangible assets		0.15	0.45
Sale of Investments		4,070.37	7,908.90
(Purchase)of Investments		(4,112.66)	(7,570.59)
Interest Received		23.33	33.89
NET CASH FROM INVESTING ACTIVITIES	(B)	(32.85)	356.58

(₹ in crores)

Particulars		2024-25	2023-24
CASH FLOW FROM FINANCING ACTIVITIES			
Increase (Decrease) in Debt Securities			
Availment		3,778.92	2,129.22
Repayment		(1,330.00)	(1,625.00)
Increase (Decrease) in Borrowings other than debt securities			
Availment		2,339.39	1,981.11
Repayment		(2,559.33)	(1,269.46)
Increase (Decrease) in Public Deposits			
Availment		278.56	402.31
Repayment		(220.35)	(200.58)
Repayment of lease liabilities		(13.46)	(9.72)
Dividend paid		(28.22)	(159.62)
NET CASH FROM FINANCING ACTIVITIES	(C)	2,245.51	1,248.26
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS			
(A)+(B)+(C)		78.86	0.95
Cash and cash equivalents at the Beginning of the Year		12.68	11.73
Cash and cash equivalents at the End of the Year		91.54	12.68
COMPONENTS OF CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR			
Current Account with Banks		86.58	5.38
Cheques Drafts on Hand		4.68	6.70
Cash on hand		0.28	0.60
Cash & Cash equivalents		91.54	12.68

As per our report of even date attached
For **Varma & Varma**
Chartered Accountants
FRN : 004532S

P.R.Prasanna Varma
Partner
Membership No. 025854
Chennai
5th May 2025

T.T. Srinivasaraghavan
Chairman
DIN No.00018247

Lakshminarayanan Duraiswamy
Managing Director
DIN No.07988186

P Subramanyam
Company Secretary

Bhavani Balasubramanian
Director
DIN No.09194973

Sridhar. P.S
Chief Financial Officer

NOTES TO ACCOUNTS

General information:

Sundaram Home Finance Limited ('the Company') is a Public Limited Company incorporated in India, having Corporate Identification Number (CIN) - U65922TN1999PLC042759 with its registered office located at No.21, Patullos Road, Chennai – 600 002. The company is a wholly owned subsidiary of Sundaram Finance Ltd (Holding Company). The Company is a deposit taking housing finance Company registered with National Housing Bank (NHB) Act, 1987, having registration number –DOR-00010. The Company's main business is to provide loans for/against purchase, construction, repairs and renovations of housing/commercial properties. All other activities of the Company revolve around the main business.

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

1. Basis of preparation and presentation

1.1 Statement of Compliance

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

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

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

In addition, the guidance notes and announcement issued by the Institute of Chartered Accountants of India are also

applied, except where the compliance with other statutory provisions requires different treatment.

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

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

1.2 Accounting Convention

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

2. Material Accounting policies

2.1 Revenue recognition

A) Interest Income

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

B) Income on derecognised (assigned) loans

The Company, on de-recognition of financial assets under the direct assignment transactions, recognises the right of excess interest spread (EIS) which is difference between interest on the loan portfolio assigned and the applicable rate at which the direct assignment is entered into with the assignee. The Company records the discounted value of future EIS based on the contracts entered with the assignees, upfront in the Statement of Profit and Loss.

NOTES TO ACCOUNTS (Contd.)

Any subsequent increase or decrease in the fair value of future EIS is recognised in the period in which it occurs. The embedded interest component in the future EIS is recognised as interest income in line with Ind AS 109 - 'Financial instruments'.

C) Fees and commission income

Fees, charges and reimbursements due from customers as per the contractual terms of the loan are recognised on realisation.

Servicing fees on securitisation transactions are recognised upon completion of services.

Commission and brokerage income earned from distribution of financial services are recognised as and when they are due.

D) Recoveries

The Company recognises income on recoveries of financial assets written off on realisation or when the right to receive the same without any uncertainties of recovery is established.

2.2 Evaluation of Business Model:

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

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

- a. how the performance of the business model and the financial assets held within that business model are evaluated and reported to the Company's key management personnel.

- b. the risks that affect the performance of the business model (and the financial assets held within that business model) and the way in which those risks are managed.

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

2.3 Measurement of fair values

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

2.4 Financial instruments

A financial instrument is any contract that gives rise to a financial asset for one entity and a financial liability or equity instrument for another entity. Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets/liabilities

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

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

NOTES TO ACCOUNTS (Contd.)

Classification and subsequent measurement:

Financial Assets

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

At Amortised Cost

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

- The asset is held within a business model whose objective is to hold them to collect contractual cash flows and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the amount outstanding.
- When the contractual cash flows of a financial asset are renegotiated or otherwise modified and the renegotiation or modification does not result in the derecognition of that financial asset, the Company has recalculated the gross carrying amount of the financial asset and has recognised a modification gain or loss in profit or loss.

Such Financial assets are subsequently measured at amortised cost using the Effective Interest rate method.

At Fair Value through Other Comprehensive Income (FVTOCI)

Financial assets are subsequently measured at fair value through other comprehensive income if these financial assets are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding.

At Fair Value through Profit or Loss (FVTPL)

Any financial instrument, which does not meet the criteria for categorisation as amortized cost or as Fair Value Through

Other Comprehensive Income (FVTOCI), is classified as at Fair Value Through P&L (FVTPL). In addition, the Company may elect to classify a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). Debt instruments included within the FVTPL category are measured at fair value with all changes recognised in the profit and loss.

Fair value hierarchy

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

Level 1 - This level includes financial assets that are measured by reference to quoted prices in active markets for identical assets or liabilities.

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

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

Financial liabilities

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

NOTES TO ACCOUNTS (Contd.)

2.5 Impairment of Financial Assets

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

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

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

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

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

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

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

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

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

Stage 3 - Where instalments are overdue beyond 90 days
12 months ECL represents the expected default events on the financial asset that are possible within 12 months after the reporting date.

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

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

Lifetime Expected Credit Loss represent the expected credit loss from default events over the expected life of a financial asset.

The Probability of Default (PD) model has been developed for all the major asset classes using a statistical and iterative approach. The design and construction of the model involves identification of various credit parameters and variables that have a strong and direct correlation to propensity of default.

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

The PD for stage 3 contracts is considered at 100%.

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

The PD is considered @ 100% for (a) Customers in stage 3 and (b) Customers who were earlier in stage 3 and currently in stage 1/ Stage 2 whose arrears have not been fully updated since their slippage into Stage 3.

As per ECL policy, the company provides 100% for the identified fraud cases and accounts where recoverability is uncertain.

Loss Given Default (LGD)

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

NOTES TO ACCOUNTS (Contd.)

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

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

Policy on write off: Loans are written off when the value of underlying security/other collateral is not sufficient to cover the loan exposure or where the underlying security / customer are not traceable. In such cases, the company takes legal recourse for recovery of shortfall of dues, if any.

De-recognition of financial assets and financial liabilities

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

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

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

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

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

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

Offsetting of financial instruments

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

2.6 Leases

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

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee.

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

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

The company accounts for a lease modification as a separate lease if both the conditions as follows are complied with:

- (a) the modification increases the scope of the lease by adding the right to use one or more underlying assets; and

NOTES TO ACCOUNTS (Contd.)

- (b) the consideration for the lease increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

The company recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the carrying value of right-of-use asset and statement of profit and loss depending upon the nature of modification. In case of partial/full termination of lease, the lease liability is remeasured by decreasing the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease for lease modifications that decrease the scope of the lease and recognise in the statement of profit and loss any gain or loss relating to the partial or full termination of the lease.

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

2.7 Employee Benefits

Short term Employee benefits

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

Post-Employment benefits

Defined contribution plans

1. Superannuation: The Company contributes to the Superannuation fund, which is administered by trustees and managed by the Life Insurance Corporation of India (LIC). The contributions are charged to the Statement of Profit and Loss.
2. Employees' Provident Fund, Employees' Pension Scheme and Employees' State Insurance Scheme: The Company contributes to a Government-administered Provident Fund, Pension Fund and Employees State Insurance on behalf of its employees and the contributions are charged to the statement of profit and loss.

Defined benefit plans

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

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

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

Other Long-Term Employee Benefits

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

2.8 Share Based Payments

Employee Stock Options:

The employees of the company are entitled to participate in the Employees Stock Option Scheme formulated by the Holding Company in accordance with SEBI Guidelines 1999. As per Ind AS 102, Share Based Payments, a parent that grants rights to its equity instruments directly to the employees of its subsidiary has the obligation to provide the employees of the subsidiary

with the equity instruments. The subsidiary does not have an obligation to provide its parent's equity instruments to the subsidiary's employees. The subsidiary shall measure the services received from its employees in accordance with the requirements applicable to equity-settled share-based payment transactions, and recognise a corresponding increase in equity as a contribution from the parent. Accordingly, the company has recognized the

NOTES TO ACCOUNTS (Contd.)

employee compensation expense in its financial statements, with a corresponding increase to a separate reserve created for this purpose.

2.9 Income Taxes

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

Current tax

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

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

Deferred tax

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

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

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

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

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

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

Current and Deferred tax for the Year

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

2.10 Property plant and equipment (PPE)

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

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

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

Freehold land is not depreciated.

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

Depreciation is recognised to write off the cost of assets less their residual values over their useful lives, using the

NOTES TO ACCOUNTS (Contd.)

written down value method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

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

Computers and Data Processing Units	
Office Equipment	8 Years
Electrical installations	15 Years
Vehicles	5 Years

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

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

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

2.11 Intangible assets

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

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

The cost of the intangible asset shall include the purchase price, including non-refundable duties and taxes, all the

directly attributable costs to bring the intangible to the present location, working condition and intended use.

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

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

Impairment loss, if any, is provided to the extent, the carrying amount of assets exceeds their recoverable amount. Recoverable amount is the higher of an asset's net selling price and the present value of estimated future cash flows expected to arise from the continuing use of the asset and from its disposal at the end of its useful life.

Intangible Assets under development

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

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

2.12 Dividend

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

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

NOTES TO ACCOUNTS (Contd.)

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

2.14 Provisions, Contingent Liabilities and Contingent Assets

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

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

Contingent liabilities

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

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

2.15 Earnings Per Share

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

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

3. Critical accounting judgments and key sources of estimation uncertainty

The preparation of financial statements in accordance with Ind AS requires use of estimates and assumptions for some items, which might have an effect on their recognition and measurement in the balance sheet and statement of profit and loss. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. The actual results may differ from these estimates. The Company's management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Any revision to the accounting estimates is recognized prospectively in the current and future periods.

Accounting estimates and judgements are used in various line items in the financial statements for e.g.:

- Business model assessment [Refer note no. 2.2]
- Fair value of financial instruments (Refer note no. 2.3)
- Impairment of financial assets [Refer note no. 2.5]

NOTES TO ACCOUNTS (Contd.)

Note 4: Cash and cash equivalents:

(₹ in crores)

Particulars	31st March 2025	31st March 2024
Cash on hand	0.28	0.60
Balances with Banks	86.58	5.38
Cheques, drafts on hand	4.68	6.70
Total	91.54	12.68

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

(₹ in crores)

Particulars	31st March 2025	31st March 2024
Balances with Banks *	11.51	21.25
Earmarked balances with Bank	-	0.50
Total	11.51	21.75

* Balances with banks include Bank Deposit amounting to ₹ 9.10 Cr (31st March 2024- 15.63 Cr) provided as collateral for assets securitised.

Note 6: Trade Receivables

(₹ in crores)

Particulars	31st March 2025	31st March 2024
Receivables considered Good- Unsecured	5.67	1.82
Less: Allowance for impairment loss	-	-
Total	5.67	1.82

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

NOTES TO ACCOUNTS (Contd.)

Trade Receivables ageing schedule

For the year ended March 2025

(₹ in crores)

Particulars	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	5.67	-	-	-	-	5.67
(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	-	-	-	-	-	-

As at 31st March 2024

(₹ in crores)

Particulars	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	1.82	-	-	-	-	1.82
(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	-	-	-	-	-	-

There are no unbilled revenue for the year.

NOTES TO ACCOUNTS (Contd.)

Note 7: Loans

(₹ in crores)

Particulars	31st March 2025	31st March 2024
Loans (In India)		
Secured Term Loans - At Amortised Cost		
Housing Loans		
Individuals	9,830.24	8,150.61
Others	250.68	181.37
Non-Housing Loans		
Individuals	4,872.07	4,048.97
Others	536.41	654.39
Other Loans	1.15	0.98
Total - Gross	15,490.55	13,036.32
Less: Impairment loss allowance	199.26	224.47
Total - Net	15,291.29	12,811.85

Loans or Advances in the nature of loans granted to promoters, directors, KMPs and related parties - for the year ended 31st March 2025		
Type of Borrower	Amount of loan or advance in the nature of loan outstanding	Percentage to the total Loans and Advances in the nature of loans
Promoters	-	-
Directors	1.72	0.011%
KMPs	0.65	0.004%
Related Parties	-	-

Loans or Advances in the nature of loans granted to promoters, directors, KMPs and related parties for the year ended 31st March 2024		
Type of Borrower	Amount of loan or advance in the nature of loan outstanding	Percentage to the total Loans and Advances in the nature of loans
Promoters	-	-
Directors	1.78	0.014%
KMPs	0.70	0.005%
Related Parties	-	-

- Housing / Non-Housing Loans granted by the Company are secured by mortgage of properties/ hypothecation of loan receivables.
- Insurance on Housing Loans to the extent of ₹91.93Cr (31st March 2024 ₹89.72 Cr) is regrouped under Non-Housing Loans.
- There is no exposure by way of Loans granted against Gold Jewellery /Shares as Security.
- Loans including installment and interest outstanding amounts to ₹ 28.77Cr (31st March 2024 ₹ 24.29 Cr) in respect of properties which are held for disposal under Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002.
- Individual Loans includes Staff housing loan of ₹ 45.30 Cr (31st March 2024 ₹ 38.45 Cr) and non housing staff loan of ₹ 4.46 Cr (31st March 2024 ₹ 3.58 Cr).
- The balance in "Impairment loss allowance - Stage 3" of ₹ 76.68 Cr (31st March 2024 ₹ 86.10 Cr) is after considering a write off of ₹ 31.27 Cr (31st March 2024 ₹ 64.43 Cr).
- During the period, the Company has assigned loans of Rs. 1798 Cr (PY - Rs.915.71 Cr) and retained 10% of the Loans as part of Minimum Retention Requirement. The amount outstanding on such loans in books as at 31st March 2025 is Rs. 155.98 Cr (PY - Rs.86.48 Cr.) (At amortised cost).

NOTES TO ACCOUNTS (Contd.)

