



# **Sundaram Alternate Assets Limited**

2019-20

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



## Sundaram Alternate Assets Limited

A wholly-owned subsidiary of

## Sundaram Asset Management Company Limited

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## DIRECTORS' REPORT

To the Members

Your Directors take pleasure in presenting the 3rd Annual Report with the audited financial statement of accounts for the year ended March 31, 2020. The summarized financial results of the Company are given hereunder:

(Amount in ₹ crore)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Total Revenue	60.06	44.12
Total Expenses	53.27	36.75
<b>Profit Before Tax</b>	<b>6.80</b>	<b>7.37</b>
Provision for Tax	1.73	2.13
<b>Profit After Tax</b>	<b>5.06</b>	<b>5.24</b>

The Company's revenues grew by 36%. However, expenses increased by 45% on account of higher employee costs. This has resulted in lower profit after tax by 3%.

### Company Performance

#### PMS

The average assets under discretionary Portfolio Management Services and advisory segments grew by 25% from ₹ 1,491 cr. to ₹ 1,867 cr., for the financial year 2019-20.

#### AIF

As of March 31, 2020 your Company manages 4 Category III and 2 Category II AIF schemes with average assets under management of ₹ 1,501 cr. (up 50% from the previous year: ₹ 998 cr. as on March 31, 2019).

Under Category III, your Company has raised total capital commitments of ₹ 1,266 cr., ₹ 1,207 cr. has been called and ₹ 1,124 cr. was invested as of March 31, 2020. During the year, Sundaram India Premier Fund, a Category III AIF launched in October 2018, completed its final closing in June 2019 with total commitments of ₹ 481 cr. Your Company also launched ACORN, a mid and small cap focused close-ended Category III AIF in January 2020. The fund has raised ₹ 78 cr. worth commitments as of March 31, 2020 and remains open to investors for subscriptions.

Under Category II AIF, your Company manages 2 AIF schemes. With total capital commitments of ₹ 713 cr., ₹ 510 cr. has been called of which ₹ 393 cr. was invested as of March 31, 2020.

Sundaram Alternative Opportunities Series – High Yield Secured Debt Fund – I closed with capital commitments amounting to ₹ 403 cr. in FY 2019. As of March 31, 2020, the fund has deployed around ₹ 462 cr. (including re-investments) and has made quarterly distributions to its investors amounting to approximately 33% (including capital repayments of ₹ 44.70 cr. of the capital drawn). The Fund also has a Mauritius Feeder fund to pool monies from global investors in USD and feed into the India Fund.

Your company launched Sundaram Alternative Opportunities Series – High Yield Secured Debt Fund – II, a category II AIF, in April 2019. The fund has raised capital commitments of ₹ 309 cr. as of March 31, 2019 of which ₹ 94 cr. has been invested in 3 investee companies. The fund has called down 50% as the first drawdown and continues to remain open for subscriptions. The fund has distributed quarterly interests amounting to ₹ 10 cr. to its investors. The Fund also has a Mauritius Feeder fund to pool monies from global investors in USD and feed into the India Fund.

To comply with local laws, your Company invested USD 100 each in the management shares of (i) Sundaram Alternative Opportunities Fund Mauritius Limited, feeder fund for Sundaram High Yield Secured Debt Fund and (ii) Sundaram Alternative Opportunities Fund II Mauritius Limited, feeder fund for Sundaram High Yield Secured Debt Fund-II, after receipt of necessary regulatory approvals. With this investment, both the entities have become wholly owned subsidiaries of your Company on April 16, 2020. Both these entities are regulated by the Financial Services Commission, Mauritius.

### Industry

The total AUM of the portfolio management industry under discretionary and advisory services was ₹ 3.54 Trillion as of February 29, 2020.

With aggregate commitments of ₹ 0.48 Trillion under Category III AIF, ₹ 0.41 Trillion have been raised of which ₹ 0.36 Trillion was invested as of December 31, 2019.

Under Category II AIF, out of the commitments of ₹ 2.61 Trillion, ₹ 1.13 Trillion have been raised and ₹ 0.92 Trillion was invested as of December 31, 2019. Majority of the money was raised through private equity.

### Dividend

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

### Fund Performance

FY20 witnessed the impact of COVID-19 in the last quarter due to which the fiscal ended on a negative note resulting in sharp corrections across our portfolios.

Performance of the key strategies of PMS as of March 31, 2020:

Portfolio	Inception	Return since inception (Model Portfolio)%	Benchmark %	Excess over Benchmark %
Sundaram India Secular Opportunities Portfolio (SISOP)	February 2010	19.2	5.4	13.7
Sundaram Emerging Leadership Fund (SELF)	June 2010	12.2	3.8	8.4
Smallcap	November 2009	8.8	3.0	5.8
Microcap	June 2016	-6.9	-4.3	-2.6
PACE	September 2013	11.5	6.8	4.7

Performance of the Category III AIF schemes as of March 31, 2020:

Scheme	Inception date	IRR (since inception)	
		Class A Unitholders	NSE Small Cap
Nano cap I	February 10, 2017	-29.9%	-24.9%
Nano cap II	May 5, 2017	-29.7%	-26.0%
Sundaram India Premier Fund	October 11, 2018	-5.1%	-10.3%

### Investors and Distributors

During the year, your Company added 477 investors under its PMS business taking the total to 2,293 investors and added 164 investors under its AIF business resulting in 1,032 investors as of March 31, 2020.

Your Company added over 45 distributors during the year taking the total to over 350 empaneled distributors. The company supports its investors and distributors at 90 locations. In addition, the company has access to over 600 locations operated by Sundaram Finance Group.

### Regulation

During the year, SEBI notified SEBI (Portfolio Managers), Regulations, 2020. Following are the highlights of the new Regulations from the standpoint of the investors:

- minimum investment amount for the investors increased from ₹ 25 lakhs to ₹ 50 lakhs; and
- additional investment restrictions prescribed while managing client's money.

SEBI also introduced the following changes to be effective from the financial year 2020-21:

- no upfront fee shall be charged from the client;
- portfolio managers to provide facility of direct on-boarding to clients; and
- enhanced disclosure requirements.

With regards to the SEBI (AIF) Regulations, SEBI has introduced enhanced disclosure requirements, standardization of the private placement memorandum (PPM) and has prescribed performance benchmarking for AIFs.

Your Directors welcome these changes to improve transparency and disclosures to clients which will benefit the industry and business in the long run.

## Market Outlook

### Equity

The Indian equity markets were on a path to recovery from August 2019 into the end of January 2020. However, the onset of COVID-19 in mid-January and its spread to the rest of the world in February was the trigger that led to sharp equity market corrections thereafter, resulting in FY20 ending negative. In FY20, the narrow market, NIFTY50, witnessed a contraction of 26%, while the broader market CNX500 fell by 28%. The mid and small cap indices contracted by 32% and 36%, respectively.

### Debt

Indian residential real estate has witnessed a subdued demand due to a combination of structural changes and policy reforms (DeMo, RERA, GST, etc) over the past few years. The onset of the COVID-19 outbreak, is likely to result in uncertainties around project progress, potential job losses and reduced income levels. Businesses will have to adapt to a new normal and work with their stakeholders to contain the impact of coronavirus within the stipulated lockdown periods. New launches in 2020-21 are likely to register an annual decline. However, smart builders are likely to push their sales campaigns aggressively to appeal to homebuyers who are likely to spring into action during the second half and select from the existing unsold inventory.

With regards to our Real Estate funds, we are tightening both - our asset monitoring as well as new deals criteria. The choice of South India as our principal investment geographies is serving our AIF Credit Funds well with smaller capital values, shorter project gestations, more affordable end unit pricing and relatively conservative credit behaviour versus other major cities such as Mumbai and NCR. Over the next few quarters, we will focus on capital preservation and tight asset monitoring to ensure that the Funds remain nimble and conscious of the risk-reward boundaries that COVID related factors are likely to pose. The current scenario is also creating opportunities and we expect to see better deals coming in to alleviate the stress in the sector.

### Impact of Covid-19 on the Company

The last quarter of FY20 witnessed the global outbreak of COVID-19 and the World Health Organization (WHO) terming it a global pandemic. With first signs of the virus visible late in 2019, the virus has spread across geographies resulting in countries and governments across the globe issuing lockdowns to safeguard the welfare of their people. With no / reduced business activity and the full impact of the lockdown difficult to ascertain, global capital markets slipped into a downturn. Governments have been announcing fiscal and monetary stimulus to keep liquidity in the hands of its people and at the same time, tackle the challenges posed by the virus. India too has been impacted by the same, with the country under a complete lockdown since the last week of March and now trying to lift the lock down in a phased manner.

Markets have witnessed extreme volatility during the time. IMF has revised global growth forecasts for FY21 due to the impact across sectors – supply chain disruptions, demand-supply gaps, etc. While the situation is constantly evolving with preliminary drug trials ongoing to help fight the virus, the impact on the capital markets has been significant. Emerging economies have witnessed net outflows from their capital markets.

