

Sundaram Fund Services Limited

(Formerly known as Sundaram BNP Paribas Fund Services Limited)

Thirteenth Annual Report

2020-21



SUNDARAM FUND SERVICES



SUNDARAM FINANCE

Board of Directors

| | |
|-----------------------------|-------------------|
| T.S.Sritharan | Managing Director |
| Ranganatha Vijayendiran Rao | Director |
| C.M. Loganathan | Director |

Chief Financial Officer

S. Lakshminarasimhan

Company Secretary

R. Ajith Kumar

Auditors

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

Registered Office

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

Banker

HDFC Bank Limited

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BOARD'S REPORT

Your Directors have pleasure in presenting the Thirteenth Annual Report along with the audited financial statements for the year ended March 31, 2021.

Review of Operations

During the year under review, your Company earned a fee income of ₹63.88 lakhs from its operations and other income of ₹430.40 lakhs. Total expenditure, including tax provisions, amounted to ₹489.76 lakhs. The Company recorded a marginal net profit of ₹ 4.52 lakhs.

Dividend

Considering the minimal profit, your Directors recommend no dividend for the year under review.

Share Capital

During the year, your Company did not raise funds by way of infusion of fresh equity. The paid-up equity share capital of the Company stands at ₹ 45,00,30,000.

Board of Directors

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

The Board met seven times in 2020-21. The meeting dates along with attendance of the Directors at the Board meetings are given in Annexure I.

Mr. T.T.Srinivasaraghavan, Managing Director and Mr.S.Venkatesan, Director have been resigned from the Board with effect from 29th March 2021 . Mr.A.N.Raju, Director, resigned from the Board with effect from 30th March 2021. Your Company places on record its gratitude and appreciation for the significant contribution made by these Directors during their tenure.

Mr.T.S.Sritharan and Mr. Ranganatha Vijayendiran Rao have been appointed as Managing Director and Director respectively with effect from 29th March 2021. Mr. C.M. Loganathan has been appointed as a Director with effect from 30th March 2021.

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

Key Managerial Personnel

Mr. M.Ramaswamy, Chief Financial Officer and Mr. P.Viswanathan, Company Secretary had resigned from their respective posts with effect from closing hours on 29th March 2021. Mr. S.Lakshminarasimhan and Mr.R.Ajith Kumar have been appointed as Chief Financial Officer and Company Secretary respectively with effect from 29th March 2021.

Details of significant and material orders passed by the Regulators

During 2020-21, no significant and material orders were passed by the Regulators or Courts or Tribunals impacting the going concern status or the company's future operations.

Internal Control System

The Company has adequate internal control systems commensurate with nature and size of its business activity, with regards to efficiency of its financial reporting. The internal financial control systems have been designed to ensure that all assets are safeguarded and protected against any loss from unauthorized use or disposition and that the transactions are authorized, recorded, and reported correctly. The Company has guidelines and procedures in place and carries out extensive and regular internal control programs and policy reviews to ensure that the internal control systems are adequate to protect the Company against any loss and safeguard the Company's assets.

Deposits

Your Company has not accepted any public deposits during the year under review.

Extract of the annual return

The extract of the annual return pursuant to Section 134(3)(a) and Section 92(3) of the Act read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014 in Form No. MGT-9 is attached to this report as Annexure II.

Personnel

Your Company has on its rolls, 15 employees as on March 31, 2021.

The criteria laid down for remuneration policy, as approved by the board are attached at part of this report wide Annexure III.

Disclosure under The Prevention of Sexual Harassment of Women at Workplace

Your Company has in place an Anti-Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at

the Workplace (Prevention, Prohibition & Redressal) Act, 2013. An Internal Complaints Committee (ICC) has been set up to redress complaints, if any, regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy. No complaints were received during the year.

Conservation of energy, technology absorption and foreign exchange earnings and outgo

- a) Your Company has no activity relating to conservation of energy or technology absorption
- b) Foreign exchange earnings and Outgo:

During 2020-21, your Company did not have any foreign currency earnings and outgo.

Particulars of loans, guarantees or investments under section 186

During the year under review, your Company has not given any loan or guarantee or provided any security or made any investments under Section 186 of the Companies Act, 2013.

Particulars of contracts or arrangements with related parties

During the year, all transactions entered into by the Company with the related parties 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 attached as part of this report wide Annexure IV.

Corporate Social Responsibility (CSR)

The provisions of Section 135 of the Companies Act 2013 relating to Corporate Social Responsibility are not applicable to your Company.

Directors' Responsibility Statement

In terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013, your directors confirm that:

- (a) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures
- (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 at the end of the financial year and of the profit and loss 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 this Act, 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; and
- (e) proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

Statutory Auditors

M/s. N.C. Rajagopal & Co., Chartered Accountants, Chennai (Registration Number No.003398S), are Statutory Auditors of the Company, in accordance with the provisions of Sections 139,141 and other applicable provisions of the Companies Act 2013, to hold office until the conclusion of 15th Annual General Meeting.

Acknowledgement

Your Directors thank your Company's shareholders Sundaram Finance Limited, Clients, Service Providers, Banks, and Regulators for their support.

Your Directors also place on record their appreciation to the dedication and commitment of the employees of your Company.

For and on behalf of the Board of Directors

T.S. Sritharan

Managing Director

Place: Chennai

Date: 03.05.2021

Ranganatha Vijayendiran Rao

Director

Annexure I

A. Details of the Board Meetings attended by the Directors:

| S. No. | Director | No. of Meetings | | Meeting Dates |
|--------|----------------------------|-----------------|----------|-----------------------------------------------------------------------------------------------------------------------------------------------|
| | | Held | Attended | |
| 1. | Mr. T T Srinivasaraghavan* | 7 | 6 | 21st May 2020, 4th August 2020, 24th September 2020, 2nd November 2020, 27th January 2021, 29th March 2021, 30th March 2021 |
| 2. | Mr. S. Venkatesan@ | 7 | 6 | |
| 3. | Mr. A. N. Raju# | 7 | 7 | |
| 4. | Mr. T.S.Sritharan** | 7 | 2 | |
| 5. | Mr. Vijayendiran@@ | 7 | 2 | |
| 6. | Mr. C.M. Loganathan## | 7 | 1 | |

* Mr. T T Srinivasaraghavan resigned from the Board with effect from 29th March 2021.

@ Mr. S. Venkatesan resigned from the Board with effect from 29th March 2021.

Mr. A. N. Raju resigned from the Board with effect from 30th March 2021.

Mr. T.S.Sritharan has been appointed as Managing Director with effect from 29th March 2021.

@@ Mr. Vijayendiran has been appointed as a Director with effect from 29th March 2021.

Mr. C.M.Loganathan has been appointed as a Director with effect from 30th March 2021.

For and on behalf of the Board of Directors

T.S. Sritharan

Managing Director

Place: Chennai

Date: 03.05.2021

Ranganatha Vijayendiran Rao

Director

Annexure II

Form No. MGT-9

Extract of Annual Return as on the financial year ended on 31st March 2021

[Puruant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration Rules), 2014]

I. REGISTRATION AND OTHER DETAILS

| | | |
|------|---------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------|
| i) | C I N | U67120TN2008PLC068388 |
| ii) | Registration Date | 27/06/2008 |
| iii) | Name of the Company | Sundaram Fund Services Limited (Formerly known as Sundaram BNP Paribas Fund Services Limited) |
| iv) | Category / Sub-Category of the Company | Public Company / Company having Share Capital |
| v) | Address of the Registered office and contact details | 21 Patullos Road, Chennai - 600 002 Tel: 044-2852 1181 |
| vi) | Whether listed Company | No |
| vii) | Name, Address and Contact details of Registrar and Transfer agent, if any | Not applicable |

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

| Sl. No | Name & Description of main products / services | NIC Code of the product / service | % to total turnover of the company |
|--------|------------------------------------------------|-----------------------------------|------------------------------------|
| | | | |

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

| S. No | Name and address of the Company | CIN/GLN | Holding/Subsidiary/ Associate | % of shares held | Applicable Section |
|-------|-----------------------------------------------------------------|-----------------------|-------------------------------|------------------|--------------------|
| 1 | Sundaram Finance Limited, 21, Patullos Road, Chennai 600 002 | L65191TN1954PLC002429 | Holding | 100% | Sec. 2 (46) |

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

(i) Category-wise Share Holding

| | Category of Shareholders | No. of Shares held at the beginning of the year | | | | No. of shares held at the end of the year | | | | % Change During the year |
|-----------|-------------------------------------------------------------|-------------------------------------------------|--------------------|--------------------|-------------------|-------------------------------------------|--------------------|--------------------|-------------------|--------------------------|
| | | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| A. | PROMOTER | | | | | | | | | |
| 1) | Indian | | | | | | | | | |
| a) | Individual / HUF | – | – | – | – | – | – | – | – | – |
| b) | Central Govt | – | – | – | – | – | – | – | – | – |
| c) | State Govt(s) | – | – | – | – | – | – | – | – | – |
| d) | Bodies Corp. | 2,20,51,470 | 2,29,51,530 | 4,50,03,000 | 100% | 2,20,51,470 | 2,29,51,530 | 4,50,03,000 | 100% | – |
| e) | Banks / FI | – | – | – | – | – | – | – | – | – |
| f) | Any Other | – | – | – | – | – | – | – | – | – |
| | Sub Total A(1) | 2,20,51,470 | 2,29,51,530 | 4,50,03,000 | 100% | 2,20,51,470 | 2,29,51,530 | 4,50,03,000 | 100% | – |
| 2) | Foreign | | | | | | | | | |
| a) | NRIs - Individuals | – | – | – | – | – | – | – | – | – |
| b) | Other Individuals | – | – | – | – | – | – | – | – | – |
| c) | Bodies Corp. | – | – | – | – | – | – | – | – | – |
| d) | Banks / FI | – | – | – | – | – | – | – | – | – |
| e) | Any Other | – | – | – | – | – | – | – | – | – |
| | Sub Total A(2) | – | – | – | – | – | – | – | – | – |
| | Total Shareholding of promoter (A) = (A)(1) + (A)(2) | 2,20,51,470 | 2,29,51,530 | 4,50,03,000 | 100% | 2,20,51,470 | 2,29,51,530 | 4,50,03,000 | 100% | – |
| B. | Public Shareholding | | | | | | | | | |
| 1) | Institutions | – | – | – | – | – | – | – | – | – |
| a) | Mutual Funds | – | – | – | – | – | – | – | – | – |
| b) | Banks / FI | – | – | – | – | – | – | – | – | – |
| c) | Central Govt | – | – | – | – | – | – | – | – | – |
| d) | State Govt(s) | – | – | – | – | – | – | – | – | – |
| e) | Venture Capital Funds | – | – | – | – | – | – | – | – | – |

