# MANAGEMENT AND ADMINISTRATION

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| **Directors** | Praveen Jagwani<br>(CEO & Executive Director)<br>Imtaiyazur Rahman<br>(Non-Executive Director)<br>Christopher M W Hill<br>(Non-Executive Director) |
| **Registered Office** | Kingsway House, Havilland Street,<br>St. Peter Port, Guernsey,<br>Channel Islands. |
| **Branches Subsidiaries** | UK Branch<br>UTI International Limited<br>120 New Cavendish Street,<br>London W1W 6XX,<br>Tel: 020 3371 0303. |
| **Subsidiaries** | UTI Investment Management Company(Mauritius) Limited<br>3rd Floor, 355 NEX, Rue du Savoir<br>Cybercity, Ebene 72201, Mauritius.<br>UTI International (Singapore) Private Limited<br>3, Raffles Place<br># 08-02 Bharat Building,<br>Singapore – 048617 |
| **Administrator and Secretary** | Cannon Asset Management Limited<br>Kingsway House,<br>Havilland Street,<br>St. Peter Port, Guernsey,<br>Channel Islands. |
| **Independent Auditor** | Ernst & Young LLP<br>Royal Chambers,<br>St. Julian's Avenue, St Peter Port, Guernsey,<br>Channel Islands. |

# DIRECTORS' REPORT

The Directors present their report and the audited Consolidated Financial Statements for the year ended 31 March 2021.

## PRINCIPAL ACTIVITIES

UTI International Limited (the 'Company', the 'Group' or 'UTI International') is a 100% subsidiary of UTI Asset Management Company Limited, a Company incorporated in India ('UTI AMC'). UTI International operates from its head office (HO) in Guernsey and its branch in London. UTI International has two wholly owned subsidiaries - UTI Investment Management Company(Mauritius) Limited ('UTI Mauritius') in Mauritius and UTI International (Singapore) Private Limited ('UTI Singapore') in Singapore. The Company, UTI Mauritius and UTI Singapore collectively form the UTI International Group (the 'Group').

The principal activities of the Group are the management and marketing of the Mauritius, Cayman and Ireland domiciled offshore funds setup by the erstwhile Unit Trust of India ('UTI') or UTI AMC and its subsidiaries, marketing of the domestic mutual fund schemes of UTI AMC in overseas markets and acting as Manager / Advisor to those entities investing in India through the Foreign Portfolio Investor ('FPI') route / regime. The Company manages The UTI India Fund Limited ('India Fund'), The India Pharma Fund Limited. ('Pharma Fund'), The India Debt Opportunities Fund Limited (IDOF). However, IDOF now stands redeemed as of March 19, 2019. UTI Mauritius acts as an investment Manager to Shinsei UTI India Fund (Mauritius) Limited ('Shinsei Fund'), The UTI Rainbow Fund Limited ('Rainbow Fund'), and UTI Wealth Creator Fund 4. UTI Singapore acts as manager to UTI Spectrum Fund Limited ('Spectrum Fund'), South African Rand Money Market Fund, UTI Indian Fixed Income Fund Plc, UTI Phoenix Fund SPC, UTI Chronos Fund SPC, UTI Goldfinch Funds Plc, Indian Credit Opportunities Fund Pte. Ltd. and acts as sub-manager to United China India Dynamic Growth Fund, Emirates Islamic India Equity Fund, KB India Growth Fund, India Dynamic Equity Fund and India Balanced Fund.

## GOING CONCERN

The Director have made an assessment of going concern for the period to 30 June 2022, including consideration of the ongoing impact of the Covid-19 global pandemic on the Company and the Group. They consider that the Company and the Group have adequate financial resources which includes Cash and Cash equivalents of GBP 17,443,473 and Financial assets at fair value through P/L (Investments in Liquid Funds) of GBP 31,379,104 after meeting the operational expenses of the group of GBP 7,189,668 and having sufficient funds to meet the current liabilities of the group of GBP 2,594,050 to continue in operational existence for the period to 30th June 2022 and therefore, continue to adopt the going concern basis of accounting in preparing the financial statements. Refer to note 2.1.1 for detailed disclosure on going concern.

## RESULTS AND DIVIDEND

The Group's results for the period are set out in the consolidated statement of comprehensive income. The result of UTI International Group shows a Profit of (GBP 14,649,061) (2020: loss of GBP 5,769,234). No dividend has been declared in current year (2020: GBP Nil)

## DIRECTORS

The Company's Directors who served during the period and to the date of this report are listed on page 203.

## STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Financial Statements in accordance with applicable Guernsey law and International Financial Reporting Standards (IFRS). Guernsey Company Law requires the Directors to prepare Financial Statements for each financial year, which give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these Consolidated Financial Statements, the Directors should:

- Select suitable accounting policies and then apply them consistently;
- Make judgments and estimates that are reasonable and prudent;
- Ensure that applicable accounting standards have been followed subject to any material departure disclosed and explained in the financial statements; and
- Prepare the Financial Statements on the going concern basis unless it is inappropriate to assume that the Company will continue in business.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the Financial Statements comply with Companies (Guernsey) Law, 2008 and the Protection of Investors (Bailiwick of Guernsey) Law, 1987. Furthermore, the Directors are responsible for ensuring under Rule 2.2.4 of The Licensees (Capital Adequacy) Rules 2010 that the Company has sufficient gross capital to meet its commitments and to withstand the risks to which its business is subject.

They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. So far as each of the Directors is aware, there is no relevant audit information of which the Company's auditor is unaware, and each has taken all the steps he ought to have taken as a Director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

The directors have, at the time of approving the financial statements, assessed the potential impact of the COVID-19 global pandemic on the Company and the Group. Refer to note 2 for the detailed disclosure.

Ernst & Young LLP has indicated its willingness to continue in office and offers itself for re-appointment at the forthcoming Annual General Meeting.

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| Director: Praveen Jagwani | Christopher M W Hill |
| Date: 27 April 2021 | 27 April 2021 |

# INDEPENDENT AUDITOR'S REPORT

## OPINION

We have audited the financial statements of UTI International Limited (the "company") and its subsidiaries (the "group") for the year ended 31 March 2021 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Financial Position, the Consolidated Statement of Changes in Equity, the Consolidated Statement of Cash Flows and the related notes 1 to 26, including a summary of significant accounting policies The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards.

In our opinion, the financial statements:

- give a true and fair view of the state of the group's affairs as at 31 March 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards;
- have been properly prepared in accordance with the requirements of The Companies (Guernsey) Law, 2008 and Protection of Investors (Bailiwick of Guernsey) Law, 1987.

## BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. 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 group in accordance with the ethical requirements that are relevant to our audit of the financial statements, including the UK FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## CONCLUSIONS RELATING TO GOING CONCERN

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's ability to continue as a going concern for a period to 30 June 2022 from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the group's ability to continue as a going concern.

## OTHER INFORMATION

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

### Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which The Companies (Guernsey) Law, 2008 requires us to report to you if, in our opinion:

- proper accounting records have not been kept by the company, or proper returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the company's accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

### Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group'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 the directors either intend to liquidate the group or to cease operations, or have no realistic alternative but to do so.

### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) 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.

***Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud***

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and determined that the most significant are those that relate to the reporting framework (International Financial Reporting Standards, The Companies (Guernsey) Law, 2008, The Protection of Investors (Bailiwick of Guernsey) Law, 1987 as amended)) and the relevant direct tax regulation;
- We understood how the Company is complying with those frameworks by making enquiries of the directors and those responsible for compliance matters and corroborated this by reviewing correspondence between the Company and the Guernsey Financial Services Commission and reviewing minutes of meetings of the Board of Directors. We gained an understanding of the Board's approach to governance, demonstrated by its review of the company's management accounts and capital adequacy, review of compliance reports and other internal control processes;
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by considering the risk of management override and by identifying the improper recognition of management fee income as a fraud risk. We considered the controls the Company has established to address risks identified by the directors or that otherwise seek to prevent, detect or deter fraud; and how management and those charged with governance monitor these controls;
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved the review of minutes of meetings of the Board of Directors, compliance reports, and correspondence with the Guernsey Financial Services Commission; making inquiries of those charged with governance; and performance of journal entry testing, with a focus on adjustment journals and journals indicating large or unusual transactions based on our understanding of the business and enquiries of management;
- The Company operates as a regulated Asset Manager to carry on Controlled Investment Business under The Protection of Investors (Bailiwick of Guernsey) Law, 1987 (as amended). As such the Audit Partner considered the experience and expertise of the engagement team to ensure that the team had the appropriate competence and capabilities, with the audit team members all having a focus on the audit of Guernsey regulated entities.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

### Use of our report

This report is made solely to the company's members, as a body, in accordance with The Companies (Guernsey) Law, 2008. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Ernst & Young LLP
Guernsey, Channel Islands

Date: 27 April 2021

**Notes:**

1. The maintenance and integrity of the Group web site is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the web site.

2. Legislation in Guernsey governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
## FOR THE YEAR ENDED 31 MARCH 2021

| Particulars | Note No. | 31 March 2021 GBP | 31 March 2020 GBP |
|---|---|---|---|
| **Revenue** | | | |
| Revenue from operations | 5 | 6,669,218 | 6,201,311 |
| Other income | 5 | 803,972 | 1,194,010 |
| **Operating revenue** | | 7,473,190 | 7,395,321 |
| Fair value gains/ (losses) on financial assets at fair value through profit or loss | | 12,525,194 | (6,087,480) |
| Net gains on sale of financial assets at fair value through profit or loss | 9 | 2,535,905 | - |
| **Net income** | | **22,534,289** | **1,307,841** |
| **Expenses** | | | |
| Advisory, Management and Trailer fees | 6 | 2,687,256 | 2,595,078 |
| Other expenses | 7 | 5,132,412 | 4,416,344 |
| **Total expenses** | | **7,819,668** | **7,011,422** |
| **Profit /(Loss) before tax** | | **14,714,621** | **(5,703,581)** |
| Income tax expense | 8 | (65,560) | (65,653) |
| **Profit /(Loss) for the period** | | **14,649,061** | **(5,769,234)** |
| **Other comprehensive income** | | | |
| Exchange differences on translation of foreign operations | | (617,034) | 124,694 |
| **Total other comprehensive income** | | **(617,034)** | **124,694** |
| **Total Comprehensive income /(loss) for the period (attributable to equity holders of the parent)** | | **14,032,027** | **(5,644,540)** |

The above results are all in respect of continuing operations of the Company
The notes on pages 211 to 228 are integral part of these financial statements.

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION
## AS AT 31 MARCH 2021

| Particulars | Note No. | 31 March 2021 GBP | 31 March 2020 GBP |
|---|---|---|---|
| **ASSETS** | | | |
| **Non - current assets** | | | |
| Property, plant and equipment | 10 | 19,898 | 19,726 |
| Right of use asset | 11 | 153,892 | 191,129 |
| Financial assets at fair value through profit or loss | 9 | 31,379,104 | 22,720,428 |
| Deferred tax asset | 8 | 101,924 | 93,548 |
| | | **31,654,818** | **23,024,831** |
| **Current Assets** | | | |
| Trade and other receivables | 12 | 2,505,075 | 2,173,264 |
| Other current financial assets | 13 | 224,045 | 247,858 |
| Cash and cash equivalents | 14 | 17,443,473 | 11,829,683 |
| | | **20,172,593** | **14,250,805** |
| **TOTAL ASSETS** | | **51,827,411** | **37,275,636** |
| | | | |
| **EQUITY & LIABILITIES** | | | |
| **Equity** | | | |
| Issued capital | 15 | 6,758,062 | 6,758,062 |
| Share premium | | 10,391,285 | 10,391,285 |
| Retained earnings | | 31,292,294 | 16,643,233 |
| Foreign currency translation reserve | | 612,998 | 1,230,032 |
| Share Options | | 110,746 | - |
| | | **49,165,385** | **35,022,612** |
| **Non Current Liabilities** | | | |
| Lease Liabilities | 18 | 67,976 | 88,375 |
| | | **67,976** | **88,375** |
| **Current Liabilities** | | | |
| Trade and other payables | 16 | 1,126,848 | 939,334 |
| Other current liabilities | 17 | 1,378,606 | 1,122,332 |
| Lease Liabilities | 18 | 88,596 | 102,983 |
| | | **2,594,050** | **2,164,649** |
| **TOTAL EQUITY & LIABILITIES** | | **51,827,411** | **37,275,636** |

The financial statements on pages 207 to 228 were approved and authorised for issue to the shareholders by the Board of Directors of UTI International Limited on 27 April 2021 and signed on the Board's behalf by Praveen Jagwani and Christopher M W Hill
The notes on pages 211 to 228 are integral part of these financial statements.

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
## FOR THE YEAR ENDED 31 MARCH 2021

| Particulars | 31 March 2021 | 31 March 2020 |
|---|---|---|
| | GBP | GBP |
| **Share Capital** | | |
| As at 1 April | 6,758,062 | 6,758,062 |
| As at 31 March | **6,758,062** | **6,758,062** |
| **Share Premium** | | |
| As at 1 April | 10,391,285 | 10,391,285 |
| As at 31 March | **10,391,285** | **10,391,285** |
| **Retained Earning** | | |
| As at 1 April | 16,643,233 | 22,412,467 |
| Profit/ (Loss) for the year | 14,649,061 | -5,769,234 |
| As at 31 March | **31,292,294** | **16,643,233** |
| **Translation Reserve on consolidation of subsidiaries** | | |
| As at 1 April | 1,230,032 | 1,105,338 |
| Movement during the year | -617,034 | 124,694 |
| As at 31 March | **612,998** | **1,230,032** |
| Share Options | **110,746** | **-** |
| **TOTAL EQUITY** | **49,165,385** | **35,022,612** |

The notes on pages 211 to 228 are integral part of these financial statements.