Your company has activated its business continuity plans and enabled work from home for its employees. Your Company is confident that it will be able to weather this storm. Our constant focus is on re-allocating our existing portfolios to take advantage of corrected valuations and invest in quality names to emerge stronger. Your Company is continuously evaluating the impact on the business and its operations.

### 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 Financial Controls

The Company has well-defined and adequate internal financial controls and procedures, commensurate with the size and nature of its operations.

### 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, 2020, six Board Meetings were held.

Mr. R Vijayendiran (holding DIN:07997232) and Mr. Karthik Athreya (holding DIN: 1797014) retire by rotation and being eligible, offer themselves for re-election. Necessary resolutions are submitted for your approval.

## Annual Evaluation by the Board

The Board has made a formal evaluation of its own performance and that of its committees and individual directors as required under Section 134(3) (p) of the Companies Act, 2013.

### Board Committees

#### 1. Audit Committee

The Audit Committee reviewed the financial statements and the observations of the internal / external auditors along 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](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-election of directors.

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

### Corporate Social Responsibility Committee (CSR)

Your Company has duly constituted a Corporate Social Responsibility Committee as per the provisions of Section 135 of the Companies Act, 2013 and devised a Policy for the implementation of the CSR framework, broadly defining the areas of spending for its promotion/development, of at least two per cent of the average net profits made during the last three immediately preceding Financial Years on the activities mentioned under Schedule VII of the Companies Act, 2013.

The CSR Committee monitors the Policy of the Company from time to time and endeavours to ensure that the requisite amount is spent on CSR activities as per the framework. A Report on CSR Activities undertaken by the Company for the Financial Year 2019-20 are set out in the prescribed format vide **Annexure I**.

### 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 II**. 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://www.sundaramalternates.com/Home>

## Personnel

Your Company had 30 employees on its rolls as of March 31, 2020. Your Board of Directors place on record their acknowledgement for the support, dedication and unswerving commitment displayed by the employees towards 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 **Annexure V** 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 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) has 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 2019-20.

## Significant and Material Orders

During the year under review, no significant and material orders were passed by the regulators, courts or tribunals against the Company, impacting its going concern status or its future operations.

## 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 2019-20. Foreign exchange outgo during the year was ₹2 cr.

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

The Company has not given any loans or made investments covered under the provisions of Section 186 of the Companies Act, 2013. The details of the guarantee given by the Company are given in the notes to the financial statements.

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

All transactions entered into by the Company with related parties were in the ordinary course of business and on an arm's length basis. Form AOC-2, as required under Section 134 (3) (h) of the Act, read with Rule 8 (2) of the Companies (Accounts) Rules 2014, is attached as part of this report vide **Annexure IV**.

## 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.

Place: Chennai

Date: May 18, 2020

For and on behalf of the Board of Directors

**Harsha Viji**

Chairman



## Annual Report on CSR Activities for the Financial Year 2019-20

1. **A Brief outline of Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs:**

CSR Policy of the Company is available in our website under the following link:

[https://www.sundaramalternates.com/Documents/SA\\_CSR\\_Policy.pdf](https://www.sundaramalternates.com/Documents/SA_CSR_Policy.pdf)

2. **The Composition of CSR Committee**

Mr. Arvind Sethi - Chairman

Mr. D. Lakshminarayanan - Member

Mr. R Vijayendiran - Member

3. **Average net profit of the company for the last three financial years:**

₹ 736.57 lakhs

4. **Prescribed CSR expenditure (two percent of the amount as in item 3 above):**

₹ 15 lakhs

5. **Details of CSR spent during the financial year**

(a) Total amount to be spent for the financial year: 15 lakhs

(b) Amount unspent, if any: Nil

(c) Manner in which the amount spent during the financial year: Details Enclosed

6. **In case the company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report:**

Not Applicable

7. **A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company:**

We hereby state that implementation and monitoring of CSR policy is in compliance with CSR objectives and policy of the Company.

**Arvind Sethi**  
Chairman - CSR Committee

**R Vijayendiran**  
Chief Executive Officer

**D. Lakshminarayanan**  
Member - CSR Committee

Place: Chennai  
Date: 20th April 2020

## Manner in which the amount spent during the financial year

(₹ in lakhs)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sl. no	CSR Project or activity identified	Sector in which the Project is covered	Projects or programs: (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or program wise	Amount spent on the projects or programs Sub-heads; (1) Direct expenditure on projects or programs (2) Overheads	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency
1	Promoting education by providing financial assistance to deserving and meritorious students and also Educational Institutions which work for this cause (1 Institution)	Educational	Tamil Nadu – Chennai	10.00	10.00	10.00	10.00
2	Promoting preventive and general health care (1 Institution)	Healthcare	Tamil Nadu – Chennai	5.00	5.00	15.00	5.00
	<b>Total</b>			<b>15.00</b>	<b>15.00</b>		<b>15.00</b>

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

**1. Board**

During the year under review, 6 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	00602484	6	29.04.2019, 21.06.2019, 19.08.2019, 14.11.2019, 17.02.2020, 22.03.2020
2	Arvind Sethi	00001565	5	
3	Lakshminarayanan Duraiswamy	07988186	5	
4	R Vijayendiran	07997232	6	
5	Karthik Balachandran Athreya	01797014	4	

**2. Audit Committee**

During the year under review, 5 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	5	29.04.2019, 21.06.2019, 19.08.2019, 14.11.2019, 22.03.2020
2	Lakshminarayanan Duraiswamy	4	
3	R Vijayendiran	5	

**3. Nomination and Remuneration Committee**

During the year under review, 2 meetings of the Nomination and Remuneration Committee were held. Attendance of the members at committee meeting is as follows:

S. No.	Name of the Member	No. of Meetings Attended	Meeting Dates
1	Arvind Sethi	2	29.04.2019, 22.03.2020
2	Harsha Viji	2	
3	Lakshminarayanan Duraiswamy	2	

**4. Corporate Social Responsibility Committee**

During the year under review, 1 meeting of the Committee was held on 19th August 2019. Attendance of the members at committee meeting is as follows:

S. No.	Name of the Member	No. of Meetings Attended
1	Arvind Sethi	1
2	Lakshminarayanan Duraiswamy	1
3	R Vijayendiran	1

For and on behalf of the Board of Directors

Place: Chennai  
Date: May 18, 2020

**Harsha Viji**  
Chairman

## Form No.MGT-9

## Extract of Annual Return as on 31st March 2020

[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	
<b>A.</b>	<b>Promoter</b>									
<b>1)</b>	<b>Indian</b>									
a)	Individual / HUF	-	-	-	-	-	-	-	-	-
b)	Central Govt	-	-	-	-	-	-	-	-	-
c)	State Govt(s)	-	-	-	-	-	-	-	-	-
d)	Bodies Corp - Sundaram Asset Management Company Limited *	3,89,99,994	6	3,90,00,000	100%	3,89,99,994	6	3,90,00,000	100%	Nil
e)	Banks / FI	-	-	-	-	-	-	-	-	-
f)	Any Other	-	-	-	-	-	-	-	-	-
	<b>Sub Total A(1)</b>	<b>3,89,99,994</b>	<b>6</b>	<b>3,90,00,000</b>	<b>100%</b>	<b>3,89,99,994</b>	<b>6</b>	<b>3,90,00,000</b>	<b>100%</b>	<b>Nil</b>
<b>2)</b>	<b>Foreign</b>									
a)	NRIs - Individuals	-	-	-	-	-	-	-	-	-
b)	Other Individuals	-	-	-	-	-	-	-	-	-
c)	Bodies Corp.	-	-	-	-	-	-	-	-	-
d)	Banks / FI	-	-	-	-	-	-	-	-	-
e)	Any Other	-	-	-	-	-	-	-	-	-
	<b>Sub Total A(2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Total Shareholding of promoter (A) = A(1) + (A)(2)</b>	<b>3,89,99,994</b>	<b>6</b>	<b>3,90,00,000</b>	<b>100%</b>	<b>3,89,99,994</b>	<b>6</b>	<b>3,90,00,000</b>	<b>100%</b>	<b>Nil</b>
<b>B.</b>	<b>Public Shareholding</b>									
<b>1)</b>	<b>Institutions</b>									
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)	-	-	-	-	-	-	-	-	-
	<b>Sub Total B(1)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>2)</b>	<b>Non-Institutions</b>									
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	-	-	-	-	-	-	-	-	-
	<b>Sub Total B(2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Total Public Shareholding (B) = B(1) + (B)(2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>C.</b>	<b>Shares held by custodian for GDRs &amp; ADRs</b>									
	<b>Grand Total (A) + (B) + (C)</b>	<b>3,89,99,994</b>	<b>6</b>	<b>3,90,00,000</b>	<b>100%</b>	<b>3,89,99,994</b>	<b>6</b>	<b>3,90,00,000</b>	<b>100%</b>	<b>Nil</b>

\* 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.*	3,90,00,000	100%	-	3,90,00,000	100%	-	-
<b>Total</b>	<b>3,90,00,000</b>	<b>100%</b>	<b>-</b>	<b>3,90,00,000</b>	<b>100%</b>	<b>-</b>	<b>-</b>

