

Independent Auditor's Report

To the Members of Sudharsanam Investments Limited

Report on the standalone Financial Statements

Opinion

We have audited the accompanying Standalone financial statements of **M/s. Sudharsanam Investments Limited** ("*the Company*") which comprises the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss, and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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 and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the 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 there under, 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.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of

our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Reporting of key audit matters as per SA 701, Key Audit Matters are not applicable to the Company as it is an unlisted company.

Information Other than the Standalone Financial Statements and Auditors' Report Thereon

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, Board's Report including Annexure to Board's Report, Business Responsibility Report, Corporate Governance and Report on CSR activities, and Shareholders 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 during the course of our audit or otherwise appears to be materially misstated.

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

Management's Responsibility for the Standalone Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Standalone financial statements that give a true and fair view of the state of affairs, profit or loss including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of Companies Act 2013 read with relevant rules issued there under and accounting principles generally accepted in India. 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 judgements and estimates that are reasonable and

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

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

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

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

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

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

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

effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Standalone financial statements, including the disclosures, and whether the Standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

Report on Other Legal and Regulatory Requirements

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 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:

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.

- a. 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.
- b. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account
- c. In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- d. 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.
- e. 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".
- f. 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 does not have any pending litigations which would impact its financial position.

- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For Ramakrishna Raja and Co
Chartered Accountants
Firm Registration No: 005333S

M. Vijayan

M.VIJAYAN

Partner

Membership No.: 026972

UDIN: 21026972AAAADR7882



Date: 24.05.2021

Place: Chennai.

Annexure A to the Independent Auditor's Report

With reference to the Annexure A referred to in the Independent Auditor's Report to the company on the financial statements for the year ended 31st March 2021, we report the following:

1) Fixed Assets

- 1.1 The Company does not have any fixed assets. Accordingly, the provisions of clause 3 (i) of the Order are not applicable to the Company.

2) Inventory

- 1.2 The Company does not have any inventory. Accordingly, the provisions of clause 3 (ii) of the Order are not applicable to the Company.

3) The Company has not granted loan to any party listed in the Register maintained under section 189 of the Act and accordingly, the provisions of clause 3 (iii) of the Order are not applicable to the Company.

4) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Act, in respect of loans, investments, guarantees and security.

5) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.

6) The company is not required to maintain the accounts and records which have been specified by the Central Government under Section 148(1) of the Act.

7) Undisputed and Disputed taxes and duties

- 7.1 The Company is regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed

amounts payable in respect of the above were in arrears as at 31 March 2021 for a period of more than six months from the date they became payable.

7.2 As the company is not having any overdue under dispute relating to Income tax, value added tax and Service tax, accordingly the provisions of clause 3 (vii) (b) of the Order are not applicable to the Company.

- 8) The Company did not have any loans or borrowings from any Financial Institutions or Banks. The Company has neither taken loans from the Government nor has issued any debentures during the year.
- 9) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments). The Company has not raised any term loans during the year.
- 10) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.
- 11) The Company has not paid / provided any managerial remuneration during the year.
- 12) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Company.
- 13) In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
- 14) Based upon the audit procedures performed and the information and explanations given by the management, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company.
- 15) Based upon the audit procedures performed and the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with them. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company.

- 16) In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

For Ramakrishna Raja and Co
Chartered Accountants
Firm Registration No: 005333S

M. Vijayan

M. VIJAYAN

Partner

Membership No.026972

UDIN: 21026972AAAADR7882



Date: 24.05.2021

Place: Chennai.

“Annexure B” to the Independent Auditor’s Report of even date on the financial statements of Sudharsanam Investments Limited

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”) referred to in 2 (f) of the Audit report

We have audited the internal financial controls over financial reporting of Sudharsanam Investments Limited (“The Company”) as of 31 March 2021 in conjunction with our audit of the 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 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.

Auditor’s 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 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system 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, and 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 controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 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 Ramakrishna Raja and Co
Chartered Accountants
Firm Registration No: 005333S

M. Vijayan

M.VIJAYAN

Partner

Membership No.026972

UDIN: 21026972AAAADR7882



Date: 24.05.2021

Place: Chennai.

