

**SUNDARAM TRUSTEE  
COMPANY LIMITED**

**16**

**ANNUAL REPORT  
2019-20**



### Board of Directors

M S Sundararajan	Chairman
S Viji	
R Venkatraman	
Soundara Kumar (Mrs.)	

### Audit Committee

R Venkatraman	Chairman
Soundara Kumar (Mrs.)	

### Bankers

IDBI Bank Ltd.  
ICICI Bank Ltd.  
HDFC Bank Ltd.

### Auditors

M/s. Sundaram & Srinivasan, Chennai	Chartered Accountants
-------------------------------------	-----------------------

### Registered Office

21, Patullos Road  
Chennai 600 002

### Corporate Office

Sundaram Towers,  
I & II Floor, 46, Whites Road,  
Royapettah, Chennai 600 014  
Tel: +91 44 4060 9900 / 2856 9900  
Fax: +91 44 2858 3156  
CIN: U65999TN2003PLC052058

Website: [www.sundarammutual.com](http://www.sundarammutual.com)

**SUNDARAM TRUSTEE COMPANY LIMITED**

*a wholly-owned subsidiary of*



**SUNDARAM FINANCE**

*Enduring values. New age thinking.*

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Sponsor



Sundaram Finance Limited,  
Registered Office,  
21, Pattulos Road,  
Chennai 600 002.

## DIRECTORS' REPORT

## To the Members

Your Directors have pleasure in presenting the 16th 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:

(₹ In lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Total Revenue	148.62	150.81
Total Expenses	42.05	39.37
<b>Profit Before Tax</b>	<b>106.57</b>	<b>111.43</b>
Provision for Tax	26.70	31.07
<b>Profit After Tax</b>	<b>79.87</b>	<b>80.36</b>

## Company Performance

During the year under review, your Company earned a gross income of ₹148.62 lakhs by way of trusteeship fees and other income as against ₹150.81 lakhs reported in the previous year 2018-19. The expenditure for the year under review was ₹42.05 lakhs compared to ₹39.37 lakhs in 2018-19. Your company reported a profit after tax of ₹79.87 lakhs for the year ended March 31, 2020 as against ₹80.36 lakhs in the previous year. A sum of ₹147.58 lakhs is available for appropriation for the financial year 2019-20. Your Directors are happy to recommend a dividend of 1400% on the paid-up capital of the company as against 1200% declared during 2018-19. The dividend absorbs a sum of ₹70 lakhs.

## Mutual Fund Industry

The overall assets under management of the Indian mutual fund industry has grown from ₹24.58 Trillion to ₹24.71 Trillion, registering a marginal growth of 0.52% over the previous year. The proportionate share of equity-oriented schemes is now 39.50% of the industry assets in March 2020, reduced from 42.5% in March 2019. The proportionate share of debt-oriented schemes is 31.7% of industry assets in March 2020, up from 29.1% in March 2019.

The Gross mobilisation by the industry during the year was ₹1,88,134.58 billion (2,43,943.62 bn). The gross redemption from the schemes during the year was ₹1,87,261.57 billion (2,42,842.61 bn), the net new cash generated by the Industry for the year 2019-20 was ₹873 billion as against ₹10.97 billion generated in the previous year.

## Sundaram Mutual Fund

The gross mobilization by Sundaram Mutual schemes during the year (other than liquid schemes) was ₹8,291.77 cr. as against ₹10,892 cr. registered in the previous year. The redemptions from the schemes (other than liquid schemes) during the year was ₹8,692.68 cr as against ₹10,636 cr in the previous year. The net new cash out flow by the schemes for the year 2019-20 was ₹397.91 cr. when compared to ₹256 cr inflow by the schemes in the previous year.

Average assets of mutual funds under management is ₹31,149 cr. for the financial year ended 31 March 2020 as against ₹31,933 cr., in the previous financial year.

The net assets under management as at March 31, 2020 was ₹24,223.76 cr.

## Fund Performance

During the year under review, Sundaram Mutual Fund had launched 3 schemes namely Sundaram Equity Fund, Sundaram Arbitrage Fund and Sundaram Balanced Advantage Fund mobilizing ₹994 cr. from 71,304 investors.