# CONSOLIDATED STATEMENT OF CASH FLOWS
## FOR THE YEAR ENDED 31 MARCH 2021

| Particulars | 31 March 2021<br>GBP | 31 March 2020<br>GBP |
|---|---|---|
| **Cash Flow from Operating Activities** | | |
| Profit/ (Loss) before tax | 14,714,621 | (5,703,581) |
| **Adjustment for:** | | |
| Interest on Rights of use Assets | 8,852 | 1,028 |
| Depreciation | 183,846 | 26,042 |
| Fair value Exchange (gain)/ loss on Investments | (12,525,194) | 6,087,480 |
| Net Gain on sale of Investment | (2,535,905) | - |
| Interest income | (50,101) | (84,686) |
| Share Options Expenses Charge to Profit and Loss | 114,623 | - |
| Unrealised foreign exchange loss/ (gain) | 185,258 | (171,703) |
| **Operating Profit Before Working Capital Changes** | **96,000** | **154,580** |
| **Adjustment for changes in working capital:** | | |
| Decrease/ (increase) in other current financial assets | 23,813 | (43,539) |
| Increase in trade and other receivables | (331,810) | (553,001) |
| Increase in trade & other payables | 187,514 | 766,004 |
| Increase/(decrease) in other current financial liabilities | 256,275 | (466,356) |
| | **135,792** | **(296,892)** |
| **Cash generated/ (used in) from Operations** | **231,792** | **(142,312)** |
| Less : Income tax paid | (73,936) | (87,529) |
| **Net cash generated/(used in) from operating activities** | **157,856** | **(229,841)** |
| **Cash flow from Investing Activities** | | |
| Purchase of property, plant & equipment | (10,764) | (12,959) |
| Sale of Investment | 6,217,165 | - |
| Interest income | 50,101 | 84,686 |
| **Net cash generated from investing activities** | **6,256,502** | **71,727** |
| **CASH FLOW FROM FINANCING ACTIVITIES** | | |
| Payment of principle portion of Lease Liability | (179,657) | -17,890 |
| **Net cash used in financing activities** | **(179,657)** | **(17,890)** |
| **Net increase/(net decrease) in cash and cash equivalent** | **6,234,701** | **(176,004)** |
| Effect of foreign exchange fluctuations | (620,911) | 124,694 |
| **Opening cash and cash equivalents** | **11,829,683** | **11,880,993** |
| **Closing cash and cash equivalents** | **17,443,473** | **11,829,683** |

The notes on pages 211 to 228 are integral part of these financial statements.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 MARCH 2021

## 1. CORPORATE INFORMATION

UTI International Limited (the 'Company' or 'UTI International') is a 100% subsidiary of UTI Asset Management Company Limited, a Company incorporated in India ('UTI AMC'). UTI International operates from its head office (HO) in Guernsey and its branch in London. UTI International has two wholly owned subsidiaries UTI Investment Management Company(Mauritius) Limited ('UTI Mauritius') in Mauritius and UTI International (Singapore) Private Limited ('UTI Singapore') in Singapore. The Company, UTI Mauritius and UTI Singapore collectively form the UTI International Group (the 'Group').

The process of Initial Public Offer (IPO) of the parent Company i.e UTI Asset Management Company Limited has been completed successfully and the Company has been listed on the stock exchanges (National Stock Exchange and Bombay Stock Exchange) on 12th October 2020.

The Group is principally engaged in administration and marketing of the Mauritius domiciled offshore funds setup by the erstwhile Unit Trust of India ('UTI') or UTI AMC, marketing of the offshore funds and the domestic mutual fund schemes of UTI AMC in overseas markets and acting as Manager / Advisor to those entities investing in India through the Foreign Portfolio Investor ('FPI') route / regime.

The Company is licensed by the Guernsey Financial Services Commission under the Protection of Investors (Bailiwick of Guernsey) Law, 1987 (the "POI Law") to carry on the restricted activities of promotion, subscription, registration, dealing, management, administration and advising in connection with Collective Investment Schemes and the restricted activities of promotion, subscription, dealing, management, administration, advising and custody in connection with General Securities and Derivatives.

The Company's registered office has been disclosed on page 203.

## 2. BASIS OF ACCOUNTING AND SIGNIFICANT ACCOUNTING POLICIES

### 2.1. Basis of accounting

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). The consolidated financial statements have been prepared on a historical cost basis, except for non-current financial assets which have been measured at fair value. The consolidated financial statements are presented in British Pounds (GBP) and no rounding of the amounts has been made, except when otherwise indicated.

#### 2.1.1 GOING CONCERN

The Directors have made an assessment of the Company and Group's ability to continue as a going concern which included consideration of the ongoing impact of the Covid-19 global pandemic, and are satisfied that the Group has the resources to continue in business for the period to 30 June 2022. Furthermore, the directors are not aware of any material uncertainties that may cast significant doubt on the Company and Group's ability to continue as a going concern.

In their assessment of the going concern of the Company and the group, the Directors have considered the Company's principal risks and uncertainties together with the Company's income and expenditure projections. The Directors also noted the significant cash balance and relatively liquid nature of the Company's investment portfolio which could be utilized to meet funding requirements, if necessary. As part of its strategic planning, the Board considered financial scenarios of the period to 30 June 2020.

Having performed this analysis management believes regulatory capital requirements continue to be met and that the group has sufficient liquidity to meet its liabilities for period to 30 June 2022 and that the preparation of the financial statements on a going concern basis remains appropriate as the Group and Company expects to be able to meet their obligations as and when they fall due for the period to 30 June 2022.

### 2.2. Basis of consolidation

The consolidated financial statements comprise the financial statements of UTI International Limited and its subsidiaries for the year ended 31 March 2021 and 31 March 2020.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The consolidated financial statements incorporate the financial statements of UTI International Limited ("the Parent Company") and its subsidiaries. For this purpose, an entity which is, directly or indirectly, controlled by the Parent Company is treated as subsidiary. The Parent Company together with its subsidiaries constitute the Group. Control refers to power over relevant activities of the investee, exposure, or rights, to variable returns from the company's involvement with the investee and the ability to use its power over the investee to affect the amount of the company's returns.

Subsidiaries are consolidated from the date of their acquisition, being the date on which the Company obtains control, and continue to be consolidated until the date such control ceases.

The financial statements of the subsidiaries are prepared for the same reporting year as the Company, using consistent accounting policies.

Where the Company holds management shares in underlying offshore funds (The UTI India Fund Limited ('India Fund'), The India Pharma Fund Limited ('Pharma Fund'), UTI Rainbow Fund

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (Contd.)

Limited ('Rainbow Fund'), Shinsei UTI India Fund (Mauritius) Limited ('Shinsei Fund'), Wealth Creator Funds 1 to 6 ('Wealth Creator Funds') and UTI Spectrum Fund Limited). It has the power over relevant activities of the investee entities but does not have exposure or rights to variable returns from these, as such these entities are not consolidated in these Consolidated Financial Statements as per IFRS 10.

## 2.3. Summary of Significant Accounting policies

The following are the significant accounting policies applied by the Group in preparing its consolidated financial statements:

### 2.3.1. CURRENT VERSUS NON-CURRENT CLASSIFICATION

The Group presents assets and liabilities in the consolidated statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

### 2.3.2 REVENUE RECOGNITION

The Company provides investment management services to the funds in consideration for investment management fees. Revenue is recognised when the service is delivered to the customer at an amount that reflects the consideration to which the Company is expected to be entitled in exchange for the service. The major revenue i.e. investment management fees the Company is entitled to, are calculated based on predetermined percentages with reference to the Asset Under Management of the respective funds. As a result, investment management fee represents variable consideration and is recognised once it is highly probable that it will not be subject to significant reversal and is allocated to the distinct service periods. Management fees are recognised over time in the period in which the services are rendered as the customer simultaneously receives and consumes the benefits provided by the Company. Interest is recognised using the effective interest rate method.

### 2.3.3. FOREIGN CURRENCIES

*Functional and presentation currency*

The Group's consolidated financial statements are presented in British Pound, which is also the parent company's functional currency. For each entity, the Group determines the functional currency based on primary economic environment in which the entity operates. Accordingly, the most faithful currency that represents the economic effects of the underlying transactions, events and conditions is used for preparing the financial statements. The Group uses the direct method of consolidation and on disposal of a foreign operation; the gain or loss that is reclassified to Statement of comprehensive income reflects the amount that arises from using this method.