SUDHARSANAM INVESTMENTS LIMITED
BALANCE SHEET AS AT 31st Mar 2021

CIN:U65993TN1998PLC040821

	Note No.	As at 31.03.2021	As at 31.03.2020
I ASSETS			
NON-CURRENT ASSETS			
Financial Assets			
Investments in Equity Instruments	6	12,86,25,155	12,86,25,155
CURRENT ASSETS			
Financial Assets			
Cash and Cash Equivalents	7	58,365	83,425
Current Tax Assets	8	11,81,090	-
		<u>12,39,455</u>	<u>83,425</u>
TOTAL ASSETS		<u>12,98,64,610</u>	<u>12,87,08,580</u>
II EQUITY AND LIABILITIES			
SHARE HOLDERS' FUND			
Equity Share Capital	9	4,25,00,000	4,25,00,000
Other Equity	10	6,43,59,386	5,79,37,974
		<u>10,68,59,386</u>	<u>10,04,37,974</u>
NON-CURRENT LIABILITIES			
Financial Liabilities			
Loan from Holding Company	11	2,17,78,050	2,81,76,564
		<u>2,17,78,050</u>	<u>2,81,76,564</u>
CURRENT LIABILITIES			
Financial Liabilities			
Other financial Liabilities	12	40,278	94,042
Provisions			
Provision for taxation	13	11,86,896	-
		<u>12,27,174</u>	<u>94,042</u>
TOTAL EQUITY & LIABILITIES		<u>12,98,64,610</u>	<u>12,87,08,580</u>
Significant Accounting Policies, Judgements and Estimates	1-5		
See accompanying notes to the financial statements	6-20		

As per our Report Annexed

For M/s. Ramakrishna Raja and Co

Chartered Accountants

Firm Registration No. 005333S

M. Vijayan

M. Vijayan

Partner

Membership No : 026972

UDIN: 21026972AAAADR7882

Place: Chennai

Date : 24-05-2021



[Handwritten signatures of three directors]

Directors

SUDHARSANAM INVESTMENTS LIMITED
STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31st MAR 2021

CIN:U65993TN1998PLC040821

INCOME	Note No.	31.03.2021	31.03.2020
Other Income	14	89,47,800	1,64,04,300
Total Revenue		89,47,800	1,64,04,300
EXPENSES			
Finance costs	15	13,05,815	33,15,805
Other expenses	16	33,677	85,660
Total Expenses		13,39,492	34,01,465
Profit/(Loss) before exceptional items and tax		76,08,308	1,30,02,835
Exceptional Items			
Profit / (Loss) before Tax		76,08,308	1,30,02,835
Income Tax expenses			
Current Tax	13	11,86,896	-
Deferred Tax		-	-
MAT Credit		-	-
Total Tax Expenses		11,86,896	-
Profit / (Loss) for the year		64,21,412	1,30,02,835
Other Comprehensive income			
Item will not be reclassified to profit / (loss) in subsequent periods:			
Actuarial Gain/(loss) on defined benefit obligation		-	-
Fair value gain/(loss) on Equity instruments through OCI		-	-
Tax effect on Other Comprehensive Income		-	-
Total Comprehensive income for the year, net of Tax		64,21,412	1,30,02,835
Earnings per equity share of face value of Rs.1 each			
Basic & Diluted in Rupees		1.51	3.06
Significant Accounting Policies, Judgements and estimates	1-5		
See accompanying notes to the financial statements	6-20		

As per our Report Annexed

For M/s. Ramakrishna Raja and Co

Chartered Accountants

Firm Registration No. 005333S

M. Vijayan

M. Vijayan

Partner

Membership No : 026972

UDIN: 21026972AAAADR7882

Place: Chennai

Date : 24-05-2021



[Signature]

[Signature]