\* 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
<b>Sundaram Asset Management Company Ltd</b>				
At the beginning of the year	3,90,00,000	100%	3,90,00,000	100%
Date wise increase / decrease	-	-		
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	<b>Mr Harsha Viji</b>				
	At the beginning of the year				
	Date wise increase / decrease				
	At the End of the year				
2	<b>Mr Lakshminarayanan Duraiswamy</b>				
	At the beginning of the year				
	Date wise increase / decrease				
	At the End of the year				
3	<b>Mr R Vijayendiran, Chief Executive Officer</b>				
	At the beginning of the year				
	Date wise increase / decrease				
	At the End of the year				
4	<b>Mr Karthik Balachandran Athreya</b>				
	At the beginning of the year			Nil	
	Date wise increase / decrease				
	At the End of the year				
5	<b>Mr Arvind Sethi</b>				
	At the beginning of the year				
	Date wise increase / decrease				
	At the End of the year				
6	<b>Mrs Kalpana Ashok, Chief Financial Officer</b>				
	At the beginning of the year				
	Date wise increase / decrease				
	At the End of the year				
7	<b>Mr K Rajagopal, Secretary &amp; Compliance Officer</b>				
	At the beginning of the year				
	Date wise increase / decrease				
	At the End of the year				

## V. INDEBTEDNESS

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

₹ Lakhs

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount				
ii) Interest due but not paid				
III) Interest accrued but not due				
<b>Total (i)+(ii)+(iii)</b>	-	-	-	-
<b>Change in Indebtedness during the financial year</b>				
Addition	1,800.00	-	-	1,800.00
Reduction	530.16	-	-	530.16
<b>Net Change</b>	1,269.84	-	-	1,269.84
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	1,269.84	-	-	1,269.84
ii) Interest due but not paid	10.55	-	-	10.55
III) Interest accrued but not due				
<b>Total (i)+(ii)+(iii)</b>				

## VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(₹ in lakhs)

Sl. No	Particulars of Remuneration	Mr R Vijayendiran, CEO	Total Amount
1	Gross Salary		
	a) Salary as per provisions contained in Section 17(1) of the Income tax Act, 1961	42.80	42.80
	b) Value of Perquisites u/s 17(2) of the Income Tax Act, 1961	64.20	64.20
	c) Profits in Lieu of salary under Section 17(3) of the Income tax Act, 1961		
2	Stock Option		
3	Sweat Equity		
4	Commission		
	- as % of Profits	25.00	25.00
	- others, specify		
5	Others, Please specify		
	<b>Total (A)</b>	<b>132.00</b>	<b>132.00</b>
	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.

## B. Remuneration to Other Directors

Name of Directors	Particulars of Remuneration			Total Amount
	Fee for attending board / committee meetings	Commission	Others, Please Specify	
<b>Independent Directors:</b>	Not Applicable			
<b>Other Non-Executive Directors:</b>				
Mr Harsha Viji	1.30	-	-	1.30
Mr Lakshminarayanan Duraiswamy	1.20	-	-	1.20
Mr Karthik Balachandran Atherya	0.40	-	-	0.40
Mr Arvind Sethi	0.80	2.00	-	2.80
<b>Total (B)</b>	<b>3.70</b>	<b>2.00</b>	<b>-</b>	<b>5.70</b>
<b>Total Managerial Remuneration (A) + (B)</b>				<b>137.70</b>
<b>Overall Ceiling as per the Act (1% of Net Profits)</b>				<b>6.90</b>



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

(₹ in lakhs)

Sl. No	Particulars of Remuneration	Key Managerial Personnel		
		Mrs Kalpana Ashok, CFO *	Mr K Rajagopal, Company Secretary	Total
1	Gross Salary			
	a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	12.00	6.72	18.72
	b) Value of Perquisites u/s Section 17(2) of the Income Tax Act, 1961	22.99	12.27	35.26
	c) Profits in Lieu of salary under Section 17(3) of the Income tax Act, 1961			
2	Stock Option			
3	Sweat Equity			
4	Commission			
	- as % of Profits			
	- Others, Please Specify			
5	Others, Please specify			
	<b>Total (A)</b>	<b>34.99</b>	<b>18.99</b>	<b>53.98</b>

\* with effect from 7th October 2019

## 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 period ended 31st March 2020.

Annexure - IV

## 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 25 to the annual accounts.

For and on behalf of the Board of Directors

Place: Chennai

Date: May 18, 2020

Harsha Viji

Chairman

## INDEPENDENT AUDITOR'S REPORT

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

#### Opinion

We have audited the accompanying Standalone Financial Statements of Sundaram Alternate Assets Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

#### Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone 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 (ICAI) together with the independence requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

#### Information Other than the Standalone 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 Board's Report including Annexures to Board's Report, Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

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

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

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

#### Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management 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.

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

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

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

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

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

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

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

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

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

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

#### Report on Other Legal and Regulatory Requirements

1. 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.

2. 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 including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
  - d. In our opinion, the aforesaid standalone financial statements comply with the Ind AS 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 March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 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". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
  - g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended:
 

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act.
  - h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. the company does not have any legal proceedings against it.
    - ii. the Company did not have any material foreseeable losses on long term contracts and the company did not have any derivative contracts.
    - iii. there was no amount to be transferred to the Investor Education and Protection Fund by the Company.

**For BRAHMAYYA & Co.**

Chartered Accountants  
Firm Regn. No.000511S  
P.Babu  
Partner

Membership No.203358

UDIN: 20203358AAAJJ8169

Place: Chennai

Date: 18th May, 2020

**“Annexure A” to the Auditors’ Report referred to in 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 2020 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 has not defaulted in repayment of instalments in respect of a term loan availed from the bank. Apart from the above, the company has not availed any borrowings from Financial Institutions, Government or by way of 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

P.Babu  
Partner  
Membership No.203358  
UDIN: 20203358AAAJJ8169

Place: Chennai  
Date: 18th May, 2020

**“Annexure B” to the Auditors’ Report referred in 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 31st March 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

**Management’s Responsibility for Internal Financial Controls**

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

**Auditors’ Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Company’s internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls Over Financial Reporting**

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with 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 2020, 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

P.Babu  
Partner

Membership No.203358  
UDIN: 20203358AAAAJJ8169

Place: Chennai  
Date: 18th May, 2020



## Balance Sheet

As at 31st March, 2020

(Amount in ₹)

Particulars	Note No.	31.03.2020	31.03.2019
<b>ASSETS</b>			
<b>(1) Non-Current Assets</b>			
(a) Property, plant and equipment	2	19,19,162	9,48,664
(b) Right-of-use Assets	2	9,29,727	-
(c) Other Intangible Assets	2	9,83,709	20,75,678
(d) Financial Assets	3	8,49,094	3,34,822
(e) Deferred Tax Asset (Net)	4	13,24,748	9,90,329
(f) Other Non-Current Assets	5	25,14,14,447	23,02,69,663
<b>(2) Current Assets</b>			
(a) Financial Assets			
(i) Current Investments	6	7,53,18,312	70,45,895
(ii) Trade Receivables	7	7,15,51,440	6,20,15,249
(iii) Cash and Cash Equivalents	8	15,17,537	36,95,808
(iv) Short term Loans and Advances	9	21,27,244	1,99,252
(b) Other Current Asset	10	24,16,99,875	18,60,37,234
(c) Current Tax Assets	11	2,75,91,703	1,44,75,473
<b>Total Assets</b>		<b>67,72,26,998</b>	<b>50,80,88,067</b>
<b>EQUITY AND LIABILITIES</b>			
<b>(1) Equity</b>			
(a) Equity Share Capital	12	39,00,00,000	39,00,00,000
(b) Other Equity	13	10,27,49,088	5,22,52,250
<b>Total Equity</b>		<b>49,27,49,088</b>	<b>44,22,52,250</b>
<b>(2) Liabilities</b>			
<b>(a) Non-Current Liabilities</b>			
<b>(a) Financial Liabilities</b>			
(i) Borrowings	13.1	5,67,32,634	-
(b) Others		-	-
<b>(b) Current Liabilities</b>			
<b>(a) Financial Liabilities</b>			
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	14	83,16,033	96,54,926
(b) Other financial liabilities	15	7,12,08,115	2,77,25,962
(c) Provisions	16	3,01,15,863	1,44,02,788
(d) Other Current Liabilities	17	1,81,05,265	1,40,52,141
<b>Total Liabilities</b>		<b>18,44,77,910</b>	<b>6,58,35,817</b>
<b>Total Equity and Liabilities</b>		<b>67,72,26,998</b>	<b>50,80,88,067</b>

Significant Accounting Policies and other Notes forming part of accounts

1

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

**D. Lakshminarayanan**  
Director

**R Vijayendiran**  
Chief Executive Officer

**P Babu**  
Partner  
Membership No. 203358

**Kalpana Ashok**  
Chief Financial Officer

**K Rajagopal**  
Secretary & Compliance Officer

Chennai  
18th May 2020

## Profit and Loss Statement

for the year ended 31st March 2020

(Amount in ₹)

