



M DAMODARAN & ASSOCIATES LLP

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Secretarial Compliance Report of Sundaram Finance Limited for the year ended 31.03.2021

I M. Damodaran, Managing Partner of M Damodaran & Associates LLP Practicing Company Secretaries, Chennai have examined:

- a) all the documents and records made available to me and explanation provided by **Sundaram Finance Limited** ("the listed entity"),
- b) the filings/ submissions made by the listed entity to the stock exchanges,
- c) website of the listed entity,
- d) any other document/ filing, as may be relevant, which has been relied upon to make this certification,

for the year ended **31.03.2021** in respect of compliance with the provisions of:

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

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

- a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.
- c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
- d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 – *Not Applicable*.
- e) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.
- f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008.
- g) Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013 – *Not Applicable*.
- h) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.





- i) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client and ESOP.
- j) Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018.

and circulars/ guidelines issued there under;

and based on the above examination, I hereby report that, during the Review Period:

- a) The Listed entity has complied with the provisions of the above Regulations and Circulars/ guidelines issued there under from time to time to the extent applicable, except in respect of matters specified below:-

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

- b) There was no appointment/re-appointment of Statutory Auditor of the Company during the period. Hence, the compliance of SEBI circular CIR/CFD/CMD1/114/2019 dated 18th October, 2019 is not applicable.
- c) The listed entity has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued there under insofar as it appears from my examination of those records.
- d) The following are the details of actions taken against the listed entity/ its promoters/ directors/ material subsidiaries either by SEBI or by Stock Exchanges - *(including under the Standard Operating Procedures issued by SEBI through various circulars)* under the aforesaid Acts/ Regulations and circulars/ guidelines issued there under:

Sr. No.	Action taken by	Details of violation	Details of action taken E.g. fines, warning letter, debarment, etc.	Observations/ remarks of the Practicing Company Secretary, if any.
1.	NSE	Regulation 17 of SEBI (LODR) Regulations, 2015 - The board had less than half of the	Show cause notice issued by NSE vide its letter dated 10 th August, 2020	As per the explanation given by company- The Stakeholders Relationship Committee noted that the National Stock Exchange vide letter dated 10 th August, 2020 raised a query and sought explanation

		members as Independent Directors		for non compliance with, Regulation 17 -"the board had less than half the members as independent directors" and the reply was sent on 12 th August, 2020 and 21 st August, 2020. On 11 th November, 2020, the company along with the legal counsel attended a hearing with NSE and presented its justification for the said query. NSE vide its letter No. Ref. No. NSE/LIST/SOP/SUNDARMFIN dated 13 th April, 2021 concluded that the time limit of three months for replacement of an independent director did not apply to the case and rejected the request for waiver of fine. Sri T K Bhaskar also indicated that it may not be worth the while to appeal against the rejection. We had paid a fine of Rs. 4,13,000/- on 19 th April, 2021.
2.	NSE	Regulation 19 of SEBI (LODR) Regulations, 2015 - all the members of the Nomination and Remuneration committee are not non-executive directors	Show cause notice issued by NSE vide letter dated 17 th November, 2020	As per the explanation given by company - The Stakeholders Relationship Committee noted that the National Stock Exchange vide letter dated 17 th November, 2020 raised a query and sought explanation for Non - compliance with, Regulation 19 -"all the members of the Nomination and Remuneration committee are not non-executive directors" and the reply was sent on 30 th November, 2020 and 15 th February, 2021. On 10 th March, 2021, the company along with the legal counsel attended a hearing with NSE and represented for waiver of the penalty; the reply for NSE was awaited.



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

Sr. No.	Observations of the Practicing Company Secretary in the previous reports	Observations made in the secretarial compliance report for the year ended 31.03.2020	Actions taken by the listed entity, if any	Comments of the Practicing Company Secretary on the actions taken by the listed entity
	Not Applicable			

Place: Chennai
Date: 25/05/2021

For **M DAMODARAN & ASSOCIATES LLP**

M. DAMODARAN
Managing Partner
Membership No.: 5837
COP. No.: 5081
ICSI UDIN: F005837C000369475