



Sundaram Alternate Assets Limited

2018-19

Board of Directors	Harsha Viji Arvind Sethi Lakshminarayanan Duraiswamy Karthik Athreya Vijayendiran Rao	Chairman Chief Executive Officer
Audit Committee	Harsha Viji Lakshminarayanan Duraiswamy Vijayendiran Rao	Chairman
Nomination and Remuneration Committee	Arvind Sethi Harsha Viji Lakshminarayanan Duraiswamy	Chairman
Auditors	M/s. Brahmayya & Co., Chennai	Chartered Accountants
Registered Office	21, Patullos Road Chennai 600 002	
Corporate Office	Sundaram Towers, I and II Floor, 46, Whites Road, Royapettah, Chennai 600 014 Tel: +91 44 28510040	
CIN	U65990TN2018PLC120641	
Website	www.sundaramalternates.com	
Management Team	Madanagopal Ramu, Fund Manager – Equity Ratish B Varier, Fund Manager - Equity Kumaran Chandrasekaran, Fund Manager - Credit Kalpana Ashok, Head – Operations and Principal Officer - PMS Shankar G, Head - Distribution Sales K Rajagopal, Secretary & Compliance Officer	
Bankers	Axis Bank Ltd. HDFC Bank Ltd. ICICI Bank Ltd.	



Sundaram Alternate Assets Limited

A wholly-owned subsidiary of

Sundaram Asset Management Company Limited

Contents

Directors' Report	4
Auditors' Report	14
Balance Sheet	18
Profit and Loss Statement	19
Cash Flow Statement	20
Notes to the accounts	21

DIRECTORS' REPORT

To the Members

Your Directors have pleasure in presenting the 2nd Annual Report with the audited financial statement of accounts for the year ended March 31, 2019. The summarized financial results of the Company are given hereunder:

(Amount in ₹ lakhs)

Particulars	Year ended March 31, 2019	Period ended March 31, 2018
Total Revenue	4411.57	2.58
Total Expenses	3674.78	2.39
Profit Before Tax	736.79	0.19
Provision for Tax	212.51	0.05
Profit After Tax	524.28	0.14

As your Company was incorporated on 24th January 2018, previous year's figures are not comparable.

Company Performance

A Scheme of Arrangement to transfer the PMS and AIF divisions from Sundaram Asset Management Company (Sundaram AMC), the Holding Company, was approved by National Company Law Tribunal on 29th May 2018, subject to SEBI approval, with effect from 1st April 2018. SEBI had granted its approval to AIF and PMS activities on 7th September 2018 and 29th November 2018, respectively. Your Company is the investment manager for portfolio management and alternative investment funds.

PMS

The average assets under Portfolio Management Services under discretionary and advisory segments stood at ₹1,185 cr., for the financial year 2018-19 as against ₹1,311 cr. recorded during the previous year.

AIF

Your Company has 3 schemes under category III AIF. Out of the commitments of ₹1,170 cr., ₹1,099 cr. had been received and ₹870 cr. had been invested as at end March 2019. In the category II AIF fund, out of the commitments of ₹403 cr., the entire money had been received and ₹326 cr. had been invested as at end March 2019.

The average assets managed by your Company under category III and II AIF for the year 2018-19 were ₹998 cr. (₹503 cr. as on March 31, 2018)

During the year, your company launched Sundaram India Premier Fund, a category III AIF, which secured capital commitment of ₹448 cr. The final closing of the fund is expected in June 2019.

The final closing of Sundaram Alternative Opportunities Series – High Yield Secured Debt Fund – Series I, a category II AIF, which was launched in August 2017 was done in October 2018. The fund secured a capital commitment of ₹403 cr.

During April 2019, your Company launched Sundaram Alternative Opportunities Series – High Yield Secured Debt Fund - II.

Industry

The total AUM of the portfolio management industry under discretionary and advisory services was ₹3.66 Trillion as at end March 2019.

Under category III AIF, out of the commitments of ₹0.43 Trillion, ₹0.37 Trillion had been raised and ₹0.31 Trillion had been invested by the industry as at end March 2019.

Under category II AIF, out of the commitments of ₹2.05 Trillion, ₹0.84 Trillion had been raised and ₹0.68 Trillion had been invested by the industry as at end March 2019. The bulk of money was from private equity funds.

Dividend

To conserve resources for meeting the business operations, your Company has not recommended any dividend during the year.

Capitalization

During the year under review, your Company issued and allotted equity shares amounting to ₹36 cr. to Sundaram AMC on rights basis in consideration for transfer of AIF and PMS divisions. The paid-up equity share capital of the Company, at present, stands at ₹39 cr.

Fund Performance

The performance of the key strategies of PMS as on 31st March 2019 is as under:

Portfolio	Inception	Return since inception (Model Portfolio)%	Benchmark %	Excess over Benchmark %
Sundaram India Secular Opportunities Portfolio (SISOP)	February 2010	23.18	9.89	13.29
Sundaram Emerging Leadership Fund (SELF)	June 2010	16.95	9.73	7.22
Smallcap	November 2009	15.60	9.29	6.31
Microcap	June 2016	7.71	10.49	-2.78

The performance of the AIF schemes as on 31st March 2019 is as under:

Scheme	Inception date	IRR (since inception)		Final drawdown date	CAGR (since final drawdown)	
		Class A Unitholders	NSE Small Cap		Class A Unitholders	NSE Small Cap
Nano cap I	10 Feb 2017	-8.86%	-8.21%	7 Nov 2017	-15.715%	-16.41%
Nano cap II	5 May 2017	-8.29%	-10.27%	7 Nov 2017	-15.694%	-16.41%

Investors and Distributors

The Company had 1816 investors under PMS and 868 investors under AIF as at 31 March 2019.

Your Company has 295 empaneled distributors under AIF and PMS. The company supports its investors and distributors at 91 locations. In addition, the company has access to over 600 locations operated by Sundaram Finance Group.

Capital Market Outlook

During the financial year 2019, the Nifty 50 Index rose from a level of 10,114 to 11,624 (up 15%). In August, the index reached its high on the back of a hopeful progress in the US-China trade talks. However, the ensuing tariff impositions by US and China's retaliation to the same, led to the index correcting by 14% by the end of October. Another contributing factor was a sharp increase in oil prices due to rising geopolitical concerns which led to a weakening rupee that persisted till November. In January 2019, market sentiments improved with a surge in FII equity inflows. FY19 saw continued inflation containment, soft growth prints and the start of rate cuts from the RBI. The year also witnessed a change of guard at the RBI. The Government's interim budget was pro-farmer and pro-rural focusing on the bottom of the pyramid up to the middle class.

The benchmark 10-year G-Sec yield remained flat point-to-point at 7.4%. However, during the year, yields rose sharply to 8.2% on the back of a sharp rise in crude prices. This led to a weakening rupee and debt market outflows. The normalization in crude led to yields abating, resulting in better returns during H2. The government managed to achieve its 3.4% GDP fiscal deficit target by rolling over fuel subsidies and making cuts in state expenditures. Contained inflation helped the RBI cut rates once in FY19. The RBI's language appears to indicate more cuts in the offing, provided the monsoon and other external variables remain favourable.

The outcome of the 2019 general elections would be an immediate focus during the start of FY20. It is important to note here that Indian economic growth is relatively agnostic to the political dispensation at the centre. India only requires enablers for the India growth story. From a global macro standpoint, China is expected to see a pickup in growth closer to the second half of this calendar year. If this plays out alongside an accommodative outlook from the Fed, the Emerging Market space could turn positive and would be a boost for the India story.

FY20 growth in India is likely to remain marginally positive with contained inflation and an accommodative central bank. US growth is expected to remain positive. A perk up in China growth could put a floor to Eurozone weakness and act as a positive for Emerging Markets like India. However, worsening of trade talks, crude price pressures, a hard landing in China and a continued bad monsoon spell are risks in FY20.

Risk management

The Company has a well-established Enterprise Risk Management (ERM) framework. The core of the ERM framework consists of internal risk control guidelines and policies, risk monitoring and control tools, risk reporting and exception handling mechanisms.

Internal Control System and Adequacy

The Company has an adequate system of internal controls consistent with its nature and size of the operations to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition.

Board of Directors

The Board of Directors of the company is vested with general power of superintendence, direction and management of the affairs. During the year ended March 31, 2019, four Board Meetings were held.

Mr Harsha Viji (holding DIN: 00602484) and Mr Lakshminarayanan Duraiswamy (holding DIN: 07988186) retire by rotation and being eligible offer themselves for re-election. Necessary resolutions are submitted for your approval.

Mr Vijayendiran Rao (holding DIN:07997232), a Director of your Company, was appointed as Chief Executive Officer of your Company for a period of 3 years effective from 21st December 2018.

Necessary resolutions are submitted for your approval.

Board Committees

1. Audit Committee

The Audit Committee reviewed the financial statements and the observations of the internal / external auditors with the responses of the management.