Most of the schemes registered good performance during the year beating the benchmark. In line with our philosophy, several equity and fixed income schemes distributed sizeable dividends.

Sundaram Midcap returned 21.8% since inception of the fund (30-Jul-2002) and on a ten-year annualized return, Sundaram Midcap returned 9.36% as on 31 March 2020.

Your schemes were recognised by rating agencies and the press. Some of the accolades were:

Scheme Name	Category	Value Research	CRISIL	Morning Star
Sundaram Large and Mid-Cap Fund	Equity	4 Stars		
Sundaram Select Focus	Equity	5 Stars		
Sundaram Equity Hybrid	Equity	4 Stars		4 Stars
Sundaram Low Duration Fund	Debt			4 Stars
Sundaram Medium Term Bond Fund	Debt			4 stars
Sundaram Banking & PSU Debt Fund	Debt		Rank 2	5 Stars
Sundaram Corporate Bond Fund	Debt		Rank 2	5 Stars
Sundaram Debt Oriented Hybrid Fund	Debt			4 Stars
Sundaram Money Fund	Liquid	4 Stars	Rank 2	

\* Direct Plan

## Brand Recognition

- The Economic Times Best Brands Award (2019)
- The Economic Times Best Brands Award in BSFI (2019)
- YouTube Creator Studio Silver Award from Google for reaching over 100,000 subscribers and sharing original content on YouTube.

## Leadership Recognized

In November 2019, Mr. Sunil Subramaniam, Managing Director of Sundaram Asset Management Company Limited was awarded the Economic Times Most Promising Business Leaders of Asia 2019.

## Sundaram Alternate Assets Limited (SA)

Your Company has also been acting as Trustees of AIF Schemes managed by Sundaram Alternates Assets Limited (SA). As of March 31, 2020, SA 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, the Investment Manager has raised total capital commitments of ₹1,266 cr. The schemes had invested ₹1,124 cr. as of March 31, 2020. 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. The Investment Manager 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, the Company manages 2 AIF schemes. With total capital commitments of ₹713 cr of which ₹510 cr. has been called as subscription. A sum of ₹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 ₹44.70 cr. Translates into 33% 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.

### **Risk Management**

Your Company's operations mainly relate to providing trusteeship services to Sundaram Mutual Fund Schemes and schemes of Sundaram Alternative Investment Trust Category II and III. The risk management areas relating to the mutual funds and AIF operations have been extensively covered by the Risk Management Framework of Sundaram AMC, which is designed to assist in the identification and assessment of risks in order that they can be managed in an efficient manner and that informed decisions can be taken to manage and mitigate risks.

The reports of the internal auditor and independent auditor of the schemes relating to the financials and the operations of the Company and schemes were reviewed by the Audit Committee which supervises Risk Controls in the system.

### **Internal Control System and Adequacy**

Your Company has an adequate system of internal controls consistent with its nature and size of the operations to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition and that the transactions are authorized, recorded and reported correctly. The Company carries out extensive and regular internal control programs, policy reviews, guidelines, and procedures to ensure that the internal control systems are adequate to protect the Company against any loss or misuse of the company's assets.

### **Capital Market Outlook**

Indian Equity markets remained volatile through the financial year 2019-20. While there was an appreciable recovery witnessed from Aug'19 into end Jan'20, concerns around the COVID-19 pandemic and its rapid spreads across the world led to a sharp drop thereafter in end March. In FY20, the narrow market (NIFTY-50) witnessed a contraction of (26) %, and the broad market (CNX500) saw (28)%. The mid and small cap indices recorded (32) % and (37)% respectively.

Credit remained in focus, and with acceleration in market correction during end March, this was increasingly in focus. The 10-year GSec, while volatile, directionally witnessed a drop in yields on the back of increasing system liquidity and continued rate cuts. The 10-year yield witnessed a drop of 121bps to 6.14% during the fiscal reflecting increasing focus around credit, the spread between AAA and the 10-year GSec increased by 25bps to 116bps during the fiscal year ending 31st March 2020.

The onset of COVID-19 mid-Jan and its spread to the western world in mid-Feb was the trigger that led to sharp equity market corrections. The Rupee witnessed a depreciation of 8.3% against the dollar, ending the fiscal year at 74.85.