Particulars	Note No.	31.03.2020	31.03.2019
<b>Revenue from Operations</b>			
Sale of Services - Revenue from Operation	18	59,70,14,898	43,89,42,171
Other Income	19	36,05,532	22,14,564
<b>Total Revenue</b>		<b>60,06,20,430</b>	<b>44,11,56,735</b>
<b>Expenses</b>			
Employee benefits expense	20	8,56,42,920	6,04,70,991
Administrative and other expenses	21	5,44,14,882	4,93,28,636
Brokerage & Marketing Expenses	22	37,59,64,465	25,36,05,464
Depreciation and amortization expense	2	33,02,465	40,72,651
Finance Cost	23	1,33,33,201	-
<b>Total Expenses</b>		<b>53,26,57,933</b>	<b>36,74,77,742</b>
<b>Profit before Tax</b>		<b>6,79,62,497</b>	<b>7,36,78,993</b>
<b>Tax Expense</b>			
Current Tax		1,76,50,000	2,22,50,000
Deferred Tax		(3,34,419)	(9,99,082)
<b>Total - Tax Expenses</b>	4	<b>1,73,15,581</b>	<b>2,12,50,918</b>
<b>Profit after tax</b>		<b>5,06,46,916</b>	<b>5,24,28,075</b>
<b>Other Comprehensive Income</b>			
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		(2,00,553)	22,710
d. Income tax impact on the above		50,475	
<b>Total Other comprehensive Income</b>		<b>(1,50,078)</b>	<b>22,710</b>
<b>Total Comprehensive Income</b>		<b>5,04,96,838</b>	<b>5,24,50,785</b>
<b>Earnings per equity share</b>			
<b>Basic Earnings per Share</b>		<b>1.30</b>	<b>4.37</b>
<b>Diluted Earnings per Share</b>		<b>1.30</b>	<b>4.37</b>

Significant Accounting Policies and other Notes forming part of accounts

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Secretary & Compliance Officer

Chennai  
18th May 2020

## Cash Flow Statement

for the year ended 31st March 2020

(Amount in ₹)

	2019-20		2018-19	
<b>A) CASH FLOW FROM OPERATING ACTIVITIES:</b>				
Profit before Tax	6,79,62,497		7,36,78,993	
Adjustments for :				
Depreciation	33,02,465		40,72,651	
Remeasurement of defined Benefit Obligation-Gratuity	(2,00,553)		-	
(Profit) loss on sale of Investments	(24,13,777)		(20,37,195)	
Net (Gain) / Loss arising on Financial Assets Measured at Fair Value through P&L	10,09,071		(9,348)	
(Profit)/loss on sale of Assets	(6,484)			
Finance Cost	1,33,33,201			
		8,29,86,420		7,57,05,101
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>		<b>8,29,86,420</b>		<b>7,57,05,101</b>
(Increase) Decrease in Trade Receivable	(95,36,191)		(5,96,15,249)	
(Increase) Decrease in Financial Assets	(5,14,272)		(3,34,822)	
(Increase) Decrease in Short Term Loans and Advances	(19,27,992)		(1,99,252)	
(Increase) Decrease in Other Current Asset	(5,56,62,641)		(18,84,37,096)	
(Increase) Decrease in Other Non-Current Assets	(2,11,44,784)		(23,02,69,663)	
(Increase) Decrease in Other Current Tax Assets (Net)	-		-	
(Increase) Decrease in Deferred Tax Asset (Net)	-		-	
Increase (Decrease) in Provision	1,57,13,075		2,25,955	
Increase (Decrease) in Trade Payable	(13,38,893)		96,54,926	
Increase (Decrease) in Other Financial Liability	(2,77,25,962)		2,77,25,962	
Increase (Decrease) in Other Current Liabilities	40,53,124		2,81,85,654	
		(9,80,84,536)		(41,30,63,585)
<b>Cash generated from Operations</b>		<b>(1,50,98,116)</b>		<b>(33,73,58,484)</b>
Direct Taxes Paid	(3,07,15,754)	(3,07,15,754)	(3,67,25,473)	(3,67,25,473)
<b>NET CASH FROM OPERATING ACTIVITIES (A)</b>		<b>(4,58,13,870)</b>		<b>(37,40,83,957)</b>
<b>B) CASH FLOW FROM INVESTING ACTIVITIES</b>				
Purchase of current investments	(37,95,00,000)		(6,75,00,000)	
Purchase of Non-current investments	(2,63,74,067)			
Sale of current Investments	33,90,06,356		9,20,32,110	
Purchase of Fixed Assets	(27,33,206)		(70,96,993)	
Sale of Fixed Assets	26,732			
<b>NET CASH FROM INVESTING ACTIVITIES (B)</b>		<b>(6,95,74,185)</b>		<b>1,74,35,117</b>
<b>C) CASH FLOW FROM FINANCING ACTIVITIES</b>				
Through Scheme of Arrangement	-		35,97,87,483	
Principal Payment towards Lease liabilities	(4,41,153)			
Interest payment towards Lease liabilities	(1,20,177)			
Increase (Decrease) in Borrowings	12,69,84,138		-	
Finance Cost	(1,32,13,024)	11,32,09,784		35,97,87,483
<b>NET CASH FROM FINANCING ACTIVITIES (C)</b>		<b>11,32,09,784</b>		<b>35,97,87,483</b>
<b>D) Effect of Foreign Exchange rates on Cash and Cash Equivalents (D)</b>		-		-
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS (A)+(B)+(C) - (D)</b>		<b>(21,78,271)</b>		<b>31,38,643</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>		<b>36,95,808</b>		<b>5,57,165</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>		<b>15,17,537</b>		<b>36,95,808</b>
<b>E) COMPONENTS OF CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>				
<b>Current Account with Banks</b>		<b>15,17,537</b>		<b>36,95,808</b>
<b>Cash, Stamps and Stamp Papers on Hand</b>		<b>-</b>		<b>-</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>		<b>15,17,537</b>		<b>36,95,808</b>

As per our report of even date attached

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

**P Babu**  
Partner  
Membership No. 203358

Chennai  
18th May 2020

**D. Lakshminarayanan**  
Director

**R Vijayendiran**  
Chief Executive Officer

**Kalpna Ashok**  
Chief Financial Officer

**K Rajagopal**  
Secretary & Compliance Officer



## Notes to the Accounts

### 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 and is a wholly owned subsidiary of Sundaram Asset Management Company Limited (SAMC) that caters the Investment need of High Net-worth Individuals (HNIs), Sundaram Portfolio Managers (SPM) and Alternate Investment Funds (AIF) are the divisions under the SA umbrella.

#### 1.1 Overall considerations

The financial statements have been prepared applying the significant accounting policies and measurement bases 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.

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

##### Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

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

Any gain or loss on disposal of an item of property, plant and equipment is recognised in the Statement of Profit or Loss.

##### Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

##### Depreciation

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives using the written down value method and is recognised in the Statement of Profit and Loss. Freehold land is not depreciated.

##### 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

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

consequent advice, the management believes that its estimates of useful lives as given above best represent the period over which management expects to use these assets.

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

##### Intangible assets

##### Initial recognition and measurement

Intangible assets acquired separately are stated at cost less accumulated amortisation and any accumulated impairment losses.

##### Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in the Statement of Profit or Loss as incurred.

##### Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values over their estimated useful lives using the straight-line method and is included in depreciation and amortisation in Statement of Profit and Loss.

The estimated useful lives of items of intangible assets for the current and comparative periods are as follows:

Asset Block	Management estimate of useful life
Software	3 years

Amortisation method, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate.

#### 1.4 Impairment

At each reporting date, the Company reviews the carrying amounts of its assets (other than deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates the cash inflows from continuing use that are largely independent of the cash inflows of other assets or Cash Generating Units ('CGU').

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

Where it is not possible to estimate the recoverable amount of the individual asset, the Company estimates the recoverable amount of the CGU to which the asset belongs.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment loss in respect of assets is reversed only to the extent that the assets carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized in prior years. A reversal of impairment loss is recognized immediately in the Statement of Profit or Loss.

#### 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 are short-term highly liquid investments that are readily convertible into cash with original maturities of three months or less. Cash and cash equivalents consist primarily of cash and deposits with banks.

**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:

Portfolio Management, Alternate investment fund and Advisory Services:

The Company provides portfolio management services, Alternate investment fund and advisory services to its clients wherein a separate agreement is entered into with each client. The Company earns management fees which is generally charged as a percent of the Assets Under Management (AUM) and is recognised on accrual basis.

The Company, in certain instances also has a right to charge performance fee to the clients if the portfolio achieves a particular level of performance as mentioned in the agreement with the client.

Other income:

Income from interest on deposits and interest-bearing securities is recognized on a time proportion basis taking into account the amount outstanding and the effective interest rates.

Dividends are recognized in the Statement of Profit or Loss only when the right to receive the payment is established.

**Employee benefits****Short-term employee benefits**

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

**Defined contribution plans**

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Company makes specified monthly contributions towards Government administered provident fund scheme. Obligations for contributions to defined contribution plans are recognized as an employee benefit expense in the Statement of Profit or Loss in the periods during which the related services are rendered by employees. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

**Defined benefit plans**

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan.