*Transactions and balances*

Transactions in foreign currencies are initially recorded by the Company and its subsidiaries at its functional currency rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange ruling at the reporting date. All differences are taken to profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in foreign currency are translated using the exchange rates at the date when the fair value is determined.

When a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss shall be recognised in other comprehensive income. Conversely, when a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss shall be recognised in profit or loss.

### 2.3.4. TAXES

**Current income tax**

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (Contd.)

**Deferred tax**

Deferred income tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and other carrying amounts for financial reporting purposes at the reporting date. The principal temporary difference arises from tax losses carried forward. Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be offset.

### 2.3.5. PROPERTY, PLANT AND EQUIPMENT

All items of property, plant and equipment are initially recorded at cost and are recognised as an asset if, it is probable that future economic benefits associated with the items will flow to the Company. Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment loss.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying values may not be recoverable.

Depreciation on tangible assets is calculated at 25% to 33% in respect of computers, fixtures and fittings and office equipment on a straight-line basis so as to write off the cost of fixed assets on a pro rata basis over their anticipated useful lives.

The residual values, useful life and depreciation method are reviewed at each financial year end to ensure the amounts, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodies in the items of property, plant and equipment.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gains or losses arising on derecognition of the asset is included in profit or loss in the financial year the asset is derecognised.

### 2.3.6 LEASES

**Group as a lessee**

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

**Right-of use assets**

The Group recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, deferred lease components of security deposits and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

**Lease Liabilities**

At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is premeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement. For arrangements entered into prior to 1 April 2016, the Group has determined whether the arrangement contains lease on the basis of facts and circumstances existing on the date of transition.

**Short-term leases and leases of low-value assets**

The Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of assets that are of low value. Lease payments on short term leases and leases of low value assets are recognized as expense in the statement of comprehensive income.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (Contd.)

## 2.3.7 FINANCIAL INSTRUMENTS

### (i) Financial assets

***Initial recognition and measurement:***

Financial assets are classified, at initial recognition at fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables (i.e management fee receivable) that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. In order for a debt instrument to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

The Company's financial assets include investment in redeemable shares, cash banks, trade receivable and other current financial assets.

***Subsequent measurement:***

For purposes of subsequent measurement, financial assets are classified in two categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through profit or loss

**Financial assets at amortised cost (debt instruments)**

The Company includes in this category trade receivables, other current financial assets (excluding prepayments) and cash at bank. The Company measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order 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.

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to expected credit loss. Interest is recognized using the effective interest (EIR) method. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired. The losses arising from expected credit loss are recognised in the profit or loss.

**Financial assets at fair value through profit and loss (equity instruments)**

The Company includes in this category investments made in funds. IFRS 9 requires all equity instruments to be carried at FVPL, unless an entity chooses on initial recognition, to present fair value changes in other comprehensive income. Investments in equity instruments whose fair value cannot be reliably measured are measured at cost less impairment loss.

***Financial assets at fair value through profit or loss***

A financial asset meeting the definition of debt instrument is measured at fair value through profit or loss if:

(a) Its contractual terms do not give rise to cash flows on specified dates that are solely payments of principal and interest (SPPI) on the principal amount outstanding or;

(b) It is not held within a business model whose objective is either to collect contractual cash flows, or to both collect contractual cash flows and sell or;

(c) At initial recognition, it is irrevocably measured at FVPL when doing so eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

The Company includes in this category debt instruments that comprise of investments in redeemable shares at the option of the holder that are held under a business model to manage them on a fair value basis for investment income and fair value gains.

After initial measurement, the Company measures financial instruments which are classified as at fair value through profit or loss at fair value. Subsequent changes in the fair value of those financial instruments are recorded in net gain or loss on financial assets at fair value through profit or loss in the consolidated statement of comprehensive income. Dividends earned or paid on these instruments are recorded separately in dividend revenue or expense in the consolidated statement of comprehensive income.

**Derecognition**

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e., removed from the Company's statement of financial position) when:

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (Contd.)

- The rights to receive cash flows from the asset have expired; or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of its continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay. Also, the gains or losses on derecognition, are recorded as Net gains or losses as the case may be at fair value through profit or loss in the consolidated statement of comprehensive income. On derecognition, the difference between the carrying amounts at the start of the year and the consideration paid is recognised in profit.

***Impairment of financial assets***

The Company recognises an allowance for expected credit losses (ECLs) for all receivables with third parties. ECLs are based on the difference between the contractual cash flows due and all the cash flows that the Company expects to receive.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL). The Company does not have such instruments.

For trade receivables, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company determined based on historical experience and expectations that the ECL on its trade receivable is insignificant and was not recorded.

The Company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

**Financial liabilities**

***Initial recognition and measurement:***

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

Financial liabilities at amortised cost are recognised initially at fair value net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables and other current liabilities which are classified as financial liabilities at amortised cost and are initially recognised at fair value net of directly attributable transaction costs.

***Subsequent measurement***

The measurement of financial liabilities depends on their classification, as described below:

**Financial liabilities at amortised cost**

After initial recognition, the financial liabilities other than those classified at fair value through profit or loss are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is recognised in profit or loss.

**Derecognition**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the profit or loss.

### 2.3.8. CASH AND CASH EQUIVALENTS

Cash in the consolidated statement of financial position mainly comprise of cash at bank. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (Contd.)



### 2.3.9. PROVISIONS

Provisions are recognised when the Company has a legal or constructive obligation as a result of past events, it is probable that an outflow of resources, embodying economic benefits, will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. There is no legal or constructive obligation by or against the Company for which any provision needs to be created.

### 2.3.10. EMPLOYEE BENEFITS

*Defined contributions plans*

The Company participates in the national pension schemes as defined by the laws of the countries in which it has operations. In particular, the Company makes contributions to the Central Provident Fund ("CPF") scheme in Singapore, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the financial period in which the related service is performed.

*Share based payments*

The Employee Stock Option Scheme provides for the grant of options to acquire equity shares of the holding Company UTI Asset Management Company Limited to its eligible employees of the subsidiary Company are measured at fair value of the equity instruments at the grant date. The period of vesting and period of exercise are as specified within the respective schemes.

The fair value of the warrants is measured using the Black-Scholes valuation method or other generally accepted valuation techniques. The calculation takes into account the terms and conditions under which the warrants are granted. The fair value determined at the grant date of the equity settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. Subsequent fair value adjustments are not recognized in the income statement.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

### 2.3.11. EXPENSES

All expenses are accounted for in profit or loss on the accrual basis.

### 2.3.12. RELATED PARTIES

Related parties are individuals and companies where the individual or the Company has the ability directly or indirectly to control the other party or exercise significant influence over the other party in making financial and operating decisions.

### 2.3.13 GOVERNMENT GRANTS

Government grants are recognised as a receivable when there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset. During the year, the UTI Singapore received grants in relation to the Jobs Support Scheme ("JSS"), Property Tax Rebate and Jobs Growth Incentive ("JGI").