The fiscal deficit for the year 2019-20 witnessed a marginal slippage to 3.8% GDP against the projected 3.5%. While for FY21, earlier it was projected to be 3.5%, the economic fallout of COVID-19 has had a disastrous effect on centre's finances. Therefore, the base line fiscal deficit (pre-stimulus) is likely to settle in the range of 5.7-6.0% GDP and post stimulus would stay in the range of 7.2-7.5%.

While growth in FY20 growth is more likely to hover around 4.5% with downside risks, FY21 would see a growth contraction on account of the COVID-19 led sharp disruption in supply. The supply

disruption of the pandemic would have a net impact on 55% of GDP, rendering the rest 45% to do the heavy lifting on growth during this phase. An initial estimate of growth for FY21 incorporating 47 days of lockdown implies a growth contraction of at least -0.6%. However, if one were to add additional assumptions of the economy running at 50% capacity in Q1 and 75% capacity in Q2 thereafter, the quantum of contraction in growth would see an increase. Having said that, Atma Nirbhar Bharat announcements on both the fiscal and the monetary side are likely to help perk up growth with contained fiscal costs. Inflation is expected to remain contained on the back of lower demand pressures and the RBI is set to continue its rate easing cycle.

With the pandemic getting contained through rigorous social distancing and hygiene protocols, lockdowns would become a local phenomenon and the economy is set to get closer to normalcy. The impact of the fiscal and monetary measures in India and abroad are set to bring about an appreciable phase of recovery during the second half of FY21. National lockdowns would ease gradually and turn more local before they get lifted eventually. A gradual and sustainable pickup in growth would also reflect in a positive market sentiment with valuations currently at attractive levels.

Crude has witnessed a sharp drop in the recent months on both demand and supply concerns. This apart, the nature of the global / domestic recovery, the US elections and the volatile relationship between the US and China post the COVID pandemic are key events to look out for from a market standpoint.

## Regulation

In light of credit events occurred since September 2018, that led to challenges in the corporate bond market, SEBI comprehensively reviewed the regulatory framework for Mutual Funds and took necessary steps to safeguard the interest of investors and maintain the orderliness and robustness of their investments. SEBI also constituted various Working groups representing AMCs, industry and academia to review the risk management framework with respect to liquid schemes and to review the existing practices on valuation of money market and debt securities. Further, an internal working group was constituted to, inter-alia, review prudential norms for Mutual Funds for investment in various debt and money market instruments. Based on the recommendations of the working groups and MF Advisory Committee SEBI has made series of changes for Liquid Funds, prudential norms for Mutual Fund schemes for investment in debt and money market instruments and valuation of money market and debt securities by Mutual Funds. Some of the critical changes are set out hereunder:

- liquid scheme should invest at least 20% of its net assets in liquid instruments. Cash, Government Securities, T-bills and Repo on G-Securities may be considered as Liquid instruments.
- liquid and overnight schemes may not be permitted to invest in Short Term Deposits.
- liquid and overnight schemes should not be allowed to invest in debt securities having structured obligations and credit enhancements.
- applicability of NAV for subscription in liquid and overnight schemes may be reduced from the existing 2:00 pm to 1:30 pm
- Sector Concentration: to prevent MFs to take enhanced exposure to the financial sector as compared to the other sectors, the sectoral exposure limit for financial sector and HFC will be reduced in a phased manner
- valuation of debt and money market instruments based on amortization may be dispensed with and may completely shift to mark to market valuation w.e.f. April 1, 2020. All money market and debt securities which are rated below investment grade shall be valued at the price provided by valuation agencies.
- The residual maturity for amortization-based valuation has been reduced from existing 60 days to 30 days.



- The mutual funds to have flexibility to invest in unlisted non-convertible debentures (NCDs) up to a maximum of 10% of the debt portfolio of the scheme subject to such investments in unlisted NCDs having simple structures as may be specified from time to time, being rated, secured and with monthly coupon payments.
- The exit load in liquid scheme shall be implemented on a graded basis.
- Mutual funds shall be mandated to invest in only listed NCD in a phased manner
- All fresh investments in Commercial Papers (CPs) shall be made only in listed CPs pursuant to the guidelines by SEBI regarding listing of CPs.
- If the rating of debt security with Credit enhancements/ guarantees/ covenants/ arrangements etc. is above investment grade, but is rated below investment grade without such credit enhancements, then, the mutual fund schemes investments in such securities may not exceed 10% of debt portfolio of the respective scheme.
- The group level limit for investment in such debt securities rated below investment grade but enhanced to investment grade through credit enhancements may be capped at 5% of the debt AUM of the scheme.
- Overnight and liquid schemes may not be permitted to invest in debt securities having structured obligations (SO) or credit enhancements (CE).