For defined benefit plans in the form of gratuity fund, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. The contributions made to the fund are recognized as plan assets. The defined benefit obligation as reduced by fair value of plan assets is recognized on the Balance Sheet.

When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan ('the asset ceiling'). In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in OCI.

The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in the Statement of Profit or Loss.

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

#### Other long-term employee benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders related service are recognized as a liability at the present value of the obligation as at the Balance Sheet date less fair value of the plan assets out of which the obligations are expected to be settled. The cost of providing benefits is measured on the basis of an annual independent actuarial valuation using the projected unit credit method. Remeasurements gains or losses are recognised in the Statement of Profit or Loss in the period in which they arise.

#### 1.8 Income Taxes

Income tax comprises current and deferred tax. It is recognised in the Statement of Profit or Loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

##### Current tax

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

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

##### Deferred tax

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

Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

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

Current and deferred taxes are recognized in the Statement of Profit or Loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred taxes are also recognized in other comprehensive income or directly in equity respectively.

#### 1.9 Provisions, Contingent liabilities and Contingent assets

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable

that an outflow of economic benefits will be required to settle the obligation. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessment of the time value of money and risks specific to the liability. When discounted, the increase in provision due to the passage of time is recognized as finance cost.

Contingent liabilities are possible obligations that arise from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events not wholly within the control of the entity. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Contingent assets are disclosed where an inflow of economic benefit is probable.

#### 1.10 Segment reporting

The Company has identified Portfolio Management Services and Investment Manager to the schemes of Alternate Investments Funds as one segment.

#### Earnings per share

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

#### 1.11 Cash flow statement

Cash flows are reported using the indirect method, whereby net profit / (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts and payments. The cash flows from operating, investing and financing activities of the Company are segregated.

#### 1.12 Leases

During the year ended 31 March 2020, the Company has applied Ind AS 116 Leases using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under Ind AS 17 Leases. The details of accounting policies under Ind AS 17 are disclosed separately.

#### Policy applicable from April 1, 2019

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company uses the definition of a lease in Ind AS 116. This policy is applied to contracts entered into, on or after April 1, 2019.

##### As a lessee

At commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. The Company uses its incremental borrowing rate as the discount rate.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in the Statement of Profit or Loss if the carrying amount of the right-of-use asset has been reduced to zero.

#### Lease modifications

A lease modification is accounted as a separate lease if the modification increases the scope of the lease by adding the right-of-use one or more underlying assets and the consideration for the lease increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For a lease modification that is not a separate lease, at the effective date of the modification, the lease liability is remeasured by discounting the revised lease payments using a revised discount rate at that date. For lease modifications that decrease the scope of the lease, the carrying amount of the right-of-use asset is decreased to reflect the partial or full termination of the lease, and a gain or loss is recognised that reflects the proportionate decrease in scope. For all other lease modifications, a corresponding adjustment is made to the right-of-use asset.

#### 1.13 Distribution Cost

##### Portfolio Management Services

Distribution cost for Portfolio Management Services are charged to Statement of Profit and Loss on accrual basis. Distribution cost paid in advance is amortised over the contractual period. In respect of Portfolio Management Services, the Company has paid/accrued commission to the distributors and has the right of recovery of such commission under pre-defined circumstances (which includes

investor exit up-to the "commitment period" as per the respective agreement entered with investor). On this account, an asset (prepaid expenses) is recognised at the time of actual payment or becoming due for payment and charged evenly to the Statement of Profit and Loss over the commitment period of the respective investor.

#### Alternate Investment Fund Services

Distribution cost for Alternate Investment Fund Management Services are charged to Statement of Profit and Loss on accrual basis. In respect of Alternate Investment Fund Services, the Company has paid/accrued commission to the distributors and has the right of recovery of such commission under pre-defined circumstance. On this account, an asset (prepaid expenses) is recognised at the time of actual payment or becoming due for payment and charged evenly to the Statement of Profit and Loss over the period of the scheme.

#### 1.14 Foreign currency transactions

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

#### 1.15 Borrowing cost

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of fund. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period to get ready for their intended use are capitalized as part of the cost of that asset. Other borrowing costs are recognized as an expense in the period in which they are incurred.

## Notes to the Accounts

forming part of the Balance Sheet as at 31st March, 2020

(Amount in ₹)

### Note 2: Property, plant and equipment

Description	GROSS BLOCK AT COST				DEPRECIATION				NET BLOCK	
	As at 01.04.2019	Additions	Deductions	As at 31.03.2020	As at 01.04.2019	Additions	Deductions	As at 31.03.2020	As at 31.03.2020	As at 31.03.2019
<b>Tangible Assets</b>										
Office Equipment	51,655	25,423	-	77,078	18,187	26,344	-	44,531	32,547	33,468
Electrical Equipment	4,10,176	-	-	4,10,176	1,97,440	55,077	-	2,52,517	1,57,659	2,12,736
Computers	9,78,009	3,39,052	40,254	12,76,807	6,27,061	3,11,715	20,006	9,18,770	3,58,037	3,50,948
Vehicle	55,385	14,43,028	-	14,98,413	46,483	81,010	-	1,27,493	13,70,920	8,902
Improvement to Rented Premises	11,89,233	-	-	11,89,233	8,46,622	3,42,611	-	11,89,233	-	3,42,611
Right-of-Use Assets	-	14,78,466	-	14,78,466	-	5,48,739	-	5,48,739	9,29,727	-
<b>Total Tangible Assets</b>	<b>26,84,458</b>	<b>32,85,969</b>	<b>40,254</b>	<b>59,30,173</b>	<b>17,35,793</b>	<b>13,65,496</b>	<b>20,006</b>	<b>30,81,283</b>	<b>28,48,890</b>	<b>9,48,665</b>
<b>Intangible Assets</b>										
Computer Software	1,01,31,975	8,45,000	-	1,09,76,975	80,56,297	19,36,969	-	99,93,266	9,83,709	20,75,678
<b>Total Intangible Assets</b>	<b>1,01,31,975</b>	<b>8,45,000</b>	<b>-</b>	<b>1,09,76,975</b>	<b>80,56,297</b>	<b>19,36,969</b>	<b>-</b>	<b>99,93,266</b>	<b>9,83,709</b>	<b>20,75,678</b>
<b>Grand Total</b>	<b>1,28,16,433</b>	<b>41,30,969</b>	<b>40,254</b>	<b>1,69,07,148</b>	<b>97,92,090</b>	<b>33,02,465</b>	<b>20,006</b>	<b>1,30,74,549</b>	<b>38,32,599</b>	<b>30,24,343</b>

## Notes to the Accounts

forming part of the Balance Sheet as at 31st March, 2020

(Amount in ₹)

## Note No. 3

## Financial Assets

Particulars	31.03.2020	31.03.2019
Rental Deposit	3,75,105	3,34,822
Staff Loan	4,22,233	-
Deposit with Insurance Companies	51,756	-
<b>Total</b>	<b>8,49,094</b>	<b>3,34,822</b>

## Note No. 4

## Income Taxes

a. Amount recognized in Statement of Profit and Loss

Particulars	31.03.2020	31.03.2019
<b>Current Tax</b>		
Current Period	1,76,50,000	2,22,50,000
<b>Deferred Tax:</b> Attributable to origination and reversal of temporary difference	(3,34,418)	(9,99,082)
<b>Income Tax expense recognised in the Statement of Profit and Loss</b>	<b>1,73,15,582</b>	<b>2,12,50,918</b>
Deferred Tax Asset	13,24,748	9,90,329

b. Reconciliation of Tax expenses

Particulars	31.03.2020	31.03.2019
Profit before tax	6,79,62,497	7,36,78,993
Tax Rate	25.17%	28.84%
Tax using the Company's domestic tax rate	1,71,04,801	2,12,49,022
Tax Effect		
Tax Impact Depreciation	2,89,444	(28,445)
Tax impact on Preliminary Expenses	(2,34,680)	10,37,636
Tax impact on Fair value changes	2,70,902	1,246
Others	2,19,533	(9,459)
Deferred Tax	(3,34,418)	(9,99,082)
<b>Tax expenses as per Statement of Profit and Loss</b>	<b>1,73,15,582</b>	<b>2,12,50,918</b>
<b>Effective tax rate</b>	<b>25.48%</b>	<b>28.84%</b>

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

As at 31st Mar 2020.