2. Nomination and Remuneration Committee

The Committee in accordance with the mandate, formulated the criteria for determining qualifications, positive attributes of a director and recommended to the Board a policy relating to the remuneration for the directors, key managerial personnel and other employees which is available on the company's website under the following link:

https://www.sundaramalternates.com/Documents/SAAL_RemunerationPolicy.pdf

The salient features of the policy are as under:

- Any person who in the opinion of the Board is not disqualified to become a Director, and in the opinion of the Board, possesses the ability, integrity and relevant expertise and experience, can be appointed as Director of the Company.
- The Chief Executive Officer is appointed by the shareholders at a general meeting.
- The Company pays remuneration by way of salary, perquisites and allowances, performance bonus to its Key Managerial Personnel based on the recommendation of Nomination and Remuneration Committee.
- The remuneration of other employees mainly consists of basic remuneration, perquisites, allowances and

performance Bonus. The components of the total remuneration vary for different employee grades and are governed by industry patterns, qualifications and experience of the employee, responsibilities handled by them, their individual performances, etc.

The committee recommended to the Board the re-appointment of directors.

The committee has also evaluated the performance of the key management personnel and approved the proposal of the management on remuneration to key managerial personnel and other employees.

Disclosure as per Secretarial Standard on meetings of the Board of Directors (SS-1)

The number and dates of Meetings of the Board held during the financial year indicating the number of Meetings attended by each Director is furnished vide **Annexure I**. Your Company has complied with applicable Secretarial Standards issued by Institute of Company Secretaries of India.

Public Deposits

Your company has not accepted any deposits from the public.

Annual Return

The extract of the annual return pursuant to Rule 12 (1) of the Companies (Management and Administration) Rules, 2014 is attached as **Annexure III**.

The annual return referred to in sub-section (3) of Section 92 is available in our website under the following link.

https://sundaramalternates.com/SA/2019/Annual_Return.pdf

Personnel

Your Company had 28 employees on its rolls as on 31 March 2019. Your Board of Directors place on record their acknowledgement for the support, dedication and unswerving commitment displayed by the employees of the Company.

Particulars of Employee Remuneration

Particulars of employee remuneration pursuant to Rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are set out in the **Annexure IV** to the Directors' Report. Any shareholder interested in obtaining a copy of the said annexure may write to the Company Secretary at the Registered Office of the Company.

Disclosure under the Prevention of Sexual Harassment of Women at Workplace Act, 2013

The Company has put in place an Anti-Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee (ICC) had been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy. No complaint was received during the year 2018-19.

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

Your Company has no activity relating to conservation of energy or technology absorption.

Your Company had no foreign exchange earnings during 2018-19. Foreign exchange outgo during the year was ₹60.12 lakhs.

Particulars of loans, guarantee and investments pursuant to Section 186 of the Companies Act, 2013

The Company has not given any loan or guarantee to any person or body corporate nor invested in securities of any other body corporate during the year ended March 31, 2019.

Particulars of Related Party Transactions pursuant to Section 134 (3) (h) of the Companies Act, 2013

Form AOC-2, as required under Section 134 (3) (h) of the Act, read with Rule 8 (2) of the Companies (Accounts) Rules 2014, is attached as part of this report vide **Annexure II**.

Directors' responsibility statement pursuant to Section 134 (3) (c) of Companies Act, 2013

Your directors confirm that:

1. In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
2. The directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the company for that period;
3. The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
4. The directors had prepared the annual accounts on a going concern basis;
5. The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Acknowledgement

Your Directors wish to place on record their deep appreciation of the professional support and guidance received from Sundaram AMC and Sundaram Finance Limited.

For and On behalf of the Board of Directors

Place: Chennai

Harsha Viji

Date: April 29, 2019

Chairman

Disclosure as per Secretarial Standard on meetings of the Board of Directors (SS-1)**1. Board**

During the year under review, 4 meetings of the Board of Directors were held. The details of directors' attendance at Board Meetings are as follows:

S. No.	Name of the Director	DIN	No. of Meetings attended	Meeting Dates
1	Harsha Viji	602484	4	10.05.2018, 20.08.2018, 21.12.2018 & 14.03.2019
2	Arvind Sethi	1565	3	
3	Lakshminarayanan Duraiswamy	7988186	3	
4	Vijayendiran Rao	7997232	4	
5	Karthik Balachandran Athreya	1797014	1	

2. Audit Committee

During the year under review, 2 meetings of the Audit Committee were held. Attendance of the members at committee meetings are as follows:

S. No.	Name of the Member	No. of Meetings Attended	Meeting Dates
1	Harsha Viji	2	10.05.2018 & 14.03.2019
2	Lakshminarayanan Duraiswamy	1	
3	Vijayendiran Rao	2	

3. Nomination and Remuneration Committee

During the year under review, 3 meetings of the Nomination and Remuneration Committee were held. Attendance of the members at committee meetings are as follows:

S. No.	Name of the Member	No. of Meetings Attended	Meeting Dates
1	Arvind Sethi	3	10.05.2018, 21.12.2018 & 14.03.2019
2	Harsha Viji	3	
3	Lakshminarayanan Duraiswamy	2	

For and on behalf of the Board of Directors

Place: Chennai
Date: April 29, 2019

Harsha Viji
Chairman

Annexure - II

Form No. AOC-2

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

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

- Details of contracts or arrangements or transactions not at arm's length basis
All transactions entered into by the Company during the year with related parties were on an arm's length basis.
- Details of material contracts or arrangement or transactions at arm's length basis
The details of transactions entered into by the Company during the year with related parties at arm's length basis are provided under Note 23 to the annual accounts.

For and on behalf of the Board of Directors

Place: Chennai
Date: April 29, 2019

Harsha Viji
Chairman

Form No.MGT-9

Extract of Annual Return as on 31st March 2019

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies
(Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS

- i) C I N U65990TN2018PLC120641
- ii) Registration Date 24-Jan-18
- iii) Name of the Company Sundaram Alternate Assets Limited
- iv) Category / Sub-category of the company Limited by shares / Indian Non-Government Company
- v) Address of the Registered office and contact details 21 Patullos Road, Chennai 600 002
Sri K Rajagopal
044 28569863
rajagopalk@sundaramalternates.com
- vi) Whether listed company Yes/No No
- vii) Name, address and contact details of Registrar and Transfer agent, if any M/s. Cameo Corporate Services Ltd.
'Subramanian Building'
No.1, Club House Road, Chennai 600 002
Ph: 044 2846 0390 to 0395
Email: investor@cameoindia.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Name & description of main products / services	NIC Code of the product/ services	% to total turnover of the company
Investment Management and Advisory Services	66309	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:-

Sl.No	Name and address of the company	CIN/GLN	Holding/Subsidiary /Associate	% of shares Held	Applicable Section
1	Sundaram Asset Management Company Limited 21, Patullos Road, Chennai 600002	U93090TN1996PLC034615	Holding Company	100%	2 (46)
2	Sundaram Finance Limited 21, Patullos Road, Chennai 600002	L65191TN1954PLC002429	Ultimate Holding Company	100%	2 (46)

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

(i) Category-wise Share Holding

	Category of Shareholders	No. of shares held at the beginning of the year				No of shares held at the end of the year				% Change During the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A.	Promoter									
1)	Indian									
a)	Individual / HUF	-	-	-	-	-	-	-	-	-
b)	Central Govt	-	-	-	-	-	-	-	-	-
c)	State Govt(s)	-	-	-	-	-	-	-	-	-
d)	Bodies Corp - Sundaram Asset Management Company Limited *	-	30,00,000	30,00,000	100%	3,89,99,994	6	3,90,00,000	100%	Nil
e)	Banks / FI	-	-	-	-	-	-	-	-	-
f)	Any Other	-	-	-	-	-	-	-	-	-
	Sub Total A(1)		30,00,000	30,00,000	100%	3,89,99,994	6	3,90,00,000	100%	Nil
2)	Foreign									
a)	NRIs - Individuals	-	-	-	-	-	-	-	-	-
b)	Other Individuals	-	-	-	-	-	-	-	-	-
c)	Bodies Corp.	-	-	-	-	-	-	-	-	-
d)	Banks / FI	-	-	-	-	-	-	-	-	-
e)	Any Other	-	-	-	-	-	-	-	-	-
	Sub Total A(2)									
	Total Shareholding of promoter (A) = A(1) + (A)(2)		30,00,000	30,00,000	100%	3,89,99,994	6	3,90,00,000	100%	Nil
B.	Public Shareholding									
1)	Institutions									
a)	Mutual Funds	-	-	-	-	-	-	-	-	-
b)	Banks / FI	-	-	-	-	-	-	-	-	-
c)	Central Govt	-	-	-	-	-	-	-	-	-
d)	State Govt	-	-	-	-	-	-	-	-	-
e)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
f)	Insurance Companies	-	-	-	-	-	-	-	-	-
g)	FIs	-	-	-	-	-	-	-	-	-
h)	Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i)	Others(Specify)	-	-	-	-	-	-	-	-	-
	Sub Total B(1)									
2)	Non-Institutions									
a)	Bodies Corp.	-	-	-	-	-	-	-	-	-
i)	Indian	-	-	-	-	-	-	-	-	-
ii)	Overseas	-	-	-	-	-	-	-	-	-
b)	Individuals									
i)	Individual shareholders holding nominal share capital upto ₹1 Lakh	-	-	-	-	-	-	-	-	-
ii)	Individual shareholders holding nominal share capital in excess of ₹1 Lakh	-	-	-	-	-	-	-	-	-
c)	Others Specify	-	-	-	-	-	-	-	-	-
	Sub Total B(2)									
	Total Public Shareholding (B) = B(1) + (B)(2)									
C.	Shares held by custodian for GDRs & ADRs									
	Grand Total (A) + (B) + (C)		30,00,000	30,00,000	100%	3,89,99,994	6	3,90,00,000	100%	Nil