| | Category of Shareholders | No. of Shares held at the beginning of the year | | | | No. of shares held at the end of the year | | | | % Change During the year |
|-----------|----------------------------------------------------------------------------|-------------------------------------------------|--------------------|--------------------|-------------------|-------------------------------------------|--------------------|--------------------|-------------------|--------------------------|
| | | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| f) | Insurance Companies | — | — | — | — | — | — | — | — | — |
| g) | FII's | — | — | — | — | — | — | — | — | — |
| h) | Foreign Venture Capital Funds | — | — | — | — | — | — | — | — | — |
| i) | Others (Specify) | — | — | — | — | — | — | — | — | — |
| | Sub Total B(1) | — | — | — | — | — | — | — | — | — |
| 2) | Non-Institutions | — | — | — | — | — | — | — | — | — |
| a) | Bodies Corp. | — | — | — | — | — | — | — | — | — |
| i) | Indian | — | — | — | — | — | — | — | — | — |
| ii) | Overseas | — | — | — | — | — | — | — | — | — |
| b) | Individuals | — | — | — | — | — | — | — | — | — |
| i) | Individual shareholders holding nominal share capital upto ₹1 Lakh | — | — | — | — | — | — | — | — | — |
| ii) | Individual shareholders holding nominal share capital in excess of ₹1 Lakh | — | — | — | — | — | — | — | — | — |
| c) | Others (Specify) | — | — | — | — | — | — | — | — | — |
| | Sub Total B(2) | — | — | — | — | — | — | — | — | — |
| | Total Public Shareholding (B) = (B) (1) + (B) (2) | — | — | — | — | — | — | — | — | — |
| C. | Shares held by Custodian for GDRs & ADRs | — | — | — | — | — | — | — | — | — |
| | Grand Total (A + B + C) | 2,20,51,470 | 2,29,51,530 | 4,50,03,000 | 100% | 2,20,51,470 | 2,29,51,530 | 4,50,03,000 | 100% | — |

% Change During the year - There is no change in % to total shares. Hence given “-”

(ii) Shareholding of Promoters

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

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

| Sl. No | Shareholder's Name and other particulars | Shareholding at the beginning of the year | | Cumulative shareholding during the year | |
|--------|------------------------------------------|-------------------------------------------|----------------------------------|-----------------------------------------|----------------------------------|
| | | No of Shares | % of total shares of the company | No of Shares | % of total shares of the company |
| 1 | Sundaram Finance Limited | | | | |
| | At the beginning of the year | 45003000 | 100% | 4,50,03,000 | 100% |
| | At the End of the year | 4,50,03,000 | 100% | 4,50,03,000 | 100% |

Note: There is no change in the shareholding percentage of the respective Promoters.

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

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

| Sl. No | Shareholder's Name | No. of Shares | % of total shares of the company | Share Capital (₹) |
|--------|------------------------------------------------------------|---------------|----------------------------------|-------------------|
| 1 | Sundaram Finance Limited (SFL) | 4,50,02,995 | 100% | 45,00,29,950 |
| 2 | Mr.M.Ramaswamy & Mr.V.K.Raman (Nominee of SFL) | 1 | 0% | 10 |
| 3 | Mr.A.N.Raju & Mr.P.Viswanathan (Nominee of SFL) | 1 | 0% | 10 |
| 4 | Mr.R.Srivathsun & Mr.G.Narasimhan (Nominee of SFL) | 1 | 0% | 10 |
| 5 | Mr.S.Balakrishnan & Mrs.S.Karthika (Nominee of SFL) | 1 | 0% | 10 |
| 6 | Mr.T.T.Srinivasaraghavan & Mr.P.N.Srikant (Nominee of SFL) | 1 | 0% | 10 |
| Total | | 4,50,03,000 | 100 | 45,00,30,000 |

(v) Shareholding of Directors and Key Managerial Personnel

| Sl. No | Name of the Directors / KMP | Shareholding at the beginning of the year | | Cumulative shareholding during the year | |
|--------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------|----------------------------------|-----------------------------------------|----------------------------------|
| | | No of Shares | % of total shares of the company | No of Shares | % of total shares of the company |
| 1. | Mr. T.T.Srinivasaraghavan At the beginning of the year - held jointly with others as a nominee of Sundaram Finance Limited | 1 | Negligible | 1 | Negligible |
| | Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. Allotment / Transfer/ Bonus/ sweat equity, etc.) | Nil | | | |
| | At the End of the year - held jointly with others as a nominee of Sundaram Finance Limited | – | – | 1 | Negligible |
| 2. | Mr. A.N. Raju At the beginning of the year - held jointly with others as a nominee of Sundaram Finance Limited | 1 | Negligible | 1 | Negligible |
| | Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. Allotment / Transfer/Bonus/ sweat equity, etc.) | Nil | | | |
| | At the End of the year - held jointly with others as a nominee of Sundaram Finance Limited | – | – | 1 | Negligible |

Note: None of the other Directors or KMPs held shares of the Company in any capacity

VI. INDEBTEDNESS

Indebtedness of the Company including interest outstanding / accrued but not due for payment

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

VII REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL
A. Remuneration to Managing Director, Whole-time directors and / or Manager

| Sl. No | Particulars of Remuneration | Name of MD/WTD/Manager | | | |
|--------|------------------------------------------------------------------------------------|------------------------|-------|-------|----------------|
| | | ----- | ----- | ----- | Total Amount |
| 1 | Gross Salary | | | | |
| | a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961 | — | — | — | — |
| | b) Value of Perquisites u/s 17(2) of the Income Tax Act, 1961 | — | — | — | — |
| | c) Profits in lieu of salary under Section 17(3) of the Income tax Act, 1961 | — | — | — | — |
| 2 | Stock Option | — | — | — | — |
| 3 | Sweat Equity | — | — | — | — |
| 4 | Commission | | | | |
| | - as % of Profits | — | — | — | — |
| | - Others, specify | — | — | — | — |
| 5 | Others, please specify | — | — | — | — |
| | Total (A) | — | — | — | — |
| | Ceiling as per the Act | — | — | — | Not Applicable |

B. Remuneration to Other Directors

| Sl. No | Particulars of Remuneration | Name of the Directors | | Total Amount |
|--------|----------------------------------------------|-----------------------|------------------------|----------------|
| | | Mr. R. Venkatraman * | Mrs. Soundara Kumar ** | |
| 1 | Independent Directors | | | |
| | - Fee for attending Board/Committee meetings | — | — | — |
| | - Commission | — | — | — |
| | - Others, Please Specify | — | — | — |
| | Total (1) | — | — | — |
| 2 | Other Non-Executive Directors | | | |
| | - Fee for attending Board/Committee meetings | — | — | — |
| | - Commission | — | — | — |
| | - Others, Please Specify | — | — | — |
| | Total (2) | — | — | — |
| | Total (B) = (1 +2) | 0 | 0 | 0 |
| 3 | Total Managerial Remuneration (A + B) | 0 | 0 | 0 |
| | Overall Ceiling as per the Act | | | Not Applicable |

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

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

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES

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

For and on behalf of the Board of Directors

Place: Chennai
Date : May 3, 2021

T.S. Sritharan
Director

Vijayendiran
Director

Annexure III Remuneration Policy

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

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

Section 178(2), (3) and (4) of the Companies Act, 2013 read with the applicable rules thereto provide that the Board shall identify persons who are qualified to become Directors and shall also recommend to the Board a policy, relating to the remuneration for Directors, Key Managerial Personnel, Senior Management and other employees.

The objectives and purpose of this policy are:

- a) To formulate the criteria for determining qualifications, competencies, positive attributes and independence for appointment of a Director(Executive/Non Executive) and recommend to the Board policies relating to the remuneration of the Directors, Key Managerial Personnel and other employees. This includes, reviewing and approving corporate goals and objectives relevant to the compensation of the Chief Executive Officer (CEO), evaluating the CEO's performance in light of those goals and objectives, and, either as a committee together with the other independent directors, determine and approve the CEO's compensation level based on this evaluation are subject to board approval.
- b) To formulate the criteria for evaluation of performance of all the Directors on the Board.

- c) To devise a policy on Board diversity and

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

I Definitions

- a) "Remuneration" means any monetary benefit or its equivalent extended to any person for services rendered by him/her and includes perquisites as defined under the Income-tax Act, 1961.
- b) "Key Managerial Personnel" means,
 - i.) Managing Director, Chief Executive Officer or Manager;
 - ii.) Whole-time Director;
 - iii.) Chief Financial Officer;
 - iv.) Company Secretary.
- c) "Senior Management", defined by the Board of Directors and as may be modified from time to time, means all persons reporting directly to Chief Executive Officer.
- d) "Employee" will mean an employee who has been appointed on the rolls of Sundaram Fund Services Limited (hereinafter referred to as 'the Company') and has been issued an appointment order by the Company.

II Board Diversity

It will be the endeavour of the Company to attract people to be on the Board of our Company as Directors from a variety of backgrounds which are appropriate to the business interests of the Company. To this end, our Directors over the years, have come from backgrounds as varied as securities services, consulting, banking and other financial services including NBFC and accounting profession.

III Remuneration Pattern

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

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

The overall remuneration payable to Directors,

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

3. The remuneration payable to Key Managerial Personnel, Senior Management and other employees of the company shall consist of Salary, allowances, perquisites and variable components reflecting the short and long term performance objectives appropriate to the working of the Company, which are aligned to industry standards.

IV Implementation of the Remuneration Policy

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

The Remuneration Policy of the Company, to the extent applicable to Key Managerial Personnel other than Executive Directors, Senior Management and other employees shall be monitored by the Managing Director/Whole Time Director/CEO, who shall take appropriate steps to ensure that the remuneration is commensurate with their experience, qualification, responsibilities, contributions, performance and industry standards.

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

For and on behalf of the Board of Directors

T.S. Sritharan
Managing Director

Place: Chennai
Date: 03.05.2021

Ranganatha Vijayendiran Rao
Director

Annexure IV

Form No. AOC -2

(Pursuant to clause(h) of sub section (3) of Section 134 of the Companies Act, 2013
and Rule 8(2) of the Companies (Accounts) Rules, 2014

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

Nil

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

The details of transactions entered into by the Company during the year with related parties at arm's length basis are provided under note 30 of the annual accounts.

For and on behalf of the Board of Directors

T.S. Sritharan

Managing Director

Place: Chennai

Ranganatha Vijayendiran Rao

Date: 03.05.2021

Director

INDEPENDENT AUDITOR'S REPORT

To

The Members

Sundaram Fund Services Limited

(Formerly known as Sundaram BNP Paribas Fund Services Limited)

Report on the Standalone Ind AS Financial Statements

1. Opinion

We have audited the accompanying standalone Ind AS financial statements of Sundaram Fund Services Limited ("the company") (Formerly known as Sundaram BNP Paribas Fund Services Limited), which comprises the Balance Sheet as at 31st March 2021, and the Statement of Profit and Loss (including the statement of Other Comprehensive Income), the Cash flow Statement, notes to financial statements and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, and profit, (changes in equity) and its cash flows for the year ended on that date.

2. Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained

is sufficient and appropriate to provide a basis for our opinion.

3. Information other than Financial Statements and Auditor's Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's report including Annexure to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information but does not include the standalone financial statements and our auditor's report thereon.

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

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

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

4. Responsibility of Management for Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position and financial performance, (changes in equity) and cash flows of the

Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Our objectives are to obtain reasonable assurance about whether the 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 financial statements.

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

1. Identify and assess the risks of material misstatement of the

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

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

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

misstatements in the financial statements.

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

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

6. Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure-A a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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 and adequate records for the purposes of our audit have been received from the branches not visited by us.
- c) The Balance Sheet, the Statement of Profit and Loss (including the statement of Other Comprehensive Income, the Cash flow statement, notes to financial statements and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account and adequate records have received from the branches not visited by us.
- d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015 as amended.
- e) On the basis of the written representations received from the directors as on 31st March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- g) With respect to other matters to be included in the Auditor's Report in accordance with the requirement of Section 197 (16) of the Act, as amended:

In our opinion and according to the information and explanations given to us, managerial remuneration and sitting fees paid are in accordance with the limits prescribed under this Section .
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has no pending litigations affecting its financial position in its financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts required to be transferred to the Investor Education and Protection Fund by the Company.

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

V. Chandrasekaran
(Partner)

Place: Chennai
Date: 3rd May 2021

M. No: 024844
UDIN: 21024844AAAADQ7439

ANNEXURE - A TO THE INDEPENDENT AUDITOR'S REPORT

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

- i. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets.
- (b) The fixed assets have been physically verified by the management according to the regular program of periodical verification in the phased manner which in our opinion is reasonable having regard to the size of the Company and the nature of its Fixed Assets; No material discrepancies were noticed on such verification.
- (c) The Company has recognized immovable properties under lease as assets to comply with the provisions of Ind AS 116 "Leases ". Hence reporting under this clause does not apply.
- ii. The Company is in the service sector and hence does not have any physical inventory. Accordingly, reporting under this clause does not arise.
- iii. The company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act 2013. Since the reporting of point (iii) is not affirmative, the reporting on points (a), (b) and (c) does not arise.
- iv. In our opinion and according to the information and explanations given to us, the company has not granted any loans, made any investments or provided any guarantee or security as envisaged under Section 185 and Section 186 of the Companies Act 2013, respectively.
- v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Section 73 to 76 of the Companies Act, 2013 and the rules framed there under. Therefore, reporting under clause (v) of the Companies (Auditor's Report) Order, 2016 does not arise.
- vi. According to the information and explanations given to us, the Central Government has not prescribed maintenance of cost record under Section 148(1) of the Companies Act, 2013.
- vii. a) According to the information and explanations given to us, the company is regular in depositing undisputed statutory dues with appropriate authorities including Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax and other statutory dues applicable to it.
- b) According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable. According to the information and explanation given to us and in our opinion there are no dues on account including income tax, Goods and Service Tax, Duty of Customs, Duty of Excise and other Statutory dues applicable to it which have not been deposited on account of any dispute
- viii. According to information and explanations given to us, the company has not defaulted in repayment of principal and interest dues to the bank or any financial institutions. The company has not raised money by way of debentures and did not have any dues in respect of loans and borrowings payable to banks or government.
- ix. According to the information and explanation given to us, the company has not raised money by way of initial public offer or further public offer or term loans during the year.
- x. During the course of our examination of the books of account carried out in accordance with the generally accepted auditing practices in India, we have neither come across any instance of fraud by the company nor any fraud on the Company by its officers or employees during the year.
- xi. The company has not paid/provided for managerial remuneration

- and sitting fees during the year. Hence, reporting under this clause is not applicable.
- xii. In our opinion and according to the information and explanation given to us, the company is not a Nidhi Company as prescribed under Section 406 of the Act. Hence reporting under this clause does not arise.
- xiii. According to the information and explanations given to us and in our opinion, the transactions with related parties are in compliance with Section 177 and 188 of the Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standard.
- xiv. According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares. Hence, reporting under Clause (xiv) of the Companies (Auditor's Report) Order, 2016 does not arise.
- xv. According to the information and explanations given to us, the Company has not entered into any non-cash transactions with the directors or persons connected with them. Hence, reporting under Clause (xv) of the Companies (Auditor's Report) Order, 2016 does not arise.
- xvi. According to the information and explanations given to us and in our opinion, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under this clause does not arise.

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

V. Chandrasekaran
(Partner)

Place: Chennai
Date: 3rd May 2021

M. No: 024844
UDIN: 21024844AAAADQ7439

ANNEXURE - B TO THE AUDITORS' REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")

We have audited the internal financial controls over financial reporting of Sundaram Fund Services Limited ("the Company") (Formerly known as Sundaram BNP Paribas Fund Services Limited) as of 31 March, 2021, in conjunction with our audit of the Standalone Ind AS Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and

the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March,2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

V. Chandrasekaran
(Partner)

Place: Chennai
Date: 3rd May 2021

M. No: 024844
UDIN: 21024844AAAADQ7439

SUNDARAM FUND SERVICES LIMITED

(FORMERLY KNOWN AS SUNDARAM BNP PARIBAS FUND SERVICES LIMITED)

CIN:U67120TN2008PLC068388

BALANCE SHEET AS AT MARCH 31, 2021

(₹ in lakhs)

| | Notes | Mar 31, 2021 | Mar 31, 2020 |
|------------------------------------------------------------|--------|-----------------|-----------------|
| I. ASSETS | | | |
| (1) Non - Current Assets | | | |
| (a) Property, Plant and Equipment | 2 (a) | 2.96 | 51.21 |
| (b) Intangibles under Development | 2 (b) | – | 1.80 |
| (c) Other Intangible assets | 2 (c) | – | 125.24 |
| (d) Right of use assets | 2 (d) | 206.60 | 246.58 |
| (e) Financial Assets - Others | 3 | 59.54 | 58.85 |
| (e) Deferred Tax Assets (net) | 13 | 34.98 | 28.15 |
| (f) Current Tax assets (Net) | 4 | 95.05 | 350.96 |
| (g) Other non-current assets | 5 | – | 1.37 |
| Total Non - Current Assets | | 399.13 | 864.16 |
| (2) Current Assets | | | |
| (a) Financial Assets | | | |
| (i) Investments | 6 | 3,498.57 | 3,105.24 |
| (ii) Trade Receivables | 7 | 32.11 | 31.14 |
| (iii) Cash and Cash Equivalents | 8 | 4.23 | 21.78 |
| (b) Other Current assets | 9 | 7.50 | 51.33 |
| Total Current Assets | | 3,542.41 | 3,209.49 |
| Assets held for Sale | | – | 1.25 |
| TOTAL ASSETS | | 3,941.54 | 4,074.90 |
| II. EQUITY AND LIABILITIES | | | |
| (1) Equity | | | |
| (a) Equity Share Capital | 10 | 4,500.30 | 4,500.30 |
| (b) Other Equity | 11 | | |
| (i) Retained Earnings | | (816.25) | (828.01) |
| (ii) Other reserves | | – | – |
| Equity attributable to equity holders of the parent | | 3,684.05 | 3,672.29 |
| Non - Controlling Interests | | – | – |
| Total Equity | | 3,684.05 | 3,672.29 |
| (2) Non - Current Liabilities | | | |
| (a) Financial Liabilities | | | |
| (i) Borrowings | 12 | 202.20 | 233.37 |
| (b) Non current provision | 16 (b) | 6.45 | – |
| Total Non - Current Liabilities | | 208.65 | 233.37 |
| (3) Current Liabilities | | | |
| (a) Financial Liabilities | | | |
| (i) Trade Payables | 14 | 11.91 | 105.69 |
| (b) Other Current liabilities | 15 | 34.43 | 43.17 |
| (c) Current Provisions | 16 (a) | 2.50 | 20.38 |
| Total Current Liabilities | | 48.84 | 169.24 |
| Total Liabilities | | 257.49 | 402.61 |
| TOTAL EQUITY AND LIABILITIES | | 3,941.54 | 4,074.90 |

Significant accounting policies and Notes to accounts 1-32

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

V. Chandrasekaran
 Partner
 Membership No.024844
 Chennai
 Date: 3rd May 2021

T.S. Sritharan
 Managing Director

S. Lakshminarasimhan
 Chief Financial Officer

Ranganatha Vijayendiran Rao
 Director

R. Ajith Kumar
 Company Secretary

STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2021

(₹ in lakhs)

| Particulars | Note No. | 01 April 20 - 31 March 2021 | 01 April 19 - 31 March 2020 |
|---------------------------------------------------------------------------------------|----------|-----------------------------|-----------------------------|
| Revenue from operations | 17 | 63.88 | 329.06 |
| Other income | 18 | 430.40 | 201.63 |
| Total income | | 494.28 | 530.69 |
| Expenses | | | |
| Employee benefits expense | 19 | 75.64 | 124.72 |
| Finance cost | 20 | 22.71 | 11.34 |
| Depreciation and amortization expense | 21 | 180.45 | 182.74 |
| Administrative and Other expenses | 22 | 210.96 | 170.69 |
| Total expenses | | 489.76 | 489.49 |
| Profit / (Loss) before income tax of Continuing operations | | 4.52 | 41.20 |
| Income tax expense | | | |
| Current tax | | – | – |
| Deferred tax | | (6.94) | (17.28) |
| Total | | (6.94) | (17.28) |
| Profit / (Loss) for the year Continuing Operations | | 11.46 | 58.48 |
| Profit / (Loss) for the year of Discontinued Operations | | – | 1,584.30 |
| Other comprehensive income (loss) | | | |
| Items that will not be reclassified subsequently to profit or loss | | | |
| Remeasurements of defined benefit liability (asset) | | (0.40) | 44.24 |
| Tax relating to Remeasurements of defined benefit liability (asset) | | 0.10 | (10.12) |
| Net other comprehensive income (loss) not to be reclassified to profit or loss | | (0.30) | 34.12 |
| Total comprehensive income (loss) for the year | | 11.76 | 1,608.66 |
| Earnings per share | | | |
| Basic earnings per share | 23 | 0.03 | 3.57 |
| Diluted earnings per share | 23 | 0.03 | 3.57 |