## 3. STANDARDS, AMENDMENTS AND INTERPRETATIONS TO EXISTING THAT ARE EFFECTIVE AND HAVE BEEN ADOPTED BY THE COMPANY

The standards and interpretations that are issued and are effective, up to the date of issuance of the Company's financial statements are disclosed below.

| Standards effective from 1 April 2020 | Effective for accounting period beginning on or after |
|---|---|
| Definition of a Business – Amendments to IFRS 3 | 1 January 2020 |
| Interest Rate Benchmark Reform – Amendments to IFRS 9, IAS 39 and IFRS 7 | 1 January 2020 |
| Definition of Material – Amendments to IAS 1 and IAS 8 | 1 January 2020 |
| The Conceptual Framework for Financial Reporting | 1 January 2020 |

The adoption of the standards listed above did not have any material impact on the financial statements.

## 4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Management has assessed that there are no significant accounting judgements, estimates and assumptions applied in preparing the consolidated financial statements. Fair Valuation of Investments has been classified under Level 1 as discussed in Note 20, page 36 – Fair value Measurement therefore no judgements applied.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (Contd.)

### 5. REVENUE

| Particulars | 31 March 2021 GBP | 31 March 2020 GBP |
|---|---|---|
| Management fees | 6,617,710 | 6,151,687 |
| Investor service fees | 51,508 | 49,567 |
| Advisory fees | - | 57 |
| **Total revenue from operations** | **6,669,218** | **6,201,311** |
| Bank Interest | 50,101 | 84,686 |
| Foreign exchange gain | - | 471,731 |
| Business support service fees | 513,141 | 555,629 |
| Other income | 122,417 | 81,964 |
| Grant Income* | 118,313 | - |
| **Total other income** | **803,972** | **1,194,010** |

* The government grants are non-refundable rebates from government relating to rental and staff related expenses incurred by the UTI Singapore in its course of business. During the year, UTI Singapore received several government grants as part of the COVID-19 Government Relief Measures. These grants include the Jobs Support Scheme ("JSS"), Property Tax Rebate and Jobs Growth Incentive ("JGI"). UTI Singapore has recognised these government grants as grant income. In relation to the JSS grant, the stated purpose of the grant is to provide wage support to entities to retain local employees during the period of economic uncertainty.

### 6. ADVISORY, MANAGEMENT AND TRAILER FEES

| Particulars | 31 March 2021 GBP | 31 March 2020 GBP |
|---|---|---|
| Expenses relating to offshore funds: | | |
| Investment advisory fees | 364,253 | 387,178 |
| Management and Trail fees | 2,323,003 | 2,207,900 |
| Total Advisory, Management and Trailer fees | **2,687,256** | **2,595,078** |

### 7. OTHER EXPENSES

| Particulars | 31 March 2021 GBP | 31 March 2020 GBP |
|---|---|---|
| Salaries and wages | 2,553,995 | 2,295,495 |
| Contribution to provident and other funds | 133,892 | 124,504 |
| Gratuity expense | 86,972 | 90,172 |
| Staff related expenses | 258,117 | 176,181 |
| **Total Staff Cost** | **3,032,976** | **2,686,352** |
| Office administration and secretarial expenses | 484,614 | 464,720 |
| Legal and professional fees | 190,931 | 432,842 |
| Travel expenses | 10,137 | 241,713 |
| Office rental costs | 36,679 | 147,544 |
| Audit fees | 110,617 | 120,309 |
| Sales promotion | 100,601 | 106,561 |
| Insurance | 104,478 | 91,126 |
| Directors' fees | 49,577 | 51,617 |
| Telephone expenses | 35,017 | 46,490 |
| Depreciation | 10,592 | 8,951 |
| Foreign exchange loss | 784,088 | - |
| Depreciation charge for right of use asset | 173,253 | 17,091 |
| Interest on lease liability | 8,852 | 1,028 |
| **Total other expenses** | **5,132,412** | **4,416,344** |

## 8. TAXATION

UTI International Limited is taxed at the Guernsey Company standard rate of 0%. There is no Guernsey tax liability in respect of the Company for the year ended 31 March 2021. As estimated by the management, there is no tax liability in respect of London Branch.

UTI Mauritius being the holder of a category 1 global business license is classified as a tax incentive Company and under the current laws and regulations is liable to pay Income Tax on its profits, as adjusted for tax purposes, at the rate of 15%. It is, however, entitled to a tax credit equivalent to the higher of actual foreign tax suffered and 80% of Mauritian tax payable in respect of foreign source income. The capital gains of UTI Mauritius are exempt from tax in Mauritius. The foregoing is based on current interpretation and practice and is subject to any future changes in Indian or Mauritian tax laws and in the treaty between India and Mauritius. During the year ended 31 March 2021 and 31 March 2020 UTI Mauritius has a tax expense of GBP 24,220 and GBP 25,452 respectively.

UTI Singapore was granted the Financial Sector Incentive Award (Fund Management or Investment Advisory Services) ("FSI"), effective from 29 April 2016 to 28 April 2021. Under the FSI, the Company is entitled to a concessionary rate of tax of 10% on qualifying transactions under the provision of Concessionary Rate of Tax for Financial Sector Incentive Companies in section 43Q of the Income Tax Act (Chapter 134).

Further UTI Singapore has unabsorbed tax losses and capital allowances that are available for offset against future taxable profits, for which taxable profits are expected in the foreseeable future hence deferred tax is recognized. UTI Singapore has a tax expense and deferred tax asset of GBP 41,340 and GBP 101,924 respectively for the period ended 31 March 2021 and GBP 40,200 and GBP 93,548 for the period ended 31 March 2020 respectively.

For UTI International Limited – UK Branch there is no tax expense for both the periods Tax expense:

The components of the income tax expense for the year ended 31 March 2021 and 2020 are as follows:

| **Particulars** | **31 March 2021** | **31 March 2020** |
|---|---|---|
| | **GBP** | **GBP** |
| Tax expense attributable to profit is made up of: | | |
| - Current income tax | 179,176 | 147,889 |
| - (Under)/Over provision in respect of previous year | (3,670) | 50,766 |
| - Deferred tax on temporary differences | (13,063) | (22,123) |
| - Tax credit | (96,883) | (110,879) |
| | **65,560** | **65,653** |

Deferred tax asset movement for the year ended 31 March 2021 and 31 March 2020 are as follows:

| **Particulars** | **31 March 2021** | **31 March 2020** |
|---|---|---|
| | **GBP** | **GBP** |
| - Opening Deferred Tax | 93,548 | 71,672 |
| - Current year's Impact | 13,063 | 22,123 |
| - Other ( Foreign exchange adjustment) | (4,687) | (247) |
| | **101,924** | **93,548** |

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (Contd.)

The tax charge shown in the consolidated statement of comprehensive income differs from the tax charge that would apply if all profits had been charged at the blended rates taking into consideration the UK, Mauritius and Singapore corporate rates. A reconciliation between the tax expense and the accounting profit multiplied by the blended tax rate for the years ended 31 March 2021 and 2020 is, as follows:

| Particulars | 31 March 2021 | 31 March 2020 |
|---|---|---|
| | GBP | GBP |
| Profit before tax per the financial statements | 14,714,621 | (5,703,581) |
| ***Adjust for:*** | | |
| Taxable at 0% in Guernsey | (13,326,191) | 4,170,298 |
| Deductible at 0% in Guernsey | 1,579,554 | 1,635,498 |
| Profit before tax attributable to tax in various jurisdictions | 2,967,984 | 102,215 |
| | | |
| **Tax at blended rate of (2021: 13.68%) (2020:3.29%)** | 406,019 | 3,364 |
| ***Effect of:*** | | |
| Expenses not deductible for tax purpose | 85,218 | 116,000 |
| Income not subject to taxation | (326,492) | (1,014) |
| Deemed foreign tax credit | (96,883) | (110,879) |
| Effect of partial tax exemption, tax relief & tax rebate | 15,447 | 30,697 |
| | | |
| Benefits of previously unrecognized tax losses and capital allowances | (1,016) | (1,141) |
| (Over)/ Under provision in respect of previous years | (3,670) | 50,766 |
| Deferred tax on temporary differences | (13,063) | (22,123) |
| Others | - | (17) |
| **Income tax expense** | **65,560** | **65,653** |

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (Contd.)