* Includes 6 shares held by the nominees of Sundaram Asset Management Company Limited

ii) Shareholding of Promoters

Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
	No of Shares	% of total shares of the company	% of shares pledged / encumbered to total shares	No of Shares	% of total shares of the company	% of shares pledged / encumbered to total shares	
Sundaram Asset Management Company Ltd.*	30,00,000	100%	-	3,90,00,000	100%	-	-
Total	30,00,000	100%	-	3,90,00,000	100%	-	-

* Includes 6 shares held by nominees of Sundaram Asset Management Company Limited

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

Shareholder's Name	Shareholding at the beginning of the year		Cumulative shareholding during the year	
	No of Shares	% of total shares of the company	No of Shares	% of total shares of the company
Sundaram Asset Management Company Ltd				
At the beginning of the year	30,00,000	100%	30,00,000	100%
Allotment of Rights Shares - 02.01.2019	3,60,00,000	92.31%	3,90,00,000	100%
At the End of the year			3,90,00,000	100%

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

Shareholder's Name	Shareholding at the beginning of the year		Cumulative shareholding during the year	
	No of Shares	% of total shares of the company	No of Shares	% of total shares of the company
At the beginning of the year	Not Applicable			
Date wise increase / decrease in shareholding				
At the End of the year				

v) Shareholding pattern of Directors and Key Managerial Personnel

Sl. No	Name of the Directors and KMP	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No of Shares	% of total shares of the company	No of Shares	% of total shares of the company
1	Mr Harsha Viji *				
	At the beginning of the year	1	-	-	-
	Increase / decrease in shareholding during the year	-1	-	-	-
	At the End of the year	-	-	-	-
2	Mr Lakshminarayanan Duraiswamy *				
	At the beginning of the year	1	-	-	-
	Increase / decrease in shareholding during the year	-1	-	-	-
	At the End of the year	-	-	-	-
3	Mr Vijayendiran Rao *				
	At the beginning of the year	1	-	-	-
	Increase / decrease in shareholding during the year	-1	-	-	-
	At the End of the year	-	-	-	-
4	Mr Karthik Balachandran Athreya *				
	At the beginning of the year	1	-	-	-
	Increase / decrease in shareholding during the year	-1	-	-	-
	At the End of the year	-	-	-	-

* held as nominees of Sundaram Asset Management Company Limited jointly with others

V. INDEBTEDNESS

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

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

NIL

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time directors and/or Manager

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

B. Remuneration to Other Directors

Name of Directors	Particulars of Remuneration			Total Amount (₹)
	Fee for attending board/committee meetings (₹)	Commission (₹)	Others, Please Specify	
Independent Directors:	Not Applicable			
Other Non-Executive Directors:				
Mr Harsha Viji	50,000	-	-	50,000
Mr Lakshminarayanan Duraiswamy	50,000	-	-	50,000
Mr Karthik Athreya	10,000	-	-	10,000
Mr Arvind Sethi	60,000	-	-	60,000
Total (B)	1,70,000	-	-	1,70,000
Total Managerial Remuneration (A) + (B)				1,70,000
Overall Ceiling as per the Act*				

* No ceiling in the case of newly incorporated company for a period of seven years from the date of incorporation as per Schedule V of the Companies Act, 2013.

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

Sl. No	Particulars of Remuneration	Key Managerial Personnel			
		Mr Vijayendiran Rao CEO*	Mr K Rajagopal Company Secretary**	CFO	Total
	Gross Salary				
1	a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	37,43,014	1,75,989	-	39,19,003
	b) Value of Perquisites u/s Section 17(2) of the Income Tax Act, 1961	56,50,148	3,33,715	-	59,83,863
	c) Profits in Lieu of salary under Section 17(3) of the Income tax Act, 1961				
2	Stock Option				
3	Sweat Equity				
4	Commission	25,00,000			
	- as % of Profits				
	- Others, Please Specify				
5	Others, Please specify				
	Total (A)	1,18,93,162	5,09,704	-	1,24,02,866

* Mr Vijayendiran Rao, Director, has been appointed as Chief Executive Officer with effect from 21.12.2018

** Mr K Rajagopal has been appointed as Company Secretary with effect from 21.12.2018

VII PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES

There were no penalties / punishment / compounding of offences against the Company, Directors and other Officers in Default during the year ended 31st March 2019.

INDEPENDENT AUDITOR'S REPORT

To the Members of Sundaram Alternate Assets Limited Report on the Audit of the Standalone Financial Statements

1. Opinion

We have audited the Ind AS financial statements of Sundaram Alternate Assets Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2019, and the statement of Profit and Loss, statement of changes in Equity and statement of Cash Flows for the year then ended, and notes to the Ind AS Financial Statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and Profit, changes in Equity and its Cash Flows for the year ended on that date.

2. Basis for Opinion

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

3. Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the Ind AS Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no key audit matters to be communicated in our report.

4. Information Other than the Financial Statements and Auditor's Report Thereon

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

Our opinion on the Ind AS Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

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

5. Responsibility of Management for Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS Financial Statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

6. Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Ind AS Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will

always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Ind AS Financial Statements.

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

- a) Identify and assess the risks of material misstatement of the Ind AS Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- e) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

7. Report on Other Legal and Regulatory Requirements

- i) As required by the Companies (Auditor's Report) Order,

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

- ii) As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The Company does not have any pending litigations which would impact its financial position.
 - (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For BRAHMAYYA & Co.

Chartered Accountants

Firm Regn. No.000511S

L Ravi Sankar

Partner

Membership No. 025929

Place: Chennai

Date: 29th April, 2019

“Annexure - A” to the Auditors’ Report - Referred to in Paragraph 7 of Our Report of Even Date

1. a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
- b) Fixed assets have been physically verified by the Management during the year, in accordance with an annual plan of verification, which in our opinion is reasonable having regard to the size of the Company and the nature of the fixed assets. The discrepancies noticed on such verification were not material and have been properly dealt with in the books of account.
- c) The Company does not own any immovable property.
2. In our opinion and according to the information and explanations given to us, the Company has not granted any loans secured or unsecured to companies, firms, Limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, clauses (iii)(a), (b) and (c) of paragraph 3 of the Order are not applicable to the Company for the year.
3. In our opinion and according to the information and explanations given to us, the Company has not granted any loan to its Director(s) and has not made any investment, provided any guarantee or security as envisaged in Section 185 and Section 186 of the Companies Act, 2013, respectively.
4. The Company has not accepted any deposits from the public.
5. The Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act.
6. i) In our opinion and according to the information and explanations given to us, undisputed statutory dues, including Provident Fund, Income tax, Goods and Service Tax, and other material statutory dues have been regularly deposited during the year with the appropriate authorities. According to the information and explanations given to us, there are no arrears of statutory dues which are outstanding as at 31st March 2019 for a period of more than six months from the date they became payable.
- ii) In our opinion and according to the information and explanations given to us, there are no dues of Income tax and Goods and Service Tax which have not been deposited on account of any dispute.
7. The Company does not have any borrowings from Banks, financial institutions, Government or by issue of debentures.
8. The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) and the term loans were applied for the purposes for which the loans were obtained.
9. To the best of our knowledge and belief and according to the information and explanations given to us, during the year, no fraud by the Company and no fraud on the Company by its officers or employees were noticed or reported during the year.
10. The company has paid/provided for managerial remuneration within the limits of sec 197 read with schedule V to the Act.
11. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with related parties are in compliance with Section 177 and Section 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
12. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
13. In our opinion and according to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them.
14. In our opinion and according to the information and explanations given to us, the nature of the Company’s business/ activities during the year has been such that clause (ii), clause (xii) and clause (xvi) of paragraph 3 of the Companies (Auditor’s Report) Order, 2016 is not applicable to the Company for the year.