In view of Covid 19 related disruptions, SEBI has extended the implementations on some of the provisions.

Your Directors welcome all the steps taken by the Regulator as these measures are taken in the interest of greater transparency and accountability and to protect the investors interest and orderly growth of the industry

### **Board of Directors**

Your Board of Directors of the company is vested with general power of superintendence, direction and management of the affairs of the Mutual Fund operations. Sundaram AMC acts as the Investment Manager of the Schemes of the Mutual Fund. The Board of Directors monitor and review the functions of the Asset Management Companies in order to ensure that it fulfils the tasks assigned to it under the investment management agreements and complies with SEBI Regulations and other laws in force. During the year under review, six Board Meetings were held.

### **Directorship**

Mr. S Viji (DIN:00139043), retires at the ensuing General Meeting and being eligible, offers himself for re-appointment. Necessary resolution is submitted for your approval.

### **Audit Committee**

The Audit Committee of the Board is constituted as per the SEBI Regulations. Mr R Venkatraman and Ms Soundara Kumar are the members of the committee. During the year, three meetings of the committee were held. The committee reviews the internal audit plans, financial statements, adequacy of internal control systems. The committee reviews the reports, the observations of the internal / external auditors and the responses of the management on the reports.

The Company is not required to constitute Nomination and Remuneration Committee, CSR committee as per the provisions of the Companies Act, 2013.

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

The number and dates of Meetings of the Board and Committees held during the financial year indicating the number of Meetings attended by each Director is furnished vide **Annexure I**. Your Company has

complied with applicable Secretarial Standards issued by Institute of Company Secretaries of India.

### **Public Deposits**

Your company has not accepted any deposits from the public.

### **Particulars of Employee Remuneration**

The Company has no employee on its payroll. Accordingly, the provisions of Section 197(12) of the Companies Act, 2013 requiring disclosure of remuneration of employees is not applicable.

The Company is not required to appoint a Whole Time Key Managerial Personnel in accordance with the provisions of the Companies Act, 2013.

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

The Company has no employee in its payroll and hence the Act is not applicable.

### **Information under Section 134 (3) (m) of the Companies Act, 2013**

Your Company has no activity relating to conservation of energy or technology absorption. The Company had no foreign exchange earnings or outgo during the year 2019-20 and in 2018-19.

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

The Company has not given any loan or guarantee to any person or body corporate nor invested in securities of any other body corporate during the year 2019-20.

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

All transactions entered into by the Company with the 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 II.**

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

Your directors confirm that:

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

### **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.**

## **Acknowledgement**

Your Directors wish to place on record their deep appreciation of the professional support and guidance received from Sundaram Finance Limited, Sundaram AMC, Securities and Exchange Board of India and Association of Mutual Funds in India.

Your Directors also acknowledge the support and co-operation extended by investors, bankers, Registrars, the Custodian and other service providers and look forward to their continued support.

Your Directors place on record their appreciation of the dedication and commitment displayed by the employees of the Sundaram AMC and Sundaram Alternate Assets.

**For and on behalf of the Board of Directors**

Place: Chennai  
Date : May 15, 2020

**M S Sundararajan**  
Chairman

## Annexure - I

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

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:

Sl. No.	Name of the Director	DIN	No. of Meetings attended	Meeting Dates
1	M S Sundara Rajan	00169775	6	30.04.2019,
2	S Viji	00139043	5	20.06.2019
3	R Venkatraman	07119686	6	30.08.2019
4	Soundara Kumar (Mrs.)	01974515	6	29.10.2019
				20.12.2019
				25.02.2020

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	R Venkatraman	5	30.04.2019,
			20.06.2019
2	Soundara Kumar (Mrs.)	5	30.08.2019
			29.10.2019
			25.02.2020

**For and On behalf of the Board of Directors**

Place: Chennai  
Date: May 15, 2020

**M S Sundararajan**  
Chairman

## Annexure - II

**Form No. AOC-2**

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

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

- Details of contracts or arrangements or transactions not at arm's length basis.  
All transactions entered into by the Company during the year with related parties were on an arm's length basis.
- Details of material contracts or arrangement or transactions at arm's length basis.  
The details of transactions entered into by the Company during the year with related parties at arm's length basis are provided under Note 4 to the annual accounts.