Directors

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MAR 2021

	31.03.2021 in rupees	31.03.2020 in rupees
A Cash flow from operating activities		
Profit Before Tax	76,08,308	1,30,02,835
Adjusted for		
Dividend Income	(89,47,800)	(1,64,04,300)
Interest income		
	<u>(89,47,800)</u>	<u>(1,64,04,300)</u>
Operating profit before working capital changes	(13,39,492)	(34,01,465)
Adjusted for		
Other Current Assets	(11,81,090)	-
Other current Liabilities	<u>11,33,132</u>	<u>(19,800)</u>
	(47,958)	(19,800)
Cash (used in) / generated from operations	(13,87,450)	(34,21,265)
Taxes paid	(11,86,896)	-
Net cash (used in) / generated from operating activities	(25,74,346)	(34,21,265)
B Cash flow from Investing activities		
Interest income		-
Dividend income	<u>89,47,800</u>	<u>1,64,04,300</u>
Net cash (used in) / from investing activities	89,47,800	1,64,04,300
C Cash flow from financing activities		
Proceeds from long term borrowing	<u>(63,98,514)</u>	<u>(1,29,80,505)</u>
Net cash from / (used in) Financing activities	(63,98,514)	(1,29,80,505)
Net increase / (decrease) in cash and cash equivalents (A+B+C)	(25,060)	2,530
Cash and cash equivalents as at the beginning of the year	<u>83,425</u>	<u>80,895</u>
Cash and Cash equivalents as at end of the year	<u>58,365</u>	<u>83,425</u>

As per Report Annexed
For Ramakrishna Raja and Co
Chartered Accountants
Firm Registration No: 005333S

M. Vijayan

M. Vijayan

Partner

Membership No : 026972

UDIN: 21026972AAAADR7882

Place: Chennai

Date : 24-05-2021



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Directors

SUDHARSANAM INVESTMENTS LIMITED

NOTES FORMING PART OF THE SEPARATE FINANCIAL STATEMENTS

1. Corporate Information

Sudharsanam Investments Limited, wholly owned subsidiary of Ramco Industries Limited domiciled and headquartered in India and incorporated under the provisions of Companies Act 1956. The Registered office of the Company is located at P.S.K Nagar, Rajapalayam - 626 108, Tamilnadu.

The Company is engaged in investment activities.

The financial statements of the Company for the year were approved and adopted by Board of Directors of the Company in their meeting dated 19-06-2020.

2. Basis of Preparation of Separate Financial Statements

- 2.1 The financial statements for the period up to 31-03-2016 were prepared in accordance with Accounting Standards notified under section 133 of the Companies Act, 2013 read together with Rule 7 of the Companies (Accounts) Rules, 2014 (Previous GAAP). Pursuant to the mandatory requirement for adoption of Ind AS as notified by MCA, the Company has prepared its financial statements for the year ended 31-03-2017 and thereafter in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules 2015 as amended from time to time.
- 2.2 The significant accounting policies used in preparing the financial statements are set out in Note No.5
- 2.3 The Company has considered its operating cycle to be 12 months for the purpose of Current or Non-current classification of assets and liabilities.
- 2.4 An asset is classified as current when it is expected to be realised or intended to be sold or consumed in the normal operating cycle or held primarily for the purpose of trading or expected to be realised within 12 months after the reporting period or cash or cash equivalents unless restricted from being exchanged or used to settle a liability 12 months after the reporting period. All other assets are classified as non-current.
- 2.5 A liability is classified as current when it is expected to be settled in normal operating cycle or held primarily for the purpose of trading or due for settlement within 12 months after the reporting period or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.
- 2.6 The financial statements are presented in Indian Rupees rounded to the nearest rupee with no decimals.

3 Basis of Measurement

The financial statements have been prepared on accrual basis under historical cost convention.

4. Significant Accounting Policies

4.1 Cash Flow Statement

- 4.1.1 Cash flows are presented using indirect method, whereby profit / (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments.
- 4.1.2 Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances with original maturity of less than 3 months, highly liquid investments that are readily convertible into cash.
- 4.1.3 Borrowings from wholly owned parent company is generally considered to be financing activities.

4.2 Dividend distribution to Equity shareholders

Final dividend distribution to shareholders is recognised in the period in which the dividends are approved by the shareholders. Any interim dividend paid is recognised on approval by Board of Directors. Dividend together with applicable taxes is recognised directly in Equity.

4.3 Income Taxes

- 4.3.1 Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates, the provisions of the Income tax Act, 1961 and other applicable tax laws.
- 4.3.2 Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future tax liability, is recognised as an asset viz. MAT Credit Entitlement, to the extent there is convincing evidence that the Company will pay normal Income tax and it is highly probable that future economic benefits associated with it will flow to the Company during the specified period. The Company reviews the "MAT Credit Entitlement" at each Balance Sheet date and writes down the carrying amount of the same to the extent there is no longer convincing evidence to the effect that the Company will pay normal Income tax during the specified period.
- 4.3.3 Current tax assets and liabilities are offset, when the Company has legally enforceable right to set off the recognised amounts and intends to settle the asset and the liability on a net basis.
- 4.3.4 Deferred tax is recognised using the balance sheet approach on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting at the reporting date.
- 4.3.5 Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year where the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.
- 4.3.6 Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by same governing tax laws and the Company has legally enforceable right to set off current tax assets against current tax liabilities.