Note 8: Investments

(₹ in crores)

Particulars	Face Value	31st March 2025		31st March 2024	
		Holding (Number)	Carrying Amount	Holding (Number)	Carrying Amount
At Fair value through Profit or Loss					
Mutual funds					
Nippon India	1000	15,814.10	10.04	-	-
Sundaram Liquid Fund-Direct Growth	1000	153,662.64	35.21	117,512.44	25.06
Total			45.25		25.06
At Amortised Cost					
Debt securities					
- Government securities					
Central Government (i, ii)	100		117.40		117.67
State Government (i, ii)	100		215.31		184.85
Total			332.71		302.52
- Pass Through Certificates (PTC)			2.87		3.65
Total – Gross -(A)			380.83		331.23
(i) Investments outside India			-		-
(ii) Investments in India			380.83		331.23
Total (B)			380.83		331.23
Less: Allowance for Impairment loss on PTC (C)			0.01		0.01
Total – Net D = (A)-(C)			380.82		331.22

Note:

- Represents Quoted Investments
- In accordance with the NHB Directions, the Company has created a floating charge on the statutory liquid assets comprising investments in Government securities in favour of the trustees representing the public depositors of the company having face value of ₹ 321.50 Crores (Amortised Cost ₹332.71 Crores) as on 31st March 2025 (31st March 2024 - Face value of ₹ 291.50 Crores (Amortised Cost ₹ 302.52 Crores))

NOTES TO ACCOUNTS (Contd.)

Note 9: Other Financial Assets

(₹ in crores)

Particulars	31st March 2025	31st March 2024
Receivables On Assigned Loans	100.47	36.64
Carried at Amortised Cost		
- Security Deposits	6.13	5.52
- Other Advances	0.83	0.70
Less: Impairment loss allowance on above	1.37	0.72
Total	106.06	42.14

Note 10: Disclosure pursuant to Ind AS 12 'Income Taxes'

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

(₹ in crores)

Sl. No.	Particulars	31st March 2025	31st March 2024
(a)	Profit or Loss section :		
	(i) Current income tax :		
	Current income tax expense	48.32	64.35
		48.32	64.35
	(ii) Deferred tax :		
	Tax expense on origination and reversal of temporary differences	18.34	8.03
		18.34	8.03
	Income tax expense reported in Profit or Loss [(i) + (ii)]	66.66	72.38
(b)	Other Comprehensive Income (OCI) section :		
	(i) Items not to be reclassified to profit or loss in subsequent periods :		
	Current tax expense/(income) :		
	On remeasurement of defined benefit plans	0.22	0.55
	(ii) Items to be reclassified to profit or loss in subsequent periods	-	-
	Income tax expense reported in Other Comprehensive Income [(i) + (ii)]	0.22	0.55
	Income tax expense reported in retained earnings	66.88	72.93

NOTES TO ACCOUNTS (Contd.)

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

(₹ in crores)

Sl. No.	Particulars		March 31, 2025	March 31, 2024
(a)	Profit before tax and exceptional items		311.32	308.21
(b)	Profit on exceptional items		-	-
(c)	Profit before tax		311.32	308.21
(d)	Corporate tax rate as per Income Tax Act 1961		25.17%	25.17%
(e)	Tax on Accounting profit	(e) = (a) * (d)	78.35	77.57
(f)	(i) Tax on income deductible: Special Reserve U/s 36(1)(viii) of Income Tax Act, 1961		8.60	7.98
	(ii) Tax on expenses not tax deductible : CSR expenses/Donations		1.13	1.18
	(iii) Tax effect on various other items		4.22	-1.61
	Total effect of tax adjustments [(i) - (ii) + (iii)]		11.69	5.19
(g)	Tax expense recognised during the year	(g) = (e) - (f)	66.66	72.38
(h)	Effective tax Rate	(h) = (g) / (c)	21.41%	23.48%

(c) Components of deferred tax assets / (liabilities) recognised in Balance Sheet and Statement of Profit or Loss :

(₹ in crores)

Sl. No.	Particulars	Balance sheet	Statement of Profit or Loss	Balance sheet	Statement of Profit or Loss
		31-Mar-25	Apr 24 - Mar 25	31-Mar-24	Apr 23 - Mar 24
(a)	Items disallowed u/s.43B of the Income Tax Act 1961	3.70	0.49	3.21	1.22
(b)	Provision for doubtful debts and advances	43.17	-1.03	44.21	-9.82
(c)	Difference between book depreciation and tax depreciation	1.09	-0.02	1.10	0.33
(d)	Gain on sale of direct assignments	-19.30	-19.30		
(e)	Other temporary differences	1.77	1.52	0.25	0.24
	Deferred tax (expense)/income		-18.34		-8.03
	Net deferred tax assets/(liabilities)	30.43		48.77	

NOTES TO ACCOUNTS (Contd.)**(d) Reconciliation of deferred tax assets/(liabilities):**

(₹ in crores)

Sl. No.	Particulars	March 31, 2025	March 31, 2024
(a)	Opening balance	48.77	56.80
(b)	Tax income/(expense) during the period recognised in :		
(i)	Statement of Profit and Loss in Profit or Loss section	-18.34	-8.03
(ii)	Statement of Profit and Loss under OCI section		
	Closing balance	30.43	48.77

Note 11 Property, Plant And Equipment**Year Ended March 31, 2025**

(₹ in crores)

Description	Tangible									Grand Total
	Freehold Land	Buildings	Buildings-Temporary Structure	Electrical Installations and Equipments	Furniture and Fixtures	Vehicles	Office Equipment	Computers and Data Processing Units - Networks & Servers	Computers and Data Processing Units - End User Devices	
Gross Block at Cost										
As at 31.03.2024	16.22	1.30	2.02	3.10	6.31	8.59	2.34	4.60	13.94	58.42
Additions	-	-	-	1.46	2.59	-	0.97	0.20	3.98	9.20
Deductions	8.71	0.10	-	0.06	0.10	0.48	0.07	0.00	0.49	10.01
As at 31.03.2025	7.51	1.20	2.02	4.50	8.80	8.11	3.24	4.80	17.43	57.61
Depreciation										
Upto 31.03.2024	-	0.39	1.92	1.04	2.41	5.02	1.62	2.85	8.97	24.22
Additions	-	0.04	-	0.50	1.31	1.62	0.45	0.63	2.99	7.54
Deductions	-	-	-	0.04	0.09	0.46	0.06	-	0.46	1.11
Upto 31.03.2025	-	0.43	1.92	1.50	3.63	6.18	2.01	3.48	11.50	30.65
Carrying Value as at 31.03.2025	7.51	0.77	0.10	3.00	5.17	1.93	1.23	1.32	5.93	26.96

NOTES TO ACCOUNTS (Contd.)

Note 11 Property, Plant And Equipment

Year Ended March 31, 2024

(₹ in crores)

Description	Tangible									Grand Total
	Freehold Land	Buildings	Buildings-Temporary Structure	Electrical Installations and Equipments	Furniture and Fixtures	Vehicles	Office Equipment	Computers and Data Processing Units - Networks & Servers	Computers and Data Processing Units – End User Devices	
Gross Block at Cost										
As at 31.03.2023	16.22	1.30	2.02	1.69	3.34	6.92	1.84	4.43	11.05	48.81
Additions	-	-	-	1.47	3.06	2.59	0.54	0.46	2.95	11.07
Deductions	-	-	-	0.06	0.09	0.92	0.04	0.29	0.06	1.46
As at 31.03.2024	16.22	1.30	2.02	3.10	6.31	8.59	2.34	4.60	13.94	58.42
Depreciation										
Upto 31.03.2023	-	0.34	1.92	0.76	1.53	3.71	1.41	2.33	6.62	18.62
Additions	-	0.05	-	0.31	0.94	2.18	0.24	0.79	2.40	6.91
Deductions	-	-	-	0.03	0.06	0.87	0.03	0.27	0.05	1.31
Upto 31.03.2024	-	0.39	1.92	1.04	2.41	5.02	1.62	2.85	8.97	24.22
Carrying Value as at 31.03.2024	16.22	0.91	0.10	2.06	3.90	3.57	0.72	1.75	4.97	34.20

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

No Revaluation of Property, Plant and Equipment has been carried out during the year

11 (a) - Asset Held for Sale

During the year, the company has decided to dispose the free hold land located at Neelankarai, Tamilnadu and initiated the process of identifying the potential buyers. The carrying value of the property is Rs. 8.81 Cr as on 31st March 2025. “

NOTES TO ACCOUNTS (Contd.)

Note 12 - Right of Use Assets

Year Ended March 31, 2025

(₹ in crores)

	ROU - Premises	ROU - Vehicle	Grand Total
Gross Block at Cost			
As at 31.03.2024	29.91	-	29.91
Additions	18.67	1.96	20.63
Deductions	2.59	-	2.59
As at 31.03.2025	45.99	1.96	47.95
Depreciation			
Upto 31.03.2024	8.06	-	8.06
Additions	12.39	0.19	12.58
Deductions	2.07	-	2.07
Upto 31.03.2025	18.38	0.19	18.57
Carrying Value as at 31.03.2025	27.61	1.77	29.38

Year Ended March 31, 2024

(₹ in crores)

	ROU - Premises	ROU - Vehicle	Grand Total
Gross Block at Cost			
As at 31.03.2023	17.29	-	17.29
Additions	20.82	-	20.82
Deductions	8.20	-	8.20
As at 31.03.2024	29.91	-	29.91
Depreciation			
Upto 31.03.2023	6.62	-	6.62
Additions	8.73	-	8.73
Deductions	7.29	-	7.29
Upto 31.03.2024	8.06	-	8.06
Carrying Value as at 31.03.2024	21.85	-	21.85

NOTES TO ACCOUNTS (Contd.)

Note 13 Other Intangible Assets & Intangible assets under development year ended March 31,2025

(₹ in crores)

Particulars	Computer Software	Intangible asset Under Development*
Gross Block at Cost		
As at 31.03.2024	19.14	3.73
Additions	8.46	0.11
Deductions	-	3.73
As at 31.03.2025	27.60	0.11
Depreciation		
Upto 31.03.2024	17.46	-
Additions	2.60	-
Deductions	-	-
Upto 31.03.2025	20.06	-
Carrying Value as at 31.03.2025	7.54	0.11

* For the period ended 31st March 2025, Rs.0.11 Cr of Intangible asset in progress has been under development for a period of less than one year.

year ended March 31,2024

(₹ in crores)

Particulars	Computer Software	Intangible asset Under Development*
Gross Block at Cost		
As at 31.03.2023	17.87	-
Additions	1.27	3.73
Deductions	-	-
As at 31.03.2024	19.14	3.73
Depreciation		
Upto 31.03.2023	15.96	-
Additions	1.50	-
Deductions	-	-
Upto 31.03.2024	17.46	-
Carrying Value as at 31.03.2024	1.68	3.73

* For the period ended 31st March 2024, Rs.3.73 Cr of Intangible asset in progress has been under development for a period of less than one year.

NOTES TO ACCOUNTS (Contd.)

Note 14: Other Non Financial Assets

(₹ in crores)

Particulars	March 31, 2025	March 31, 2024
Balance from Government Authorities	11.17	7.95
Prepaid Expenses	16.95	17.86
Capital Advances	0.70	1.15
Other Assets *	3.20	2.40
Total	32.02	29.36

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

Note 15: Trade Payables

(₹ in crores)

Particulars	March 31, 2025	March 31, 2024
Trade Payables		
Total outstanding dues of micro enterprises and small enterprises	5.68	0.57
"Total outstanding dues of creditors other than micro enterprises and small enterprises"	23.11	22.94
Total	28.79	23.51

Other Payables

(₹ in crores)

Particulars	March 31, 2025	March 31, 2024
Total outstanding dues of micro enterprises and small enterprises	-	-
"Total outstanding dues of creditors other than micro enterprises and small enterprises"	6.58	-
Total	6.58	-

Trade Payables ageing schedule**For the year ended March 2025**

Particulars	MSME	Others	Disputed Dues - MSME	Disputed Dues - Others	Total
A) Unbilled dues	-	-	-	-	-
B) Outstanding for following periods from due date of payment					
Less than 1 year	5.68	23.11	-	-	28.79
1-2 years	-	-	-	-	-
2-3 years	-	-	-	-	-
More than 3 years	-	-	-	-	-
Subtotal	5.68	23.11	-	-	28.79
C) Total	5.68	23.11	-	-	28.79

For the year ended March 2024

Particulars	MSME	Others	Disputed Dues - MSME	Disputed Dues - Others	Total
A) Unbilled dues	0.57	17.45	-	-	18.02
B) Outstanding for following periods from due date of payment					
Less than 1 year	-	5.49	-	-	5.49
1-2 years	-	-	-	-	-
2-3 years	-	-	-	-	-
More than 3 years	-	-	-	-	-
Subtotal	-	5.49	-	-	5.49
C) Total	0.57	22.94	-	-	23.51

NOTES TO ACCOUNTS (Contd.)

Note 16: Debt Securities

(₹ in crores)

Particulars	31st March 2025	31st March 2024
Carried at Amortised Cost		
Secured		
Non Convertible Debentures	5,034.20	3,299.20
Unsecured		
Non Convertible Debentures	523.88	523.89
Commercial Paper	1,126.42	291.11
Of the above		
- Debt securities in India	6,684.50	4,114.20
- Debt securities in outside India		
Total	6,684.50	4,114.20

- (a) Secured Non-Convertible Debentures are secured by a first mortgage over Loan assets of the Company.
- (b) The Face Value of commercial paper outstanding as on 31st March 2025 was ₹ 1150 Cr (31st March 2024 - ₹ 300 Cr) . Maximum amount of face value of commercial paper outstanding at any time during the period was ₹ 1150 Cr (31st March 2024 - ₹ 700 Cr).

Note 17: Borrowings (Other than Debt Securities)

(₹ in crores)

Particulars	31st March 2025	31st March 2024
Carried at Amortised Cost		
Secured		
(a) Term loans		
(i) from Banks	2,624.59	2,705.58
(ii) from National Housing Bank (Refinance)	1,684.88	1,871.80
(b) Working capital demand loans and Cash Credit with Banks	425.15	378.93
Of the above		
Borrowings in India	4,734.62	4,956.31
Borrowings in Outside India		
Total	4,734.62	4,956.31

NOTES TO ACCOUNTS (Contd.)

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

(₹ in crores)

Particulars	31st March 2025	31st March 2024
(i) Secured by negative lien on loan assets of the Company other than Statutory Liquid Assets having floating charge in favour of Trustees for public deposits, and (ii) and (iii) below in this note.	20.00	60.00
(ii) Secured by specific charge on loan assets of the Company *	2,958.79	2,933.65
(iii) Pool of Housing loans transferred to Special Purpose Vehicle (SPV) and Securitised	70.95	90.86
Total	3,049.74	3,084.51

* All charges that are due to be registered have been executed and registered with ROC.

- (b) The Refinance from NHB is secured by

(₹ in crores)

Particulars	31st March 2025	31st March 2024
(i) Secured by negative lien on assets of the Company other than Statutory Liquid Assets having floating charge in favour of Trustees for public deposits, and (ii) below in this note. It is repayable in quarterly instalments.	60.42	317.57
(ii) Secured by specific charge on loan assets of the company and repayable in quarterly instalments.	1,624.46	1,554.23
Total	1,684.88	1,871.80

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

- (d) Utilization of Borrowed Funds:

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

- (e) No loans are taken from Related party.

Note 18: Deposits

(₹ in crores)

Particulars	31st March 2025	31st March 2024
Carried at Amortised Cost		
(i) Public Deposits	2,275.26	2,223.81
(ii) From Others		
- Companies	41.95	11.72
Total	2,317.21	2,235.53

NOTES TO ACCOUNTS (Contd.)