For BRAHMAYYA & Co.
Chartered Accountants
Firm Regn. No.000511S

L Ravi Sankar
Partner
Membership No. 025929

Place: Chennai
Date: 29th April, 2019

“Annexure - B” to the Auditors’ Report - Referred to in Paragraph 7 of Our Report of Even Date

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of **Sundaram Alternate Assets Limited** (“the Company”) as of 31 March 2019 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For BRAHMAYYA & Co.
Chartered Accountants
Firm Regn. No.000511S

L Ravi Sankar
Partner
Membership No. 025929

Place: Chennai
Date: 29th April, 2019

Balance Sheet

As at 31st March, 2019

(Amount in ₹)

Particulars	Note No.	31.03.2019	31.03.2018
ASSETS			
(1) Non-Current Assets			
(a) Property, plant and equipment	2	9,48,664	-
(b) Other Intangible Assets	2	20,75,678	-
(c) Financial Assets	3	3,34,822	-
(d) Deferred Tax Asset (Net)	4(c)	9,90,329	-
(e) Other Non-Current Assets	5	23,02,69,663	-
(2) Current Assets			
(a) Financial Assets			
(i) Current Investments	6	70,45,895	2,95,00,000
(ii) Trade Receivables	7	5,96,15,249	-
(iii) Cash and Cash Equivalents	8	36,95,808	5,57,165
(iv) Short term Loans and Advances	9	1,99,252	-
(b) Other Current Asset	10	18,84,37,234	138
(c) Current Tax Assets	11	1,44,75,473	-
Total Assets		50,80,88,067	3,00,57,303
EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity Share Capital	12	39,00,00,000	3,00,00,000
(b) Other Equity	13	5,22,52,250	13,983
Total Equity		44,22,52,250	3,00,13,983
(2) Liabilities			
(a) Non-Current Liabilities		-	-
Provisions	14	2,25,955	-
(b) Current Liabilities			
(a) Financial Liabilities			
Trade Payables			
A) Total Outstanding dues of micro enterprises and small enterprises ; and		-	-
B) Total Outstanding dues of creditors other than micro enterprises and small enterprises	15	96,54,926	-
(b) Other financial liabilities	16	2,77,25,962	-
(c) Other Current Liabilities	17	2,82,28,974	43,320
Total Liability		6,58,35,817	43,320
Total Equity and Liabilities		50,80,88,067	3,00,57,303
Significant Accounting Policies and other Notes forming part of accounts	1		
For Brahmayya & Co. Chartered Accountants Firm Registration No: 000511S			Lakshminarayanan Duraiswamy Director
L Ravi Sankar Partner Membership No. 25929			Vijayendiran Rao Chief Executive Officer
Chennai 29th April 2019			K Rajagopal Secretary & Compliance Officer

Profit and Loss Statement

for the year ended 31st March 2019

(Amount in ₹)

Sl.no.	Particulars	Note No.	31.03.2019	31.03.2018
I	Revenue from Operations			
	Sale of Services - Revenue from Operation	18	43,89,42,171	-
II	Other Income	19	22,14,564	2,58,077
III	Total Revenue		44,11,56,735	2,58,077
IV	Expenses			
	Employee benefits expense	20	6,04,70,991	-
	Administrative and other expenses	21	4,46,66,361	2,39,244
	Brokerage Expenses	22	25,36,05,464	-
	Depreciation and amortization expense	2	40,72,651	-
	Preliminary Expenses		46,62,275	-
	Total Expenses		36,74,77,742	2,39,244
V	Profit before Tax		7,36,78,993	18,833
VI	Tax Expense			
	Current Tax	4(b)	2,22,50,000	4,850
	Deferred Tax	4(c)	(9,99,082)	-
	Total - Tax Expenses	4(a)	2,12,50,918	4,850
VII	Profit after tax		5,24,28,075	13,983
	Other Comprehensive Income (Net of Deferred Tax)			
	a. Items that will not be reclassified to Statement to Profit & Loss		-	-
	b. Items that will be reclassified to Statement to Profit & Loss		-	-
	c. Remeasurement of defined benefit obligations (loss)/gains		22,710	-
	Total Other comprehensive Income		22,710	-
	Total Comprehensive Income		5,24,50,785	13,983
	Earnings per equity share			
	Basic Earnings per Share		4.37	0.005
	Diluted Earnings per Share		4.37	0.005

Significant Accounting Policies and other Notes forming part of accounts

1

For **Brahmayya & Co.**
Chartered Accountants
Firm Registration No: 000511S

L Ravi Sankar
Partner
Membership No. 25929

Chennai
29th April 2019

Lakshminarayanan Duraiswamy
Director

Vijayendiran Rao
Chief Executive Officer

K Rajagopal
Secretary & Compliance Officer

Cash Flow Statement

for the year ended 31st March 2019

(Amount in ₹)

	2018-19		2017-18	
A) CASH FLOW FROM OPERATING ACTIVITIES:				
Profit before Tax	7,36,78,993		18,833	
Adjustments for:				
Depreciation	40,72,651		-	
(Profit) loss on sale of Investments	(20,37,195)		(2,58,077)	
Net Gain / (Loss) arising on Financial Assets Measured at Fair Value through P&L	(9,348)		-	
		7,57,05,101		(2,39,244)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		7,57,05,101		(2,39,244)
(Increase) Decrease in Trade Receivable	(5,96,15,249)		-	
(Increase) Decrease in Financial Assets	(3,34,822)		-	
(Increase) Decrease in Short Term Loans and Advances	(1,99,252)		-	
(Increase) Decrease in Current Asset	(18,84,37,096)		-	
(Increase) Decrease in Other Non-Financial Assets	(23,02,69,663)		(138)	
Increase (Decrease) in Provision	2,25,955		-	
Increase (Decrease) in Trade Payable	96,54,926		-	
Increase (Decrease) in Other Financial Liability	2,77,25,962		-	
Increase (Decrease) in Other Current Liabilities	2,81,85,654		38,470	
		(41,30,63,584)		38,332
Cash generated from Operations		(33,73,58,483)		(2,00,912)
Financial Expenses	-		-	
Direct Taxes Paid	(3,67,25,473)	(3,67,25,473)	-	-
NET CASH FROM OPERATING ACTIVITIES (A)		(37,40,83,957)		(2,00,912)
B) CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of current investments	(6,75,00,000)		(5,90,00,000)	
Sale of current Investments	9,20,32,110		2,97,58,077	
Purchase of Fixed Assets	(70,96,993)		-	
		1,74,35,117		(2,92,41,923)
NET CASH FROM INVESTING ACTIVITIES (B)		1,74,35,117		(2,92,41,923)
C) CASH FLOW FROM FINANCING ACTIVITIES				
Through Scheme of Arrangement**	35,97,87,483		3,00,00,000	
Dividend paid (including Corporate Dividend Tax)	-	35,97,87,483	-	3,00,00,000
NET CASH FROM FINANCING ACTIVITIES (C)		35,97,87,483		3,00,00,000
D) Effect of Foreign Exchange rates on Cash and Cash Equivalents (D)		-		-
NET INCREASE IN CASH AND CASH EQUIVALENTS (A)+(B)+(C) - (D)		31,38,643		5,57,165
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		5,57,165		-
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		36,95,808		5,57,165
E) COMPONENTS OF CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR				
Current Account with Banks		36,95,808		5,57,165
Cash, Stamps and Stamp Papers on Hand		-		-
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		36,95,808		5,57,165

** Represents consideration paid for Net Assets received through scheme of arrangement.

For **Brahmayya & Co.**
Chartered Accountants
Firm Registration No: 000511S

L Ravi Sankar
Partner
Membership No. 25929

Chennai
29th April 2019

Lakshminarayanan Duraiswamy
Director

Vijayendiran Rao
Chief Executive Officer

K Rajagopal
Secretary & Compliance Officer

Note 1: Significant Accounting Policies:**1. Corporate information**

Sundaram Alternate Assets Limited ("SA" or "the Company") is a public limited company incorporated in India having its registered office at No.21, Patullos Road, Chennai 600002.

The Company is the Investment Manager to the schemes of Alternate Investments Funds and providing Portfolio Management Services.

1.1 Overall considerations

The financial statements have been prepared applying the significant accounting policies and measurement basis explained below.

1.2 Basis of Preparation of Financial statements

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) as prescribed by Ministry of Corporate Affairs under Companies (Indian Accounting Standards) Rules, 2015 and companies (Indian Accounting Standards) Amended Rules 2016.

For all periods up to and including the year ended 31st March, 2018, the Company had prepared its financial statements in accordance with Accounting Standards notified under the Section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 ('Previous GAAP').

As these are the Company's first financial statements prepared in accordance with Ind AS, Ind AS 101, First-time Adoption of Indian Accounting Standards has been applied. Detailed explanation on how the transition from previous GAAP to Ind AS has affected the Company's Balance Sheet, financial performance and cash flows is given under Note 1.14.

Preparation of financial statements, in conformity with generally accepted accounting principles, requires the use of estimates and assumptions that affect the reported amount of assets and liabilities as at the Balance Sheet date, reported amounts of revenues and expenses during the period and disclosure of contingent liabilities as at that date. The estimates and assumptions used in these financial statements are based upon the management's evaluation of the relevant facts and circumstances as at the date of the financial statements.

The financial statements has been prepared under historical cost convention on accrual basis, except for certain financial assets and liabilities (as per the accounting policy stated below), which have been measured at fair value.

1.3 Property, plant and equipment

All items of Property, plant and equipment are stated at cost of acquisition less accumulated depreciation/amortization and impairment, if any. Cost includes purchase price, taxes and duties, labour cost. However, cost excludes Goods and Service Tax, to the extent credit of the duty or tax is availed of.