- 4.3.7 Both current tax and deferred tax relating to items recognised outside the Profit or Loss is recognised either in "Other Comprehensive Income" or directly in "Equity" as the case may be.

4.4 Revenue Recognition

- 4.4.1 Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

4.4.2 Other Income

Dividend income is recognised when the Company's right to receive dividend is established.

4.5 Earnings per Share

- 4.5.1 Net profit after tax is divided by the weighted average number of equity shares including unallotted bonus shares outstanding during the year.
- 4.5.2 Where an item of income or expense which is otherwise required to be recognised in the Statement of Profit and Loss is debited or credited to Equity, the amount in respect thereof is suitably adjusted in Net profit for the purpose of computing Earnings per share.
- 4.5.3 The Company do not have any potential equity shares.

4.6 Financial Instruments

Financial Assets

- 4.6.1 Financial assets comprise of investments in equity and mutual funds, trade receivables, cash and cash equivalents and other financial assets.
- 4.6.2 Depending on the business model (i.e) nature of transactions for managing those financial assets and its contractual cash flow characteristics, the financial assets are initially measured at fair value and subsequently measured and classified at:
- a) Amortised cost; or
 - b) Fair value through other comprehensive income (FVTOCI); or
 - c) Fair value through profit or loss (FVTPL)

Amortised cost represents carrying amount on initial recognition at fair value plus or minus transaction cost.

- 4.6.3 The Company has evaluated the facts and circumstances on date of transition to Ind AS for the purpose of classification and measurement of financial assets. Accordingly, financial assets are measured at FVTPL except for those financial assets whose contractual terms give rise to cash flows on specified dates that represents solely payments of principal and interest thereon, are measured as detailed below depending on the business model:

Classification	Business Model
Amortised cost	The objective of the Company is to hold and collect the contractual cash flows till maturity. In other words, the Company do not intend to sell the instrument before its contractual maturity to realise its fair value changes.
FVTOCI	The objective of the Company is to collect its contractual cash flows and selling financial assets.

Investment in equity of subsidiary and associates are carried at cost (i.e) previous GAAP carrying amount as the date of transition to Ind AS. The Company has exercised an irrevocable option at time of initial recognition to measure the changes in fair value of other equity investments at FVTOCI. Accordingly, the Company classifies its financial assets for measurement as below:

Classification	Name of Financial Assets
Amortised cost	Trade receivables, Loans and advances to subsidiary company, employees and related parties, deposits, IPA receivable, interest receivable, unbilled revenue and other advances recoverable in cash or kind.
FVTOCI	Equity investments in companies other than Subsidiary & Associate as an option exercised at the time of initial recognition.
FVTPL	Investments in mutual funds, forward exchange contracts.

Financial Liabilities

4.6.4 Financial liabilities comprise of Borrowings from parent company.

4.6.5 The Company measures its financial liabilities as below:

Measurement basis	Name of Financial liabilities
Amortised cost	Borrowings, Debentures, Trade payables, Interest accrued, Unclaimed / Disputed dividends, Security deposits, and other financial liabilities not for trading,
FVTPL	Foreign exchange Forward contracts being derivative contracts do not qualify for hedge accounting under Ind AS 109 and other financial liabilities held for trading.

4.7 Fair value measurement

4.7.1 The basis for fair value determination for measurement and / or disclosure purposes is detailed below:

Investments in Equity / Mutual Funds

The fair value is determined by reference to their quoted prices at the reporting date. In the absence of the quoted price, the fair value of the equity is measured using valuation techniques.

5. Significant Estimates and Judgements

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosures, and the disclosure of contingent liabilities. Actual results could vary from these estimates. The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision effects only that period or in the period of the revision or future periods, if the revision affects both current and future years.