Note 19: Subordinated Liabilities

(₹ in crores)

Particulars	31st March 2025	31st March 2024
Carried at Amortised Cost		
Subordinated Non-Convertible Debentures		
- From Related Party	-	-
- Others	-	65.85
Of the above		
- Subordinated Liabilities in India	-	65.85
- Subordinated Liabilities outside India	-	-
Total	-	65.85

Maturity of Secured Non Convertible Debenture

(₹ in crores)

Implicit Interest Rate (%) / Maturities	< 1 year	> 1- 3 Years	3 - 5 Years	> 5 years	Grand Total
<5 % to 7%	-	-	-	-	-
	-	-	-	-	-
>7% to 8%	650.99	2,014.51	819.45	500.33	3,985.28
	-	(1169.87)	-	(100.06)	(1269.93)
>8% to 9%	385.41	450.71	212.80	-	1,048.92
	(1012.54)	(600.03)	(416.71)	-	(2029.28)
TOTAL	1,036.40	2,465.22	1,032.25	500.33	5,034.20
	(1012.54)	(1769.90)	(416.71)	(100.06)	(3299.20)

Refer Note 16

Maturity of Unsecured Non convertible Debentures

(₹ in crores)

Implicit Interest Rate (%) / Maturities	< 5 yrs	> 5 yrs	Total
8% to 9%	-	523.88	523.88
	-	(523.89)	(523.89)
TOTAL	-	523.88	523.88
	-	(523.89)	(523.89)

Refer Note 16

Maturity of Unsecured Subordinated Non convertible Debenture

(₹ in crores)

Implicit Interest Rate (%) / Maturities	> 1 yr	>1-3 Yrs	Total
>9 % to 10%	-	-	-
	(65.85)	-	(65.85)
TOTAL	(65.85)	-	(65.85)

Refer Note 19

NOTES TO ACCOUNTS (Contd.)

Maturity of Term Loans from Banks

(₹ in crores)

Implicit Interest Rate (%)	<1 Year	1-3 Years	3-5 Years	>5 Years	Grand Total
>=7% to 8%	425.15	1,009.12	1,167.70	70.95	2,672.92
	(325.07)	0	(1387.05)	(90.86)	(1802.98)
8% to 9%	20.00	-	356.83	-	376.83
	(53.86)	(60)	(1167.66)	-	(1281.52)
Total	445.15	1,009.12	1,524.53	70.95	3,049.75
	(378.93)	(60)	(2554.71)	(90.86)	(3084.50)

Refer Note 17

Maturity of Secured Term Loans from NHB

(₹ in crores)

Implicit Interest Rate (%)	<1 Year	1-3 Years	3-5 Years	>5 Years	Grand Total
<= 7%	15.38	82.81	83.67	82.74	264.60
	-	(72.86)	(175.76)	(40.59)	(289.21)
7% to 8 %	-	-	-	-	-
	-	-	(3.33)	-	(3.33)
8% to 9 %	11.66	42.94	133.44	1,232.24	1,420.28
	-	(42.47)	(112.25)	(1424.54)	(1579.26)
Total	27.04	125.75	217.11	1,314.98	1,684.88
	0	(115.33)	(291.34)	(1465.13)	(1871.80)

Refer Note 17

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

Figures in bracket represents previous year figures.

Note 20: Other Financial Liabilities

(₹ in crores)

Particulars	31st March 2025	31st March 2024
Amounts due on assets securitised/assigned	82.36	28.92
Unclaimed Matured Deposits and Interest accrued thereon	27.05	33.56
Lease Liabilities	29.95	22.97
Dues to Customers/Borrowers	2.29	1.21
Payables to Employees	22.39	18.47
Others	1.32	1.28
Total	165.36	106.41

NOTES TO ACCOUNTS (Contd.)

Note 21: Provisions

(₹ in crores)

Particulars	31st March 2025	31st March 2024
Provision for Employee Benefits	-	-
- Leave Encashment	11.87	9.91
- Gratuity and LTA	4.20	5.17
Others	-	-
Total	16.07	15.08

Note 22 Other Non Financial Liabilities

(₹ in crores)

Particulars	31st March 2025	31st March 2024
Other liabilities		
Statutory Dues	8.86	8.51
Employees related liabilities	-	-
Others	2.01	0.35
Total	10.87	8.86

Note 23 : Equity Share Capital

(₹ in crores)

Particulars	31st March 2025	31st March 2024
Authorised Capital :		
Equity Shares , ₹10/- Par Value		
150000000 (150000000) Equity Shares	150.00	150.00
Equity Shares, ₹10/- Par Value	101.25	101.25
101254438 (101254438) Equity Shares		
Issued, Subscribed and Fully Paid - up :	101.25	101.25
Equity Shares, ₹10/- Par Value		
101254438 (101254438) Equity Shares		
	101.25	101.25

NOTES TO ACCOUNTS (Contd.)

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

Particulars	April 2024 to March 2025		April 2023 to March 2024	
	No of Shares	(₹ in crores)	No of Shares	(₹ in crores)
Opening number of shares outstanding	101,254,438	101.25	101,254,438	101.25
Add : Shares issued	-	-	-	-
Less: Shares bought back	-	-	-	-
Closing number of shares outstanding	101,254,438	101.25	101,254,438	101.25

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

Name of the Shareholder	Status	No. of Shares	% held as at 31 March 2025	No. of Shares	% held as at 31 March 2024
Sundaram Finance Limited *	Holding Company	101254438	100	101254438	100

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

- c) Aggregate number of equity shares issued for consideration other than cash / Bonus shares during the period of five years immediately preceding the reporting date : NIL (PY: NIL)
- d) Terms/ rights attached to equity shares
The Company has only one class of equity shares having a par value of 10/- per share. Each holder of equity shares is entitled to one vote per share.

Shareholding of Promoters

Shares held by promoters at the end of the year

Promoter name	No. of Shares	% of total shares	% Change during the period
	April 2024 to March 2025		
Sundaram Finance Limited	101,254,438	100.00%	NIL
Promoter name	April 2023 to March 2024		
	No. of Shares	% of total shares	% Change during the period
Sundaram Finance Limited	101,254,438	100.00%	NIL

NOTES TO ACCOUNTS (Contd.)

Note 23 (e) : Other Equity-Reserves

(₹ in crores)

Particulars	31st March 2025	31st March 2024
ESOP Reserve		
At the beginning of the year	2.54	2.03
Options Granted during the year (net)	0.92	0.51
At the end of the year	3.46	2.54
Statutory Reserve		
At the beginning of the year	55.07	39.61
Add: Changes during the year	14.76	15.46
At the end of the year	69.83	55.07
General Reserve		
At the beginning of the year	610.00	610.00
Add: Changes during the year	-	-
At the end of the year	610.00	610.00
Securities Premium		
At the beginning of the year	204.75	204.75
Add: Changes during the year	-	-
At the end of the year	204.75	204.75
Special Reserve U/s 36(1)(viii) of Income Tax Act,1961		
At the beginning of the year	418.45	386.74
Add: Transferred during the year	34.17	31.71
At the end of the year	452.62	418.45
Retained Earnings		
At the beginning of the year	488.20	460.65
Profit After tax for the year	244.66	235.83
Remeasurements of the defined benefit plans	(0.66)	(1.65)
Dividend payout (Final)*	(0.59)	(101.25)
Dividend payout (Interim)*	(27.64)	(58.37)
Transfer to Statutory reserve	(14.76)	(15.46)
Transfer to Special Reserve U/s 36(1) (viii) of Income Tax Act,1961	(34.17)	(31.71)
INDAS Amendment of Deferred tax on ROU Assets	-	0.16
At the end of the year	655.04	488.20
Total	1,995.70	1,779.01

*Refer note 33.14

NOTES TO ACCOUNTS (Contd.)

Note 24: Interest Income

(₹ in crores)

Particulars	Apr 24 - Mar 25	Apr 23 - Mar 24
On Financial assets measured at amortised cost:		
Loans	1,447.42	1,286.74
Investments	22.99	21.66
Deposits with Banks	2.01	1.69
On Financial assets classified at Fair value through profit or loss:		
Investments	-	8.27
Total	1,472.42	1,318.36

Note 25 Fees and commission Income

(₹ in crores)

Particulars	Apr 24 - Mar 25	Apr 23 - Mar 24
Relating to		
- Loans	16.97	13.83
- Selldown servicing fee	0.41	0.59
Total	17.38	14.42

Note 26 Net gain on fair value changes

(₹ in crores)

Particulars	Apr 24 - Mar 25	Apr 23 - Mar 24
A . Net gain on financial instruments at fair value through profit or loss		
(i) On trading portfolio	-	-
- Investments	-	-
- Derivatives	-	-
- Others	-	-
(ii) On Financial instruments designated at fair value through profit or loss	-	-
B. Others		
Net gain / (loss) on financial instruments at fair value through profit or loss on	-	-
Investments	7.12	24.73
C. Total Net gain / (loss) on fair value changes (A + B)	7.12	24.73
Fair Value changes:		
- Realised	6.92	25.10
- Unrealised	0.20	-0.37

NOTES TO ACCOUNTS (Contd.)

Note 27 Net gain on derecognition of Financial Assets (At Amortised Cost)

This represents the net gain arising on account of derecognition of financial assets (at amortised cost). During the year the Company has made Direct Assignment of loans and has accounted for the discounted excess interest spread on upfront basis - ₹ 88.29 Cr (PY - ₹38.90 Cr)

Note 28 Other income

(₹ in crores)

Particulars	Apr 24 - Mar 25	Apr 23 - Mar 24
Net gain/(loss) on Derecognition of property, plant and equipment	0.06	0.30
Interest Income	0.30	0.71
Other non-operating income	1.89	0.11
Total	2.25	1.12

Note 29 Finance Costs

(₹ in crores)

Particulars	Apr 24 - Mar 25	Apr 23 - Mar 24
On Financial liabilities carried at amortised cost:		
Interest on		
Deposits	171.07	155.93
Term Loans	214.94	188.69
NHB refinance	148.33	160.16
Debt securities- NCD	363.84	276.47
Debt securities - Commercial Paper	56.69	37.80
Subordinate liabilities	5.20	6.07
Other interest expense and borrowing cost	6.48	5.18
Total	966.55	830.30

Note 30 Employee Benefits Expenses

(₹ in crores)

Particulars	Apr 24 - Mar 25	Apr 23 - Mar 24
Salaries and wages	157.05	125.68
Contribution to provident and other funds	9.95	7.45
Share Based Payments to employees	0.92	0.51
Staff welfare expenses	13.57	8.39
Total	181.49	142.03

NOTES TO ACCOUNTS (Contd.)

Note 31 Administrative and other expenses

(₹ in crores)

Particulars	Apr 24 - Mar 25	Apr 23 - Mar 24
Rent, taxes and energy costs	3.90	3.54
Repairs and maintenance	26.08	24.24
Business Promotion	25.85	11.76
Communication Costs	5.62	4.79
Printing and stationery	1.34	1.58
Advertisement and publicity	3.25	2.59
Director's fees, allowances and expenses	0.76	0.65
Auditor's fees and expenses (Refer Note 33.19)	0.54	0.57
Legal and Professional charges	14.96	21.13
Insurance	0.36	0.47
Travelling and Conveyance	5.76	5.40
Corporate Social Responsibility (CSR) Expenses	4.45	4.64
Other expenditure	11.24	8.68
Total	104.11	90.04

Note 32 Impairment on financial instruments

(₹ in crores)

Particulars	Apr 24 - Mar 25	Apr 23 - Mar 24
On Financial instruments measured at amortised cost:		
Loans	9.72	23.94
Investments	-0.00	-0.01
Others	0.65	0.11
Total	10.37	24.04

NOTES TO ACCOUNTS (Contd.)

33 Other Notes:

- 33.1 Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM). The Company's main business is to provide loans against/for purchase, construction, repairs & renovations of housing/commercial properties. All other activities of the Company revolve around the main business. As such, there are no separate reportable segments, as per the Operating Segments (Ind AS-108), notified by the Companies (Accounting Standard) Rules, 2015.
- 33.2 Expenditure in Foreign Currency:
For the period ended March 31, 2025 the Company incurred Rs.0.01 Cr (March 31, 2024 - 0.0077 Cr) towards subscription charges for maintaining public IP.
- 33.3 Company did not contract any foreign currency loan during the period.
- 33.4 Non-Performing Loans:
In accordance with RBI Directions, the Company has identified Non- Performing Loans amounting to 206.14 Cr as on March 31, 2025 (March 31, 2024 - ₹ 153.13 Cr). The Company continues to categorise Stage 3 assets in accordance with the Ind-AS guidelines and maintain adequate provisions.
- 33.5 The Company has spent an amount of ₹ 4.45 Cr for the period April to March 2025 (April 2023 to March 2024 - ₹ 4.64 Cr) towards Corporate Social Responsibility (CSR) under Sec 135 of the Companies Act, 2013, in the various areas covered under the regulatory provisions like healthcare, education, environment and protection of art and culture

(₹ in crores)

Particulars	March 31, 2025	March 31, 2024
(a) Amount required to be spent by the Company during the year,	4.45	4.64
(b) Amount of expenditure incurred,	3.10	3.36
(c) Excess/(Shortfall) amount spent for the Financial Year [(b)-(a)]	0.00	-1.28
(d) Excess from previous years	1.35	2.63
(e) Excess carried forward to subsequent years	0.00	1.35
(f) Shortfall at the end of the year,	NIL	NIL
(g) Total of previous years shortfall,	NIL	NIL
(h) Reason for shortfall,	NA	NA
(i) Nature of CSR activities	Healthcare, Education, Gender equality, Art and Culture, relief fund	Healthcare, Education, Gender equality, Art and Culture, relief fund
(j) Details of related party transactions, e.g., contribution to a trust controlled by the Company in relation to CSR expenditure as per relevant Accounting Standard	-	-
(k) Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year has to be shown separately.	-	-

NOTES TO ACCOUNTS (Contd.)

- 33.6 During the period, the Holding Company has incurred 0.92 Cr (March 31, 2024 - 0.51 Cr) towards the cost of Employee stock option scheme issued under Sundaram Finance Employee Stock Option Scheme. Towards this, the Company recognized the employee compensation expense in its financial statements, with a corresponding increase to a separate reserve created for this purpose, in accordance with Ind AS 102, Share Based Payments.
- 33.7 Based on the current status of the loan accounts, the Company has made adequate provisions for losses, where required.
- 33.8 The Company has in place a process to obtain confirmation from its suppliers, as to whether they are registered under the Micro, Small and Medium Enterprises Development Act, 2006. The information required to be disclosed under the Micro, Small And Medium Enterprises Development Act, 2006 ('the MSMED Act') has been determined to the extent such parties have been identified on the basis of information received from such parties and available with the Company. There are no overdues to parties on account of principal amount and / or interest as disclosed below:

(₹ in crores)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
The principal amount and interest thereon, remaining unpaid to any supplier at the end of each accounting year.	5.68	0.57
The amount of interest paid by the buyer in terms of Section 16 of the MSMED Act 2006	-	-
The amount of payment made to suppliers beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the year of delay in making payment (which have been paid beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
The amount of further interest remaining due and payable even in the succeeding years until such dates when the interest due above are actually paid to all the small enterprises, for the purpose of disallowance as a deductible expenditure under Section 23 of the MSMED Act 2006	-	-

NOTES TO ACCOUNTS (Contd.)