### 9. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

| Particulars | 31 March 2021 GBP | 31 March 2020 GBP |
|---|---|---|
| **Investment in management shares** | | |
| Shinsei UTI India Fund (Mauritius) Limited | 432 | 432 |
| The India Pharma  Fund Limited | 62 | 62 |
| The India Debt Opportunities Fund Limited | 58 | 58 |
| UTI Rainbow Fund Limited | 68 | 68 |
| India Fund Limited | 2 | 2 |
| Wealth Creator 1 100 shares of USD1.00 | 70 | 70 |
| Wealth Creator 2 100 shares of USD1.00 | 70 | 70 |
| Wealth Creator 3 100 shares of USD1.00 | 70 | 70 |
| Wealth Creator 4 100 shares of USD1.00 | 70 | 70 |
| Wealth Creator 5 100 shares of USD1.00 | 70 | 70 |
| Wealth Creator 6 100 shares of USD1.00 | 70 | 70 |
| UTI Spectrum Fund 100 shares of USD1.00 | 70 | 70 |
| **Investment in quoted securities** | | |
| **UTI India Dynamic Equity Fund** | | |
| Balance as at 1 April | 20,908,400 | 26,655,384 |
| Sale during the period | (6,217,165) | - |
| Profit on sale of Investments | 2,535,905 | - |
| Fair value adjustments * | 11,845,323 | (5,746,984) |
| **Balance as at  31 March** | **29,072,463** | **20,908,400** |
| **UTI India Balanced Fund** | | |
| Balance as at 1 April | 1,810,916 | 1,979,709 |
| Fair value adjustments * | 494,613 | (168,793) |
| **Balance as at 31 March** | **2,305,529** | **1,810,916** |
| **Total financial assets at fair value through profit or loss** | **31,379,104** | **22,720,428** |

* Fair value adjustments also includes foreign exchange adjustments.

### 10. PROPERTY, PLANT AND EQUIPMENT

| | Fixtures and Fittings GBP | Office Equipment GBP | Computer GBP | Total GBP |
|---|---|---|---|---|
| **Cost** | | | | |
| At 1 April 2020 | 82,322 | 19,823 | 149,747 | 251,892 |
| Acquired during the year | 4,866 | - | 6,228 | 11,094 |
| Translation reserve | (3,019) | (841) | (4,837) | (8,697) |
| **At 31 March 2021** | **84,169** | **18,982** | **151,138** | **254,289** |
| **Depreciation** | | | | |
| At 1 April 2020 | 82,005 | 17,719 | 132,442 | 232,166 |
| Charge for the year | 637 | 744 | 9,211 | 10,592 |
| Translation reserve | (3,029) | (805) | (4,533) | (8,367) |
| **At 31 March 2021** | **79,613** | **17,658** | **137,120** | **234,391** |
| **Net Book Value – 31 March 2021** | **4,556** | **1,324** | **14,018** | **19,898** |
| **Net Book Value – 31 March 2020** | 317 | 2,104 | 17,305 | 19,726 |

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (Contd.)

## 11. RIGHT OF USE ASSET

| | Leased Premises |
|---|---|
| | GBP |
| **Cost** | |
| At 1 April 2020 | 208,220 |
| Acquired during the year | 133,460 |
| Translation reserve | - |
| **At 31 March 2021** | **341,680** |
| **Depreciation** | |
| At 1 April 2020 | 17,091 |
| Charge for the year | 173,253 |
| Translation reserve | (2,556) |
| **At 31 March 2021** | **187,788** |
| **Net Book Value – 31 March 2021** | **153,892** |
| **Net Book Value – 31 March 2020** | **191,129** |

## 12. TRADE AND OTHER RECEIVABLES

| Particulars | 31 March 2021 | 31 March 2020 |
|---|---|---|
| | GBP | GBP |
| Management fee receivable | 628,455 | 629,141 |
| Other receivables | 77,010 | 136,098 |
| Receivable due from related party | 1,799,610 | 1,408,025 |
| **Total trade and other receivables** | **2,505,075** | **2,173,264** |

The amounts due from related party are not secured, interest free and are repayable on demand.

## 13. OTHER CURRENT FINANCIAL ASSETS

| Particulars | 31 March 2021 | 31 March 2020 |
|---|---|---|
| | GBP | GBP |
| Prepayments | 153,148 | 177,894 |
| Deposits | 64,964 | 53,994 |
| Interest accrued | 5,933 | 15,970 |
| **Total other current financial assets** | **224,045** | **247,858** |

## 14. CASH AND CASH EQUIVALENTS

| Particulars | 31 March 2021 | 31 March 2020 |
|---|---|---|
| | GBP | GBP |
| Cash at banks and on hand | 8,394,548 | 6,621,813 |
| Short term deposits | 9,048,925 | 5,207,870 |
| **Total cash and cash equivalents** | **17,443,473** | **11,829,683** |

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (Contd.)

## 15. ISSUED CAPITAL

| Particulars | 31 March 2021 GBP | 31 March 2020 GBP |
|---|---|---|
| **Allotted, called and fully paid :** | | |
| 6,758,062 ordinary shares of GBP 1 each | 6,758,062 | 6,758,062 |
| No. of shares at the beginning of the period | 6,758,062 | 6,758,062 |
| Add: Shares issued during the period/ year | - | - |
| Less: Shares redeemed during the period/ year | - | - |
| No. of shares at the end of the period | 6,758,062 | 6,758,062 |

## 16. TRADE AND OTHER PAYABLES

| Particulars | 31 March 2021 GBP | 31 March 2020 GBP |
|---|---|---|
| Management & advisory fee payable | 292,578 | 97,550 |
| Other accruals | 608,359 | 694,781 |
| Payable to UTI AMC Ltd. | 225,911 | 147,003 |
| **Total** | **1,126,848** | **939,334** |

The amounts due to related party are not secured, interest free and are repayable on demand.

## 17. OTHER CURRENT LIABILITIES

| Particulars | 31 March 2021 GBP | 31 March 2020 GBP |
|---|---|---|
| Tax liability | 67,143 | 26,911 |
| Audit fees payable | 98,372 | 116,715 |
| Payroll accruals | 1,174,335 | 978,706 |
| Accruals for expenses | 38,756 | - |
| **Total other current liabilities** | **1,378,606** | **1,122,332** |

## 18. LEASE LIABILITIES

| Particulars | 31 March 2021 GBP | 31 March 2020 GBP |
|---|---|---|
| Current | 88,596 | 102,983 |
| Non Current | 67,976 | 88,375 |
| **Total Lease liabilities** | **156,572** | **191,358** |

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (Contd.)