Estimated useful lives of Tangible Assets

Sl.No	Nature of Asset	Useful Life
1.	Office Equipment	5 Years
2.	Electrical Equipment	10 Years
3.	Computers	3 Years
4.	Vehicle	10 Years
5.	Improvements to Rented Premises	3 Years

Estimated useful lives of In-tangible Assets

Sl.No	Nature of Asset	Useful Life
1.	Computer Software	3 Years

Depreciation and amortization:

i. Depreciation is recognized on written down value basis, over the useful life of the assets as prescribed under Schedule II of the Companies Act, 2013.

ii. On tangible fixed assets added / disposed off during the year, depreciation is charged on pro-rata basis from the date of addition / till the date of disposal.

Ind AS transition

As there is no change in the functional currency as at the date of transition, the Company has elected to adopt the carrying value of Plant, property and equipment under the erstwhile GAAP as the deemed cost as on the date of transition of Ind AS i.e., 1 April 2018.

1.4 Impairment

The Company shall assess at the end of the reporting period whether there exist any indications that an asset may be impaired. If such indication exists, the entity shall estimate the recoverable amount of the asset and treatment shall be given in accordance with Ind AS 36.

1.5 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

At initial recognition, the Company measures a financial asset at its fair value (in the case of a financial asset not recorded at fair value through profit or loss) plus transaction cost that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Trade receivables that do not contain a significant financing component are measured at transaction price.

Subsequent measurement

Subsequent measurement depends on the entity's business model for managing the financial assets and the contractual terms of the cash flow.

Based on the above criteria, the Company classifies its financial assets in the following categories:

- Financial assets measured at amortized cost
- Financial assets measured at fair value through OCI (FVTOCI)
- Financial assets measured at fair value through profit or loss (FVTPL)

i. Financial assets measured at amortized cost

A financial asset is measured at the amortized cost if both the following conditions are met:

- a) The Company's business model objective for managing the financial asset is to hold financial assets in order to collect contractual cash flows, and
- b) 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.

ii. Financial assets measured at FVTOCI

A financial asset is measured at FVTOCI if both of the following conditions are met:

- a) The Company's business model objective for managing the financial asset is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) 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.

iii. Financial assets measured at FVTPL

A financial asset is measured at FVTPL unless it is measured at amortized cost or at FVTOCI as explained above.

De-recognition of financial assets

A financial asset is derecognized when the Company has transferred the rights to receive cash flows from the financial asset.

Impairment of financial assets

All financial assets are reviewed for impairment at least at each reporting date to identify whether there is any evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets.

For trade receivables, the Company applies the approach permitted by Ind AS 109 Financial Instruments, which requires expected credit losses to be recognized from initial recognition of the receivables.

Expected Credit Loss

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original effective interest rate.

Based on the past experience, the company has not considered ECL impairment loss, as the receivables are from related parties and the company does not foresee any credit loss in future as well.

Financial Liabilities

Initial Recognition, subsequent measurement and de-recognition of financial liabilities.

i) Initial Recognition

At initial recognition, the Company measures a financial liability at its fair value (in the case of a financial liability not recorded at fair value through profit or loss) plus transaction cost that are directly attributable to the acquisition of the financial liability. Transaction costs of financial liability carried at fair value through profit or loss are expensed in profit or loss.

ii) Subsequent measurement

Financial liabilities are measured subsequently at amortized cost.

iii) De-recognition

A financial liability is de-recognized when the obligation under the liability is discharged or cancelled or has expired.

1.6 Cash and cash equivalents

Cash and Cash equivalents for the purpose of Cash Flow Statement comprise of cheques in hand and bank balances.

1.7 Revenue

Revenue is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company is entitled in exchange for those goods or services, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment.

Revenue from Services:

Revenue from rendering of services is recognized with reference to the stage of completion determined based on estimate of work performed, and when the outcome of the transaction can be estimated reliably.

Other income:

Interest income is recognized on time proportion basis, taking into account the amount outstanding and effective interest rate.

1.8 Income Taxes

Current tax:

Current tax is the amount of income taxes payable in respect of taxable profit for a period. Calculation of current tax is based on tax rates in accordance with tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax:

Deferred income tax is recognized using the balance sheet approach. Deferred income tax assets and liabilities are recognized for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amounts in financial statements.

Current and deferred tax are recognized as income or an expense in the Statement of Profit and Loss, except when they relate to items that are recognized in Other Comprehensive Income ("OCI"), in which case, the current and deferred tax income/ expense are recognized in OCI.

1.9 Provisions and Contingencies

Provisions are recognized when the company has a present obligation as a result of past events, it is probable, but the outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made out of the amount of obligation.

1.10 Brokerage

The company has decided to recognize the brokerage paid towards mobilization of scheme based on the period for which services are rendered.

1.11 Preliminary Expense

Preliminary expenses are expensed off during current financial year.

1.12 Segment reporting

The Company is the Investment Manager to the schemes of Alternate Investments Funds and providing Portfolio Management Services.

1.13 Cash flow statement

Cash Flow Statement is prepared under "Indirect Method" as per Ind AS 7.

1.14 First time adoption of Ind AS

The adoption of Ind AS has been carried out in accordance with Ind AS 101, First Time Adoption of Indian Accounting Standards. Ind AS 101 requires that all Ind AS and interpretations that are issued and effective for the first Ind AS financial statements be applied retrospectively and consistently for all financial years presented. Accordingly, the Company has prepared financial statements which comply with Ind AS for year ended 31st March, 2019, together with the comparative information as at and for the year ended 31st March, 2018.

In preparing these Ind AS financial statements, the Company has availed certain exemptions and exceptions in accordance with Ind AS 101, as explained below. The resulting difference between the carrying values of the assets and liabilities in the financial statements as at the transition date under Ind AS and Previous GAAP have been recognised directly in equity (retained earnings or another appropriate category of equity). This note explains the adjustments made by the Company in restating its financial statements prepared under previous

GAAP and the financial statements as at and for the year ended 31st March, 2018.

Optional exemptions from retrospective application

Ind AS 101 permits first time adopters certain exemptions from retrospective application of certain requirements under Ind AS. The Company has elected to apply the following optional exemptions from retrospective application.

i) Deemed cost of property, plant and equipment and intangible assets:

The Company has elected to measure all its property, plant and equipment and intangible assets at the Previous GAAP carrying amounts as its deemed cost on the date of transition to Ind AS.

ii) Estimates:

On assessment of the estimates made under the Previous GAAP financial statements, the Company has concluded that there is no necessity to revise the estimates under Ind AS, as there is no objective evidence of an error in those estimates. However, estimates that were required under Ind AS but not required under Previous GAAP are made by the Company for the relevant reporting dates reflecting conditions existing as at that date.

iii) Classification and measurement of financial assets:

The classification of financial assets to be measured at amortized cost, Fair Value through Profit and Loss or Fair Value through Other Comprehensive Income is made on the basis of the facts and circumstances that existed on the date of transition to Ind AS.

Reconciliations:

The following reconciliations provide the explanations and quantification of differences arising from the transition from Previous GAAP to Ind AS in accordance with Ind AS 101:-

- a. Reconciliation of Equity as at 31/03/2018
- b. Reconciliation of Other Comprehensive Income for the year ended 31/03/2018

Previous year figures have been reclassified/regrouped wherever necessary to conform with financial statements prepared under Ind AS.

i) Equity Reconciliation:

Particulars	As at 31st Mar 2018
As reported under Previous GAAP	13,983
Effect of Measuring Current Investment as fair value	-
Equity under Ind AS	13,983

ii) Total Comprehensive Income Reconciliation:

Particulars	As at 31st Mar 2018
Net Profit after Tax under Previous GAAP	13,983
Effect of Measuring Current Investment as fair value	-
Deferred Tax	-
Net Profit after Tax under Ind AS	13,983

Notes to the Accounts

forming part of the Balance Sheet as at March 31, 2019

(Amount in ₹)

Note 2: Property, plant and equipment

Description	GROSS BLOCK AT COST				DEPRECIATION				NET BLOCK	
	As at 01.04.2018**	Additions	Deductions	As at 31.03.2019	As at 01.04.2018**	Additions	Deductions	As at 31.03.2019	As at 31.03.2019	As at 31.03.2018**
Tangible Assets										
Office Equipment	-	51,655	-	51,655	-	18,187	-	18,187	33,468	-
Electrical Equipments	4,10,176	-	-	4,10,176	1,23,121	74,319	-	1,97,440	2,12,736	2,87,055
Computers	5,55,136	4,22,873	-	9,78,009	3,48,817	2,78,245	-	6,27,061	3,50,948	2,06,319
Improvement to Rented Premises	11,89,233	-	-	11,89,233	4,62,480	3,84,142	-	8,46,622	3,42,611	7,26,754
Vehicle	55,385	-	-	55,385	43,550	2,933	-	46,483	8,902	11,835
Total Tangible Assets	22,09,930	4,74,528	-	26,84,458	9,77,967	7,57,826	-	17,35,793	9,48,665	12,31,963
Intangible Assets										
Computer Software	96,81,975	4,50,000	-	1,01,31,975	47,41,472	33,14,825	-	80,56,297	20,75,678	49,40,503
Total Intangible Assets	96,81,975	4,50,000	-	1,01,31,975	47,41,472	33,14,825	-	80,56,297	20,75,678	49,40,503
Grand Total	1,18,91,905	9,24,528	-	1,28,16,433	57,19,440	40,72,651	-	97,92,090	30,24,343	61,72,465