33.9 In accordance with IND AS 24 Related Party Disclosures, the details of related party are given below:

Promoters:

Sundaram Finance Ltd - (100% of the paid-up share capital)

Other Related parties:

(Entities in which the Company's promoter has control or significant influence)

Royal Sundaram General Insurance Co Ltd.

Sundaram Asset Management Company Ltd

Sundaram Asset Management Singapore Pte Ltd

Sundaram Trustee Company Ltd.

Sundaram Alternate Assets Ltd.

SAMC Support Services Pvt Ltd (Liquidated on 27-02-2023)

SAMC Services Pvt Ltd Till 13-12-2023 (Since merged with Sundaram Alternate Assets Limited)

SAMC Trustee Pvt Ltd (Liquidated on 27-02-2023)

Sundaram Finance Holdings Ltd. (Till 26-03-2024)

Sundaram Business Services Ltd. (Till 26-03-2024)

Sundaram Finance employee Welfare trust

Sundaram Fund Services Ltd.

LGF Services Ltd.

Key Management Personnel:

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

Relatives of Key Management Personnel:

Mr. Viji, Father of Mr. Harsha Viji

Mrs Chitra Viji, Mother of Mr. Harsha Viji

Mr Sriram Viji, Brother of Mr.Harsha Viji

Mrs Vimala Rangaswamy, Mother of Mr. T.T. Srinivasaraghavan

Mrs Bagyam Raghavan, Wife of Mr. T.T. Srinivasaraghavan

NOTES TO ACCOUNTS (Contd.)

Mrs. Sheela Lakshminarayanan, Wife of Mr. Lakshminarayanan Duraiswamy

Ms. Suguna, Sister of Mr. Lakshminarayanan Duraiswamy

Mrs. R.N.Mala, Wife of Mr. A.N.Raju

Mr. A.N.Sreeram, Brother of Mr. A.N.Raju

Mr.Pradyumna Raju Natarajan Son of Mr.A.N.Raju

Non whole-time director:

Ms Bhavani Balasubramanian	Director
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Mr Mahesh Parasuraman	Director
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Mr S Mahalingam	Director
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Ms C Sruthi	Director
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Relatives of Non Whole time director:

Mrs. Aarthi Sivanandh, Daughter in law of Mr. S.Mahalingam

Mrs.Rama Mahalingam, Wife of Mr. S.Mahalingam

Mrs Saroja Parasuraman, Mother of Mr. Mahesh Parasuram

Details of Related Party Transactions as on 31st March 2025

The nature and volume of transactions for the Year ended 31st Mar 2025 with the above related parties are as follows.

(₹ in crores)

Particulars	Promoter	Other Related Parties	April 2024 - March 2025	April 2023- March 2024
INCOME				
Rental Income	0.03	0.01	0.04	0.03
Docket fees		0.01	0.01	0.01
Service Income	0.22		0.22	0.08
EXPENDITURE				
Rent	3.04		3.04	2.41
Brokerage for Sourcing of Business/Deposits	13.66		13.66	11.36
Deposit processing services ,Tele calling Services and Training Exp	0.38	0.24	0.62	0.62
Intranet/ Web Maintenance, Scanning Image Charges	0.02		0.02	0.02
Sitting fees -(Non-Whole Time Director's)		0.15	0.15	0.12
Sitting fees -(Executive director)		0.04	0.04	0.03
Commission Paid -(Non-Whole Time Director's)		0.48	0.48	0.39
Software AMC, Connectivity , Training Exp and Printing Exp,etc	7.16		7.16	7.28
Interest On NCDs		13.32	13.32	13.33
Insurance Premium		0.38	0.38	0.43
Portfolio Management Fees		1.64	1.64	1.52
Remuneration		3.91	3.91	3.77
ASSETS				
Purchase of Asset - Software	1.66		1.66	0.74
Sale of AIF				152.92
Transfer of Loans (Direct Assignment)	186.36		186.36	182.61
Insurance Premium - Advance Payment		1.97	1.97	0.05
Insurance Premium - Prepaid		0.10	0.10	0.18
Income Receivable	0.02		0.02	0.01
Other Deposits	1.43	0.16	1.59	1.58
LIABILITIES				
Transfer of Loans (Direct Assignment)	22.63		22.63	7.87
Non-Convertible Debentures		226.36	226.36	184.92
Other Liabilities	1.08	0.38	1.46	
Commission-(Non- whole Time Director's)		0.48	0.48	0.48
Dividend Paid				
Dividend Paid -Final	0.59		0.59	101.25
Dividend Paid -Interim	27.63		27.63	58.37

NOTES TO ACCOUNTS (Contd.)

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

(₹ in crores)

i) Contingent Liabilities shall be classified as:	March 31, 2025	March 31, 2024
a) Claims against the Company not acknowledged as debt	-	-
b) Guarantees excluding financial guarantees and	-	-
c) Other money for which the Company is contingently liable	1.69	-

(₹ in crores)

ii) Commitments shall be classified as:	March 31, 2025	March 31, 2024
a) Estimated value of contracts remaining to be executed on capital account and not provided for (net of advance)	0.68	4.69
b) Uncalled liability on shares and other investments partly paid	-	-
c) Commitments remaining uncalled in schemes of Alternatives Investment Fund	-	-
d) Loan Commitments		
Gross carrying amount	795.20	813.57
(-) Excepted Credit Loss	3.88	3.38
Net carrying amount	791.32	810.19

33.11 Pursuant to NHB Circular on Reporting and Monitoring of Frauds, the Company has reported fraudulent transactions to NHB aggregating to ₹ 7.01Cr (net of write off and recovery) as on March 31,2025 (Mar 31, 2024 - ₹ 0.00 Cr).

33.12 There are no amounts due & outstanding to be credited to the Investor Education and Protection Fund under Section 125 of the Companies Act, 2013 as at March 31,2025.

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

33.14 The Board has recommended a final dividend of Rs. 3.31 per share (33.13% on the face value of Rs.10/-) [PY – ₹ 0.058 per share (0.58%)] for the Financial Year 2024-25 on the total paid-up capital of ₹ 101.25 crore. This together with Interim dividend amounting to ₹ 2.73 per share (27.29%) [(PY - ₹ 5.765 per share(57.65%)] already paid, would aggregate to a total dividend of ₹ 6.04 per share (60.42% on the face value of Rs.10/) [PY - ₹ 5.823 per share (58.23%)]

NOTES TO ACCOUNTS (Contd.)

33.15 Disclosure of Provisions as per IND AS 37:

(₹ in crores)

Particulars	Provision for Leave Encashment	Provision Gratuity & LTA	for Others
Opening Balance as at 1st April 2024	9.91	5.17	0.08
Additional provision created during the year	1.96	2.99	-
Reversal / Payments during the year	-	(3.96)	(0.08)
Closing Balance as at 31st March 2025	11.87	4.20	-
Opening Balance as at 1st April 2023	6.52	3.08	0.08
Additional provision created during the year	3.39	2.09	
Reversal / Payments during the year	-	-	
Closing Balance as at 31st March 2024	9.91	5.17	0.08

33.16 Disclosure pursuant to RBI Circular - RBI Master Direction - RBI/DOR/2021-22/86 DOR.STR.REC.51/21.04.048/2021-22 Reserve Bank of India (Transfer of Loan Exposures) Directions, 2021 dated September 24, 2021 are as under:

a. Details of loans transferred through assignment in respect of loans not in default during the

(₹ in crores)

Particulars	Period Ended 31st March 2025	Period Ended 31st March 2024
Amount of loan assigned (In Cr) 100% pool principal	1,798.00	915.91
Count of loan accounts assigned	4665	2474
No of transactions	15	7
Weighted average residual maturity (in months)	67.27	58.83
Weighted average holding period by originator (in months)	21.01	23.93
Retention of beneficial economic interest (MRR) (in %)	10%	10%
Coverage of tangible security (in %)*	100%	100%
Rating wise distribution of related loans	NA	NA
Number of instances (transactions) where transferor has agreed to replace the transferred loans	NA	NA
Number of transferred loans replaced	NA	NA

*Sale of 'loans to Banks/Financial Institutions' – Secured by underlying properties to obligors

b. The company has not transferred any non-performing assets and any special mentioned account during the period.

c. The company has not acquired any loans through assignment, any stressed loans or Special Mention Account during the period.

33.17 Ratios

(₹ in crores)

Particulars	March 31,2025	March 31,2024	Variance	Reasons (if above 25%)
CRAR	18.7%	20.3%	-8.06%	-
CRAR - Tier I Capital	18.3%	19.7%	-7.19%	-
CRAR - Tier II Capital	0.4%	0.6%	-36.39%	Maturity of Subordinated debentures
Liquidity Coverage Ratio	142.6%	300.9%	-52.60%	Increase in contractual outflow

33.18 Earnings per share (Basic and Diluted)

(₹ in crores)

Particulars	March 31,2025	March 31,2024
Profit for the year after tax (In Crore)	244.66	235.83
Weighted Average number of Equity Shares	101254438	101254438
Basic & Diluted Earnings per share	24.16	23.29

33.19 Payment to Statutory Auditors:

(₹ in crores)

Particulars	March 31,2025	March 31,2024
Statutory Audit	0.36	0.36
Tax Audit	0.08	0.08
Certification	0.05	0.05
Reimbursement of expenses	-	0.03
Tax Expenses	0.04	0.05

33.20 During the year, no penalties were levied by National Housing Bank (NHB) for non-compliance of the provisions of the Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021.

(₹ in crores)

Particulars	March 31,2025	March 31,2024
Non-Compliance of provisions against which penalty is raised	NIL	NIL
Amount of Penalty levied (including GST)	-	-
(Refer Note 33.39)		

33.21 Disclosures in accordance with IND AS 116 – Leases

a) As a Lessee

(₹ in crores)

Particulars	2024-25	2023-24
Depreciation charge for Right of Use (ROU) Asset	12.57	8.73
Interest expense on lease liability	2.08	1.57
Expenses relating to short term leases (need not include the expense relating to leases with a lease term of one month or less)	-	-
Expense relating to leases of low-value assets (not include the expense relating to short-term leases of low-value assets included in above line)	-	-
Expenses relating to variable lease payments	-	-
Income from sub-leasing of ROU Asset	-	-
Total Cash Outflow for leases	13.46	9.72
Additions to ROU Assets during the year	20.63	20.82
Gains or losses arising on preclosure of lease	0.01	0.04
Gains or losses arising from sale and leaseback transactions	-	-
Carrying amount of right-of-use assets at the end of the reporting period for each asset category		
Premises	27.61	21.85
Vehicle	1.77	-

33.22 There are no amounts due & outstanding to be credited to the Investor Education and Protection Fund under Section 125 of the Companies Act, 2013 as at March 31, 2025.

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

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

33.25 The Company has not been declared as wilful defaulter by the Bank or Financial Institution or other lender.

33.26 The Company has not entered into any kind of transactions with Struck off Companies.

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

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

33.29 The Company has not entered into any Scheme of Arrangements during the Financial Year 2024 – 2025.

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

The Company has not advanced (or) loaned (or) invested funds (either borrowed funds or Share Premium or any other sources or kind of funds) to any other person or entity, including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the intermediaries has to directly or indirectly lend or invested in other persons or entities identified in any manner whatsoever by or on behalf of the Company or provided any guarantee, security or the like on behalf of the Company anytime during the Financial year 2024 - 2025.

The Company has not received any fund from any person or entity, including foreign entity (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company has to directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

33.31 Title deeds of all the immovable properties are held in the name of the Company.

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

33.33 Intangible assets under development during the Financial year 2024-2025 is ₹0.11 Cr (PY ₹ 3.73 Cr) and there are no CWIP.(PY Nil)

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

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

33.36 The Company has not traded or invested in Crypto currency or Virtual Currency during the Financial Year 2024 - 2025.

33.37 Disclosures as required in terms of Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021:

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

(₹ in crores)

Particulars	March 31,2025	March 31,2024
Percentage of total assets towards housing finance	62.3%	61.7%
Percentage of total assets towards housing finance for individuals	60.8%	60.3%
(Refer Note 33.39)		

33.39 RBI, by an order dated May 09, 2024, imposed a penalty of ₹0.02 crores for non-compliance with certain provisions of the ‘Reserve Bank of India (Know Your Customer (KYC)) Direction, 2016. The company has paid the penalty amount on 15th May, 2024.

33.40 Securitisation (Disclosures pursuant to RBI Notification - RBI/DOR/2021-22/85 DOR.STR REC.53/21.04.177/2021-22 dated 24 September 2021)

(₹ in crores)

Particulars	March 31,2025	March 31,2024
No of SPVs sponsored by the HFC for Securitisation transactions*	1	1
Total amount of securitised assets as per books of the SPVs Sponsored	70.87	92.16
Total amount of exposures retained by the HFC towards the MRR as on the date of balance sheet		
(I) Off-balance sheet exposures towards Credit Concentration	-	-
(II) On-balance sheet exposures towards Credit Concentration		
a) Cash Collateral	9.1	15.63
b) Others	2.87	3.65
Amount of exposures to securitization transactions other than MRR	Nil	Nil
(I) Off-balance sheet exposures towards Credit Concentration	Nil	Nil
(II) Off-balance sheet exposures towards Credit Concentration	Nil	Nil

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

33.41 Previous period's figures have been regrouped/ reclassified / restated wherever necessary, for better presentation and to conform with the requirements.

34.1 Financial Instruments - Capital Management:

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

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

The Company monitors capital using Adjusted Net Debt to Equity ratio. For this purpose, Adjusted Net Debt is defined as Total Debt less Cash and Cash equivalents.