### 19. RELATED PARTY TRANSACTIONS

During the current year, the Group has entered into transactions with the following related parties.

| | |
|---|---|
| Significant Influence over the Parent Company | T Rowe Price International Ltd (23.00%) * |
| Parent Company | UTI Asset Management Company Limited |
| Key Management Personnel (KMP) | Praveen Jagwani (CEO)<br>Imtaiyazur Rahman (Non – Executive Director)<br>Christopher M W Hill (Non – Executive Director) |

*3% Shares offloaded by T.Rowe Price International Ltd in UTI AMC Ltd (Holding Company) by way of offer for sale at time of initial public offering.

The amounts due to and due from the related parties are not secured, interest free, unclaimed and are repayable on demand. The details of the transactions with related parties included in the statement of comprehensive income are as follows:

| Nature of Transaction | Holding Company | Key Management Personnel | Total |
|---|---|---|---|
| | 31-Mar-21 | 31-Mar-21 | 31-Mar-21 |
| | 31-Mar-20 | 31-Mar-20 | 31-Mar-20 |
| | GBP | GBP | GBP |
| **Income** | | | |
| Fee income | 513,141 | - | **513,141** |
| | 555,629 | - | **555,629** |
| **Expenses** | | | |
| Fund Management fees | 707,899 | - | **707,899** |
| | 541,272 | - | **541,272** |
| Salary and allowances | | | |
| - Praveen Jagwani | - | 582,080 | **582,080** |
| | - | 523,130 | **523,130** |

| Nature of Transaction | 31 March 2021 | 31 March 2020 |
|---|---|---|
| | GBP | GBP |
| **Director's Fees** | | |
| Christopher M W Hill | 11,454 | 11,912 |

No remuneration is paid by UTI International Ltd to Mr. Imtaiyazur Rahman, as he is a full time director of UTI AMC Ltd.

Details of related parties' balances included in the statement of financial position are as follows:

| Nature of Transaction | Holding Company | Key Management Personnel | Total |
|---|---|---|---|
| | 31-Mar-21 | 31-Mar-21 | 31-Mar-21 |
| | 31-Mar-20 | 31-Mar-20 | 31-Mar-20 |
| | GBP | GBP | GBP |
| **Outstanding balances** | | | |
| Trade & other receivables | 146,224 | - | **146,224** |
| | 125,860 | - | **125,860** |
| | | | |
| Trade & other payables | 225,911 | - | **225,911** |
| | 147,003 | - | **147,003** |

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (Contd.)

### 20. FAIR VALUE MEASUREMENT

Investments in managed funds are valued at fair value according to IFRS as described in Note 2. The Company's other assets and liabilities include cash and cash equivalents and other payables (excluding accruals) which are realised or settled within a short-term period and excludes prepayments. The carrying amounts of these assets and liabilities approximate their fair values.

The table below provides reconciliation of the line items in the Company's statement of financial position to the categories of financial instruments:

| | Investments at fair value | Financial assets at amortised cost | Other financial liabilities | Total carrying amount |
|---|---|---|---|---|
| **31-Mar-21** | GBP | GBP | GBP | GBP |
| Financial assets at fair value through profit or loss | 31,379,104 | - | - | **31,379,104** |
| Trade receivables and other assets | - | 2,570,038 | - | **2,570,038** |
| Cash at bank | - | 17,443,473 | - | **17,443,473** |
| Trade and other payables | - | - | (2,662,026) | **(2,662,026)** |
| **31-Mar-20** | GBP | GBP | GBP | GBP |
| Financial assets at fair value through profit or loss | 22,720,428 | - | - | **22,720,428** |
| Trade receivables and other assets | - | 2,227,258 | - | **2,227,258** |
| Cash at bank | - | 11,829,683 | - | **11,829,683** |
| Trade and other payables | - | - | (2,253,024) | **(2,253,024)** |

| **31 March 2021** | **Level 1** | **Level 2** | **Level 3** | **Total** |
|---|---|---|---|---|
| | GBP | GBP | GBP | GBP |
| Financial assets at fair value through profit or loss | 31,379,104 | - | - | **31,379,104** |
| **31 March 2020** | **Level 1** | **Level 2** | **Level 3** | **Total** |
| | GBP | GBP | GBP | GBP |
| Financial assets at fair value through profit or loss | 22,720,428 | - | - | **22,720,428** |

***Determination of fair values***

The Company measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements.

- Level 1: Quoted price (unadjusted in an active market for an identical instrument.)
- Level 2: Valuation techniques based on observable inputs, either directly (i.e. as prices) or indirectly (i.e, derived from prices). This category includes instruments valued using: quoted prices in active markets for similar instruments: quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques for which all significant inputs are directly or indirectly observable from market data.
- Level 3: Valuation technique using significant unobservable inputs. This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quota prices for similar instruments for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

Fair value is calculated on the basis of daily rates posted on the Bloomberg website (Level 1).

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (Contd.)

## 21. FINANCIAL RISK MANAGEMENT OBJECTIVES & POLICIES

The Directors consider that their main risk management objective is to monitor and mitigate material risks, which they consider including credit risk, liquidity risk, interest rate risk, market price risk and foreign currency risk.

Several procedures are in place to enable material risks to be adequately managed. These include preparation and review of annual forecasts and monthly management accounts. For the current period there is no concentration of risk observed by the management.

The key risks are summarised below:

### (a) Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments. IFRS 9 requires impairment loss allowances to be recognised at an amount equal to either 12-month expected credit loss (ECL) ('stage 1 ECLs) or lifetime ECLs. 12 months ECLs are the ECLs that result from all possible default events that are possible within 12 months after reporting date. 'Stage 2' ECLs are lifetime ECLs that are recognised where there has been a significant increase in credit risk of the financial instrument and 'stage 3' ECLs are lifetime ECLs that are recognised where the financial instruments is considered to be credit impaired.

*(i) Exposure to credit risk*

At the end of the reporting period, the Company's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statement of financial position.

(ii) Financial assets that are neither past due nor credit impaired

Trade and other debtors that are neither past due nor credit impaired are with credit worthy debtors with good payment record with the Company. The Company derives its main source of revenue from providing fund management services to its affiliates. Exposure to credit risk arising from related party transactions is minimal as these affiliates are of good credit standing. Cash and bank balances of the group comprises of cash and deposits placed with major international banks.

(iii) Financial assets that are either past due or impaired

There is no financial asset that is either past due or credit impaired or would be otherwise require a material loss allowance under the ECL model as 31 March 2021 and 31 March 2020.

### (b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

The Company's policy on liquidity risk management is to maintain sufficient cash and the availability of funding. Cash balances and forecast cash movements are reviewed on a regular basis, bank reconciliations are prepared and reviewed daily and management accounts are prepared and reviewed monthly to ensure that the Company maintains adequate working capital. The Company's financial assets are short-term in nature which mitigates the risk of default on financial obligations. At the end of the reporting period, all of the Company's financial liabilities will mature in less than one year based on the carrying amount reflected in the financial statements.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments.

(Amounts in GBP)

| | Less than 3 months / On demand | 3 to 12 months | 1 to 5 years | > 5 years | Total |
|---|---|---|---|---|---|
| **Year ended 31 March 2021** | | | | | |
| Trade & other payables | 2,343,954 | 250,096 | 67,976 | - | **2,662,026** |
| **Year ended 31 March 2020** | | | | | |
| Trade & other payables | 2,087,110 | 77,539 | 88,375 | - | **2,253,024** |

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (Contd.)