Significant accounting policies and Notes to accounts - 1- 32

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

V. Chandrasekaran
Partner
Membership No.024844
Chennai
.....

T.S. Sritharan
Managing Director

Ranganatha Vijayendiran Rao
Director

S. Lakshminarasimhan
Chief Financial Officer

R. Ajith Kumar
Company Secretary

SUNDARAM FUND SERVICES LIMITED

(FORMERLY KNOWN AS SUNDARAM BNP PARIBAS FUND SERVICES LIMITED)

CIN:U67120TN2008PLC068388

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2021

(₹ in lakhs)

| | 01 April 20 - 31 March 2021 | 01 April 19 - 31 March 2020 |
|-----------------------------------------------------------------------|-----------------------------|-----------------------------|
| A) CASH FLOW FROM OPERATING ACTIVITIES | | |
| Net Profit | 11.76 | 1,608.66 |
| Add: Deferred Tax | (6.84) | (27.40) |
| Add: Financial Expenses | 22.71 | 44.06 |
| Profit/Loss on Sale of assets | 19.01 | (1.44) |
| | 46.64 | 1,623.88 |
| Depreciation | 180.45 | 560.97 |
| Rent - Ind AS | 3.22 | 3.86 |
| Interest Income | (185.08) | (26.20) |
| Gain on Sale of Investments | (176.07) | (101.30) |
| OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES | (130.84) | 2,061.21 |
| (Increase) Decrease in Non-Current Assets | (2.54) | 22.50 |
| (Increase) Decrease in Short term Loans and Advances | 303.84 | 210.02 |
| (Increase) Decrease in Trade Receivables | 8.54 | 473.16 |
| Increase (Decrease) in Trade Payables | (112.03) | (470.58) |
| Increase (Decrease) in Short term provisions | (17.88) | (71.96) |
| Increase (Decrease) in Long term provisions | 6.46 | |
| | 186.37 | 163.14 |
| | 55.53 | 2,224.35 |
| Financial Expenses paid | 22.71 | 44.06 |
| NET CASH FROM OPERATING ACTIVITIES (A) | 32.82 | 2,180.29 |
| B) CASH FLOW FROM INVESTING ACTIVITIES | | |
| Purchase of Fixed Assets (excludes assets held on finance lease) | – | (15.52) |
| Sale of fixed assets/Impairment of assets | 17.06 | 265.26 |
| Interest received | 180.98 | 22.02 |
| Purchase of Investments | (6,275.44) | (7,606.93) |
| Sale of Investments | 6,058.19 | 5,386.34 |
| NET CASH FROM INVESTING ACTIVITIES (B) | (19.21) | (1,948.83) |
| C) CASH FLOW FROM FINANCING ACTIVITIES | | |
| Principal repayments for finance lease obligation | (31.16) | (301.28) |
| NET CASH FROM FINANCING ACTIVITIES (C) | (31.16) | (301.28) |
| NET INCREASE IN CASH AND CASH EQUIVALENTS (A) + (B) + (C) | (17.55) | (69.82) |
| Cash and cash equivalents at the beginning of the year | 21.78 | 91.60 |
| Cash and cash equivalents at the end of the year | 4.23 | 21.78 |
| COMPONENTS OF CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR | | |
| Current Accounts with Banks | 4.22 | 21.76 |
| Cash on Hand | 0.00 | 0.02 |
| | 4.23 | 21.78 |

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

V. Chandrasekaran
 Partner
 Membership No.024844
 Chennai

T.S. Sritharan
 Managing Director

S. Lakshminarasimhan
 Chief Financial Officer

Ranganatha Vijayendiran Rao
 Director

R. Ajith Kumar
 Company Secretary

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES

1.1 Reporting Entity

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

1.2 Basis of preparation

- **Statement of compliance**

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

The financial statements were authorized for issue by the Company's Board of Directors 3rd May 2021.

- **Functional and presentation currency**

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

- **Basis of measurement**

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

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

- **Current and non-current classification**

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

Operating cycle:

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

Assets:

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

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

Liabilities:

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

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

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

The Company has considered the possible effects that may result from the COVID-19 pandemic on the carrying amount of receivables and other financial assets. In developing the assumptions relating to possible future uncertainties, the company has used internal and external sources of information for the expected performance of the company. Though the company expects to recover the carrying amount of these assets, it will continue to monitor the potential future impact any material changes in future economic condition and its effects on the financial position and performance of the company.

- Measurement of fair values

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

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

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

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

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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

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

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

1.3 Significant accounting policies

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

1.3.1. Property, plant and equipment

- **Recognition and measurement**

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

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

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

- **Subsequent expenditure**

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

- **Depreciation**

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives using written down value method and is generally recognized in the statement of profit and loss. Assets acquired under finance leases are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term.

Depreciation is provided at rates prescribed in Schedule II to the Companies Act, 2013 with a residual value of 5% for office equipment and furniture and fixtures. However, for the following assets, different useful life has been adopted and depreciation has been calculated with a residual value of 5%:

| Assets | Useful life |
|--------------------------------------|-------------|
| Computers – End user devices | 7 years |
| Computers – Servers and networks | 8 years |
| Office Equipment (Second hand) | 3 years |
| Furniture and Fixtures (Second hand) | 3 years |

Depreciation on Right Of Use assets is done on SLM method

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

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

- **Transition to Ind AS**

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognized as at 1 April 2017, measured as per the previous GAAP, and use that carrying value as the deemed cost of such property, plant and equipment. (see Note 2).

1.3.2. Other intangible assets

- Recognition and measurement

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

An intangible asset is derecognized on disposal or when no future economic benefits are expected from its use and disposal. Losses arising from retirement and gains or losses arising from disposal of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the assets and are recognized in the statement of profit and loss.

- Subsequent expenditure

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

- Amortization

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

The estimated useful lives are as follows:

| Asset | Estimate of useful life |
|----------|-------------------------|
| Software | 3 years |
| Software | 5 years |

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

- Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its intangible assets recognized as at 1 April 2017, measured as per the previous GAAP, and use that carrying value as the deemed cost of such intangible assets.

1.3.3 Employee benefits

- Short-term employee benefits

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

- Defined contribution plan – Provident Fund & Superannuation

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

- Defined benefit plan - Gratuity

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

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

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

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

- Other long-term employee benefits – Compensated absences

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

1.3.4 Revenue

Income from services is recognized on accrual basis. Due to the nature of COVID-19 pandemic and its impact on the Global economic activities, the Company will continue to monitor development to identify significant uncertainties relating to revenue in future periods.

1.3.5 Foreign currency transactions

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

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

1.3.6 Provisions (other than for employee benefits)

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

1.3.7 Income tax

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

- **Current tax**

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

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

- **Deferred tax**

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

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

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

The uncertainty arising from the COVID-19 on the future profits and recoverability of deferred tax assets in accordance with Ind AS 12 have been duly considered while recognizing deferred tax assets in the current year.

1.3.8 Financial instruments

- **Recognition and initial measurement**

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

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

- **Classification and subsequent measurement**

Financial assets

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

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

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

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

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

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

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

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

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

Financial assets: Subsequent measurement and gains and losses

| | |
|------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Financial assets at FVTPL | These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss. |
| Financial assets at amortized cost | These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss. |
| Debt investments at FVOCI | These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss. |
| Equity investments at FVOCI | These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are not reclassified to profit or loss. |

Financial liabilities: Classification, subsequent measurement and gains and losses

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

- **Derecognition**

Financial Assets

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

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

Financial Liabilities

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

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

- **Offsetting**

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

1.3.9 Impairment

- Impairment of financial instruments

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

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

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

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

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

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

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

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

Measurement of expected credit losses

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

Loss allowance for receivable and other Financial Assets.

The Company determines the allowance for credit losses based on historical loss experiences adjusted to reflect current and estimated future economic conditions. The Company has considered the potential impact of COVID -19 pandemic in calculating the expected credit loss

Presentation of allowance for expected credit losses in the balance sheet

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

Write-off

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

- Impairment of non-financial assets

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

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

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

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

1.3.10 Borrowing cost

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

ready for their intended use are capitalized as part of the cost of that asset. Other borrowing costs are recognized as an expense in the period in which they are incurred.

- **Recognition of interest expense**

Interest expense is recognized using the effective interest method.

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

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

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

1.3.11 Earnings per share

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

1.3.12 Cash flow statements

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

1.3.13 Cash and cash equivalents

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

1.3.14 Events occurring after the balance sheet date

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

1.3.15 Leases

The company's lease assets primarily comprises of buildings. The company assesses whether a contract contains a lease at the inception of the contract. A contract is, or contains a lease, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- (i) the contract involves the use of an identified asset
- (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and
- (iii) the Company has the right to direct the use of the asset.

Transition

Effective April 1, 2019, the Company adopted Ind AS 116 “Leases” and applied the standard to all lease contracts existing on April 1, 2019 are accounted for as per the provisions of the standard. Consequently, the Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate. Right of Use (ROU) assets have been recognized by the Company at an amount equal to the lease liability , adjusted for previously recognized prepaid or accrued lease payments.

1.4 Optional exemptions availed and mandatory exceptions

In preparing these financial statements, the Company has applied the below mentioned optional exemptions and mandatory exceptions.

- Optional exemptions availed
- Deemed cost for Property plant and equipment and Intangible assets

Ind AS 101 permits a first-time adopter to elect and continue with the carrying value for all of its property, plant and equipment as recognized in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets.

As permitted by Ind AS 101, the Company has elected to continue with the carrying values under previous GAAP for all the items of property, plant and equipment and intangible assets.

- Mandatory exceptions
- Estimates

As per Ind AS 101, an entity's estimates in accordance with Ind AS at the date of transition to Ind AS at the end of the comparative period presented in the entity's first Ind AS financial statements, as the case may be, should be consistent with estimates made for the same date in accordance with the previous GAAP unless there is objective evidence that those estimates were in error. However, the estimates should be adjusted to reflect any differences in accounting policies.

As per Ind AS 101, where application of Ind AS requires an entity to make certain estimates that were not required under previous GAAP, those estimates should be made to reflect conditions that existed at the date of transition (for preparing opening Ind AS balance sheet) or at the end of the comparative period (for presenting comparative information as per Ind AS).

The Company's estimates under Ind AS are consistent with the above requirement. Key estimates considered in preparation of the financial statements that were not required under the previous GAAP are listed below:

- Impairment of financial assets based on the expected credit loss model.
- Determination of the discounted value for financial instruments carried at amortized cost.
- Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification of financial assets on the basis of facts and circumstances existing as on the date of transition. Further, the standard permits measurement of financial assets accounted at amortized cost based on facts and circumstances existing at the date of transition if retrospective application is impracticable.

Accordingly, the Company has determined the classification of financial assets based on facts and circumstances that exist on the date of transition.