(₹ in crores)

Particulars	March 31, 2025	March 31, 2024
Debt securities	6684.50	4114.2
Borrowings (other than Debt securities)	4734.62	4956.31
Deposits *	2344.26	2269.09
Sub Debt	-	65.85
Total Debt	13763.38	11405.45
Less - Cash and Cash Equivalents	91.54	12.68
Adjusted Net Debt	13671.84	11392.77
Total Equity	2,097.01	1880.26
Adjusted Net Debt to Equity ratio	6.52	6.06

* includes unclaimed matured deposits and interest accrued of ₹27.05 crores (PY ₹33.56 crores)

34.2 Financial instruments – Fair value measurements

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

(₹ in crores)

Financial Asset at Fair value through P&L	Fair Value Hierarchy	March 31, 2025	March 31, 2024
Financial Assets			
Investments			
Mutual Funds	Level 1	45.25	25.06
Alternate Investment Fund	Level 1	-	-
Total		45.25	25.06

The following table shows the carrying amounts and fair values of financial assets and financial liabilities measured at amortised cost, including their levels in the fair value hierarchy. (₹ in crores)

	Carrying amount		Fair Value Hierarchy	Fair Value	Fair value
	March 31,2025	March 31,2024		March 31,2025	March 31,2024
Financial assets					
Investments					
Government securities	332.71	302.52	Level 1	337.84	299.64
Pass through certificates	2.87	3.65	Level 3	2.87	3.65
Cash and cash equivalents	91.54	12.68	Level 1	91.54	12.68
Bank Balances	11.51	21.75	Level 3	11.51	21.75
Receivables	5.67	1.82	Level 3	5.67	1.82
Loans	15,490.55	13036.32	Level 3	15,490.55	13,048.15
Other Financial assets	106.06	42.14	Level 3	106.06	42.14
Sub-total	16,040.91	13420.88		16,046.04	13,429.83
Financial Liabilities					
Payables	35.34	23.51	Level 3	35.34	23.44
Non-convertible debentures	5,558.08	3823.09	Level 3	5,622.60	3850.24
Subordinated Debt	-	65.85	Level 3	-	65.84
NHB Refinance	1,684.88	1871.8	Level 3	1,684.88	1996.91
Long term loan from banks	2,624.59	2705.58	Level 3	2,624.59	2724.84
Deposit	2,317.21	2235.53	Level 3	2,324.99	2251.58
Working capital demand loans and cash credits	425.15	378.93	Level 3	425.15	379.91
Commercial paper	1,126.42	291.11	Level 3	1,149.76	291.11
Other Financial Liabilities	135.39	83.44	Level 3	135.39	83.91
Lease Liabilities	29.95	22.97	Level 3	29.95	22.97
Sub-total	13,937.01	11501.81		14,032.65	11690.74

34.3: Financial Risk Management framework

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

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

1. Credit Risk

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

The company has in place a comprehensive credit policy which clearly defines the credit filters and the terms of acceptance of proposals for financing different categories of borrowers and asset classes. The credit appraisal process, inter alia, includes filters for classification of customers, compliance with Know Your Customer (KYC) norms, Field investigation, Credit bureau verification, Credit Concentration norms, asset risk, segment and geography risks. The risk metrics also address Loan to Value, loan tenure, based on the useful life of the asset, end-use of the asset and credit enhancements, as appropriate. The Company's exposure is primarily to retail customers, thereby making for a well diversified risk portfolio. The time tested monitoring and recovery mechanism ensures timely recovery of instalments and where required, necessary action for resolution of delinquent accounts is initiated, including legal proceedings. Finally, physical presence and in-depth knowledge of the markets in which the Company operates enables early identification of emerging risks thereby facilitating prompt remedial action. Following tables provide an overview of the gross carrying amount and credit loss allowance broken down into stages

a) Loans

(₹ in crores)

	Carrying amount							
	31.03.2025				31.03.2024			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Balance at the beginning of the year	12,265.41	618.57	151.36	13,035.34	10,307.59	593.69	251.54	11,152.82
New Business - net of recoveries	5,980.24	14.77	23.44	6,018.45	4,420.19	40.48	8.32	4,468.98
Transfers due to change in creditworthiness	-225.46	144.83	50.29	-30.34	-152.84	92.23	39.53	-21.08
Financial assets that have been derecognised	-3,369.60	-97.90	-35.28	-3,502.78	-2,308.74	-107.14	-85.07	-2,500.95
Write off during the year	-0.06	-0.09	-31.12	-31.27	-0.79	-0.68	-62.96	-64.43
Balance at the end of the year	14,650.53	680.18	158.69	15,489.40	12,265.41	618.57	151.36	13,035.34

(₹ in crores)

	Expected Credit Loss							
	31.03.2025				31.03.2024			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Balance at the beginning of the year	60.38	77.99	86.10	224.47	42.79	95.05	127.13	264.97
Add/(Less)								
Additional Provisions (Net)	19.69	12.21	19.08	50.98	24.91	4.35	21.79	51.05
Transfers due to change in creditworthiness	-2.92	8.60	14.25	19.93	2.63	-0.27	11.52	13.88
Financial assets that have been derecognised	-31.71	-21.51	-11.63	-64.85	-9.16	-20.46	-11.38	-41.00
Impairment Loss for the year	-14.93	-0.71	21.70	6.06	18.38	-16.38	21.93	23.93
Less: Write off during the year	-0.06	-0.09	-31.12	-31.27	-0.79	-0.68	-62.96	-64.43
Balance at the end of the year	45.39	77.19	76.68	199.26	60.38	77.99	86.10	224.47

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

Particulars	31.03.2025				31.03.2024			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
South India	84.09%	92.35%	83.48%	84.44%	87.06%	93.88%	91.50%	87.45%
West India	8.02%	5.20%	11.60%	7.93%	5.95%	3.97%	6.21%	5.85%
East India	1.39%	1.08%	3.94%	1.41%	1.43%	0.94%	2.25%	1.42%
North India	6.50%	1.37%	0.98%	6.22%	5.56%	1.21%	0.04%	5.28%
Total	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

(ii) Concentration by Asset class

(₹ in crores)

Particulars	31.03.2025				31.03.2024			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Housing	65.55%	55.35%	64.06%	65.08%	64.66%	51.45%	55.81%	63.92%
Non Housing	34.45%	44.65%	35.94%	34.92%	35.34%	48.55%	44.19%	36.08%
Total	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

b) Other financial assets

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

(₹ in crores)

Particulars	31.03.2025				31.03.2024			
Gross carrying amount	5.71	-	0.01	5.72	5.46	-	0.06	5.52
Expected Credit Loss	0.95	-	0.01	0.96	0.66	-	0.06	0.72
Net Carrying amount	4.76	-	-	4.76	4.8	-	0	4.8

c) Loan Commitments and Financial Guarantees

These represents i) Sanctioned & Undisbursed loans ii) Undisbursed Amount of Partly disbursed contracts.

(₹ in crores)

Particulars	31.03.2025				31.03.2024			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount	792.16	2.11	0.94	795.21	812.16	1.41	0	813.57
Expected Credit Loss *	3.86	0.01	0.01	3.88	3.37	0.01	0	3.38
Net Carrying amount	788.30	2.10	0.93	791.33	808.79	1.4	0	810.19

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

Credit risk management practices**(i) Policy on write off**

The company has a board approved policy on write off of Loans based on ageing or when the value of underlying security/other collateral is not sufficient to cover the loan amount or where the underlying security / customer is not traceable. The Company takes legal recourse for recovery of shortfall of dues, if any.

(ii) Narrative description of collateral:

The underlying assets, which are financed, are the primary collateral held. These are typically properties mortgaged / hypothecation of loan receivables.

d) Debt Securities

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

(₹ in crores)

	31.03.2025					31.03.2024				
	FVTPL	Gross Carrying amount				FVTPL	Gross Carrying amount			
		At Amortised Cost					At Amortised Cost			
Stages ->		1	2	3	Total		1	2	3	Total
Government securities	-	332.71	-	-	332.71	-	302.52	-	-	302.52
Mutual Fund	45.25	-	-	-	45.25	25.06	-	-	-	25.06
Alternate Investment Fund	-	-	-	-	-	-	-	-	-	-
Pass through certificates	-	2.87	-	-	2.87	-	3.65	-	-	3.65
Total	45.25	335.58	-	-	380.83	25.06	306.17	-	-	331.23
Less: Expected Credit Loss	-	0.01	-	-	0.01	-	0.01	-	-	0.01
Net Carrying amount	45.25	335.57	-	-	380.82	25.06	306.16	-	-	331.22

(₹ in crores)

Stages	Expected Credit Loss							
	31.03.2025				31.03.2024			
	1	2	3	Total	1	2	3	Total
Balance at the beginning of the year	0.01	-	-	0.01	0.02	-	-	0.02
Additional Provisions (Net)	-	-	-	-	-	-	-	-
Transfers due to change in creditworthiness	-	-	-	-	-	-	-	-
Financial assets that have been derecognised	-	-	-	-	-	-	-	-
Write off during the year	-0.00	-	-	-0.00	-0.01	-	-	-0.01
Balance at the end of the year	0.01	-	-	0.01	0.01	-	-	0.01

34.4 Liquidity Risk

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

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

NOTES TO ACCOUNTS (Contd.)

(₹ in crores)

31st March 2025	Contractual cash flows								
	Upto 30 / 31 days	Over 1 month upto 2 months	Over 2 months upto 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
Non-derivative financial liabilities									
Payables	32.03	0.44	0.92	11.03	0.09	0.01	0.11	1.69	46.32
Debt Securities	166.04	415.62	415.94	679.74	868.85	2,991.30	1,322.87	1,336.65	8,197.01
Borrowings (Other than Debt Securities)	168.96	53.53	236.25	480.87	899.64	2,371.16	917.16	1,161.53	6,289.10
Deposits	70.68	30.34	111.77	284.32	377.80	1,374.39	415.90	-	2,665.20
Subordinated Liabilities	-	-	-	-	-	-	-	-	-
Other Financial Liabilities	103.73	1.32	3.29	-	-	-	-	-	108.34
Lease Liabilities	0.75	0.74	0.71	2.08	3.78	11.15	5.81	4.92	29.94

(₹ in crores)

31st March 2025	Contractual cash flows								
	Upto 30 / 31 days	Over 1 month upto 2 months	Over 2 months upto 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
Non-derivative financial assets									
Cash & cash equivalents	0.28	-	-	-	-	-	-	-	0.28
Bank balances	91.26	-	-	2.41	9.10	-	-	-	102.77
Loans	210.82	211.00	221.52	639.83	1,279.76	4,801.30	4,283.83	16,749.20	28,397.26
Loan against deposits	0.05	0.01	0.03	0.26	0.15	0.61	0.05	-	1.15
Investments	48.31	2.43	5.69	12.39	14.52	64.88	52.30	180.31	380.82
Trade receivables	5.67	-	-	-	-	-	-	-	5.67
Other financial assets	4.94	3.17	3.10	9.05	15.87	38.22	17.00	14.72	106.06

NOTES TO ACCOUNTS (Contd.)

(₹ in crores)

31st March 2024	Contractual cash flows								
	Upto 30/31 days	Over 1 month upto 2 months	Over 2 months upto 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
Non-derivative financial Liabilities									
Payables	7.94	6.26	6.42	0.67	0.01	0.02	0.12	2.08	23.52
Debt Securities	15.82	115.46	211.73	796.28	393.33	1,999.88	632.21	862.01	5,026.72
Borrowings (Other than Debt Securities)	37.56	180.39	249.89	425.61	907.30	2,344.68	1,203.45	517.10	5,865.98
Deposits	91.46	54.32	76.62	273.39	272.33	1,317.15	513.50	-	2,598.77
Subordinated Liabilities	0.01	0.00	-	-	70.92	-	-	-	70.93
Other Financial Liabilities	48.56	1.32	-	-	-	-	-	-	49.88
Lease Liabilities	0.65	0.64	0.64	1.87	3.63	10.06	5.53	4.39	27.41

31st March 2024	Contractual cash flows								
	Upto 30/31 days	Over 1 month upto 2 months	Over 2 months upto 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
Non-derivative financial Assets									
Cash and cash equivalents	0.60	-	-	-	-	-	-	-	0.60
Bank Balances	12.58	-	-	5.62	15.63	-	-	-	33.83
Loans	182.06	181.93	184.96	551.18	1,104.26	4,162.05	3,650.56	13,484.32	23,501.32
Loan against deposits	0.07	0.09	0.06	0.23	0.17	0.14	0.22	-	0.98
Investments	28.64	3.33	4.46	10.78	10.49	57.39	48.86	167.28	331.23
Trade Receivables	1.82	-	-	-	-	-	-	-	1.82
Other Financial Assets	4.21	1.19	1.19	3.23	5.93	15.65	6.91	3.84	42.15

NOTES TO ACCOUNTS (Contd.)

34.5 Market Risk

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

a. Interest rate risk

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

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

(₹ in crores)

	As at March 31, 2025	As at March 31, 2024
Financial assets		
Fixed-rate instruments		
Loans	600.72	629.29
Investments	335.58	306.17
Bank Balances	11.51	21.75
Total fixed rate assets (A)	947.81	957.21
Variable rate instruments		
Loans (B)	14,888.68	12407.04
Total C=(A+B)	15,836.49	13364.25
Financial liabilities		
Fixed-rate instruments		
Debt securities	6,684.50	3,372.98
Borrowings (Other than Debt securities)	760.71	758.99
Deposits	2,344.26	2,269.09
Total fixed rate liabilities (D)	9,789.47	6,401.06
Variable rate instruments		
Financial liabilities with floating interest rate(E)	3,973.92	5,004.39
Total F=(D+E)	13,763.38	11,405.45

Fair value sensitivity analysis for fixed rate instruments

The Company's fixed rate instruments are carried at amortised cost and are not measured for interest rate risk, as neither the carrying amount nor the future cash flows will fluctuate because of changes in market interest rates.

Cash flow sensitivity analysis for variable rate instruments

A reasonably possible change of 100 basis points in interest rates in respect of risk exposures existing as at the reporting date would have increased (decreased) Equity and profit or loss by the amounts shown below. This analysis assumes that all other

NOTES TO ACCOUNTS (Contd.)

variables, remain constant.

(₹ in crores)

	Profit or loss (31st March 2025)		Profit or loss (31st March 2024)	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
	31 March 2024		31 March 2023	
Variable rate instruments	100.47	(100.49)	81.53	(81.55)
Cash flow sensitivity (Net)	100.47	(100.49)	81.53	(81.55)

Interest rate sensitivity

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

To measure the above risk the Company adopts the duration gap analysis which is measured for assets and liabilities maturing in next 12 months as well as for the overall assets and liabilities. Also, for Interest rate risk management, the Duration Gap model is used on assets and liabilities maturing in the next 12 months, to assess the change in Net Interest Income (NII) for a 1% change in interest rate.

b. Currency Risk

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

34.6 Financial Instruments - Transferred that are not derecognised in their entirety:

(₹ in crores)

Financial Instruments - Transferred financial assets that are not derecognised in their entirety	FY 24-25	FY 23-24
Carrying amount of transferred assets	72.98	92.47
Carrying amount of associated liabilities	70.87	90.71
Fair value of assets	72.98	92.47
Fair value of associated liabilities	70.87	90.71

NOTES TO ACCOUNTS (Contd.)

Net position at Fair value	2.11	1.76
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34.7 Employee Benefit

Post-employment benefits: Defined Contribution Plans

(₹ in crores)

Amount recognised as expense in Employee benefit expense		
Particulars	2024-25	2023-24
Superannuation	0.07	0.11
Provident Fund & Pension Fund	7.27	5.55
National Pension Scheme	0.74	0.45
Employee State Insurance scheme	0.01	0.01
Total	8.09	6.12

Defined benefit plans

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

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

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

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

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

A) Gratuity (Funded)

Expected contribution to the plan for the next year is ₹2.84 crores.