### (c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Company's financial instruments will fluctuate because of changes in market interest rates. The Company's income and operating cash flows are substantially independent of changes in market interest rates. The Company's interest-bearing assets are cash deposits placed with banks of GBP 9,048,925 as at 31 March 2021 and GBP 5,207,870 as at 31 March 2020 and cash at bank of GBP 8,394,548 as at 31 March 2021 and GBP 6,621,813 as at 31 March 2020. The Company's policy is to maximise the returns on these interest-bearing assets. The Company does not have any borrowings. Directors have deemed the sensitivity risk to be immaterial.

### (d) Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company's financial exposure is denominated in various other currencies shown in the currency profile below. Consequently, the Company is exposed to the risk that the exchange rate of these currencies relative to GBP may change in a manner, which has a material effect on the reported values of its assets denominated in GBP.

The currency risk profile of the Company's net financial exposure is summarised below:

| | Financial exposure | |
|---|---|---|
| | 31 March 2021 | 31 March 2020 |
| | GBP | GBP |
| United States Dollar (USD) | 11,357,739 | 8,471,091 |
| Japanese Yen (JPY) | 241,281 | 331,034 |

***Sensitivity analysis for currency risk:***

The sensitivity analysis shows how the value of a financial instrument will fluctuate due to changes in foreign exchange rates against the GBP, the functional currency of the Company.

| | Change in currency +/- | Effect on profit before tax | |
|---|---|---|---|
| | | 31 March 2021 | 31 March 2020 |
| | | GBP | GBP |
| USD | 5% | 567,887 | 423,555 |
| JPY | 10% | 24,128 | 33,103 |

### (e) Market price risk

Market price risk is the risk that the fair value or future cash flows of the Company's financial instruments will fluctuate because of changes in market prices. The Company is exposed to equity price risk arising from its investment in quoted equity securities. These instruments are classified as financial assets at fair value through Profit or loss. The Company's objective is to manage investment returns and equity price risk using a mix of investment grade shares with steady dividend yield and noninvestment grade shares with higher volatility.

***Sensitivity analysis for equity price risk:***

At the end of the reporting period, if the share prices of the equity securities had been 10% higher/lower with all other variables held constant, the Company's income statement would have been GBP 3,137,799 as at 31 March 2021 and GBP 2,271,932 as at 31 March 2020 higher/lower, arising as a result of an increase/decrease in the fair value of equity securities classified as financial assets at fair value through profit or loss.

## 22. CAPITAL MANAGEMENT

The primary objective of the Company's capital management is to ensure that it maintains a strong credit position and healthy capital ratios in order to support its business and maximize shareholder value.

The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust dividend payment to shareholders, or issue shares, or extend the payment period for the supplier (Investment Advisors) or accelerate receipt from the debtors (Funds which the Company manages).

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (Contd.)

### 23. IMMEDIATE AND ULTIMATE HOLDING COMPANY

The Group's immediate holding Company is UTI Asset Management Company Limited, a Company incorporated in Mumbai, India. The shareholders of the immediate holding Company as on 31 March 2021 are State Bank of India (9.99%), Bank of Baroda (9.99%), Life Insurance Corporation of India (9.99%), Punjab National Bank (15.24%), and T Rowe Price International Ltd (23%). Neither the entity owners nor any other have the power to amend the financial statements after its issuance.

### 24. OTHER MATTERS

SEBI has issued show cause notices dated (i) 26 June 2019 under the SEBI Act ("First SCN"); (ii) September 13, 2019 under the Securities and Exchange Board of India (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995 ("Inquiry Rules SCN"); and (iii) 13 September 2019 under the SEBI Intermediaries Regulations ("Intermediaries Regulations SCN"), and together with the First SCN and the Inquiry Rules SCN, the "SCNs"), to India Debt Opportunities Fund ("IDOF"), a fund managed by UTI International Limited, which is registered as a Category II FPI under the SEBI FPI Regulations, in relation to the India Debt Opportunities Fund Scheme ("IDOF Scheme").

IDOF has responded to the First SCN and the Intermediaries Rules SCN, among others, denying all the allegations. Further, IDOF has responded to the Inquiry Rules SCN requesting SEBI to provide legible copies of certain documents and requesting that the proceedings under the Inquiry Rules SCN be kept in abeyance until the conclusion of the proceedings under the First SCN. Pursuant to the SCNs, SEBI has directed IDOF to, among others, show cause as to why directions to disgorge the allegedly undue profit of INR 244.34 million should not be issued to IDOF, and why action under the SEBI Intermediaries Regulations and the Securities and Exchange Board of India (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995 should not be taken against IDOF. Order is yet to be passed. IDOF Ltd. has through its lawyers filed detailed replies to the SCNs denying all the allegations including any non-compliances. In the assessment of the management of IDOF Ltd., the SCNs including the proposed penalties/actions should not sustain. Therefore, no provision or contingent liability has been recorded in the financial statements of UTI International Ltd as management have assessed the probability of there being an outflow of economic resources for UTI International Ltd as remote. No SCNs have been issued to UTI International.

### 25. SHARE-BASED PAYMENT TRANSACTIONS

The holding Company UTI Asset Management Company Limited has introduced an Employee Stock Option Scheme called the "UTI AMC Employee Stock Option Scheme -2007". Few Employees from its subsidiaries were granted options. The vesting of the options is from expiry of one year from grant date till four years from grant date as per Plan. Under the scheme, 70,851 equity shares have been granted to the eligible employees of the companies UTI International Limited and subsidiary UTI International (Singapore) Private Limited and each option entitles the holder thereof to apply for and be allotted no of Equity Share granted of the Company having face value of INR 10 each for an exercise price of INR 728/- during the exercise period (share option valuation of GBP 56,925). Vesting of the options shall take place over a maximum period of 3 years with a minimum vesting period of 1 year from the date of grant i.e. 16 December 2019. The exercise period would be maximum of 4 years from the date of vesting of options.

**Employee stock option scheme (Equity settled)**

| Particulars | ESOS 2007 |
|---|---|
| Date of Grant | 16/12/2019 |
| Price of Underlying Stock | INR 728 (GBP 7.67) |
| Exercise / Strike Price (In INR) | INR 728 (GBP 7.67) |
| The fair value of the options granted was estimated on the date of grant using the Black Scholes Model with the following assumptions: | |
| Risk Free Interest Rate | 6.33% |
| Expected Dividend | INR 5 per share (GBP 0.05 per share) |
| Expected Life (years) | 4 Years (mid - way between option vesting and expiry) |
| Expected Volatility | 39.78% |
| Weighted Average Fair Value of Options | INR 276 (GBP 2.91) |

• - Amount converted into GBP @ 94.9645 (16.12.2019)

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (Contd.)

**The information covering stock options granted, exercised, forfeited and outstanding at the period end is as follows:**

| Particulars | No. of stock options as at 31 March 2021 | No. of stock options as at 31 March 2020 |
|---|---|---|
| Date of Grant | 16/12/2019 | 16/12/2019 |
| Outstanding at the beginning of the year | 70,851 | - |
| Granted during the period | - | 70,851 |
| Exercised during the period | - | - |
| Forfeited during the period | - | - |
| Lapsed/expired during the period | 12,702 | 12,702 |
| Outstanding at the end of the period | 58,149 | 58,149 |
| Vested and exercisable | 19,383 | - |

**Expense arising from share-based payment transactions**

(Amounts in GBP)

| Particulars | Year ended 31 March 2021 | Year ended 31 March 2020 |
|---|---|---|
| Employee stock option scheme (equity settled) | 114,623 | - |

## 26. EVENTS AFTER REPORTING DATE

No significant events have been identified which require adjustment within the financial statements.