**For and On behalf of the Board of Directors**

Place: Chennai  
Date: May 15, 2020

**M S Sundararajan**  
Chairman

**FORM NO MGT-9****Extract of Annual Return as on the financial year ended 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	U65999TN2003PLC052058
ii) Registration Date	2nd December 2003
iii) Name of the Company	Sundaram Trustee Company 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. Ph: 044 4060 9900 / 2856 9900
vi) Whether listed company	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:

Sl. No	Name & description of main products / services	NIC Code of the product / services	% to total turnover of the company
1	Trusteeship Services	65999	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 Finance Ltd. 21, Patullos Road, Chennai 600002	L65191TN1954PLC002429	Holding Company	100%	Sec. 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>									
1)	<b>Indian</b>									
a)	Individual / HUF	-	-	-	-	-	-	-	-	-
b)	Central Govt	-	-	-	-	-	-	-	-	-
c)	State Govt(s)	-	-	-	-	-	-	-	-	-
d)	Bodies Corp. - Sundaram Finance Ltd.*	49,664	6	50,000	100%	49,994	6	50,000	100%	Nil
e)	Banks / FI	-	-	-	-	-	-	-	-	-
f)	Any Other	-	-	-	-	-	-	-	-	-
	<b>Sub Total A(1)</b>	<b>49,664</b>	<b>6</b>	<b>50,000</b>	<b>100%</b>	<b>49,994</b>	<b>6</b>	<b>50,000</b>	<b>100%</b>	<b>Nil</b>
2)	<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>49,664</b>	<b>6</b>	<b>50,000</b>	<b>100%</b>	<b>49,994</b>	<b>6</b>	<b>50,000</b>	<b>100%</b>	<b>Nil</b>
<b>B.</b>	<b>Public Shareholding</b>									
1)	<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>

	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	
2)	<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>Total Public Shareholding (B) = B(1) + B(2)</b>	-	-	-	-	-	-	-	-	-
	<b>C. Shares held by custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
	<b>Grand Total (A) + (B) + (C)</b>	<b>49,664</b>	<b>6</b>	<b>50,000</b>	<b>100%</b>	<b>49,994</b>	<b>6</b>	<b>50,000</b>	<b>100%</b>	<b>Nil</b>

\* Includes 6 shares held by the nominees of Sundaram Finance 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 Finance Limited	50,000	100%	-	50,000	100%	-	-
<b>Total</b>	<b>50,000</b>	<b>100%</b>	<b>-</b>	<b>50,000</b>	<b>100%</b>	<b>-</b>	<b>-</b>

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

Shareholder's Name	Shareholding at the beginning of the year		Cummulative shareholding during the year	
	No of Shares	% of total shares of the company	No of Shares	% of total shares of the company
<b>Sundaram Finance Limited</b>				
At the beginning of the year	50,000	100%	50,000	100%
Date wise increase / decrease	No Change			
At the End of the year			50,000	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		Cummulative 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	Nil			
Date wise increase / decrease				
At the End of the year				

## v) Shareholding pattern of Directors and Key Managerial Personnel

Name of Director and KMP	Shareholding at the beginning of the year		Cummulative shareholding during the year	
	No of Shares	% of total shares of the company	No of Shares	% of total shares of the company
<b>M S Sundararajan, Director</b>				
At the beginning of the year	Nil			
Date wise increase / decrease				
At the End of the year				

Name of Director and KMP	Shareholding at the beginning of the year		Cummulative shareholding during the year	
	No of Shares	% of total shares of the company	No of Shares	% of total shares of the company
<b>S Viji, Director</b>				
At the beginning of the year	Nil			
Date wise increase / decrease				
At the End of the year				