** Acquired through Scheme of Arrangement (Ref Note No : 28)

Notes to the Accounts

forming part of the Balance Sheet as at March 31, 2019

(Amount in ₹)

Note No. 3

Financial Assets

Particulars	31.03.2019	31.03.2018
Rent Deposit	3,34,822	-
Total	3,34,822	-

Note No. 4

Income Taxes

a. Amount recognized in Statement of Profit and Loss

Particulars	31.03.2019	31.03.2018
Current Tax		
Current Period	2,22,50,000	4,850
Deferred Tax: Attributable to origination and reversal of temporary difference	(9,99,082)	-
Income Tax expense recognised in the Statement of Profit and Loss	2,12,50,918	4,850

b. Reconciliation of Tax expenses

Particulars	31.03.2019	31.03.2018
Profit before tax	7,36,78,993	18,833
Tax Rate	27.82%	25.75%
Tax using the Company's domestic tax rate	2,04,97,496	4,850
Tax Effect		
Tax Impact Depreciation	6,72,235	-
Tax impact on Preliminary Expenses	10,37,636	-
Others	42,633	-
Deferred Tax	(9,99,082)	
Tax expenses as per Statement of Profit and Loss	2,12,50,918	4,850

c. The major components of deferred tax (liabilities)/assets arising on account of timing differences are as follows

As at 31st Mar 2019.

Particulars	Balance Sheet	Profit and Loss	OCI	Balance Sheet
	01.04.2018	2018-19	2018-19	31.03.2019
Preliminary expenses not Written-off	-	(10,37,636)	-	(10,37,636)
Difference between written down of fixed assets as per the books of account and Income Tax Act, 1961	-	28,445	-	28,445
Difference in carrying value and tax base of investment measured at FVTPL	-	(1,246)	-	(1,246)
Difference in carrying value and tax base of Security Deposits measured at Amortised Cost	-	11,354	-	11,354
Remeasurement of defined benefit obligation	-	-	8,753	8,753
Deferred tax (Expense) / benefit	-	-	-	-
Net Deferred tax asset	-	(9,99,082)	8,753	(9,90,329)

Notes to the Accounts

forming part of the Balance Sheet as at March 31, 2019

(Amount in ₹)

Note no. 5**Other Non-Current Asset**

Particulars	31.03.2019	31.03.2018
Prepaid Expenses:		
Brokerage - Portfolio Management Services	2,12,00,747	-
Brokerage - Alternate Investment Funds	20,90,28,565	-
Others	40,351	-
Total	23,02,69,663	-

Note No. 6**Current Investments**

Particulars	31.03.2019	31.03.2018
Investment in Mutual Fund: Quoted		
Sundaram Money Fund - Direct Plan - Growth: 1,78,777.654 units (Previous year 11,25,911.23 Units) of ₹10/- each	70,45,895	2,95,00,000
Total	70,45,895	2,95,00,000

Note no. 7**Trade Receivables**

Particulars	31.03.2019	31.03.2018
Trade receivable considered good - Unsecured	5,96,15,249	-
Total	5,96,15,249	-

Note No. 8**Cash and Cash Equivalents**

Particulars	31.03.2019	31.03.2018
Cash in Hand	3,913	-
Balance with Scheduled Banks	36,91,895	5,57,165
Total	36,95,808	5,57,165

Note no. 9**Short term Loans and Advances**

Particulars	31.03.2019	31.03.2018
Staff Loans	1,99,252	-
Total	1,99,252	-

Note No. 10**Current Asset**

Particulars	31.03.2019	31.03.2018
Prepaid Expenses:		
Brokerage - Portfolio Management Services	3,92,67,807	-
Brokerage - Alternate Investment Funds	12,57,21,139	-
Others	9,47,556	-
GST Input Tax Credit	2,00,86,590	138
Receivable from Schemes of Alternative Investment Funds	24,00,000	-
Other Advances	14,142	-
Total	18,84,37,234	138

Notes to the Accounts

forming part of the Balance Sheet as at March 31, 2019

(Amount in ₹)

Note No. 11

Current Tax Assets

Particulars	31.03.2019	31.03.2018
Advance Income Tax and Tax Deducted at Source (Net of provisions)	1,44,75,473	-
Total	1,44,75,473	-

Note No. 12

Statement of Changes in Equity

Reconciliation of number of shares and amount outstanding at the beginning and at the end of the reporting period

Reconciliation	31.03.2019		31.03.2018	
	No of Shares	Amount	No of Shares	Amount
Authorised share capital	6,00,00,000	60,00,00,000	6,00,00,000	60,00,00,000
Equity Shares of ₹ 10/- each fully paid up				
At the beginning of the period	30,00,000	3,00,00,000	-	-
Allotment of Shares through Scheme of Arrangement	3,60,00,000	36,00,00,000	30,00,000	3,00,00,000
At the end of the reporting year	3,90,00,000	39,00,00,000	30,00,000	3,00,00,000

Details of shares held by each shareholder holding more than 5 percent of equity shares in the company

Name of the Share Holder	31.03.2019		31.03.2018	
	Nos	%	Nos	%
Sundaram Asset Management Company Limited (Holding Company)	3,90,00,000	100.00%	30,00,000	100.00%

Note No. 13

Other Equity

b) Other Equity

Reserves & Surplus	Capital Reserve	Retained Earnings	Total
Balance as at 01.04.2017	-	-	-
Additions during the year:			
Profit for the year	-	13,983	13,983
Reduction during the year			
Dividend	-	-	-
Dividend Tax	-	-	-
Transfer to Capital Reserve	-	-	-
Balance as at 31.03.2018	-	13,983	13,983
Additions during the year:			
Profit for the year	-	5,24,50,785	5,24,50,785
Capital Reserve through Scheme of Arrangement**	(2,12,518)	-	(2,12,518)
Reduction during the year			
Dividend	-	-	-
Dividend Tax	-	-	-
Balance as at 31.03.2019	(2,12,518)	5,24,64,768	5,22,52,250

** Excess of Liabilities over Assets considered as Capital Reserve as provided in the Scheme of Arrangement.

Notes to the Accounts

forming part of the Balance Sheet as at March 31, 2019

(Amount in ₹)

Note No. 14**Provisions**

	31.03.2019	31.03.2018
Provision for employee Benefits	2,25,955	
Total	2,25,955	-

Note No. 15**Trade Payable**

Particulars	31.03.2019	31.03.2018
a) Dues of micro enterprises and small enterprises; (Refer No: 15.1)	-	
b) Dues to Others	96,54,926	-
Total	96,54,926	-

Note 15.1 Disclosures required under the "Micro, Small and Medium Enterprises Development Act, 2006"

Particulars	31.03.2019	31.03.2018
a) The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year	Nil	Nil
b) The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	Nil	Nil
c) The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	Nil	Nil
d) The amount of interest accrued and remaining unpaid at the end of each accounting year; and	Nil	Nil
e) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under Section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	Nil	Nil

Note No. 16**Other financial liabilities**

	31.03.2019	31.03.2018
Payable to Holding Company	2,77,25,962	-
Total	2,77,25,962	-

Notes to the Accounts

forming part of Profit and Loss Statement for the year ended 31st March 2019

(Amount in ₹)

Note No. 17

Other Current Liabilities

	31.03.2019	31.03.2018
Provision for Expenses	1,41,76,833	-
Statutory Dues Payable	1,37,99,294	4,850
Other Payables	2,52,847	38,470
Total	2,82,28,974	43,320

Notes to the Accounts

forming part of Profit and Loss Statement for the year ended 31st March 2019

(Amount in ₹)

Note No. 18

Revenue from Services

Particulars	2018-19	2017-18
Services Rendered		
Investment Management Fees - Alternative Investment Fund (Cat III)	13,67,17,181	-
Investment Management Fees - Alternative Investment Fund (Cat II)	4,24,16,657	-
Portfolio Management Services Fees	24,83,62,880	-
Advisory Fees	1,14,45,453	-
Total	43,89,42,171	-

Note No. 19

Other Income

Particulars	2018-19	2017-18
Interest Receipts	1,36,558	-
c) Other Non-Operating Income (Refer Note 19.1)	20,78,006	2,58,077
Total	22,14,564	2,58,077

Note No. 19.1 Net Gain (Loss) on Fair Value Change

Particulars	2018-19	2017-18
a) Net Gain / (Loss) arising on Financial Assets Measured at Fair Value through P&L	40,811	-
b) Profit on Sale of Investment	20,37,195	2,58,077
Total Net Gain / (Loss) on Fair Value Change	20,78,006	2,58,077