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

(₹ in crores)

Particulars	31.03.2025	31.03.2024
Amounts recognised in profit or loss		
Current service cost	1.70	1.20
Past Service cost	-	-
Net interest expense/(income)	0.15	0.10
Total amount included in employee benefits expense	1.85	1.30
Amounts recognised in other comprehensive income		
Re measurement (gains)/losses:		
Actuarial (gains)/losses arising from changes in		
- Financial assumptions	0.38	0.39
- Experience adjustments	0.54	1.80
Return on plan assets, excluding amount included in net interest expense/(income)	-0.03	0.01
Total amount recognised in other comprehensive income	0.89	2.20
Changes in the defined benefit obligation		
Opening defined benefit obligation	13.05	9.73
Add/(less) on account of business combination/transfers		-
Current service cost	1.70	1.20
Interest expense	0.87	0.67
Re measurement (gains)/losses arising from changes in		
- Demographic assumptions	-	-
- Financial assumptions	0.38	0.39
- Experience adjustments	0.54	1.80
Effect of Business Combinations / Disposals	-	0.27
Benefits paid	-1.09	-1.01
Closing defined benefit obligation	15.45	13.05
Opening fair value of plan assets	8.96	7.27
Interest income on plan assets	0.72	0.57
Contribution by employer	3.96	1.87
Benefits paid	-1.09	-1.01
Actuarial gain / (loss) on plan assets	-	-
Return on plan assets excluding interest income	0.03	-0.01
Effect of Business Combinations / Disposals	-	0.27
Closing fair value of plan assets	12.58	8.96

(₹ in crores)

Net asset / (liability) recognised in balance sheet	31.03.2025	31.03.2024
Defined benefit obligation	-15.45	-13.05
Fair value of plan assets	12.58	8.96
Surplus/(Deficit)	-2.87	-4.09

(₹ in crores)

Particulars	31.03.2025	31.03.2024
I. Actuarial assumptions		
Discount rate	6.76%	6.97%
Expected Return on plan assets	6.76%	6.97%
Attrition rate (Age based)		
From Age 18 - 20 years	3%	3.00%
From Age 21 - 40 years	2%	2.00%
From Age 41 - 58 years	1%	1.00%
Salary escalation	7%	7%

(₹ in crores)

Particulars	31.03.2025	31.03.2024
II. Quantitative sensitivity analysis for impact of significant assumptions on defined benefit obligation are as below		
Impact of		
0.5% decrease in discount rate	16.40	13.85
0.5% increase in discount rate	14.56	12.31
0.5% decrease in salary growth rate	14.61	12.33
0.5% increase in salary growth rate	16.32	13.80
0.5% decrease in Attrition rate	15.45	13.05
0.5% increase in Attrition rate	15.43	13.04
0.5% decrease in Mortality rate	15.44	13.05
0.5% increase in Mortality rate	15.44	13.05
Weighted average duration of the Defined benefit obligation (in years)	16.64	16.42

NOTES TO ACCOUNTS (Contd.)

Particulars	31.03.2025	31.03.2024
III. Maturity profile of defined benefit obligation		
Year 1	0.62	0.45
Year 2	0.36	0.40
Year 3	0.51	0.34
Year 4	1.24	0.66
Year 5	0.78	1.19
Next 5 years	4.78	4.19

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

B. Leave Encashment and Compensated absences (Unfunded):

The company settles the accumulated balance in leave, in excess of specified number of days to the employees. Subsequent to such payment, the liability of compensated accumulated leave balances as per the scheme of the company has been provided for on actuarial basis using the projected unit cost method and accounted for in the Statement of Profit and Loss.

35 Disclosures as per Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021. As required by the directions the amounts are in ₹ Crore.

35.1 Capital

	Particulars	31st March 2025	31st March 2024
i.	CRAR (%)	18.7%	20.3%
ii.	CRAR – Tier I Capital (%)	18.3%	19.7%
iii.	CRAR – Tier II Capital (%)	0.4%	0.6%
iv.	Amount of subordinated debt raised as Tier- II Capital	--	--
v.	Amount raised by issue of Perpetual Debt Instruments	--	--

NOTES TO ACCOUNTS (Contd.)

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

(₹ in crores)

Particulars	31st March 2025	31st March 2024
Balance at the beginning of the year		
a) Statutory Reserve u/s 29C(i) of the National Housing Bank Act, 1987	55.07	39.61
b) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purpose of Statutory Reserve under Section 29C of the NHB Act, 1987	418.45	386.74
c) Total	473.52	426.35
Additional Appropriation/Withdrawal during the year		
Add:		
a) Amount Transferred u/s 29C(i) of the NHB Act, 1987	14.76	15.46
b) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purpose of Statutory Reserve under Section 29C(i) of the NHB Act, 1987	34.17	31.71
Less:		
a) Amount Appropriated from the Statutory Reserve u/s 29C(i) of the NHB Act, 1987	--	--
b) Amount Withdrawn from the Special Reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purpose of provision u/s 29C(i) of the NHB Act, 1987	--	--
Balance at the end of the year		
a) Statutory Reserve u/s 29C(i) of the National Housing Bank Act, 1987	69.83	55.07
b) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under Section 29C(i) of the NHB Act, 1987	452.62	418.45
c) Total	522.45	473.52

NOTES TO ACCOUNTS (Contd.)

35.3 Investments

(₹ in crores)

Particulars	31st March 2025	31st March 2024
Value of Investments		
(i) Gross value of Investments		
(a) In India	380.83	331.23
(b) Outside India		
(ii) Provisions for Depreciation		
(a) In India	0.01	-0.01
(b) Outside India		
(iii) Net value of Investments		
(a) In India	380.82	331.22
(b) Outside India		
Movement of provisions held towards - depreciation on investments		
(i) Opening balance	0.01	0.02
(ii) Add: Provisions made during the year	--	--
(iii) Less: Write-off / Write-back of excess provisions during the year	-0.00	-0.01
(iv) Closing Balance	0.01	0.01

35.4 Derivatives:

35.4.1 Forward Rate Agreement (FRA) / Interest Rate Swap (IRS): NIL

35.4.2 Exchange Traded Interest Rate (IR) Derivative: NIL

35.4.3 Disclosures on Risk Exposure in Derivatives: NA

NOTES TO ACCOUNTS (Contd.)

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

(₹ in crores)

Particulars	1 day to 7 days	8 to 14 days	15 days to 30/31 days	Over one month upto 2 months	Over 2 months upto 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 to 3 year	Over 3 to 5 years	Over 5 years	Total
Liabilities											
Deposits (including unrenewed deposits)	28.90	1.70	39.66	29.95	92.08	261.01	333.51	1,212.07	345.38	-	2,344.26
Borrowings from Banks/NHB	9.30	-	158.97	34.98	217.39	397.26	752.08	2,014.32	794.39	355.93	4,734.62
Market Borrowings	-	-	163.98	410.89	406.39	613.21	698.10	2,393.91	998.97	999.05	6,684.50
Foreign Currency Liabilities	-	-	-	-	-	-	-	-	-	-	-
TOTAL	38.20	1.70	362.61	475.82	715.86	1271.48	1,783.69	5,620.30	2,138.74	1,354.98	13,763.38
Assets											
Advances	18.30	18.30	108.60	74.33	85.55	226.25	492.40	2,029.39	2,003.79	10,433.64	15,490.55
Investments	46.05	0.77	1.49	2.43	5.69	12.39	14.52	64.88	52.30	180.31	380.83
Foreign Currency Assets	-	-	-	-	-	-	-	-	-	-	-
TOTAL	64.35	19.07	110.09	76.76	91.24	238.64	506.92	2,094.27	2,056.09	10,613.95	15,871.38

NOTES TO ACCOUNTS (Contd.)

35.6 Exposure

35.6.1 Exposure to Real Estate Sector

(₹ in crores)

Category		31.03.2025	31.03.2024
a)	Direct exposure #		
	(i) Residential Mortgages *		
	Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented.		
	- Individual Housing Loans up to 15 Lakhs	1,044.29	1,090.11
	- Others	12,487.35	10,275.76
	Total	13,531.64	11,365.87
	(ii) Commercial Real Estate		
	Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include Non-Fund Based (NFB) limits;	1,857.44	1,346.46
	(iii) Investments in Mortgage Backed Securities (MBS) and other securitised exposures –		
	a. Residential	2.87	3.65
	b. Commercial Real Estate	--	--
b)	Indirect Exposure		
	Fund Based and Non-Fund Based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	100.31	323.00
	Total Exposure to Real Estate Sector	15,492.26	13,038.98

Notes:

Consists of future Principal and Principal component of EMI outstanding.

* Includes exposures to Non-Housing loans secured by residential mortgages amounting to ₹3439.02 Cr (Previous year – ₹3033.89 crore)

35.6.2 Exposure to Capital Market:

(₹ in crores)

Particulars	31st March 2025	31st March 2024
All exposures to Alternative Investment Funds:		
(i) Category I	-	-
(ii) Category II		
(iii) Category III	-	-
Total exposure to capital market	-	-

NOTES TO ACCOUNTS (Contd.)

35.6.2A Sectoral Exposure

(₹ in crores)

Sectors	31st March 2025			31st March 2024		
	Total Exposure (includes on balance sheet and off-balance sheet exposure)	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector	Total Exposure (includes on balance sheet and off-balance sheet exposure)	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector
1. Agricultural and Allied activities						
2. Industry						
i...						
ii...						
Others						
Total of Industry (i+ii+...+ others)						
3. Services						
i...						
ii...						
Others						
Total of Services (i+ii+...+others)						
4. Personal Loans						
i. Housing	10,253.38	102.57	1.00%	8,722.62	84.47	0.97%
ii. Non housing	5,067.03	88.32	1.74%	4,246.72	66.22	1.56%
Others						
Total of personal loans (i+ii+...+ others)	15,320.41	190.89	1.25%	12,969.34	150.69	1.16%
5. Corporate Loan	964.19	15.28	1.58%	879.57	0.66	0.08%

35.6.3 Details of financing of Parent Company products: NIL

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

35.6.5 Unsecured Advances: Nil

35.6.6 Exposure to group companies engaged in real estate business: Nil

35.6.7 Intra-group Exposures: NIL

35.6.8 Unhedged foreign currency exposure: NIL

NOTES TO ACCOUNTS (Contd.)

35.7 Related party Disclosure Refer Note 33.9

35.7.1 The policy on dealing with related party transaction-Refer Annexure II of Board's report

Particulars	Parent (as per ownership or control)		Subsidiaries of Parent		Associates/ Joint ventures of Parent		Key Management Personnel (directors)		Relative of Key Management Personnel (directors)		Key Management Personnel (Others)		Relative of Key Management Personnel (Others)		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Borrowings																
Non-Convertible Debentures																
Royal Sundaram General Insurance Co Ltd.																
Outstanding					226.36	184.92									226.36	184.92
Maximum During the year					227.90	185.50									227.90	185.50
Deposits																
Outstanding							1.92	0.87	4.76	4.66					6.68	5.53
Maximum During the year							1.92	0.87	4.76	4.66					6.68	5.53
Placement of Deposits															-	-
Advances																
Loans to KMP																
Outstanding							2.37	2.52	-	-	0.89	0.97			3.26	3.49
Maximum During the year							2.52	2.58	-	1.89	0.97	3.00			3.49	7.47
Other Deposits																
Sundaram Finance Ltd.																
Outstanding	1.43	1.43													1.43	1.43
Maximum During the year	1.43	1.43													1.43	1.43
Royal Sundaram General Insurance Co Ltd.																
Outstanding					0.16	0.15									0.16	0.15
Maximum During the year					0.16	0.15									0.16	0.15
Insurance Premium Prepaid																
Royal Sundaram General Insurance Co Ltd.																
Outstanding					2.07	0.18									2.07	0.18

NOTES TO ACCOUNTS (Contd.)

Particulars	Parent (as per ownership or control)		Subsidiaries of Parent		Associates/ Joint ventures of Parent		Key Management Personnel (directors)		Relative of Key Management Personnel (directors)		Key Management Personnel (Others)		Relative of Key Management Personnel (Others)		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Maximum During the year					2.07	0.28									2.07	0.28
Investments															-	-
Purchase of fixed/other assets																
Sundaram Finance Ltd.	1.66	0.74	-												1.66	0.74
Interest paid																
Interest On NCDs																
Royal Sundaram General Insurance Co Ltd.					13.32	13.33									13.32	13.33
Interest On Public Deposits							0.12	0.05	0.36	0.33					0.48	0.38
Interest received																
Interest on Housing Loan	-		-				0.07	0.05	-	0.09	0.03	0.04			0.10	0.18
Others																
Dividend Paid -Final																
Sundaram Finance Ltd.	0.59	101.25	-				-		-		-		-		0.59	101.25
Dividend Paid -Interim																
Sundaram Finance Ltd.	27.63	58.37													27.63	58.37
Brokerage for Sourcing of Business/Deposits																
Sundaram Finance Ltd.	13.66	11.36	-				-		-		-		-		13.66	11.36
Software AMC, Connectivity and Other Charges																
Sundaram Finance Ltd.	7.16	7.28	-				-		-		-		-		7.16	7.28
Rent	3.04	2.41													3.04	2.41
Remuneration							3.91	3.77			1.40	1.85			5.31	5.62
Others																
Other Income	0.25	0.10			0.02	0.02									0.27	0.12
Other Expenses	0.40	0.02			1.88	2.57									2.28	2.59

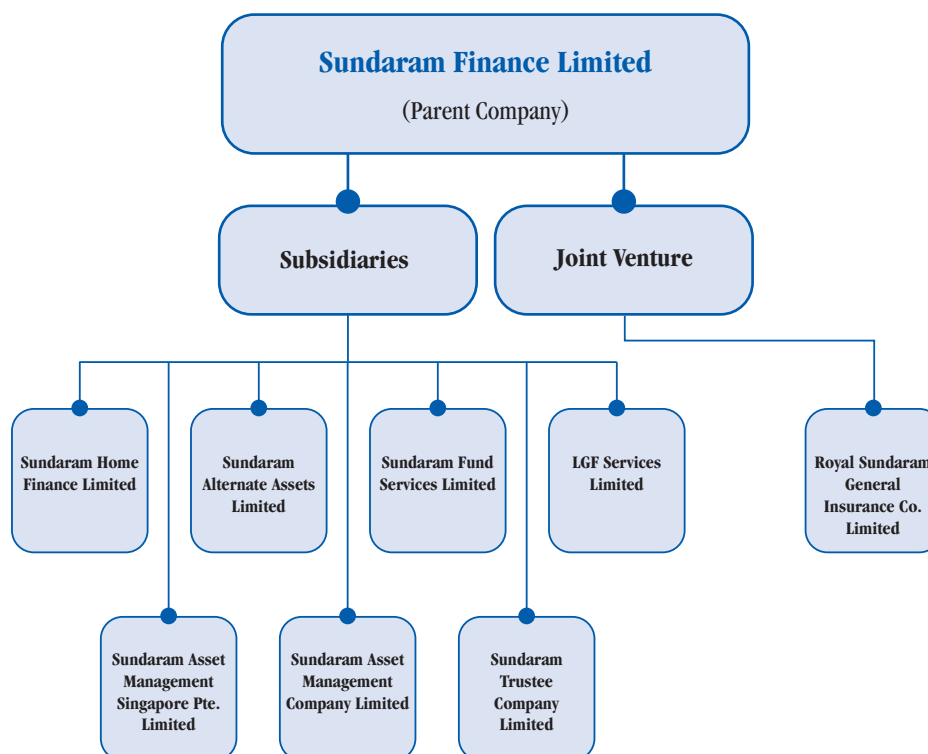
NOTES TO ACCOUNTS (Contd.)