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

(₹ in lakhs)

| Sl No | DESCRIPTION | GROSS BLOCK AT COST | | | | DEPRECIATION | | | | | NET BLOCK | | | |
|-------|-----------------------------------|---------------------|-------------|-----------------|-----------------|------------------|-----------------|-----------------|-------------------------|--------------|-----------------|-----------------|------------------|------------------|
| | | As at 01.04.2020 | Additions | Deductions | Retained-others | As at 31.03.2021 | Upto 31.03.2020 | Additions total | Additions - retained-FA | Deductions | Retained Others | Upto 31.03.2021 | As at 31.03.2021 | As at 31.03.2020 |
| 1 | Plant and Machinery and Computers | 326.62 | - | 326.62 | - | - | 12.42 | - | 291.80 | - | (0.00) | 0.00 | 47.24 | |
| 2 | Furniture and Fixtures | 9.38 | - | - | - | 9.38 | 0.73 | - | - | - | 7.18 | 2.20 | 2.93 | |
| 3 | Office Equipment | 14.14 | - | - | - | 14.14 | 0.28 | - | - | - | 13.38 | 0.76 | 1.04 | |
| | Total (B) | 350.14 | - | 326.62 | - | 23.52 | 13.43 | - | 291.80 | - | 20.56 | 2.96 | 51.21 | |
| | PY 2019-20 | 1,773.85 | 3.96 | 1,402.58 | 25.09 | 350.14 | 129.89 | 45.67 | 987.39 | 23.83 | 298.93 | 51.21 | - | |

Note 2 b : INTANGIBLE ASSETS UNDER DEVELOPMENT

(₹ in lakhs)

| DESCRIPTION | GROSS BLOCK AT COST | | | | DEPRECIATION | | | | | NET BLOCK | | | |
|--------------------------|---------------------|-------------|-------------|-----------------|------------------|-----------------|-----------------|-------------------------|------------|-----------------|-----------------|------------------|------------------|
| | As at 01.04.2020 | Additions | Deductions | Retained-others | As at 31.03.2021 | Upto 31.03.2020 | Additions total | Additions - retained-FA | Deductions | Retained Others | Upto 31.03.2021 | As at 31.03.2021 | As at 31.03.2020 |
| Capital Work In Progress | 1.80 | - | 1.80 | - | - | - | - | - | - | - | - | - | 1.80 |
| Total | 1.80 | - | 1.80 | - | - | - | - | - | - | - | - | - | 1.80 |
| PY 2019-20 | 1.00 | 1.80 | 1.00 | - | 1.80 | - | - | - | - | - | - | 1.80 | - |

Note 2 c : OTHER INTANGIBLE ASSETS

(₹ in lakhs)

| DESCRIPTION | GROSS BLOCK AT COST | | | DEPRECIATION | | | | NET BLOCK | | | | |
|--------------------------------|---------------------|-----------|------------|---------------------|---------------------|--------------------|----------------------------|------------|--------------------|--------------------|---------------------|---------------------|
| | As at 01.04.2020 | Additions | Deductions | Retained- others | As at 31.03.2021 | Upto 31.03.2020 | Additions - retained-FA | Deductions | Retained Others | Upto 31.03.2021 | As at 31.03.2021 | As at 31.03.2020 |
| Other Intangible Assets | | | | | | | | | | | | |
| Computer Software | 446.12 | 1.80 | - | - | 447.92 | 320.88 | 127.03 | - | - | 447.92 | - | 125.24 |
| Total | 446.12 | 1.80 | - | - | 447.92 | 320.88 | 127.03 | - | - | 447.92 | - | 125.24 |
| PY 2019-20 | 3,714.66 | 11.56 | 3,280.10 | - | 446.12 | 3,226.52 | 357.95 | 97.21 | 3,002.85 | 320.88 | 125.24 | - |

Note 2 d : RIGHT OF USE ASSETS (ROU)

(₹ in lakhs)

| DESCRIPTION | GROSS BLOCK AT COST | | | DEPRECIATION | | | | NET BLOCK | | | | |
|-----------------------------------------|---------------------|-----------|------------|---------------------|---------------------|--------------------|----------------------------|------------|--------------------|--------------------|---------------------|---------------------|
| | As at 01.04.2020 | Additions | Deductions | Retained- others | As at 31.03.2021 | Upto 31.03.2020 | Additions - retained-FA | Deductions | Retained Others | Upto 31.03.2021 | As at 31.03.2021 | As at 31.03.2020 |
| Building under lease (ROU asset) | | | | | | | | | | | | |
| Building under lease (ROU asset) | 286.44 | - | - | - | 286.44 | 39.86 | 39.99 | - | - | 79.85 | 206.60 | 246.58 |
| Total | 286.44 | - | - | - | 286.44 | 39.86 | 39.99 | - | - | 79.85 | 206.60 | 246.58 |
| PY 2019-20 | - | 494.49 | 208.05 | - | 286.44 | - | 73.13 | 39.86 | - | 39.86 | 246.58 | - |

Note 2 e : Right of Use Assets

| DESCRIPTION | Right of Use Asset |
|---------------------------------------------------|--------------------|
| GROSS CARRYING VALUE AT COST | |
| As at 31.03.2020 | 286.44 |
| ROU Recognised on April 1, 2020 | |
| Reclassified on account of adoption of Ind AS 116 | |
| Additions | |
| Disposals | |
| As at 31.03.2021 | 286.44 |
| ACCUMULATED DEPRECIATION | |
| As at 31.03.2020 | 39.86 |
| ROU Recognised on April 1, 2020 | |
| Reclassified on account of adoption of Ind AS 116 | |
| Charged for the year | 39.99 |
| Adjustment for disposal | |
| As at 31.03.2021 | 79.85 |
| Net Block as at 31-03-2021 | 206.60 |
| Net Block as at 31-03-2020 | 246.58 |

NOTES TO BALANCE SHEET

(₹ in lakhs)

| Note | Particulars | March 31, 2021 | March 31, 2020 |
|----------|----------------------------------------------------------------------------------------------------|-----------------|-----------------|
| 3 | Financial Assets - Others | | |
| | Rent deposits | 39.74 | 35.92 |
| | Other deposits | 19.81 | 22.93 |
| | TOTAL | 59.54 | 58.85 |
| 4 | Current Tax assets (net) | | |
| | Advance Income Tax and Tax Deducted at Source (net of Provision for Income Tax -NIL (PY - NIL)) | 95.05 | 350.96 |
| | TOTAL | 95.05 | 350.96 |
| 5 | Other Non - Current Assets | | |
| | Prepaid Expenses | – | 1.37 |
| | TOTAL | – | 1.37 |
| 6 | Financial Assets - Investments | | |
| | Mutual Funds | | |
| | Sundaram Banking and PSU Debit Fund - Direct Growth | – | 1,333.16 |
| | Nil PY :4160040.761 Units at NAV ₹32.0468/- each | | |
| | SBI Banking And Psu Debt Fund - Direct Growth | 1,346.24 | 1,542.81 |
| | 52710.805 units at NAV ₹2554.010/- each PY :65225.593 units at NAV ₹2365.3379/- each | | |
| | Sundaram Money Fund-Direct Growth | – | 206.15 |
| | 2503902.58 units at NAV ₹43.044/- each PY: 492348.401 units at NAV ₹41.8699/- each | | |
| | Sundaram Money Market fund Direct growth | 2,152.33 | 23.13 |
| | 18379924.941 units at NAV ₹11.7102/- each PY :206489.604 units at NAV ₹11.202/- each | | |
| | TOTAL | 3,498.57 | 3,105.24 |
| 7 | Trade receivables | | |
| | Unsecured considered good | | |
| | - Outstanding for a period more than 6 months | – | 0.58 |
| | - Less than 6 months | 32.11 | 30.56 |
| | | 32.11 | 31.14 |
| | Unsecured considered doubtful | | |
| | - Outstanding for a period more than 6 months | 10.89 | 9.51 |
| | Less :Provision for doubtful debts | (10.89) | (9.51) |
| | | – | – |
| | TOTAL | 32.11 | 31.14 |

NOTES TO BALANCE SHEET

(₹ in lakhs)

| Note | Particulars | March 31, 2021 | March 31, 2020 |
|----------|------------------------------------------------|----------------|----------------|
| 8 | Cash and cash equivalents | | |
| | Cash on hand | 0.00 | 0.02 |
| | Balances with Banks in Current Accounts | 4.22 | 21.76 |
| | TOTAL | 4.23 | 21.78 |
| 9 | Other Current Assets | | |
| | Others | 0.40 | 18.21 |
| | Prepaid expenses | 0.51 | 33.12 |
| | Duties & Taxes | 6.59 | - |
| | TOTAL | 7.50 | 51.33 |

Note: 10 - Equity Share Capital

(₹ in lakhs)

| Shareholder's fund | 31.03.2021 ₹ | 31.03.2020 ₹ |
|--------------------------------------------------------------------------------------------------------|-----------------|-----------------|
| Share Capital | | |
| Authorised | | |
| 10,00,00,000 Equity Shares of ₹10/- each (Previous year - 10,00,00,000 Equity Shares of ₹10/- each) | 10,000 | 10,000 |
| Issued, Subscribed and Paid up : | | |
| 4,50,03,000 Equity Shares of ₹10/- each (Previous year - 4,50,03,000 Equity Shares of ₹10/- each) | 4,500.30 | 4,500.30 |
| | 4,500.30 | 4,500.30 |

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

| Name of the Shareholder | Status | No. of Shares | % held as at 31st Mar 2021 | No. of Shares | % held as at 31st Mar 2020 |
|---------------------------|--------------------|---------------|-------------------------------|---------------|-------------------------------|
| Sundaram Finance Limited* | Holding Company | 4,50,03,000 | 100% | 4,50,03,000 | 100% |

* includes 5 Equity Shares held by nominees of Sundaram Finance Limited

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

Note :12 - Other Equity
March, 31 2021

(₹ in lakhs)

| Particulars | Securities Premium Reserve | Reserves and Surplus | | | | Total |
|----------------------------------------|----------------------------------|----------------------|---------------------------------------|--------------------|----------------------|-----------------|
| | | Capital Reserve | Business Reconstruction Reserve | General Reserve | Retained Earnings | |
| Balance as at 31st March 2020 | | | | | (828.01) | (828.01) |
| Remeasurement of defined benefit plans | – | – | – | – | 0.30 | 0.30 |
| Profit/(Loss) for the year | – | – | – | – | 11.46 | 11.46 |
| Balance as at 31st March 2021 | | | | | (816.25) | (816.25) |