Name of Director and KMP	Shareholding at the beginning of the year		Cummulative shareholding during the year	
	No of Shares	% of total shares of the company	No of Shares	% of total shares of the company
<b>R Venkatraman, Director</b>				
At the beginning of the year	Nil			
Date wise increase / decrease				
At the End of the year				

Name of Director and KMP	Shareholding at the beginning of the year		Cummulative shareholding during the year	
	No of Shares	% of total shares of the company	No of Shares	% of total shares of the company
<b>Soundara Kumar (Mrs.), Director</b>				
At the beginning of the year	Nil			
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

	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			Nil	
Reduction				
<b>Net Change</b>				
<b>Indebtedness at the end 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>				

## VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl. No	Particulars of Remuneration	Name of MD/ WTD/Manager	Total Amount (₹)
1	Gross Salary		
	a) Salary as per provisions contained in Section 17(1) of the Income tax Act, 1961		
	b) Value of Perquisites u/s 17(2) of the Income Tax Act, 1961		
	c) Profits in Lieu of salary under Section 17(3) of the Income tax Act, 1961		
2	Stock Option		Nil
3	Sweat Equity		
4	Commission		
	- as % of Profits		
	- others, specify		
5	Others, Please specify		
	<b>Total (A)</b>		
	Ceiling as per the Act (10% of Net Profits)		

**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>				
<b>Other Non-Executive Directors:</b>				
Mr. M.S. Sundararajan	1,50,000	3,50,000	-	5,00,000
Mr. S. Viji	-	-	-	-
Mr. R. Venkatraman	2,75,000	3,50,000	-	6,25,000
Mrs. Soundara Kumar	2,75,000	3,50,000	-	6,25,000
<b>Total (B)</b>				<b>17,50,000</b>
<b>Total Managerial Remuneration (A) + (B) excluding Sitting Fee</b>				<b>10,50,000</b>
<b>Overall Ceiling as per the Act (11% of Net Profits)</b>				<b>11,88,432</b>

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

Sl. No	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary*	CFO	Total
1	Gross Salary				
	a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961				
	b) Value of Perquisites u/s Section 17(2) of the Income Tax Act, 1961				
	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				
	Total (A)				
	Ceiling as per the Act				

**VII PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES**

There were no penalties / punishment / compounding of offences against the Company, Directors and other Officers in Default during the year ended 31st March 2020.

**For and On behalf of the Board of Directors**

Place: Chennai  
Date: May 15, 2020

**M S Sundararajan**  
Chairman

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF SUNDARAM TRUSTEE COMPANY LIMITED

#### Report on Financial Statements

##### Opinion

We have audited the accompanying financial statements of Sundaram Trustee Company Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and a summary of the significant accounting policies and other explanatory information.

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

##### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (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 financial statements.

##### Emphasis of Matter

We draw attention to Note no: 17(6) on the impact of COVID 19 Pandemic in the financial statements in which the management has described the probable impact on the company and the environment in which it operates as well as the measures taken and planned to deal with these circumstances or events. This note also indicates that uncertainties exist and that currently it is not possible to reasonably estimate the future impact. Our opinion is not modified in this matter.

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

The Company's Board of Directors is responsible for other information. The other information comprises the information included in the financial highlights, board's report and report on corporate governance but does not include the financial statements and our auditor's report thereon.

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we 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.

##### Responsibility of Management and those Charged with Governance for the 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 financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015. 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the 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 also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for audit of Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 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 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 Companies Act 2013, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

### **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 in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
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, 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 financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Indian Accounting Standards) Rules, 2015.
- 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".
- g) As regard managerial remuneration paid to directors, refer note no.11 of Annexure A to this report.
- 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 pending litigations which would impact its financial position.
  - ii. The Company did not have any long term contracts including derivatives contracts for which there were any material foreseeable losses.
  - iii. There was no amount which were required to be transferred to Investor Education and Protection Fund by the Company.