35.8 Miscellaneous

35.8.1 Registration obtained from other financial sector regulators - NA

35.8.2 Group Structure

Diagrammatic representation of group structure



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

Borrowing through	Rating/Outlook	
	ICRA	CRISIL
Short-Term Debt / Commercial Paper	(ICRA) A1+	CRISIL A1+
Fixed Deposits	AAA/Stable	AAA/Stable
Non-Convertible Debentures	(ICRA) AAA/ Stable	CRISIL AAA/Stable
Subordinated Debt	(ICRA) AAA/ Stable	-
Long-term Loans	(ICRA) AAA/ Stable	CRISIL AAA/Stable
Structured Obligations	(ICRA) AAA (SO)	(CRISIL) AAA (SO)

During the year, there were no changes in the ratings.

NOTES TO ACCOUNTS (Contd.)

35.8.4 Management Discussion & Analysis

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

35.8.5 Net Profit or Loss for the period, prior period items and changes in accounting policies -

There are no changes in accounting policies and there are no prior period items accounted . The Statement of Profit & Loss discloses the net profit for the year ended 31st March 2025.

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

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

35.9 Additional Disclosures

35.9.1 Provisions and Contingencies

(₹ in crores)

Break up of 'Provisions and Contingencies' shown under the head Expenses in Statement of Profit and Loss Account		31st March 2025	31st March 2024
1.	Provision for depreciation on Investment	-0.01	-0.01
2.	Provision towards NPA – Stage 3 *	1.28	-41.03
3.	Provision made towards Income Tax (Current Tax)	66.66	64.35
4.	Provision for Standard Assets	-28.31	0.20
5.	Other Provision and Contingencies (Provision for loans sold/ securitised, Security deposits & provision for fraud & misappropriation)	6.14	0.44

* Excluding Write off of ₹31.27 Crs(previous year ₹64.43 Crs)

NOTES TO ACCOUNTS (Contd.)

(₹ in crores)

Break up of Loan & Advances and Provisions thereon	Housing		Non-Housing	
	31st March 2025	31st March 2024	31st March 2025	31st March 2024
Standard Assets				
a) Total Outstanding Amount	9,967.86	8,247.51	5,315.37	4,636.47
b) Provisions made	55.60	68.69	55.82	69.68
Sub-Standard Assets				
a) Total Outstanding Amount	58.60	34.92	68.73	21.06
b) Provisions made	15.62	11.01	16.97	5.93
Doubtful Assets – Category-I				
a) Total Outstanding Amount	16.70	27.57	10.06	13.63
b) Provisions made	6.80	17.06	3.40	7.04
Doubtful Assets – Category-II				
a) Total Outstanding Amount	30.73	17.87	11.94	10.35
b) Provisions made	26.27	12.93	9.75	7.24
Doubtful Assets – Category-III				
a) Total Outstanding Amount	4.96	3.91	2.31	21.85
b) Provisions made	4.80	3.36	2.09	21.33
Loss Assets				
a) Total Outstanding Amount	2.14	0.20	-	-
b) Provisions made	2.14	0.20	-	-
TOTAL				
a) Total Outstanding Amount	10,080.99	8,331.98	5,408.41	4,703.36
b) Provisions made	111.23	113.25	88.03	111.22

Note:

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

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

NOTES TO ACCOUNTS (Contd.)

FY 2024-25

Disclosures as per RBI notification no. DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated 13th March 2020 - Implementation of Indian Accounting Standards.

(₹ in crores)

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms (including income deferred)	Difference between Ind AS 109 provisions and IRACP norms
1	2	3	4	5=3-4	6	7=4-6
Performing Assets						
Standard	Stage - 1	14,548.25	38.30	14,509.95	55.64	-17.34
	Stage - 2	570.07	43.11	526.96	2.41	40.70
Sub total		15,118.32	81.41	15,036.91	58.05	23.36
Restructured Assets	Stage - 1	109.49	3.21	106.28	12.03	-8.82
	Stage - 2	102.90	34.08	68.82	8.72	25.36
Sub total		212.39	37.29	175.10	20.75	16.54
Non Performing Assets						
Substandard	Stage - 3	82.21	21.90	60.31	25.45	-3.55
Doubtful - up to 1 year	Stage - 3	24.78	9.81	14.97	10.79	-0.98
1 to 3 year	Stage - 3	42.29	35.93	6.36	26.05	9.88
More than 3 yrs	Stage - 3	7.27	6.90	0.37	7.27	-0.37
Loss	Stage - 3	2.14	2.14	0.00	2.14	-
Subtotal for NPA		158.69	76.68	82.01	71.70	4.98
"OFF BOOKS: Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms"		795.20	3.88	791.32	-	3.88
Subtotal						
Total (on book assets)	Stage - 1	14,657.74	45.39	14,612.35	67.66	-22.28
	Stage - 2	672.97	77.19	595.78	11.13	66.06
	Stage - 3	158.69	76.68	82.01	71.70	4.98
	Total	15,489.40	199.26	15,290.14	150.49	48.76

NOTES TO ACCOUNTS (Contd.)

FY 2023-24

(₹ in crores)

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms (including income deferred)	Difference between Ind AS 109 provisions and IRACP norms
1	2	3	4	5=3-4	6	7=4-6
Performing Assets						
Standard	Stage - 1	12,104.24	40.02	12,064.22	46.25	-6.23
	Stage - 2	502.98	37.72	465.26	2.52	35.20
Sub total		12,607.22	77.74	12,529.48	48.77	28.97
Restructured Assets	Stage - 1	149.84	16.99	132.85	15.43	1.56
	Stage - 2	126.92	40.26	86.66	12.56	27.70
Sub total		276.76	57.25	219.51	27.99	29.26
Non Performing Assets						
Substandard	Stage - 3	55.97	16.94	39.03	12.38	4.56
Doubtful - up to 1 year	Stage - 3	41.21	24.10	17.11	19.44	4.66
1 to 3 year	Stage - 3	28.22	20.17	8.05	16.44	3.73
More than 3 yrs	Stage - 3	25.76	24.69	1.07	25.77	-1.08
Loss	Stage - 3	0.20	0.20	-	0.20	-
Subtotal for NPA		151.36	86.10	65.26	74.23	11.87
OFF BOOKS: Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms		813.57	3.38	810.19	-	3.38
Subtotal						
Total (on book assets)	Stage - 1	12,254.08	60.39	12,193.69	61.69	-1.30
	Stage - 2	629.90	77.98	551.92	15.08	62.90
	Stage - 3	151.36	86.10	65.26	74.22	11.88
	Total	13,035.34	224.47	12,810.87	150.99	73.48

NOTES TO ACCOUNTS (Contd.)

35.9.2 Divergence in Asset Classification and Provisioning - NA

HFCs shall disclose details of divergence as per the table given below, if either or both of the following conditions are satisfied:

- (i) The additional provisioning requirements assessed by the National Housing Bank exceeds 5 percent of the reported profits before tax and impairment loss on financial instruments for the reference period,
- (ii) The additional Gross NPAs identified by the National Housing Bank exceeds 5 per cent of the reported Gross NPAs for the reference period.

Sl. No.	Particulars	Amount
1	Gross NPAs as on March 31, 2025 as reported by the HFC	NIL
2	Gross NPAs as on March 31, 2025 as assessed by the NHB	
3	Divergence in Gross NPAs (2-1)	
4	Net NPAs as on March 31, 2025 as reported by the HFC	
5	Net NPAs as on March 31, 2025 as assessed by the NHB	
6	Divergence in Net NPAs (5-4)	
7	Provisions for NPAs as on March 31, 2025 as reported by the HFC	
8	Provisions for NPAs as on March 31, 2025 as assessed by the NHB	
9	Divergence in provisioning (8-7)	
10	Reported Profit before tax and impairment loss on financial instruments for the year ended March 31, 2025	
11	Reported Net Profit after Tax (PAT) for the year ended March 31, 2025	
12	Adjusted (notional) Net Profit after Tax (PAT) for the year ended March 31, 2025 after considering the divergence in provisioning	

35.10 Draw Down from Reserves: NIL

35.11 Concentration of Public Deposits, Advances, Exposures and NPA

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

Particulars	31.03.2024	31.03.2023
Total Deposits of twenty largest depositors	730.02	715.86
Percentage of Deposits of twenty largest depositors to Total Deposits of the HFC	31.14%	31.55%

35.11.2 Concentration of Loans & Advances (₹ in crores)

Particulars	31.03.2024	31.03.2023
Total Loans & Advances to twenty largest borrowers	433.53	480.51
Percentage of Loans & Advances to twenty largest borrowers to Total Advances of the HFC	2.80%	3.69%

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

Particulars	31.03.2024	31.03.2023
Total Exposure to twenty largest borrowers /customers	433.53	480.51
Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the HFC on borrowers / customers	2.66%	3.47%

NOTES TO ACCOUNTS (Contd.)

35.11.4 Concentration of NPAs

(₹ in crores)

Particulars	31.03.2025	31.03.2024
Total Exposure to top ten NPA accounts	76.52	40.58

35.11.5 Sector-wise NPAs

Sl. No.	Sector	Percentage of NPAs to Total Advances in that sector
A.	Housing Loans:	
1	Individuals	1.04%
2	Builders/Project Loans	7.26%
3	Corporates	0.00%
4	Others (specify)	
B.	Non-Housing Loans:	
1	Individuals	1.83%
2	Builders/Project Loans	6.29%
3	Corporates	0.12%
4	Others (specify)	

NOTES TO ACCOUNTS (Contd.)

35.12 Movement of NPAs

(₹ in crores)

Particulars	31.03.2025	31.03.2024
(I) Net NPAs to Net Advances (%)	0.77%	0.50%
(II) Movement of NPAs (Gross)		
a) Opening balance	153.13	251.39
b) Additions during the year	133.29	62.87
c) Reductions during the year	80.28	162.94
d) Closing balance	206.14	151.32
(III) Movement of Net NPAs		
a) Opening balance	66.57	124.27
b) Additions during the year	84.93	24.89
c) Reductions during the year	33.19	83.93
d) Closing balance	118.30	65.22
(IV) Movement of provisions for NPAs (excluding provisions on standard assets)		
a) Opening balance	86.56	127.13
b) Provisions made during the year	48.36	37.98
c) Write-off/write-back of excess provisions	47.08	79.01
d) Closing balance	87.84	86.1

35.13 Overseas Assets – Nil

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

35.15 Disclosure of Complaints

Sl. No	Particulars	2024-25	2023-24
1	No. of complaints pending at the beginning of the year	10	16
2	No. of complaints received during the year	289	224
3	No. of complaints disposed during the year	288	230
	i) Of which, number of complaints rejected by the HFC	0	0
4	Number of complaints pending at the end of the year	11	10
	Maintainable complaints received by the HFC from Office of Ombudsman		
5	Number of maintainable complaints received by the HFC from Office of Ombudsman	NA	NA
	Number of complaints resolved in favour of the HFC by Office of Ombudsman	NA	NA
	Number of complaints resolved through conciliation/mediation/advisories issued by Office of Ombudsman	NA	NA
	Number of complaints resolved after passing of Awards by Office of Ombudsman against the NBFC	NA	NA
6	Number of Awards unimplemented within the stipulated time (other than those appealed)	NA	NA

NOTES TO ACCOUNTS (Contd.)

Top five grounds of complaints received by the HFCs from customers

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/ decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
1	2	3	4	5	6
Current Year					
Loan Account Related	5	52	-5%	1	0
Sanction / Disbursement of Loan	3	37	19%	1	0
Legal Related	1	50	52%	1	0
Closure of Loan	1	44	-28%	2	0
Credit Bureau Related	0	75	971%	5	0
Others	0	31	-16%	1	0
Total	10	289		11	0
Previous Year					
Loan Account Related	5	55	6%	5	0
Closure of Loan	5	61	45%	1	0
Legal Related	1	33	35%	1	0
PMAY Subsidy	1	31	154%	0	0
Repricing	1	15	25%	0	0
Others	3	29	4%	3	0
Total	16	224		10	0

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

36 Corporate governance

36.1 Composition of the Board

The details relating to composition of the Board forms part of the Corporate Governance Report.

36.2 Details of change in composition of the Board during the current and previous financial year

The details of change in composition of the Board forms part of the Corporate Governance Report.

36.3 Committees of the Board and their composition

The details of committees of the Board and their composition forms part of the Corporate Governance Report.

36.4 General Body Meetings

The details of General Meetings forms part of the Corporate Governance Report.

36.5 Details of non-compliance with requirements of Companies Act, 2013

The details of non-compliance with requirements of Companies Act, 2013 forms part of the Corporate Governance Report.

36.6 Details of penalties and strictures

The details of penalties and strictures forms part of the Corporate Governance Report.

36.7 Remuneration of Directors

The details of Remuneration of Directors forms part of the Corporate Governance Report.

NOTES TO ACCOUNTS (Contd.)

37 Public Disclosure on Liquidity Risk pursuant to RBI circular dated 17th February 2021 on Liquidity Risk Management Framework.

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

31st March 2025

Number of significant Counter parties	Amount (₹ in crores)	% of Total Deposits	% of Total Liabilities
20	9,979.02	425.68%	71.46%

31st March 2024

Number of significant Counter parties	Amount (₹ in crores)	% of Total Deposits	% of Total Liabilities
20	8,308.39	366.16%	72.08%

(ii) Top 20 large deposits

Particulars	31.03.2025	31.03.2024
20 Large deposits	730.02	715.86
% of total deposits	31.14%	31.55%

(iii) Top 10 borrowings

Particulars	31.03.2025	31.03.24
Top 10 borrowings	7,567.31	6,665.13
% of total borrowings	54.98%	58.44%

(iv) Funding Concentration based on significant instrument/product

Name of the Instrument	As on 31st March 2025		As on 31st March 2024	
	Amount (₹ in crores)	%	Amount (₹ in crores)	%
NCD	5,558.08	40.39%	3,888.94	34.11%
Deposits	2,344.26	17.03%	2,269.09	19.89%
Refinance	1,684.88	12.24%	1,871.80	16.41%
Term Loan	3,049.74	22.16%	3,084.51	27.04%
Commercial Paper	1,126.42	8.18%	291.11	2.55%
Total	13,763.38	100.00%	11,405.45	100.00%

NOTES TO ACCOUNTS (Contd.)

(v) Stock Ratios

31st March 2025

S. No	Name of Instrument/Product	As a % of Total Public Funds	As a % of Total Liabilities	As a % of Total Assets
1	Commercial Paper	8.18%	8.07%	7.12%
2	Non-Convertible Debentures (original maturity < 1 year)	--	--	--
3	Other Short-term Liabilities	27.03%	26.64%	23.52%

31st March 2024

S. No	Name of Instrument/Product	As a % of Total Public Funds	As a % of Total Liabilities	As a % of Total Assets
1	Commercial Paper	2.55%	2.53%	2.21%
2	Non-Convertible Debentures (original maturity < 1 year)	--	--	--
3	Other Short-term Liabilities	30.50%	30.20%	26.42%

38 Disclosure on Liquidity Coverage Ratio

As part of the Liquidity Risk Management Framework for NBFCs, RBI has mandated maintenance of Liquidity Coverage Ratio (LCR) effective Dec 2021. The Company is required to maintain adequate unencumbered High Quality Liquid Asset (HQLA) to meet its liquidity needs for a 30 calendar-day time horizon under a significantly severe liquidity stress scenario. Presently, the Company is required to maintain minimum HQLA of 85% of the LCR, progressively reaching 100% by December 1, 2025.