Note No. 20

Employee Benefits Expense

	2018-19	2017-18
Salaries, allowances and bonus	5,53,18,475	-
Company's contribution to Provident Fund, NPS, ESI Scheme	25,83,338	-
Gratuity and Leave Encashment	18,12,109	-
Staff Welfare Expenses	7,57,069	-
Total	6,04,70,991	-

Notes to the Accounts

(Amount in ₹)

Note No. 21**Administrative and other expenses**

	2018-19	2017-18
Rent	17,42,430	28,230
Professional & Consultancy Charges	44,32,710	-
Outsourcing Charges	1,92,00,000	-
Electricity Charges	1,93,927	-
Directors Sitting Fees	1,80,000	-
Subscription Charges	36,99,142	-
Insurance	3,83,364	-
General Charges	5,18,675	-
Audit Fees		
- Statutory Audit	3,50,000	10,000
- Tax Audit	1,00,000	-
Travelling Expenses	53,61,782	-
Printing and Stationery	17,06,720	-
Rates & Taxes	14,00,128	-
Software Maintenance	12,97,476	-
Communication Expenses	1,92,973	1,014
Exchange Fluctuation Loss	2,82,025	-
Business Development Expenses	9,75,308	-
SEBI Filing Fees	13,00,000	2,00,000
Miscellaneous Charges	13,49,701	-
Total	4,46,66,361	2,39,244

Note No. 22**Brokerage Expenses**

	2018-19	2017-18
Portfolio Management Services	15,49,62,386	-
Alternate Investment Funds	9,86,43,078	-
Total	25,36,05,464	-

Notes to the Accounts

Note No: 23

Related Party Disclosure for the year ended 31.03.2019 as required by IND AS -24

Related Parties

a) Related Party where control exists

Name of the Related Party	Relationship
a) Sundaram Finance Limited	Ultimate Holding Company
b) Sundaram Asset Management Company Limited	Holding Company
c) Sundaram Alternate Investment Trust Cat III	Associate
d) Sundaram Alternate Investment Trust Cat II	Associate
e) Sundaram Asset Management Singapore Pte.Ltd	Fellow Subsidiary
f) Vijayendiran Rao	Key Managerial Personnel

Notes to the Accounts

(Amount in ₹)

b) Related Party with whom transactions were carried out during the year and previous year.

Name of the Related Party	Relationship
a) Sundaram Finance Limited	Ultimate Holding Company
b) Sundaram Asset Management Company Limited	Holding Company
c) Sundaram Alternate Investment Trust Cat III	Associate
d) Sundaram Alternate Investment Trust Cat II	Associate
e) Sundaram Asset Management Singapore Pte.Ltd	Fellow Subsidiary
f) Vijayendiran Rao	Key Managerial Personnel

c) Transactions with related party

Name	Relationship	Nature of Transaction	2018-19	2017-18
Sundaram Asset Management Company Ltd	Holding Company	Shared Services	2,16,00,000	-
		Rent	12,00,000	28,230
Sundaram Alternative Investment Fund - Cat III	Associate	Income	13,67,17,181	-
Sundaram Alternative Investment Fund - Cat II	Associate	Income	4,24,16,657	-
Sundaram Asset Management Company Ltd	Holding Company	Share Capital	36,00,00,000	3,00,00,000
Sundaram Finance Limited	Ultimate Holding Company	PMS Brokerage	87,65,977	-
Sundaram Finance Limited	Ultimate Holding Company	AIF Brokerage	66,00,000	-
Outstanding Receivable as on 31st Mar 2019 - Sundaram Alternative Investment Fund - Cat III	Associate		1,55,77,647	-
Outstanding Receivable as on 31st Mar 2019 - Sundaram Alternative Investment Fund - Cat II	Associate		1,54,22,479	-
Outstanding Receivable as on 31st Mar 2019 - Sundaram Asset Management Company Limited	Holding Company		75,39,384	-
Outstanding Payable as on 31st Mar 2019 - Sundaram Asset Management Company Limited	Holding Company		3,52,65,346	28,230
Outstanding Receivable as on 31st Mar 2019 - Sundaram Asset Management Singapore Pte.Ltd	Fellow Subsidiary		2,56,150	-
Vijayendiran Rao	Key Managerial Personnel	Remuneration	1,18,93,162	-

Terms and conditions of transactions with related party

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year end are unsecured, interest free and will be settled in cash. There has been no guarantees received or provided for any related party receivables or payables.

Note No: 24

Basic earnings per share is computed by dividing the net profit for the period attributable to the equity shareholders of the Company by the weighted average number of equity shares outstanding during the period.

Particulars		2018-19	2017-18
Profit after Tax	₹	5,24,50,785	13,983
Total Equity Shares outstanding at the beginning of the year	Nos.	30,00,000	30,00,000
No. of shares issued during the year	Nos.	3,60,00,000	-
Total No. of shares outstanding at the end of the year	Nos.	3,90,00,000	-
Weighted average No. of shares outstanding at the end of the year	Nos.	1,20,00,000	30,00,000
Earnings Per Share	₹	4.37	0.005
Face Value Per Share	₹	10	10

Notes to the Accounts

(Amount in ₹)

Note No: 25

Particulars	2018-19	2017-18
Contingent Liability provided for	-	-

Note No: 26**Employee Benefits****Defined Contribution Plans:**

During the year, the company has recognized the following amounts in the Profit and Loss Statement, which are included in Employee benefits expense in Note No.20

	2018-19	2017-18
Contribution to Superannuation Fund	₹ -	-
Contribution to Pension Fund	₹ 1,04,711	
Contribution to Employees State Insurance - ESI	₹ -	
Contribution to Provident Fund	₹ 5,66,795	

Defined Benefit Plans:

	Year ended 31.03.2019	Year ended 31.03.2018
--	--------------------------	--------------------------

1) Amount Recognised in Balance Sheet:

The Total Amount of net liability/asset to be recorded in the balance sheet of the Company, along with the comparative figures for previous period, is shown in the below table:

Present Value of the funded defined benefit obligation	86,88,354
Fair Value of plan assets	89,76,082
Net funded obligation	-2,87,728
Present value of unfunded defined benefit obligation	-
Amount not recognised due to asset limit	-
Net defined benefit liability/ (asset) recognised in balance sheet	-2,87,728
Net defined benefit liability/ (asset) bifurcated as follows:	
Current	-
Non-Current	-2,87,728

2) Profit & Loss Account Expense:

The expenses charged to the profit & loss account for period along with the corresponding charge of the previous period is presented in the table below:

Current Service cost	2,55,243
Past service cost	-
Administration expenses	-
Interest on net defined benefit liability / (asset)	1,53,077
(Gains) / Losses on settlement	-
Total expense charged to profit and loss account	4,08,320

Notes to the Accounts

(Amount in ₹)

	Year ended 31.03.2019	Year ended 31.03.2018
Amount recorded in other Comprehensive Income:		
The total amount of reimbursement items and impact of liabilities assumed or settled if any, which is recorded immediately in Other Comprehensive Income during the period is shown in the table below:		
Opening amount recognized in OCI outside profit and loss account	-	
Remeasurements during the period due to		
Changes in financial assumptions	30,163	
Changes on demographic assumptions	-599	
Experience adjustments	-65,563	
Actual return on plan assets less interest on plan assets	4,536	
Adjustment to recognize the effect of asset ceiling	-	
Closing amount recognized in OCI outside profit and loss account	-31,463	-
3) Reconciliation of Net Liability / Asset:		
The movement of net liability / asset from the beginning to the end of the accounting period as recognized in the balance sheet of the company is shown below:		
Opening net defined benefit liability / (asset)	-	
Expenses charged to profit & loss account	4,08,320	
Amount recognized outside profit & loss account	-31,463	
Employer contributions	-6,64,585	
Impact of liability assumed or (settled)*	-	
Closing net defined benefit liability / (asset)	-2,87,728	-
Movement in Benefit Obligations:		
A reconciliation of the benefit obligation during the inter-valuation period is given below:		
Opening of defined benefit obligation	-	
Current service cost	2,55,243	
Past service cost	-	
Interest on defined benefit obligation	1,53,077	
Remeasurements due to:		
Actuarial loss / (gain) arising from change in financial assumptions	30,163	
Actuarial loss / (gain) arising from change in demographic assumptions	-599	
Actuarial loss / (gain) arising on account of experience changes	-65,563	
Benefits paid	-	
Liabilities assumed/ (settled)	83,16,033	
Liabilities extinguished on settlements	-	
Closing of defined benefit obligation	86,88,354	-
4) Movement in Plan Assets:		
The fair value of the assets as at the balance sheet date has been estimated by us based on the latest date for which a certified value of assets is readily available and the cash flow information to and from the fund between this date and the balance sheet date allowing for estimated interest for the period:		
A reconciliation of the plan assets during the inter-valuation period is given below:		

Notes to the Accounts

(Amount in ₹)