March, 31 2020

| Particulars | Securities Premium Reserve | Reserves and Surplus | | | | Total |
|----------------------------------------|----------------------------------|----------------------|---------------------------------------|--------------------|----------------------|-------------------|
| | | Capital Reserve | Business Reconstruction Reserve | General Reserve | Retained Earnings | |
| Balance as at 31st March, 2019 | | | | | (2,436.68) | (2,436.68) |
| Remeasurement of defined benefit plans | – | – | – | – | (34.12) | (34.12) |
| Profit/(Loss) for the year | – | – | – | – | 1,642.78 | 1,642.78 |
| Balance as at 31st March 2020 | | | | | (828.01) | (828.01) |

NOTES TO BALANCE SHEET

| Note | Particulars | March 31, 2021 | March 31, 2020 |
|-----------|--------------------------------------------------------------------------------|----------------|----------------|
| 12 | Financial Liabilities - Borrowings | | |
| | Long term maturities of finance lease obligations | 202.20 | 233.37 |
| | TOTAL | 202.20 | 233.37 |
| 13 | Deferred Tax (Asset)/ Liabilities (Net) | | |
| | Deferred Tax (Asset)/ Liabilities (A)* | | |
| | Depreciation | (44.09) | (26.05) |
| | Notional Gain on Mutual Funds | 20.83 | (0.63) |
| | Employees Benefits | (2.25) | (1.47) |
| | Ind AS 116 | (6.74) | – |
| | Provision- Others | (2.74) | – |
| | TOTAL (A) + (B) | (34.98) | (28.15) |
| | Deferred Tax (Assets)/ Liabilities Net | | |
| 14 | Trade payables | | |
| | (i) Total outstanding due to Micro and Small Enterprises | – | – |
| | (ii) Total outstanding due of creditors other than Micro and Small Enterprises | 11.91 | 105.69 |
| | TOTAL | 11.91 | 105.69 |
| 15 | Other Current Liabilities | | |
| | Current maturities of finance lease obligations | 31.17 | 28.21 |
| | Revenue Received In Advance | – | 0.01 |
| | Statutory Dues payable | 3.27 | 14.95 |
| | TOTAL | 34.43 | 43.17 |

NOTES TO BALANCE SHEET

(₹ in lakhs)

| Note | Particulars | March 31, 2021 | March 31, 2020 |
|--------------------------------------|---------------------------------|----------------|----------------|
| 16 (a) Current Provisions | | | |
| | Provision for Employee Benefits | | |
| | - Leave Encashment | 2.50 | 20.38 |
| | TOTAL | 2.50 | 20.38 |
| 16 (b) Non Current Provisions | | | |
| | Provision for Employee Benefits | | |
| | - Leave Encashment | 6.45 | - |
| | TOTAL | 6.45 | - |

NOTES TO PROFIT AND LOSS

| Note | Particulars | 01 April 2020 - 31 March 2021 | 01 April 2019 - 31 March 2020 |
|-------------------------------------------------|--------------------------------------------------------------------|----------------------------------|----------------------------------|
| 17 Revenue from operations | | | |
| | Services Rendered: | | |
| | Fund accounting services | 63.88 | 329.06 |
| | TOTAL | 63.88 | 329.06 |
| 18 Other income | | | |
| | Interest receipts | 185.08 | 4.32 |
| | Profit on Sale of Current Investment | 165.32 | 18.22 |
| | Unrealised Gains on Current Investment | 10.75 | 61.21 |
| | Rent and Amenities | 68.89 | 35.51 |
| | Other Non operating Income | 0.36 | 61.13 |
| | Miscellaneous income | 0.01 | 21.24 |
| | TOTAL | 430.40 | 201.63 |
| 19 Employee benefits expense | | | |
| | Salaries, Bonus and other allowances | 59.18 | 69.75 |
| | Company's contribution to Provident fund, gratuity and other funds | 16.36 | 54.11 |
| | Staff Welfare Expenses | 0.10 | 0.85 |
| | TOTAL | 75.64 | 124.71 |
| 20 Finance Cost | | | |
| | Interest | 22.71 | 11.34 |
| | TOTAL | 22.71 | 11.34 |
| 21 Depreciation and amortization expense | | | |
| | Depreciation of property, plant and equipment | 53.42 | 85.53 |
| | Amortization of intangible assets | 127.03 | 97.21 |
| | TOTAL | 180.45 | 182.74 |

NOTES TO PROFIT AND LOSS

(₹ in lakhs)

| Note | Particulars | 01 April 2020 - 31 March 2021 | 01 April 2019 - 31 March 2020 |
|-----------|------------------------------------------|----------------------------------|----------------------------------|
| 22 | Administrative and Other expenses | | |
| | Rent | 4.22 | 1.27 |
| | Rates and Taxes | 0.05 | 1.42 |
| | Communication Expenses | 1.66 | – |
| | Electricity Charges | 0.04 | 4.05 |
| | Travelling and Conveyance | – | 0.31 |
| | Outsourcing Cost | 0.19 | 5.64 |
| | Insurance | 0.08 | 0.38 |
| | Repairs and Maintenance | | |
| | - Computers | 165.98 | 102.11 |
| | - Others | 0.02 | 6.63 |
| | Advertisement and Promotion | – | 0.05 |
| | IT Professional and Consultancy Fees | 5.78 | 40.68 |
| | Payments to Auditors | | |
| | - Internal Audit Fee | – | 0.69 |
| | - Statutory Audit Fee | 9.00 | 4.38 |
| | - Tax Audit Fee | 2.00 | 0.72 |
| | - Other Services | 0.75 | – |
| | Profit/Loss on Sale of Asset | 19.01 | – |
| | Directors sitting fees | – | 2.26 |
| | Recruitment Fees | – | 0.11 |
| | Miscellaneous expenses | 0.71 | 0.00 |
| | Bad Debts Written Off | 0.09 | – |
| | Provision for doubtful debts | 1.38 | – |
| | TOTAL | 210.96 | 170.69 |

23 Basic and diluted earnings per share

(₹ in lakhs)

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

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

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

| Particulars | Period ended March 31, 2021 | Period ended March 31, 2020 |
|------------------------------------------------------------------|--------------------------------|--------------------------------|
| Profit / (Loss) for the year, attributable to the equity holders | 11.76 | 1,608.66 |

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

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|-------------------------------------------------------|-------------------------|-------------------------|
| Opening balance | 450.03 | 450.03 |
| Effect of fresh issue of shares for cash | | |
| Weighted average number of equity shares for the year | 450.03 | 450.03 |

| Earnings per share | March 31, 2021 | March 31, 2020 |
|----------------------------|----------------|----------------|
| Basic earnings per share | 0.03 | 3.57 |
| Diluted earnings per share | 0.03 | 3.57 |

24 Income taxes

A. Amounts recognised in profit or loss

| | Period 1st April 2020 - 31st March 2021 | Period 1st April 2019 - 31st March 2020 |
|-------------------------------------------------------------|-----------------------------------------------|-----------------------------------------------|
| Current tax | | |
| Current period (a) | — | — |
| Changes in estimates related to prior years (b) | | |
| Deferred tax (c) | | |
| Attributable to - | | |
| Origination and reversal of temporary differences | (6.84) | (27.40) |
| Reduction in tax rate | | |
| Change in unrecognised deductible temporary differences | | |
| Recognition of previously unrecognised tax losses | | |
| Tax expense of continuing operations (a) + (b) + (c) | (6.84) | (27.40) |

B. Income tax recognised in other comprehensive income

(₹ in lakhs)

| | Period 1st April 2020 - 31st March 2021 | | | Period 1st April 2019 - 31st March 2020 | | |
|------------------------------------------------------|-----------------------------------------|-----------------------|------------|-----------------------------------------|-----------------------|------------|
| | Before tax | Tax (expense) benefit | Net of tax | Before tax | Tax (expense) benefit | Net of tax |
| Re-measurements of defined benefit liability (asset) | (0.40) | 0.10 | (0.30) | 44.24 | (10.12) | 34.12 |

C. Reconciliation of effective tax rate

| | Period 1st April 2020 - 31st March 2021 | | Period 1st April 2019 - 31st March 2020 | |
|--------------------------------------------------------------------|-----------------------------------------|--------|-----------------------------------------|----------|
| | Rates | Amount | Rates | Amount |
| Profit before tax | 25.17% | 4.52 | 22.88% | 1,625.50 |
| Tax using the Company's domestic tax rate : | | 1.14 | | 371.91 |
| Effect of: | | | | |
| Origination and reversal of temporary differences | | (6.84) | | (27.40) |
| Current year losses for which no deferred tax asset was recognised | | 7.98 | | 399.31 |
| Set off of Carry Forward Loss | | (7.98) | | (399.31) |
| Effective tax rate | – | – | – | – |

D. Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

| | Deferred tax (assets) | | Deferred tax liabilities | | Deferred tax (assets) liabilities | |
|----------------------------------------------------------------|-----------------------|------------------|--------------------------|------------------|-----------------------------------|------------------|
| | As at 31-03-2021 | As at 31-03-2020 | As at 31-03-2021 | As at 31-03-2020 | As at 31-03-2021 | As at 31-03-2020 |
| Property, plant and Equipment | 11.44 | 0.70 | – | – | (11.44) | (0.70) |
| Intangible assets | 32.65 | 25.35 | – | – | (32.65) | (25.35) |
| Total | 44.09 | 26.05 | – | – | (44.09) | (26.05) |
| Investments at fair value through profit or loss | | 0.63 | 20.83 | - | 20.83 | (0.63) |
| Provisions - employee benefits | 2.25 | 1.47 | – | – | (2.25) | (1.47) |
| Provisions - others | 2.74 | | | | (2.74) | – |
| Other items - Ind As 116 | 6.74 | – | – | – | (6.74) | – |
| Total | 11.73 | 2.10 | 20.83 | – | 9.10 | (2.10) |
| Deferred tax (assets) liabilities | 55.81 | 28.15 | 20.83 | – | (34.98) | (28.15) |
| Offsetting of deferred tax assets and deferred tax liabilities | – | – | – | – | – | – |
| Net deferred tax (assets) liabilities | 55.81 | 28.15 | 20.83 | – | (34.98) | (28.15) |

E. Unrecognised deferred tax liabilities

No such item

E. Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items, because it is not probable that future taxable profit will be available against which the Company can use the benefits there from:

Tax losses

| Financial Year | Category | Period 1st April 2020 - 31st March 2021 | Expiry Date | Period 1st April 2019 - 31st March 2020 | Expiry Date |
|----------------|-------------------|-----------------------------------------------|-------------|-----------------------------------------------|-------------|
| FY 2011-12 | Depreciation Loss | 388.86 | NA | 482.92 | NA |
| FY 2012-13 | Depreciation Loss | 466.34 | NA | 466.34 | NA |
| FY 2012-13 | Business Loss | - | 31.03.2021 | 772.18 | 31.03.2021 |
| FY 2013-14 | Depreciation Loss | 360.88 | NA | 360.88 | NA |
| FY 2013-14 | Business Loss | 679.08 | 31.03.2022 | 679.08 | 31.03.2022 |
| FY 2014-15 | Depreciation Loss | 218.81 | NA | 218.81 | NA |
| FY 2014-15 | Business Loss | 489.66 | 31.03.2023 | 489.66 | 31.03.2023 |
| FY 2015-16 | Depreciation Loss | 495.50 | NA | 495.50 | NA |
| FY 2015-16 | Business Loss | 393.84 | 31.03.2024 | 393.84 | 31.03.2024 |
| FY 2016-17 | Depreciation Loss | 425.78 | NA | 425.78 | NA |
| FY 2016-17 | Business Loss | 145.81 | 31.03.2025 | 145.81 | 31.03.2025 |
| FY 2018-19 | Depreciation Loss | 273.87 | NA | 273.87 | NA |
| FY 2018-19 | Business Loss | 430.53 | 31.03.2027 | 430.53 | 31.03.2027 |
| Total | | 4,768.95 | | 5,635.19 | |

G. Tax losses carried forward

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

| | 31 March 2021 | 31 March 2020 |
|----------------------------------------------------|-----------------|-----------------|
| Losses having restriction on carry forward benefit | 2,138.91 | 2,911.10 |
| Others | 2,630.04 | 2,724.10 |
| Total | 4,768.95 | 5,635.19 |

25 Employee Benefits

Assets and liabilities relating to employee benefits

(₹ in lakhs)

| | Current | |
|---------------------------------------------------|-------------------------|-------------------------|
| | As at March 31, 2021 | As at March 31, 2020 |
| Net defined benefit liability - Gratuity plan | 29.05 | 29.25 |
| Total employee benefit liability (Current) | 29.05 | 29.25 |
| Liability for compensated absences | 8.94 | 20.38 |
| Cash-settled share-based payment liability | — | — |
| Total employee benefit liabilities | 37.99 | 49.63 |

A. Funding

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

B. Reconciliation of net defined benefit (asset) liability

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

Gratuity plan

Reconciliation of present value of defined benefit obligation

| | As at March 31, 2021 | As at March 31, 2020 |
|----------------------------------------------------------------|----------------------------|----------------------------|
| Balance at the beginning of the year | 29.25 | 99.92 |
| Benefits paid | (29.25) | (122.72) |
| Current service cost ** | 29.45 | 4.53 |
| Interest cost | — | 2.52 |
| Actuarial (gain)/loss recognized in other comprehensive income | | |
| changes in demographic assumptions | — | 0.34 |
| changes in financial assumptions | — | 2.87 |
| experience adjustments | (0.40) | 41.79 |
| Balance at the end of the year | 29.05 | 29.25 |

Leave Encashment

Reconciliation of present value of defined benefit obligation

| | As at March 31, 2021 | As at March 31, 2020 |
|----------------------------------------|----------------------------|----------------------------|
| Balance at the beginning of the year | — | — |
| Interest Cost | — | — |
| Current service cost | 8.94 | — |
| Past service cost | — | — |
| Benefits paid | — | — |
| Actuarial loss/(gain) on obligation | — | — |
| PVO as at the end of the period | 8.94 | — |

** 2020-21 - incurred by SAMC and hence not recognised as expense

(₹ in lakhs)

(₹ in lakhs)

Gratuity plan**Reconciliation of present value of plan assets**

| | As at March 31, 2021 | As at March 31, 2020 |
|----------------------------------------------------------------|----------------------------|----------------------------|
| Balance at the beginning of the year | 43.23 | 81.32 |
| Contributions paid into the plan | 27.48 | 79.94 |
| Benefits paid | (42.50) | (122.72) |
| Interest income | | 3.91 |
| Return on plan assets recognized in other comprehensive income | | 0.77 |
| Balance at the end of the year | 28.21 | 43.23 |
| Net defined benefit (asset) liability | 0.84 | (13.97) |

Reconciliation of present value of plan assets

| | As at March 31, 2021 | As at March 31, 2020 |
|--------------------------------------------------------------|----------------------------|----------------------------|
| Fair value of plan assets as at the beginning of the period | | – |
| Expected return on plan assets | | – |
| Contributions | | – |
| Benefits paid | | – |
| Actuarial gain/(loss) on plan assets | | – |
| Fair value of plan assets as at the end of the period | – | – |

C. i. Expense recognized in profit or loss

| | As at March 31, 2021 | As at March 31, 2020 |
|----------------------|----------------------------|----------------------------|
| Current service cost | – | 4.53 |
| Interest cost | – | 2.52 |
| Past service gain | | |
| Interest income | – | (3.91) |
| | – | 3.14 |

i. Expense recognized in profit or loss

| | As at March 31, 2021 | As at March 31, 2020 |
|----------------------------------------------------------------|----------------------------|----------------------------|
| Current service cost | 8.94 | |
| Interest on obligation | | |
| Expected return on plan assets | | |
| Net actuarial (gain)/loss recognised during the period | – | – |
| Past service cost | | – |
| Expenses recognized in the statement of profit and loss | 8.94 | – |

ii. Remeasurements recognized in other comprehensive income

| | As at March 31, 2021 | As at March 31, 2020 |
|-----------------------------------------------------|----------------------------|----------------------------|
| Actuarial (gain) loss on defined benefit obligation | (0.40) | 45.01 |
| Return on plan assets excluding interest income | – | (0.77) |
| | (0.40) | 44.24 |

D Plan Assets

Plan assets comprise of the following:

| | As at March 31, 2021 | As at March 31, 2020 |
|-----------------------|-------------------------|-------------------------|
| Insurer managed funds | 28.21 | 43.23 |
| | 28.21 | 43.23 |

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

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

| | As at March 31, 2021 | As at March 31, 2020 |
|----------------------|------------------------------------------------------------|------------------------------------------------------------|
| Gratuity | | |
| Discount rate | 6.80% | 6.53% |
| Future salary growth | 7.00% | 9.10% |
| Attrition rate | 18.00% | 18.00% |
| Mortality Rate | INDIAN ASSURED LIVES MORTALITY (2012-14) ULTIMATE | INDIAN ASSURED LIVES MORTALITY (2012-14) ULTIMATE |

ii. (a) Sensitivity Analysis

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

(₹ in lakhs)

| | As at March 31, 2021 | As at March 31, 2020 |
|------------------------------------------|-------------------------|-------------------------|
| Gratuity | | |
| Discount rate (+100 basis points) | 7.80% | 7.53% |
| Discount rate (-100 basis points) | 5.80% | 5.53% |
| Future salary growth (+100 basis points) | 8.00% | 10.10% |
| Future salary growth (-100 basis points) | 6.00% | 8.10% |

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

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

| Particulars | FUNDED | |
|------------------------------------------------------------------------|------------|------------|
| | Gratuity | |
| | 31.03.2021 | 31.03.2020 |
| Impact of : | | |
| 0.5% increase in discount rate | (0.88) | – |
| 0.5% decrease in discount rate | 0.95 | – |
| 1% increase in discount rate | | (1.66) |
| 1% decrease in discount rate | | 1.86 |
| 0.5% increase in salary growth | | – |
| 0.5% decrease in salary growth | | – |
| 1% increase in salary growth | 0.94 | 1.78 |
| 1% decrease in salary growth | (0.89) | (1.62) |
| Weighted average duration of the Defined Benefit Obligation (in years) | 6.30 | 8.60 |

ii. (c) Maturity Profile of Defined Benefit Obligation

| Particulars | FUNDED | |
|------------------------------------------------|------------|------------|
| | Gratuity | |
| | 31.03.2021 | 31.03.2020 |
| Maturity profile of defined benefit obligation | | |
| Year 1 | 10.88 | 3.71 |
| Year 2 | 0.67 | 7.11 |
| Year 3 | 2.63 | 0.82 |
| Year 4 | 0.64 | 0.74 |
| Year 5 | 0.67 | 0.64 |
| Next 5 years | 34.77 | 8.20 |

26 Financial instruments and fair values

(₹ in Lakhs)

A. Accounting classifications and fair values

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

March 31, 2021

| | Carrying Amount | | | | Fair Value | | |
|----------------------------------------------------------|-------------------------------|-----------------------------------------|-----------------------------|-----------------------|-----------------|---------|---------|
| | Mandatorily at FVTPL - Others | Other financial assets - amortized cost | Other financial liabilities | Total carrying amount | Level 1 | Level 2 | Level 3 |
| Financial assets measured at fair value* | | | | | | | |
| Mutual fund investments | 3,498.57 | — | — | 3,498.57 | 3,498.57 | — | — |
| Rental Deposits | 39.74 | — | — | 39.74 | 39.74 | — | — |
| | 3,538.30 | — | — | 3,538.30 | 3,538.30 | — | — |
| Financial assets not measured at fair value* | | | | | | | |
| Other deposits | — | 19.81 | — | 19.81 | — | — | — |
| Trade receivables | — | 32.11 | — | 32.11 | — | — | — |
| Cash & Cash equivalents | — | 4.23 | — | 4.23 | — | — | — |
| | — | 56.15 | — | 56.15 | — | — | — |
| Financial liabilities not measured at fair value* | | | | | | | |
| Borrowings | — | 202.20 | — | 202.20 | — | — | — |
| Trade payables | — | 11.91 | — | 11.91 | — | — | — |
| | — | 214.11 | — | 214.11 | — | — | — |

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

March 31, 2020

| | Carrying Amount | | | | Fair Value | | |
|----------------------------------------------------------|-------------------------------|-----------------------------------------|-----------------------------|-----------------------|-----------------|---------|---------|
| | Mandatorily at FVTPL - Others | Other financial assets - amortized cost | Other financial liabilities | Total carrying amount | Level 1 | Level 2 | Level 3 |
| Financial assets measured at fair value | | | | | | | |
| Mutual fund investments | 3,105.24 | — | — | 3,105.24 | 3,105.24 | — | — |
| Rental Deposits | 35.92 | — | — | 35.92 | 35.92 | — | — |
| | 3,141.16 | — | — | 3,141.16 | 3,141.16 | — | — |
| Financial assets not measured at fair value* | | | | | | | |
| Other deposits | — | 22.93 | — | 22.93 | — | — | — |
| Trade receivables | — | 31.14 | — | 31.14 | — | — | — |
| Cash & Cash equivalents | — | 21.78 | — | 21.78 | — | — | — |
| | — | 75.86 | — | 75.86 | — | — | — |
| Financial liabilities not measured at fair value* | | | | | | | |
| Borrowings | — | 233.37 | — | 233.37 | — | — | — |
| Trade payables | — | 105.69 | — | 105.69 | — | — | — |
| | — | 339.06 | — | 339.06 | — | — | — |

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

26. Financial instruments and fair values (continued)

(₹ in Lakhs)