**For Sundaram & Srinivasan**  
Chartered Accountants  
Firm Registration No. 004207S

**S. Usha**  
Partner  
Membership No.211785  
UDIN:20211785AAAABT2248

Place: Chennai  
Date: May 15, 2020

**“Annexure A” to the Independent Auditor’s Report referred  
to in Paragraph 1 of our report of Even Date**

1. a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b) The fixed assets have been physically verified by the Management, in accordance with the regular programme of verification, which in our opinion is reasonable having regard to the size of the Company and the nature of the fixed assets. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
- c) The Company does not have any immovable properties. Hence this clause not applicable.
2. The Company does not have any inventory and hence reporting under Clause 3(ii) of the Order is not applicable.
3. 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 Companies Act, 2013. Therefore, clauses (iii) (a), (b) and (c) of paragraph 3 of the Order are not applicable for the year.
4. In our opinion and according to the information and explanations given to us, the company has not granted any loans, made any investments or provided any guarantee or security which will attract the provisions of section 185 and 186 of the Companies Act, 2013 respectively.
5. In our opinion and according to the information and explanations given to us, the company has not accepted deposits from the public.
6. The Central Government has not prescribed the maintenance of cost records for the Company u/s. 148(1) of the Companies Act, 2013.
7. i) The company is regular in depositing undisputed statutory dues names Income Tax and Goods and Service Tax with appropriate authorities. The other statutory dues are not applicable to the company.  
  
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 due.
- ii. There are no disputed statutory dues by the company.
8. The company does not have any borrowings from financial institution, Banks, Government or debenture holders and hence this clause is not applicable to the company.
9. The company has not raised any money by the way of initial public offer or further public offer (including debt instruments) and the term loans. Hence this clause is not applicable.
10. 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 or fraud on the company by its employees or officers were noticed during the course of our audit.
11. The managerial remuneration has been paid/ provided in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V to the Companies Act, 2013.
12. The Company is not a Nidhi Company and hence reporting under Clause 3 (xii) of the Order is not applicable.
13. According to the information and explanations given to us and based on our examination of the records of the company, the 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.
14. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Hence this clause is not applicable
15. In our opinion and according to the information and explanations given to us and based on our examination of records of the company, the Company has not entered into non-cash transactions with Directors or persons connected with them.
16. The Company is not required to be registered under section 45 IA of the Reserve Bank of India. Hence this clause is not applicable.

**For Sundaram & Srinivasan**  
Chartered Accountants  
Firm Registration No. 004207S

Place: Chennai  
Date: May 15, 2020

**S. Usha**  
Partner  
Membership No.211785  
UDIN:20211785AAAABT2248

## “ANNEXURE B” to the Independent Auditor’s Report referred to in paragraph 2 (f) of our Report of Even Date

### Report on the Internal Financial Controls with reference to Financial Statements 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 with reference to financial statements of Sundaram Trustee Company Limited, Chennai (“the Company”) as of March 31, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

### Management’s Responsibility for Internal Financial Controls with reference to Financial Statements

The Company’s Management is responsible for establishing and maintaining internal financial controls with reference to financial statements 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 with reference to financial statements that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective Company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### Auditor’s Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting with reference to financial statements 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 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 with reference to financial statements were 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting with reference to financial statements included obtaining an understanding of internal financial controls over financial reporting with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting with reference to financial statements.

### Meaning of Internal Financial Controls over Financial Reporting

A company’s internal financial control over financial reporting with reference to financial statements 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 with reference to financial statements includes those policies and procedures that;

- i. pertain to the maintenance of records, that in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- ii. 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
- iii. 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 with reference to Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to financial statements, 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 with reference to financial statements 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 with reference to financial statements and such internal financial controls over financial reporting were operating effectively as at March 31, 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 **Sundaram & Srinivasan**  
Chartered Accountants  
Firm Registration No. 0042075