Accordingly, the management has applied the following estimates / assumptions / judgements in preparation and presentation of financial statements:

Current Taxes

Calculations of income taxes for the current period are done based on applicable tax laws and management's judgement by evaluating positions taken in tax returns and interpretations of relevant provisions of law.

Deferred Tax Asset (Including MAT Credit Entitlement)

Significant management judgement is exercised by reviewing the deferred tax assets at each reporting date to determine the amount of deferred tax assets that can be retained / recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Contingent Liabilities

Management judgement is exercised for estimating the possible outflow of resources, if any, in respect of contingencies / claims / litigations against the Company as it is not possible to predict the outcome of pending matters with accuracy.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities could not be measured based on quoted prices in active markets, management uses valuation techniques including the Discounted Cash Flow (DCF) model, to determine its fair value. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is exercised in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility.

Interests in other entities

Significant management judgement is exercised in determining the interests in other entities. The management believes that wherever there is significant influence over certain companies belong to its group, such companies are treated as Associate companies even though it holds less than 20% of the voting rights.

SUDHARSANAM INVESTMENTS LIMITED**NOTES FORMING PART OF THE SEPERATE FINANCIAL STATEMENTS**

note no.	As at 31.03.2021	As at 31.03.2020
6 NON-CURRENT ASSETS		
<u>Quoted Investments</u>		
Investments in Equity Shares in The Ramco Cements Limited 29,82,600 nos. Equity shares of Rs.1/- each fully paid-up	12,86,25,155	12,86,25,155
	12,86,25,155	12,86,25,155
<i>Market Vaule of Quoted Investments Rs. 237,53,42,640</i>		
7 CASH AND CASH EQUIVALENTS		
Cash on Hand	-	-
Balance With Bank Current account	58,365	83,425
	58,365	83,425
8 CURRENT TAX ASSETS		
Advance Income -Tax, Tax Deducted at Source	11,81,090	-

9. SHARE CAPITAL

Authorised Share Capital:	Numbers	Amount	Numbers	Amount
Equity shares of Rs.10/- each	50,00,000	5,00,00,000	50,00,000	5,00,00,000
Issued, Subscribed and paid up:				
Equity shares of Rs.10/-each fully paid up	42,50,000	4,25,00,000	42,50,000	4,25,00,000

8.1 The reconciliation of the number of shares outstanding is set out below

Equity shares at the beginning of the year	42,50,000		42,50,000	
Add: Number of shares allotted during the year				
Less: Number of shares bought back				
Equity shares at the end of the year	42,50,000	-	42,50,000	-

8.2 The details of shareholders holding shares

Name of the Shareholder	As at 31.03.2021		As at 31.03.2020	
	No. of Shares	% held	No. of Shares	% held
The Ramco Industries Limited	42,50,000	100	42,50,000	100
	42,50,000	100	42,50,000	100

10. OTHER EQUITY

For the year ended 31st March, 2021.

Attributable to Equity holders of the parent							
Particulars	Surplus				Items of OCI		Total
	Capital Reserve	Share premium	Retained earnings	General Reserve	FVTOCI-Equity	Actuarial (Loss)/gain	
As at 01-04-2020	-	-	-	5,79,37,974	-	-	5,79,37,974
Profit for the period	-	-	64,21,412	-	-	-	64,21,412
Other comprehensive income	-	-	-	-	-	-	-
Total Comprehensive Income	-	-	64,21,412	-	-	-	64,21,412
Issue of Share Capital	-	-	-	-	-	-	-
Transfer to General Reserve	-	-	(64,21,412)	64,21,412	-	-	-
Transfer as per Ind AS 116	-	-	-	-	-	-	-
Transfer to Retained Earnings	-	-	-	-	-	-	-
Transaction costs	-	-	-	-	-	-	-
Cash dividends	-	-	-	-	-	-	-
	-	-	-	6,43,59,386	-	-	6,43,59,386

For the year ended 31st March, 2020.