Particulars	Balance Sheet 01.04.2019	Profit and Loss 2019-20	OCI 2019-20	Balance Sheet 31.03.2020
Preliminary expenses not Written-off	10,37,636	(2,34,680)	-	8,02,956
Difference between written down of fixed assets as per the books of account and Income Tax Act, 1961	(28,445)	2,89,444	-	2,60,999
Tax impact on Fair value changes in respect of Security deposit, leases and Investments	(10,108)	2,70,902	-	2,60,794
Remeasurement of defined benefit obligation	(8,753)	-	8,753	-
Deferred tax (Expense) / benefit				
<b>Net Deferred tax (asset)</b>	<b>9,90,330</b>	<b>3,25,666</b>	<b>8,753</b>	<b>13,24,749</b>



## Notes to the Accounts

forming part of the Balance Sheet as at 31st March, 2020

(Amount in ₹)

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

Particulars	31.03.2020	31.03.2019
<b>Prepaid Expenses:</b>		
Brokerage - Portfolio Management Services	3,72,38,402	2,12,00,747
Brokerage - Alternate Investment Funds	21,41,76,045	20,90,28,565
Others	-	40,351
<b>Total</b>	<b>25,14,14,447</b>	<b>23,02,69,663</b>

**Note No. 6****Current Investments**

Particulars	31.03.2020	31.03.2019
<b>Investment in Mutual Fund : Quoted</b>		
Sundaram Money Fund - Direct Plan - Growth	16,11,522	70,45,895
Sundaram Ultra Short Term Fund - Direct Plan - Growth	4,85,62,432	-
<b>Investment in AIF Fund : Un-Quoted</b>		
Sundaram High Yield Secured Debt Fund Series 1	88,74,067	-
Sundaram High Yield Secured Debt Fund Series 2	50,00,035	-
Sundaram India Premier Fund	92,98,941	-
Sundaram ACORN Fund	19,71,315	-
<b>Total</b>	<b>7,53,18,312</b>	<b>70,45,895</b>

**Note no. 7****Trade Receivables**

Particulars	31.03.2020	31.03.2019
Trade receivable considered good - Unsecured	7,15,51,440	6,20,15,249
<b>Total</b>	<b>7,15,51,440</b>	<b>6,20,15,249</b>

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

Particulars	31.03.2020	31.03.2019
Cash in Hand	9,865	3,913
Balance with Scheduled Banks	15,07,672	36,91,895
<b>Total</b>	<b>15,17,537</b>	<b>36,95,808</b>

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

Particulars	31.03.2020	31.03.2019
Staff Loans	7,97,306	1,99,252
Receivable from Holding Company	13,29,938	-
<b>Total</b>	<b>21,27,244</b>	<b>1,99,252</b>

**Note No. 10****Current Asset**

Particulars	31.03.2020	31.03.2019
<b>Prepaid Expenses:</b>		
Brokerage - Portfolio Management Services	7,57,85,905	3,92,67,807
Brokerage - Alternate Investment Funds	16,11,92,025	12,57,21,139
Others	13,66,079	9,47,556
GST Input Tax Credit	33,31,539	2,00,86,590
Other Advances	24,327	14,142
<b>Total</b>	<b>24,16,99,875</b>	<b>18,60,37,234</b>

## Notes to the Accounts

forming part of the Balance Sheet as at 31st March, 2020

(Amount in ₹)

## Note No. 11

## Current Tax Assets

Particulars	31.03.2020	31.03.2019
Advance Income Tax and Tax Deducted at Source (Net of provisions)	2,75,91,703	1,44,75,473
<b>Total</b>	<b>2,75,91,703</b>	<b>1,44,75,473</b>

## 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	31.03.2020		31.03.2019
	No of Shares	Amount	
Authorised share capital	6,00,00,000	60,00,00,000	60,00,00,000
Equity Shares of ₹ 10/- each fully paid up			
At the beginning of the period	3,90,00,000	39,00,00,000	3,00,00,000
Allotment of Shares through Scheme of Arrangement	-	-	36,00,00,000
<b>At the end of the reporting year</b>	<b>3,90,00,000</b>	<b>39,00,00,000</b>	<b>39,00,00,000</b>

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

Name of the Share Holder	31.03.2020		31.03.2019
	Nos	%	
Sundaram Asset Management Company Limited (Holding Company)	3,90,00,000	100.00%	3,90,00,000

## Note No. 13

## Other Equity

b) Other Equity

Reserves & Surplus	Capital Reserve	Retained Earnings	Total
<b>Balance as at 01.04.2018</b>	-	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)
<b>Reduction during the year</b>			-
Dividend	-	-	-
Dividend Tax	-	-	-
Transfer to Capital Reserve	-	-	-
<b>Balance as at 31.03.2019</b>	<b>(2,12,518)</b>	<b>5,24,64,768</b>	<b>5,22,52,250</b>
Additions during the year :			
Profit for the year	-	5,06,46,916	5,06,46,916
Other Comprehensive Income	-	(1,50,078)	(1,50,078)
<b>Reduction during the year</b>			-
Dividend	-	-	-
Dividend Tax	-	-	-
<b>Balance as at 31.03.2020</b>	<b>(2,12,518)</b>	<b>10,29,61,606</b>	<b>10,27,49,088</b>

## Notes to the Accounts

forming part of the Balance Sheet as at 31st March, 2020

(Amount in ₹)

## Note No. 13.1

## Borrowings

Particulars	31.03.2020	31.03.2019
HDFC Bank - Term Loan (Secured) [Repayable in 36 instalments commencing from 01-May-2019, Rate of Interest 9.50% - Period and amount of default - NIL, Guarantee given by the Holding Company- Sundaram Asset Management Company Limited)	5,67,32,634	-
<b>Total</b>	<b>5,67,32,634</b>	<b>-</b>

## Note No. 14

## Trade Payable

Particulars	31.03.2020	31.03.2019
a) Dues of micro enterprises and small enterprises; (Refer No : 15.1)	-	-
b) Dues to Others	83,16,033	96,54,926
<b>Total</b>	<b>83,16,033</b>	<b>96,54,926</b>

## Note 14.1

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

Particulars	31.03.2020	31.03.2019
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. 15

## Other financial liabilities

Particulars	31.03.2020	31.03.2019
Current maturities of long term loans*	7,02,51,504	-
Lease Liability	9,56,611	-
Payable to Holding Company	-	2,77,25,962
<b>Total</b>	<b>7,12,08,115</b>	<b>2,77,25,962</b>

\* Please refer Note No 13.1 for security details.



## Notes to the Accounts

forming part of the Balance Sheet as at 31st March, 2020

(Amount in ₹)

## Note No. 16

## Provisions

Particulars	31.03.2020	31.03.2019
Provision for employee Benefits	30,40,576	2,25,955
Provision for Expenses	2,70,75,287	1,41,76,833
<b>Total</b>	<b>3,01,15,863</b>	<b>1,44,02,788</b>

## Note No. 17

## Other Current Liabilities

Particulars	31.03.2020	31.03.2019
Statutory Dues Payable	1,78,37,249	1,37,99,294
Other Payables	2,68,016	2,52,847
<b>Total</b>	<b>1,81,05,265</b>	<b>1,40,52,141</b>

## Notes to the Accounts

forming part of Profit and Loss Statement for the year ended 31st March 2020

(Amount in ₹)

## Note No. 18

## Revenue from Operation

Particulars	31.03.2020	31.03.2019
<b>Services Rendered</b>		
Investment Management Fees - Alternative Investment Fund (Cat III)	21,90,71,932	13,67,17,181
Investment Management Fees - Alternative Investment Fund (Cat II)	8,02,47,744	4,24,16,657
Portfolio Management Services Fees	28,13,20,788	24,83,62,880
Advisory Fees	1,63,74,434	1,14,45,453
<b>Total</b>	<b>59,70,14,898</b>	<b>43,89,42,171</b>

## Note No. 19

## Other Income

Particulars	31.03.2020	31.03.2019
Interest Receipts	16,84,227	1,36,558
Profit on Sale of Investment	24,13,777	20,37,195
Profit on Sale of Assets	6,484	-
Profit on redemption of Mutual Units	1,23,043	-
Net Gain / ( Loss) arising on Financial Assets Measured at Fair Value through P&L	(10,09,071)	40,811
Miscellaneous Income	3,87,071	-
<b>Total</b>	<b>36,05,532</b>	<b>22,14,564</b>

## Note No. 20

## Employee Benefits Expense

Particulars	31.03.2020	31.03.2019
Salaries, allowances and bonus	7,80,18,330	5,53,18,475
Company's contribution to Provident Fund, NPS, ESI Scheme	39,24,494	25,83,338
Gratuity and Leave Encashment	30,93,210	18,12,109
Staff Welfare Expenses	6,06,886	7,57,069
<b>Total</b>	<b>8,56,42,920</b>	<b>6,04,70,991</b>

## Notes to the Accounts

forming part of Profit and Loss Statement for the year ended 31st March 2020

(Amount in ₹)

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

Particulars	31.03.2020	31.03.2019
Rent	11,99,762	17,42,430
Professional & Consultancy Charges	46,39,306	44,32,710
Outsourcing Charges	1,92,00,000	1,92,00,000
Electricity Charges	1,70,831	1,93,927
Directors Sitting Fees and Commission	5,70,000	1,80,000
Subscription Charges	42,72,083	36,99,142
Insurance	8,93,477	3,83,364
General Charges	6,77,203	5,18,675
Audit Fees		
- Statutory Audit	3,50,000	3,50,000
- Tax Audit	1,00,000	1,00,000
Travelling Expenses	43,38,195	53,61,782
Printing and Stationery	34,85,671	17,06,720
Rates & Taxes	24,42,350	14,00,128
Software Maintenance	13,01,203	12,97,476
Communication Expenses	3,27,222	1,92,973
Exchange Fluctuation Loss	2,44,715	2,82,025
Business Development Expenses	35,89,893	9,75,308
SEBI Filing Fees	1,00,000	13,00,000
Corporate Social Responsibility	15,00,000	-
Preliminary Expenses	-	46,62,275
Miscellaneous Charges	50,12,971	13,49,701
<b>Total</b>	<b>5,44,14,882</b>	<b>4,93,28,636</b>