The LCR is calculated by dividing the company's stock of HQLA by its total net cash outflows over a 30- day stress period. HQLA means liquid assets that can be readily sold or immediately converted into cash at little or no loss of value or used as collateral to obtain funds in a range of stress scenarios. Total Net cash outflows is defined as total expected cash outflows minus total expected cash inflows in the specified stress scenario for the subsequent 30 calendar days. The main drivers of LCR are adequate HQLAs and lower net cash outflow.

Major source of borrowings for the Company are NHB Refinance, Non-Convertible Debentures, Term loans from Banks, and Public deposits.

The average LCR for the quarter ended Mar 25 is 163.60%, calculated on daily average, and is above the regulatory requirement of 85%.

NOTES TO ACCOUNTS (Contd.)

S. No	Particulars	Apr 24 to Jun 24		Jul 24 to Sep 24		Oct 24 to Dec 24		Jan 25 to Mar 25	
		Total Unweighted (Average)	Total Weighted Value (Average)	Total Unweighted (Average)	Total Weighted Value (Average)	Total Unweighted (Average)	Total Weighted Value (Average)	Total Unweighted (Average)	Total Weighted Value (Average)
1	High Quality Liquid Assets		245.75		250.45		266.21		268.34
	Cash Outflows								
2	Deposits	115.44	132.76	96.70	111.20	65.09	74.85	64.32	73.97
3	Unsecured wholesale funding	34.07	39.18	32.61	37.50	32.61	37.50	3.33	3.83
4	Secured wholesale funding	242.90	279.33	394.74	453.95	351.20	403.88	256.05	294.45
5	Additional requirements	-	-	-	-	-	-	-	-
6	Other Contractual Funding	218.15	250.87	230.57	265.15	227.39	261.50	246.81	283.83
7	Other contingent funding	-	-	-	-	-	-	-	-
8	TOTAL CASH OUTFLOWS	610.56	702.14	754.62	867.80	676.29	777.73	570.51	656.08
	Cash Inflows								
9	Secured Lending	182.12	136.59	183.80	137.85	189.54	142.16	194.67	146.00
10	Inflows from fully performing exposures	-	-	-	-	-	-	-	-
11	Other Cash inflows	2,127.92	1,595.94	1,995.53	1,496.65	1,625.44	1,219.08	2,047.31	1,535.48
12	TOTAL CASH INFLOWS	2,310.04	1,732.53	2,179.33	1,634.50	1,814.98	1,361.24	2,241.98	1,681.48
13	TOTAL HQLA		245.75		250.45		266.21		268.34
14	TOTAL NET CASH OUTFLOWS		175.53		216.95		194.43		164.02
15	LIQUIDITY COVERAGE RATIO %		140.00%		115.44%		136.92%		163.60%
	Components of High Quality Liquid Assets								
	Cash		0.13		0.10		0.12		0.06
	G-Sec		245.62		250.35		266.10		268.28
	Total		245.75		250.45		266.21		268.34

NOTES TO ACCOUNTS (Contd.)

Institutional Set up for Liquidity Risk Management

Board has set up the Asset Liability Management Committee (ALCO) and Risk Management Committee to manage various risks of the Company. ALCO meets on regular basis and is responsible for ensuring adherence to the risk tolerance/limits set by the Board including the Liquidity Risk of the Company. The performance of the ALCO is reviewed by Audit Committee/Board.

The Company has formulated a policy on Liquidity Risk Management Framework. Accordingly, the Company

- Performs stress testing on a quarterly basis which enables the Company to estimate the liquidity requirements as well as adequacy and cost of the liquidity buffer under stressed conditions.
- Formulated a contingency funding plan as part of the outcome of stress testing results.
- Monitors liquidity risk based on Stock approach to liquidity by way of pre-defined internal limits for various critical ratios pertaining to liquidity risk.

The Company has diversified source of funding to ensure that there is no significant source, the withdrawal of which could trigger liquidity problems.

The Company monitors cumulative mismatches across all time buckets by establishing internal prudential limits. The Company maintains adequate liquidity buffer of readily marketable assets, to protect itself against any liquidity risk at the same time is mindful of the cost associated with it.

Notes:

1. As per the circular issued by RBI on Liquidity Risk Management Framework for Non- Banking Financial Companies and Core Investment Companies dated 04th Nov 2019, "Significant counterparty" is defined as a single counter party or group of connected or affiliated counter parties accounting in aggregate for more than 1% of the total Liabilities and "Significant instrument/product" is defined as a single instrument/product of group of similar instruments/products which in aggregate amount to more than 1% of the total Liabilities.
2. Total Liabilities represent 'Total Liabilities and Equity' as per Balance sheet less Equity
3. Public funds are as defined in Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016.
4. Other Short-term Liabilities represents all short-term borrowings other than CPs.

As per our report of even date attached
 For **Varma & Varma**
 Chartered Accountants
 FRN : 004532S
P.R.Prasanna Varma
 Partner
 Membership No. 025854
 Chennai
 5th May 2025

T.T. Srinivasaraghavan
 Chairman
 DIN No.00018247

Lakshminarayanan Duraiswamy
 Managing Director
 DIN No.07988186

Venkatasubramanian R
 Company Secretary

Bhavani Balasubramanian
 Director
 DIN No.09194973

Sridhar. P.S
 Chief Financial Officer

Sundaram Home Finance Limited

Notes forming part of the financial statements for the year ended March 31, 2024

**Annex III of Master Direction – Non-Banking Financial Company –
Housing Finance Company (Reserve Bank) Directions, 2021**

Schedule to the Balance Sheet of Sundaram Home Finance Limited

(₹ in crores)

Particulars		Amount outstanding	Amount overdue
Liabilities side			
1	Loans and advances availed by the HFC inclusive of interest accrued thereon but not paid:		
	(a) Debentures :		
	Secured	5,034.20	
	Unsecured	523.88	
	(other than falling within the meaning of public deposits)		
	(b) Deferred Credits		
	(c) Term Loans	4,734.62	
	(d) Inter-corporate loans and borrowing	-	
	(e) Commercial Paper	1,126.42	
	(f) Public Deposits*	2,344.26	27.05
	(g) Other Loans-Subordinated Debt	-	
2	Break-up of (1) (f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid):		
	(a) In the form of Unsecured debentures		
	(b) In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security		
	(c) Other public deposits	2,344.26	

* Represents unrenewed deposits and interest accrued there on

Particulars		Amount outstanding
Assets Side		
3	Break-up of Loans and Advances including bills receivables [other than those included in (4) below]:	
	(a) Secured	1.15
	(b) Unsecured	
4	Break up of Leased Assets and stock on hire and other assets counting towards asset financing activities	
	(i) Lease assets including lease rentals under sundry debtors	
	(a) Financial lease	
	(b) Operating lease	
	(ii) Stock on hire including hire charges under Sundry Debtors	
	(a) Assets on hire	
	(b) Repossessed Assets	
	(iii) Other loans counting towards asset financing activities	
	(a) Loans where assets have been repossessed	28.77
	(b) Loans other than (a) above	15,460.64

SUNDARAM HOME FINANCE LIMITED

Particulars		Amount outstanding
5 Break-up of Investments		
Current Investments		
1	Quoted	
(i)	Shares	-
	(a) Equity	-
	(b) Preference	-
(ii)	Debentures and Bonds	-
(iii)	Units of mutual funds	-
(iv)	Government Securities	
(v)	Others (please specify)	-
2	Unquoted	
(i)	Shares	
	(a) Equity	-
	(b) Preference	-
(ii)	Debentures and Bonds	-
(iii)	Units of mutual funds	45.25
(iv)	Government Securities	-
(v)	Others (please specify)	-
Long Term investments		
1	Quoted	
(i)	Shares	
	(a) Equity	-
	(b) Preference	-
(ii)	Debentures and Bonds	-
(iii)	Units of mutual funds	-
(iv)	Government Securities	332.71
(v)	Others (please specify)	-
2	Unquoted	
(i)	Shares	
	(a) Equity	
	(b) Preference	
(ii)	Debentures and Bonds	
(iii)	Units of mutual funds	
(iv)	Government Securities	
(v)	Others-Investments in Senior Pass Through Certificates	2.87

(₹ in crores)

6 Borrower group-wise classification of assets financed as in (3) and (4) above:				
Category		Amount net of provisions		
		Secured	Unsecured	Total
1	Related Parties			
(a)	Subsidiaries			
(b)	Companies in the same group			
(c)	Other related parties	2.37		
2	Other than related parties Total	15,489.40		

(₹ in crores)

7 Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted) :			
Category		Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)
1	Related Parties		
(a)	Subsidiaries		
(b)	Companies in the same group	35.21	35.21
(c)	Other related parties		
2	Other than related parties	345.67	345.62
	Total	380.88	380.83

(₹ in crores)

8 Other information		
	Particulars	Amount
(i)	Gross Non-Performing Assets	206.14
(a)	Related parties	
(b)	Other than related parties	
(ii)	Net Non-Performing Assets	118.30
(a)	Related parties	
(b)	Other than related parties	
(iii)	Assets acquired in satisfaction of debt	



SUNDARAM HOME

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

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

Phone : (044) 28515267

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

Website: www.sundaramhome.in

Andhra Pradesh

Bhimavaram: 088 16293633, Eluru: 088 12233432, Gajuwaka: 089 12573077, Guntur: 086 32331469, Kadappa: 085 62253366, Kakinada: 088 42351618, Kurnool: 085 18225146, Nellore: 086 12322269, Ongole: 085 92283959, Rajahmundry: 088 32460284, Srikakulam: 089 42229123, Tanuku: 088 19227667, Tirupathi: 087 72237378, Vijayawada: 086 62482244, Visakhapatnam: 089 12575522, Vizianagaram: 089 22237778

Telangana

Begaumpet: 040 23405141, Hitech City: 040 23119847, Hyderabad: 040 27802344, Kammareddy: 084 68223699, Karimnagar: 087 82237676, Khammam: 087 42242160, Kompally: 040 29550085, Kukatpally: 040 23162224, Lb Nagar: 040 24126456, Mahbubnagar: 085 42293688, Mancherla: 087 36255456, Nizamabad: 084 62220224, Sangareddy: 084 55272073, Sathupalli: 087 61282878, Suryapet: 086 84220077, Warangal: 087 02441244

Karnataka

Belagavi: 083 12471019, Bellary: 083 92256437, Bengaluru: 080 23567911, Chikodi: 833 8298002, Davanagere: 081 92297075, HSR Layout: 080-41535092, Hubballi: 083 62371954, Indiranagar: 080 28450035, Jaya Nagar Bng: 080 26494747, Kalaburagi: 084 72244419, Mangaluru: 086 45235932, Mysuru: 082 12425007, R R Nagar: 080 41104575, Raichur: 085 32225009, Shivamogga: 081 82275719, Tumukur: 816-2009266, Vijayapura: 083 52265639, Yelahanka: 080 23620310,

Kerala

Aluva: 048 42943265, Kannur: 049 72761917, Kayamkulam: 047 92441157, Kochi: 048 42350334, Kollam: 047 42742490, Kottayam: 048 12561549, Kozhikode: 049 52722066, Muvattupuzha: 048 52812906, Palakkad: 049 12503620, Pathanamthitta: 046 82224289, Thiruvananthapuram: 047 12545393, Trichur: 048 72221042, Tripunithura: 048 42779170

Puducherry : 041 32330509

Tamil Nadu

Ambattur: 044 26231656, Ambur: 04174 450682, Arani: 04173-224244, Arupukottai: 0456-2690001, Athur: 042 82253354, Chengalpet: 044 27432929, Chrompet: 044 22210244, Coimbatore: 042 22244455, Coimbatore EB: 0422-2244455, Dharapuram: 04258 223933, Dharmapuri: 04342-230244, Dindigul: 045 12422001, Dindigul Eb: 0451-4060110, Edappadi EB: 4283-0291817, Ellampillai EB: 427-2913301, Erode: 042 42262999, Erode EB: 0424-2262999, Gobichettipalayam: 04285-222133, Gudiyattam: 04171450516, Hosur: 043 44223318, Kallakurchi EB: 04151-226445, Kanchipuram: 044 27233660, Kanchipuram EB: 044-49786328, Karaikudi: 04565233202, Karur: 04324231235, Kovilpatti: 04632-469536, Krishangiri: 04343-200121, Kumbakonam: 043 52433216, Madurai: 045 22539543, Madurai EB: 0452-4067942, Marthandam: 04651231669, Mettupalayam: 042 54221125, Mayiladuthurai EB: 04364-223440, Nagercoil EB: 04652-453876, Namakkal: 042 86233454, Nanganallur: 044 22242204, Neyveli: 041 42213435, Panruti: 04142-712224, Parrys: 044 25241099, Perambalur: 043 28275563, Perambalur EB: 04328-275563, Pollachi: 042 59223552, Pollachi EB: 04259-450343, Porur: 044 48581097, Pudukottai: 043 22232455, Pudukottai EB: 0432-2400626, RS Puram: 042 22545333, Rajapalayam EB: 04563-221445, Ranipet: 041 72271979, Rasipuram EB: 04287-299568, Salem: 042 72334554, Salem EB: 0427-4511149, Sivakasi: 045 62222262, Sivakasi EB: 04562-220226, T Nagar: 044 45635600, Tambaram: 044-21926413, Tanjore: 043 62233216, Tenkasi EB: 4633-213144, Theni: 04546263004, Thiruvallur: 04427664590, Thiruvannmiyur: 04424410106, Thiruvannamalai: 041 75252020, Thiruvavur: 043 66220293, Tiruchengode: 042 88257381, Tirunelveli: 046 22574274, Tirunelveli EB: 462-2915670, Thirupathur EB: 04179 299080, Tiruppur: 042 12474450, Tiruppur EB: 042 14267882, Trichy: 043 12402150, Trichy EB: 0431 4054822, Tuticorin: 046 12328827, Vellore: 041 62245884, Vellore – EB: 041 64050953

Rest of India

Chhattisgarh – Raipur: 0771-4060919 0771-4060919, Gujarat – Ahmedabad: 079 49183519, Rajkot: 028 12991191, Vadodara: 026 52355070
Maharashtra – Aurangabad: 024 02993020, Kolhapur: 023 12667381, Mumbai-Andheri: 022 69011488, Nagpur: 071 22558017, Nasik: 025 32501766, Navi Mumbai: 097 65597372, Pune: 096 07974828, Pune-WAKAD: 020-47250178, Thane: 022 40052777
Madhya Pradesh- Bhopal: 07552550240, Indore: 07313500590, Indore Vijayanagar: 0731-3622911,
Odisha – Bhubaneswar: 083 28851140 Rajasthan – Ajmer: 09166672847, Jaipur: 014 14035386, Jodhpur: 029 12979311,
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