B Financial risk management

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

- credit risk
- liquidity risk
- market risk

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

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

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

i. Credit risk

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

Credit risk management

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

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

VL 1 : High-quality assets, negligible credit risk

VL 2 : Quality assets, low credit risk

VL 3 : Standard assets, moderate credit risk

VL 4 : Substandard assets, relatively high credit risk

VL 5 : Low quality assets, very high credit risk

VL 6 : Doubtful assets, credit-impaired

The company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the

company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information. Especially the following indicators are included -

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

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

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

Provision for expected credit losses

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

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

(a) Expected credit loss for security deposits

(₹ in Lakhs)

March 31, 2021

| Particulars | | Internal credit rating | Estimated gross carrying amount at default | Expected probability of default | Expected credit losses | Carrying amount net of impairment provision |
|------------------------------------------------------------|--------------------------------------------------------------------------------------------------|------------------------|--------------------------------------------|---------------------------------|------------------------|---------------------------------------------|
| Loss allowance measured at 12 month expected credit losses | Financial assets for which credit risk has not increased significantly since initial recognition | VL1 | 59.54 | 0% | – | 59.54 |

March 31, 2020

| Particulars | | Internal credit rating | Estimated gross carrying amount at default | Expected probability of default | Expected credit losses | Carrying amount net of impairment |
|------------------------------------------------------------|--------------------------------------------------------------------------------------------------|------------------------|--------------------------------------------|---------------------------------|------------------------|-----------------------------------|
| Loss allowance measured at 12 month expected credit losses | Financial assets for which credit risk has not increased significantly since initial recognition | VL1 | 58.85 | 0% | – | 58.85 |

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

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

31st March 2021

| Particulars | Gross carrying amount | Expected loss rate | Expected credit losses | Provision carried in books * |
|-----------------------------|-----------------------|--------------------|------------------------|------------------------------|
| Current | 32.11 | – | – | – |
| 1-180 days past due | – | – | – | – |
| 181-365 days past due | 0.01 | – | – | 0.01 |
| More than 365 days past due | 10.88 | – | – | 10.88 |
| | 43.00 | – | – | 10.89 |

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

March 31, 2020

| Particulars | Gross carrying amount | Expected loss rate | Expected credit losses | Provision carried in books * |
|-----------------------------|-----------------------|--------------------|------------------------|------------------------------|
| Current | 30.56 | – | – | – |
| 1-180 days past due | – | – | – | – |
| 181-365 days past due | 9.51 | – | – | 9.51 |
| More than 365 days past due | – | – | – | – |
| | 40.07 | – | – | 9.51 |

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

Movements in the allowance for impairment in respect of trade receivables

(₹ in Lakhs)

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

| | As at March, 31 2021 | As at March, 31 2020 |
|-------------------------------------|-------------------------|-------------------------|
| Balance at beginning of the period | 9.51 | – |
| Changes in loss allowance | 1.38 | 9.51 |
| Balance at end of the period | 10.89 | 9.51 |

iii. Liquidity risk

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

Exposure to liquidity risk.

March 31, 2021

| | Contractual cash flows | | | | | | Total |
|-------------------------------------------------|------------------------|-------------------------------------|-----------------------------------|-------------------------------|-----------------------------------|-----------------|---------------|
| | Upto 3 Months | Over 3 months & upto 6 months | Over 6 months & upto 1 year | Over 1 year & upto 3 years | Over 3 years & upto 5 years | Over 5 years | |
| Non-derivative financial liabilities | | | | | | | |
| Trade payables | 11.91 | – | – | – | – | – | 11.91 |
| Finance lease obligations | 7.51 | 7.69 | 15.97 | 83.57 | 118.64 | – | 233.37 |
| | 19.42 | 7.69 | 15.97 | 83.57 | 118.64 | – | 376.78 |

March 31, 2020

| | Contractual cash flows | | | | | | Total |
|-------------------------------------------------|------------------------|-------------------------------------|-----------------------------------|-------------------------------|-----------------------------------|-----------------|---------------|
| | Upto 3 Months | Over 3 months & upto 6 months | Over 6 months & upto 1 year | Over 1 year & upto 3 years | Over 3 years & upto 5 years | Over 5 years | |
| Non-derivative financial liabilities | | | | | | | |
| Trade payables | 105.69 | – | – | – | – | – | 105.69 |
| Finance lease obligations | 6.79 | 6.96 | 14.46 | 114.73 | 118.64 | – | 261.58 |
| | 112.48 | 6.96 | 14.46 | 114.73 | 118.64 | – | 367.27 |

iv. Market risk

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

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

Interest rate risk

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

Exposure to interest rate risk

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

| | As at March, 31 2021 | As at March, 31 2020 |
|-------------------------------|-------------------------|-------------------------|
| Fixed rate instruments | | |
| Financial assets | | |
| Financial liabilities | 15.97 | 14.46 |
| | 15.97 | 14.46 |

27 Expenditure in foreign currency (on accrual basis)

| | 31st March 2021 | 31st Mar 2020 |
|-------------------------------|-----------------|---------------|
| Subscription and software AMC | – | 39.59 |
| Total | – | 39.59 |

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

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

| | 31st March 2021 | 31st Mar 2020 |
|------------------------------------|-----------------|---------------|
| Payable within one year | – | – |
| Payable between one and five years | 202.20 | 233.37 |
| Payable after five years | – | – |
| Total | 202.20 | 233.37 |

* The above lease payable figures have been arrived at without considering future escalations, which is subject to negotiations.

ii. Amount recognized in profit or loss

| | 31st March 2021 | 31st Mar 2020 |
|----------------------------------------|-----------------|---------------|
| Lease expense - Minimum lease payments | 50.88 | 43.95 |
| Total | 50.88 | 43.95 |

29 Dues to micro, small and medium enterprises

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

30 A Related parties

Holding Company

Sundaram Finance Limited

Fellow subsidiaries

Sundaram Asset Management Company Ltd.

Sundaram Asset Management Singapore Pte Ltd.

Sundaram Alternate Assets Limited

Sundaram Trustee Company Ltd.

Sundaram Finance Holdings Limited

Sundaram Business Services Limited

Sundaram Home Finance Ltd.

LGF Services Ltd.

Sundaram Finance Employee welfare trust

Associates of Fellow Subsidiaries

Flometallic India Private Ltd.

The Dunes Oman LLC (FZC)

Sundaram Hydraulics Ltd.

Axles India Ltd.

Turbo Energy Private Ltd.

Transenergy Ltd.

Sundaram Dynacast Private Ltd.

Wheels India Limited

Mind S.r.l. (w.e.f. 21st October 2020)

Joint Ventures:

Royal Sundaram General Insurance Co. Ltd.

Key managerial personnel

T.S. Sritharan – Managing Director.

S. Lakshminarasimhan – CFO

R. Ajith Kumar – Company Secretary.

30 b. Related party transactions other than those with key management personnel

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

(₹ in lakhs)

| Nature of Transactions | Holding Company | Joint Venture Promoters | Fellow Subsidiaries | Associated Enterprise | Total |
|--------------------------------------------------|-----------------|-------------------------|---------------------|-----------------------|-------------------|
| Income | | | | | |
| Income From Operations | | | | | |
| Sundaram Asset Management Company Limited | | | 64.23 (522.75) | | 64.23 (522.75) |
| Other Income | | | | | |
| Sundaram Asset Management Company Limited | | | 1.57 – | | 1.57 – |
| Sundaram Finance Limited | 15.20 – | | – – | | 15.20 – |
| Expenses | | | | | |
| Rental Charges | | | | | |
| Sundaram Finance Limited | – (12.77) | | | | – (12.77) |
| Sundaram Asset Management Company Limited | | | 1.00 – | | 1.00 – |
| Payroll & Other outsourcing charges | | | | | |
| Sundaram Finance Holdings Ltd | | | 0.19 (12.37) | | 0.19 (12.37) |
| Outsourced Branch Expenses | | | | | |
| Sundaram Finance Limited | – (412.90) | | | | – (412.90) |
| Professional Fees & Other Outsourcing charges | | | | | |
| Sundaram Finance Limited | – (143.66) | | | | – (143.66) |
| Data Center Hosting charges | | | | | |
| Sundaram Finance Limited | – (136.03) | | | | – (136.03) |
| Insurance | | | | | |
| Royal Sundaram General Insurance Company Limited | | | – (0.74) | | – (0.74) |
| Others - Leasing, training, Sale of assets | | | | | |
| Sundaram Finance Holdings Ltd | – (93.82) | | 0.07 – | | 0.07 (93.82) |

| Nature of Transactions | Holding Company | Joint Venture Promoters | Fellow Subsidiaries | Associated Enterprise | Total |
|-------------------------------------------|-------------------------------|-------------------------|-------------------------|-----------------------|-------------------------------|
| Assets | | | | | |
| Sundry Debtors | | | | | |
| Sundaram Asset Management Company Limited | | | 32.12 <i>(22.18)</i> | | 32.12 <i>(22.18)</i> |
| Liabilities | | | | | |
| Equity Shares | | | | | |
| Sundaram Finance Limited | 4,500.30 <i>(4,500.30)</i> | | | | 4,500.30 <i>(4,500.30)</i> |
| Payable | | | | | |
| Sundaram Finance Holdings Ltd | | | – <i>(0.31)</i> | | – <i>(0.31)</i> |
| Sundaram Finance Limited | – <i>(10.99)</i> | | | | – <i>(10.99)</i> |
| Receivable | | | | | |
| Sundaram Finance Limited | <i>17.94</i> | | | | <i>17.94</i> |

No amount has been written off / written back during the year

Previous year 2019-20 figures are mentioned in Italics.

31 The Covid -19 Virus, which was declared as a pandemic by the World Health Organisation in March,2020, continues to have its impact on the Indian Financial Markets during the current financial year.The Company has been prudent in applying its judgements, estimates and assumptions in assesing such impact on its Financial Statements. However, on account of the uncertainties associated with the pandemic, the actual impact on the Company may vary from such estimations. Hence, the Company continues to closely monitor the developments.

The current assessment of the management does not reveal any adverse impact on the recoverability of the Company's assets, amount of provisions and liabilities recognized or its ability to continue as a Going Concern.

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

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

V. Chandrasekaran
 Partner
 Membership No.024844
 Chennai

T.S. Sritharan
 Managing Director

S. Lakshminarasimhan
 Chief Financial Officer

Ranganatha Vijayendiran Rao
 Director

R. Ajith Kumar
 Company Secretary

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SUNDARAM FUND SERVICES

Registered Office

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

Corporate Office

No. 23, Cathedral Garden Road,
Nungambakkam,
Chennai - 600 034
Phone No: 044 2830 9100
Fax : 044 2826 2040