**Note No. 22****Brokerage & Marketing Expenses**

Particulars	31.03.2020	31.03.2019
Portfolio Management Services	18,12,03,069	15,49,62,386
Alternate Investment Funds	18,71,43,331	9,86,43,078
Business Promotion expenses	35,08,239	-
Operating Expenses of schemes of AIF	41,09,826	-
<b>Total</b>	<b>37,59,64,465</b>	<b>25,36,05,464</b>

**Note No. 23****Finance Cost**

Particulars	31.03.2020	31.03.2019
Interest on Loan	1,32,13,024	-
Interest on Lease Liability	1,20,177	-
<b>Total</b>	<b>1,33,33,201</b>	<b>-</b>

## Notes to the Accounts

(Amount in ₹)

## Note No. 24

## Capital Management

The Company manages its capital to ensure that it will be able to continue as going concerns while maximizing the return to stakeholders through the optimisation of the debt and equity balance. The Company's policy is to maintain a strong capital base so as to maintain investors, creditors and market confidence to sustain future development of the business.

The capital structure of the Company consists of debt and total equity of the Company as tabled below:

Particulars	As at 31.03.2020	As at 31.03.2019
<b>Total equity attributable to the equity shareholders of the company</b>	<b>39,00,00,000</b>	<b>39,00,00,000</b>
Current borrowings	7,02,51,504	-
Non Current borrowings	5,67,32,634	-
<b>Total debt held by the company</b>	<b>12,69,84,138</b>	<b>-</b>
<b>Total capital (Equity and Debt)</b>	<b>51,69,84,138</b>	<b>39,00,00,000</b>
<b>Equity as a percentage of capital</b>	<b>75%</b>	<b>100%</b>
<b>Debt as a percentage of capital</b>	<b>25%</b>	<b>0%</b>

The company is predominantly equity financed which is evident from the capital structure table above.

## Note No. 25

Related Party Disclosure for the year ended 31.03.2020 as required by IND AS -24

a) Related Parties	
Name of the Related Party	Relationship
a) Sundaram Finance Limited	Ultimate Holding Company
b) Sundaram Asset Management Company Limited	Holding Company
c) Sundaram Finance Holdings Limited	Fellow Subsidiary
d) Sundaram Alternate Investment Trust Cat III	Associate
e) Sundaram Alternate Investment Trust Cat II	Associate
f) Royal Sundaram General Insurance Co Ltd	Associate
g) Sundaram Asset Management Singapore Pte.Ltd	Fellow Subsidiary
h) Sundaram Fund Services Limited	Fellow Subsidiary
i) Sundaram Mutual fund	Associate
j) HD Ventures LLP	Entity in which director is interested
k) Mr.R Vijayendiran	Key Managerial Personnel

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 Finance Holdings Limited	Fellow Subsidiary
d) Sundaram Alternate Investment Trust Cat III	Associate
e) Sundaram Alternate Investment Trust Cat II	Associate
f) Royal Sundaram General Insurance Co Ltd	Associate
g) Sundaram Asset Management Singapore Pte.Ltd	Fellow Subsidiary
h) Sundaram Fund Services Limited	Fellow Subsidiary
i) Sundaram Mutual fund	Associate
j) HD Ventures LLP	Entity in which director is interested
k) Mr.R Vijayendiran	Key Managerial Personnel

## Notes to the Accounts

(Amount in ₹)

## c) Transactions with related party

Name	Relationship	Nature of Transaction	2019-20	2018-19
Sundaram Asset Management Company Ltd	Holding Company	Shared Services	1,92,00,000	1,92,00,000
Sundaram Asset Management Company Ltd	Holding Company	Rent	12,00,000	12,00,000
Sundaram Alternative Investment Fund - Cat III	Associate	Income	21,90,71,932	13,67,17,181
Sundaram Alternative Investment Fund - Cat III	Associate	Expense	24,00,000	24,00,000
Sundaram Alternative Investment Fund - Cat II	Associate	Income	8,18,89,638	4,24,16,657
Sundaram Alternative Investment Fund - Cat III	Associate	Investments	1,25,00,000	-
Sundaram Alternative Investment Fund - Cat II	Associate	Investments	1,38,74,057	-
Sundaram Mutual Fund	Associate	Investments	4,99,12,505	-
Sundaram Asset Management Company Ltd	Holding Company	Share Capital	36,00,00,000	36,00,00,000
Sundaram Finance Limited	Ultimate Holding Company	PMS Brokerage	1,30,83,016	87,65,977
Sundaram Finance Limited	Ultimate Holding Company	AIF Brokerage	1,00,31,100	66,00,000
Sundaram Finance Limited	Ultimate Holding Company	Internal Audit fees	5,00,000	-
Sundaram Finance Holdings Limited	Fellow Subsidiary	Payroll Processing	2,88,000	-
Sundaram Fund Services Limited	Fellow Subsidiary	Fund Accounting	15,48,276	-
Royal Sundaram General Insurance Co Ltd	Fellow Subsidiary	Insurance	62,337	-
HD Ventures LLP	Entity in which director is interested	Professional & Consultancy	1,32,74,266	-
Outstanding Receivable as on 31st Mar 2020 -				
Sundaram Alternative Investment Fund - Cat III	Associate		2,36,91,140	1,55,77,647
Outstanding Receivable as on 31st Mar 2020 -				
Sundaram Alternative Investment Fund - Cat II	Associate		1,60,35,450	1,54,22,479
Outstanding Receivable as on 31st Mar 2020 -				
Sundaram Asset Management Company Limited	Holding Company		33,20,001	75,39,384
Outstanding Payable as on 31st Mar 2020 -				
Sundaram Asset Management Company Limited	Holding Company		19,90,063	3,52,65,346
Outstanding Payable as on 31st Mar 2020 -				
Sundaram Finance Limited	Ultimate Holding Company		5,82,609	-
Outstanding Payable as on 31st Mar 2020 -				
Sundaram Finance Holdings Limited	Fellow Subsidiary		25,920	-
Outstanding Receivable as on 31st Mar 2020 -				
Sundaram Asset Management Singapore Pte.Ltd	Fellow Subsidiary		2,64,750	2,56,150
Outstanding Payable as on 31st Mar 2020 -				
HD Ventures LLP	Entity in which director is interested		12,21,585	-
Mr.R Vijayendiran - Chief Executive Officer	Key Manegerial Personnel	Remuneration	1,32,00,000	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: 26**

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		2019-20	2018-19
Profit after Tax	₹	5,06,46,916	5,24,50,785
Total Equity Shares outstanding at the beginning of the year	Nos.	3,90,00,000	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	3,90,00,000
Earnings Per Share	₹	1.30	4.37
Face Value Per Share	₹	10	10

## Notes to the Accounts

(Amount in ₹)

## Note No: 27

Particulars	2019-20	2018-19
Contingent Liability provided for	-	-

## Note No: 28

## 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.

Particulars	2019-20	2018-19
Contribution to Superannuation Fund	₹ -	-
Contribution to Pension Fund	₹ 4,80,947	1,04,711
Contribution to Employees State Insurance - ESI	₹ -	-
Contribution to Provident Fund	₹ 26,03,341	5,66,795

## Defined Benefit Plans:

1) Amount Recognised in Balance Sheet:	Year ended	Year ended
	31.03.2020	31.03.2019

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

Present Value of the funded defined benefit obligation	1,08,93,889	86,88,354
Fair Value of plan assets	1,00,18,086	89,76,082
Net funded obligation	8,75,803	-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	8,75,803	-2,87,728
Net defined benefit liability/ (asset) bifurcated as follows:		
Current	-	-
Non-Current	8,75,803	-2,87,728

2) Profit & Loss Account Expense:	Year ended	Year ended
	31.03.2020	31.03.2019

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	10,24,504	2,55,243
Past service cost	-	-
Administration expenses	-	-
Interest on net defined benefit liability / (asset)	-21,579	1,53,077
(Gains) / Losses on settlement	-	-
<b>Total expense charged to profit and loss account</b>	<b>10,02,925</b>	<b>4,08,320</b>

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 recognised in OCI outside profit and loss account	-31,463	-
Remeasurements during the period due to		
Changes in financial assumptions	4,00,313	30,163
Changes on demogaphic assumptions	-	-599
Experience adjustments	1,40,235	-65,563
Actual return on plan assets less interest on plan assets	-3,39,995	4,536
Adjustment to recognize the effect on asset ceiling	-	-
<b>Closing amount recognised in OCI outside profit and loss account</b>	<b>1,69,090</b>	<b>-31,463</b>