	Year ended 31.03.2019	Year ended 31.03.2018
Opening fair value of plan assets	-	-
Employer contributions	6,64,585	-
Interest on plan assets	-	-
Administration expenses	-	-
Remeasurements due to:		
Actual return on plan assets less interest on plan assets	-4,536	-
Benefits paid	-	-
Assets acquired / (settled)*	83,16,033	-
Assets distributed on settlements	-	-
Closing fair value of plan assets	89,76,082	-
Movement in Asset Ceiling:		
A reconciliation of the asset ceiling during the inter-valuation period is given below:		
Opening value of asset ceiling	-	-
Interest on opening balance of asset ceiling	-	-
Remeasurements due to:		
Change in surplus/deficit	-	-
Closing value of asset ceiling	-	-

5) Disaggregation of Plan Assets:

	Year ended 31.03.2019	Year ended 31.03.2019	Year ended 31.03.2019
	Quoted Value	Unquoted value	Total
A split of plans asset between various asset classes as well as segregation between quoted and unquoted values is presented below:			
Property	-	-	-
Government debt instruments	-	-	-
Other debt instruments	-	-	-
Equity instruments	-	-	-
Insurer managed funds	-	89,76,082	89,76,082
Others	-	-	-
Grand Total	-	89,76,082	89,76,082
		Year ended 31.03.2019	Year ended 31.03.2018

Key Actuarial Assumptions:

The Key Actuarial assumptions adopted for the purpose of this valuation are given below:

a) Discount rate (p.a.)	7.55%	NA
b) Salary escalation rate (p.a.)	7.00%	NA
c) Retirement Age:		

The employees of the company are assumed to retire at the age of 58 years.

Notes to the Accounts

(Amount in ₹)

d) Mortality:	Age (years)	Rates (p.a.)
Published rates under the Indian Assured Lives Mortality (2012-14) Ut table.	18	0.000874
Rates of Indian Assured Lives Mortality table at specimen ages are as shown below:	23	0.000936
	28	0.000942
	33	0.001086
	38	0.001453
	43	0.002144
	48	0.003536
	53	0.006174
	48	0.009651
e) Leaving Service:	Age (years)	Rates (p.a.)
Rates of leaving service at specimen ages are as shown below:	21-30	10%
	31-40	5%
	41-50	3%
	51-57	2%

f) Disability:
Leaving service due to disability is included in the provision made for all caused of leaving Service (paragraph (e) above).

7) Sensitivity Analysis:

	Year ended 31.03.2019	
	Discount Rate	Salary Escalation Rate
Gratuity is a lump sum plan and the cost of providing these benefits is typically less sensitive to small changes in demographic assumptions. The Key Actuarial assumptions to which the benefit obligation results are particularly sensitive to are discount rate and future salary escalation rate. The following table summarizes the change in defined benefit obligation and impact in percentage terms compared with the reported defined benefit obligation at the end of the reporting period arising on account of an increase or decrease in the reported assumption by 50 basis points.		
Defined benefit Obligation on increase in 50bps	83,95,756	90,01,721
Impact of increase in 50bps on DBO	-3.37%	3.61%
Defined benefit obligation on decrease in 50bps	90,01,721	83,93,101
Impact of decrease in 50bps on DBO	3.61%	-3.40%

The sensitivities have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no changes in market conditions at the accounting date. There have been no changes from the previous periods in the methods and assumptions used in preparing the sensitivity analysis.

Note No: 27**Fair Value Measurement**

The following table shows the carrying amounts and fair values of financial assets

Particulars	Total Carrying (Cost)	As at 31.03.2019		
		FVTPL	FVOCI	Amortized Cost
Financial Assets				
Mutual Fund Investments	70,05,084	70,45,895	-	-
Trade Receivable	5,97,63,642	-	-	5,97,63,642
Cash and Cash Equivalents	37,32,414	-	-	37,32,414
Rental Deposit	4,20,000	-	-	3,34,822
Staff Loan	1,99,252	-	-	1,99,252
Financial Liabilities				
Trade Payables	96,54,926	-	-	96,54,926
Payable to Holding Company	2,77,25,962	-	-	2,77,25,962

Fair Value Hierarchy

The company measures financial instruments at fair value in accordance with the accounting policies. Fair value is the price that would be received while selling an asset or paid to transfer a liability in an orderly transaction between market participant at the measurement date. The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of the following three levels.

Level 1 Hierarchy: Level 1 hierarchy includes financial instruments measured using quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. This includes mutual funds that have quoted price. The mutual funds are valued using the closing NAV.

Level 2 Hierarchy: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 Hierarchy: inputs that are unobservable for the asset or liability

Particulars	Level 1	Level 2	Level 3
As at Mar 31, 2019			
Financial Assets at FVTPL:			
Equity Shares	-	-	-
Mutual Fund Investments	70,45,895	-	-
Financial Assets at Amortised Cost:			
Rental Deposit	-	3,34,822	-
As at Mar 31, 2018			
Financial Assets at FVTPL:			
Equity Shares	-	-	-
Mutual Fund Investments	2,95,00,000	-	-

Financial Risk Management

The Company's business activities are exposed to liquidity risk and credit risk. The Risk management policies have been established to identify and analyse the risks faced by the company, to set and monitor appropriate risk limits and controls, periodically review and reflect the changes in the policy accordingly.

a) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices.

The Company is exposed to price risk arising from investments in mutual funds recognised at FVTPL. As at 31.03.2019 the carrying value of such instruments recognised at FVTPL amounts to ₹70,45,895/-.

If the mutual fund prices had been higher/lower by 5% from the market prices existing as at 31.03.2019, Statement of Profit and Loss for the year ended 31.03.2019 would increase/decrease by ₹3,52,295/-.

b) Management to Liquidity Risk

Liquidity risk is the risk that the company will face in meeting its obligations associated with its financial liabilities. The company's approach in managing liquidity is to ensure that it will have sufficient funds to meet its liabilities. In doing this, management considers both normal and stressed conditions.

The company regularly monitors actual cash flows to service the financial liabilities on a day-to-day basis through cash generation from business and by having adequate banking facilities.

The following table shows the maturity analysis of the company's financial liabilities based on contractually agreed undiscounted cash flows along with its carrying value of the Balance Sheet date.

Notes to the Accounts

(Amount in ₹)

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
Payable within one year		
Trade Payable	96,54,926	-

c) Management of Credit risk

Credit Risk is the risk of financial loss to the company if the other party to the financial assets fails to meet its contractual obligation:

- 1) Trade receivable: Our historical experience of collecting receivables demonstrates that credit risk is Nil. Hence, trade receivables are considerable to be a single class of Financial assets.
- 2) Other Financial Assets: The Company has exposure in cash and cash equivalents with banks. The company's maximum exposure to credit risk as of 31/03/2019 is the carrying value of each class of financial assets as of that date.

Note 28**Scheme of Arrangement**

The Board of Directors, at its meeting held on 14th Feb, 2018, approved a Scheme of Arrangement ('Scheme') between Sundaram Asset Management Company Limited ('Transferor Company/SAMCL'), Sundaram Alternate Assets Limited (Transferee/SAAL). The Scheme was approved by National Company Law Tribunal vide its Order dated 29th May, 2018. The Appointed Date as per the Scheme is 1st April 2018 and is operative from 13/06/2018 ('Effective Date'), being the date of filing the certified copy of the Order with the Ministry of Company Affairs.

As per the Scheme, SAMCL to transfer its "alternative investment fund and portfolio management services" divisions to SAAL.

The consideration under the Scheme is the issuance of one equity share of the Company as fully paid-up for one equity share of ₹10 each fully paid-up in the transferee Company to the transferor Company. The Transferee Company has discharged the consideration by issuing 3,60,00,000 equity shares of face value ₹10 each.

The financial statements of the Company for the year ended 31st March 2019 reflect the transfer of assets and liabilities as contemplated under the Scheme. The net assets of the Company transferred from the Transferor Company are as below:

Particulars	Amount
Fixed Assets, net of accumulated depreciation	61,72,465
Current Assets	10,16,54,367
Non-Current Assets	27,70,72,779
Investment	-
Current Liabilities	2,51,12,131
Non-Current Liabilities	-
Net assets transferred	35,97,87,481
Issue of equity shares as per the Scheme of Arrangement	36,00,00,000
Net amount credited to Capital Reserve pursuant to the Scheme of Arrangement	2,12,519

Note 29**Remuneration paid to Key Managerial Personnel**

In terms of Section III of Part II of Schedule V of the Companies Act 2013 and Vide Notification dated 12.09.2018, any newly incorporated company may pay any remuneration to its Managerial persons for a period of 7 years from the date of its incorporation. Hence the company has decided pay a sum of ₹ 1,18,93,162/- after obtaining the approval of Nomination and Remuneration Committee, Board and Shareholders.

For **Brahmayya & Co.**
Chartered Accountants
Firm Registration No: 000511S

L Ravi Sankar
Partner
Membership No. 25929

Chennai
29th April 2019

Lakshminarayanan Duraiswamy
Director

Vijayendiran Rao
Chief Executive Officer

K Rajagopal
Secretary & Compliance Officer