Attributable to Equity holders of the parent							
Particulars	Surplus				Items of OCI		Total
	Capital Reserve	Share premium	Retained earnings	General Reserve	FVTOCI-Equity	Actuarial (Loss)/gain	
As at 01-04-2019	-	-	2,47,89,342	2,01,45,797	-	-	4,49,35,139
Profit for the period	-	-	1,30,02,835	-	-	-	1,30,02,835
Other comprehensive income	-	-	-	-	-	-	-
Total Comprehensive Income	-	-	1,30,02,835	-	-	-	1,30,02,835
Issue of share capital	-	-	-	-	-	-	-
Transfer to general reserve	-	-	(3,77,92,177)	3,77,92,177	-	-	-
Transfer to Retained Earnings	-	-	-	-	-	-	-
Transaction costs	-	-	-	-	-	-	-
Cash dividends	-	-	-	-	-	-	-
As at 31-03-2020	-	-	-	5,79,37,974	-	-	5,79,37,974

SUDHARSANAM INVESTMENTS LIMITED

NOTES FORMING PART OF THE SEPERATE FINANCIAL STATEMENTS

Note No.	As at 31.03.2021	As at 31.03.2020
11 FINANCIAL LIABILITIES		
Secured:		
Loan from banks		
Unsecured:		
Loans from Holding Company - Ramco Industries Ltd	2,17,78,050	2,81,76,564
	2,17,78,050	2,81,76,564
12 CURRENT LIABILITIES		
Other financial Liabilities		
Others Payable	23,600	23,600
Other Current Liabilities		
Taxes recovery repayable	16,678	70,442
	40,278	94,042
13 PROVISIONS [CURRENT]		
PROVISION FOR INCOME TAX	11,86,896	-

SUDHARSANAM INVESTMENTS LIMITED

NOTES FORMING PART OF THE SEPERATE FINANCIAL STATEMENTS

Note No.	As at 31.03.2021	As at 31.03.2020
14 OTHER INCOME		
Dividend Income	89,47,800	1,64,04,300
	89,47,800	1,64,04,300
15 FINANCE COSTS		
Interest on Bank borrowings	-	-
Interest on Loans	13,05,815	33,15,805
	13,05,815	33,15,805
16 OTHER EXPENSES		
<u>Establishment Expenses</u>		
Audit Fee	23,600	23,600
Professional Fee	5,900	55,460
Rates and Taxes	2,407	4,830
Bank Charges	1,770	1,770
	33,677	85,660

17. **Earnings per Share**

(in Rs.)		
Particulars	31-3-2021	31-3-2020
Net profit after tax (A)	64,21,412	1,30,02,835
Weighted average number of Equity shares including un-allotted Bonus shares (B)	42,50,000	42,50,000
Nominal value per equity share (in Rs)	10	10
Basic & Diluted Earnings per share (A)/(B) in Rs.	1.51	3.06

18. Information on names of Related Parties and nature of Relationship as required by Ind AS 24 on Related Party disclosures for the year ended 31st March 2021:

(a) **Parent Company**

Name of the Company	Country of Incorporation	% of Shareholding as at	
		31-3-2021	31-3-2020
Ramco Industries Limited	India	100	100

(b) **Associate of Parent Company**

Name of the Company	Country of Incorporation	% of Shareholding as at	
		31-3-2021	31-3-2020
The Ramco Cements Limited	India	1.26	1.27

19. Disclosure in respect of Related Party Transactions (excluding Reimbursements) during the year and outstanding balances including commitments as at the reporting date:

Transactions during the year

S.No.	Nature of Transaction, Name of the Related Party and Relationship	31-3-2021	31-3-2020
a	Dividend received		
	<i>Associate of parent company</i>		
	The Ramco Cement Limited	89,47,800	1,64,04,300
b	Interest Received / (Paid)		
	<i>Parent company</i>		
	Ramco Industries Limited	(13,05,815)	(33,15,805)
c	Maximum amount of loans and advances outstanding during the year		
	<i>From Parent company</i>		
	Ramco Industries Limited	2,98,72,360	4,21,99,413
c	loans and advances outstanding as at the end of the year		
	<i>From Parent company</i>		
	Ramco Industries Limited	2,17,78,050	2,81,76,564

20. There are no dues to Micro and Small Enterprises as at 31.03.2021 (Previous Year: Rs. Nil).

This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties having been identified on the basis of information available with the company

As per our Report Annexed

For Ramakrishna Raja and Co
Chartered Accountants
Firm Registration No: 005333S

M. Vijayan

M.VIJAYAN

Partner

Membership No.026972

UDIN: 21026972AAAADR7882



For and on behalf of Board

[Signature]
[Signature]
[Signature]

Date: 24-05-2021

Place: Chennai.