## Notes to the Accounts

(Amount in ₹)

3) Reconciliation of Net Liability / Asset:	Year ended 31.03.2020	Year ended 31.03.2019
The movement of net liability / asset from the beginning to the end of the accounting period as recognised in the balance sheet of the company is shown below:		
Opening net defined benefit liability / (asset)	-2,87,728	-
Expenses charged to profit & loss account	10,02,925	4,08,320
Amount recognised outside profit & loss account	2,00,553	-31,463
Employer contributions	-39,947	-6,64,585
Impact of liability assumed or (settled)*	-	-
<b>Closing net defined benefit liability / (asset)</b>	<b>8,75,803</b>	<b>-2,87,728</b>
Movement in Benefit Obligations:		
A reconciliation of the benefit obligation during the inter-valuation period is given below:		
Opening of defined benefit obligation	86,88,354	-
Current service cost	10,24,504	2,55,243
Past service cost	-	-
Interest on defined benefit obligation	6,40,483	1,53,077
Remeasurements due to:		
Actuarial loss / (gain) arising from change in financial assumptions	4,00,313	30,163
Actuarial loss / (gain) arising from change in demographic assumptions	-	-599
Actuarial loss / (gain) arising on account of experience changes	1,40,235	-65,563
Benefits paid	-	-
Liabilities assumed/ (settled)	-	83,16,033
Liabilities extinguished on settlements	-	-
<b>Closing of defined benefit obligation</b>	<b>1,08,93,889</b>	<b>86,88,354</b>
4) Movement in Plan Assets:	Year ended 31.03.2020	Year ended 31.03.2019
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:		
Opening fair value of plan assets	89,76,082	-
Employer contributions	39,947	6,64,585
Interest on plan assets	6,62,062	-
Administration expenses	-	-
Remeasurements due to:		
Actual return on plan assets less interest on plan assets	3,39,995	-4,536
Benefits paid	-	-
Assets acquired / (settled)*	-	83,16,033
Assets distributed on settlements	-	-
<b>Closing fair value of plan assets</b>	<b>1,00,18,086</b>	<b>89,76,082</b>
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	-	-

## Notes to the Accounts

(Amount in ₹)

5) Disaggregation of Plan Assets:	Year ended	Year ended
	31.03.2020	31.03.2019
	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	1,00,18,086	1,00,18,086
Others	-	-
<b>Grand Total</b>	<b>1,00,18,086</b>	<b>1,00,18,086</b>

6) Key Actuarial Assumptions:	Year ended	Year ended
	31.03.2020	31.03.2019
The Key actuarial assumptions adopted for the purpose of this valuation are given below:		
a) Discount rate (p.a.)	6.95%	7.55%
b) Salary escalation rate (p.a.)	7.00%	7.00%
c) Retirement Age: The employees of the company are assumed to retire at the age of 58 years.		
d) Mortality:	<b>Age (years)</b>	<b>Rates (p.a.)</b>
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
	58	0.009651
e) Leaving Service:	<b>Age (years)</b>	<b>Rates (p.a.)</b>
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 31.03.2020	
	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	1,05,28,685	1,12,84,384
Impact of increase in 50bps on DBO	-3.35%	3.58%
Defined benefit obligation on decrease in 50bps	1,12,86,467	1,05,27,197
Impact of decrease in 50bps on DBO	3.60%	-3.37%

## Notes to the Accounts

(Amount in ₹)

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: 29****Fair Value Measurement**

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

Particulars	Total Carrying (Cost)	As at 31.03.2020		
		FVTPL	FVOCI	Amortized Cost
<b>Financial Assets</b>				
Mutual Fund Investments	7,62,86,572	7,53,18,302	-	-
Trade Receivable	7,15,51,440	-	-	7,15,51,440
Cash and Cash Equivalents	15,17,537	-	-	15,17,537
Rental Deposit	3,75,105	-	-	3,75,105
Short term Loans and Advances	21,27,244	-	-	21,27,244
<b>Financial Liabilities</b>				
Trade Payables	83,16,033	-	-	83,16,033

**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, 2020			
<b>Financial Assets at FVTPL :</b>			
Mutual Fund Investments	7,53,18,302	-	-
<b>Financial Assets at Amortised Cost :</b>			
Rental Deposit	-	3,75,105	-
Cash & cash equivalents	-	15,17,537	-
Trade receivables	-	7,15,51,440	-
Short term loans & advances	-	21,27,244	-
<b>Financial Liability at Amortised Cost :</b>			
Borrowings	-	12,69,84,138	-
As at Mar 31, 2019			
<b>Financial Assets at FVTPL :</b>			
Equity Shares	-	-	-
Mutual Fund Investments	70,45,895	-	-



## Notes to the Accounts

(Amount in ₹)

**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 31.03.2020 the carrying value of such instruments recognised at FVTPL amounts to ₹ 7,53,18,302/-.

If the mutual fund prices had been higher/lower by 5% from the market prices existing as at 31.03.2020, Statement of Profit and Loss for the year ended 31.03.2020 would increase/decrease by ₹ 37,65,916/-.

**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.

Particulars	Year ended 31.03.2020	Year ended 31.03.2019
<b>Payable within one year</b>		
Trade Payable	83,16,033	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 31/03/2020 is the carrying value of each class of financial assets as of that date.

**Note No. 30****Revenue****Disaggregation of Revenue**

Particulars	Year ended 31.03.2020	Year ended 31.03.2019
Services Rendered		
Investment Management Fees - Alternative Investment Fund	29,93,19,676	17,91,33,838
Portfolio Management Services Fees	28,13,20,788	24,83,62,880
Advisory Fees	1,63,74,434	1,14,45,453
<b>Total</b>	<b>59,70,14,898</b>	<b>43,89,42,171</b>

**Note No. 31****Leases (Ind AS 116)**

- (i) The company being lessee of operating leases entered for the purpose of using office spaces has adopted Ind AS 116 w.e.f 01.04.2019 using Modified Retrospective approach by measuring a right to use asset at the date of transition to Ind AS 116 an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the Balance Sheet immediately before the date of transition to Ind AS.
- (ii) Company(lessee) elects not to apply the requirements of Ind AS 116 to either short-term leases or leases for which the underlying asset is of low value, the lessee shall recognise the lease payments associated with those leases as an expense on a straight-line basis (Actual payment) over the lease term.
- (iii) The lease payments shall be discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the lessee shall use the lessee's incremental borrowing rate. As the company do not

## Notes to the Accounts

(Amount in ₹)

have any borrowed funds, the Company has adopted MCLR rate provided by its bankers for the purpose of computation in recognising right to use asset as per Ind AS 116.

- (iv) As per Ind AS 116, Company needs to apply the depreciation requirements in Ind AS 116, Property, Plant and Equipment, in depreciating the right to use asset, subject to the requirements in paragraph 32 of Ind AS 116. Hence the company has depreciated the right to use asset in Straight Line Method over the remaining Lease period.
- (v) The company has applied Ind AS 36, Impairment of Assets, to determine whether the right-of-use asset is impaired and Management has decided that there is no impairment loss at the end of each reporting period.

Particulars	Year ended 31.03.2020	Year ended 31.03.2019
Depreciation charge on Right to use of asset for each class of underlying asset	5,48,739	-
Interest expense on lease liabilities for each class of underlying asset	1,20,177	-
Expense relating to short term leases & low value of asset	11,99,762	-
Total cash out flows during the year	5,61,330	-
Additions to Right to use asset		-
The carrying amount of Right use of asset at the end of the reporting period	8,89,486	-
Gain / (Loss) on lease modifications	-	-

**Maturity analysis of lease payments**

Particulars	March 2020	March 2019
Not later than 1 year	5,61,330	-
Later than 1 year & Not later than 5 years	3,95,281	-
Later than 5 years		
<b>Total</b>	<b>9,56,611</b>	<b>-</b>

**Note No : 32****Income Tax**

The Company elected to exercise the option permitted under Section 115BAA of the Income Tax Act, 1951 as introduced by the Taxation laws (Amendment) Ordinance, 2019. Accordingly the Company has recognised provisions for income tax for the year ended 31.03.2020 and remeasured its deferred tax assets basis the rate prescribed in the said section and the full impact of this change has been recognised in the Statement of Profit and Loss for the period ended 31.03.2020.

**Note No : 33**

Expenditure incurred on Corporate Social Responsibility activities

Particulars	Year ended 31.03.2020	Year ended 31.03.2019
Gross amount required to be spent by the company	15,00,000	-
Amount spent by the company		
(i) Construction / acquisition of any asset		
(ii) On purposes other than (i) above	15,00,000	-
<b>Total (i) + (ii)</b>	<b>15,00,000</b>	<b>-</b>

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

**D. Lakshminarayanan**  
Director

**R Vijayendiran**  
Chief Executive Officer

**P Babu**  
Partner  
Membership No. 203358

**Kalpana Ashok**  
Chief Financial Officer

**K Rajagopal**  
Secretary & Compliance Officer

Chennai  
18th May 2020