**S. Usha**  
Partner

Place: Chennai  
Date: May 15, 2020

Membership No.211785  
UDIN:20211785AAAABT2248

## Balance Sheet as at 31.03.2020

Particulars	Note No.	31.03.2020	31.03.2019
		₹	₹
<b>ASSETS</b>			
<b>(1) Non-Current Assets</b>			
(a) Property, plant and equipment	1	4,193	6,776
(b) Other Non- Current Tax Asset (Net)	2	14,45,930	12,41,864
<b>(2) Current Assets</b>			
(a) Financial Assets			
(i) Investments	3	1,77,50,263	1,73,67,191
(ii) Trade Receivables	4	11,87,901	12,82,177
(iii) Cash and Cash Equivalents	5	1,27,433	1,78,052
(b) Other Current Asset	6	-	-
<b>Total Assets</b>		<b>2,05,15,720</b>	<b>2,00,76,060</b>
<b>EQUITY AND LIABILITIES</b>			
<b>(1) Equity</b>			
(a) Equity Share Capital	7	5,00,000	5,00,000
(b) Other Equity	8	1,82,60,061	1,75,06,235
Total Equity		1,87,60,061	1,80,06,235
<b>(2) Liabilities</b>			
<b>(a) Non- Current Liabilities</b>			
(i) Deferred Tax Liabilities (Net)	9c	2,51,316	2,10,270
<b>(b) Current Liabilities</b>			
(i) Financial Liabilities			
Trade Payable			
A) Total Outstanding dues of micro enterprises and small enterprises; and		-	-
B) Total Outstanding dues of creditors other than micro enterprises and small enterprises	10	1,74,000	2,18,171
(ii) Other Current Liabilities	11	13,30,343	13,61,175
(iii) Current Tax Liability (Net)	12	-	2,80,209
Total Liability		17,55,659	20,69,825
<b>Total Equity and Liabilities</b>		<b>2,05,15,720</b>	<b>2,00,76,060</b>

The accompanying notes from an integral parts of the financial statements.

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For SUNDARAM TRUSTEE COMPANY LIMITED

For **Sundaram & Srinivasan**  
Chartered Accountants  
Firm Registration No. 0042075

**M S Sundararajan**  
Director

**S Viji**  
Director

S Usha  
Partner  
Membership No. 211785

**R Venkatraman**  
Director

**Soundara Kumar**  
Director

Chennai  
May 15, 2020



## Statement of Profit and Loss for the year ended 31.03.2020

Sl. No.	Particulars	Note No.	31.03.2020 ₹	31.03.2019 ₹
I	<b>Revenue from Operations</b>			
	Sale of Services - Trusteeship Fee	13	1,39,28,967	1,40,15,569
II	Other Income	14	9,33,073	10,65,185
III	Total Revenue		<b>1,48,62,040</b>	<b>1,50,80,754</b>
IV	<b>Expenses</b>			
	Finance Cost	15	4,720	3,689
	Depreciation	1	2,583	4,706
	Administrative and Other Expenses	16	41,97,547	39,29,016
	Total Expenses		<b>42,04,850</b>	<b>39,37,411</b>
V	<b>Profit before Tax</b>		<b>1,06,57,190</b>	<b>1,11,43,343</b>
VI	<b>Tax Expense</b>	9		
	Current Tax		26,29,000	32,10,000
	Deferred Tax		41,046	(1,02,771)
	Total - Tax Expenses		<b>26,70,046</b>	<b>31,07,229</b>
VII	<b>Profit after tax</b>		<b>79,87,144</b>	<b>80,36,114</b>
	<b>Other Comprehensive Income, Net of Deferred Tax</b>			
	a. Items that will not be reclassified to Statement to Profit & Loss		-	-
	b. Items that will be reclassified to Statement to Profit & Loss		-	-
	<b>Total Other comprehensive Income</b>		-	-
	<b>Total Comprehensive Income</b>		<b>79,87,144</b>	<b>80,36,114</b>
	<b>Earning per equity share</b>			
	Basic Earnings per Share	17	159.74	160.72
	Diluted Earnings per Share	17	159.74	160.72

The accompanying notes form an integral part of the financial statements. 17

For SUNDARAM TRUSTEE COMPANY LIMITED

For **Sundaram & Srinivasan**  
Chartered Accountants  
Firm Registration No. 004207S

**M S Sundararajan**  
Director

**S Viji**  
Director

S Usha  
Partner  
Membership No. 211785

**R Venkatraman**  
Director

**Soundara Kumar**  
Director

Chennai  
May 15, 2020

## Statement of Cash Flow as at 31.03.2020

Particulars	31.03.2020		31.03.2019	
	₹		₹	
<b>A) CASH FLOW FROM OPERATING ACTIVITIES:</b>				
Profit before Tax	1,06,57,190		1,11,43,343	
Adjustments for :				
Depreciation	2,583		4,706	
(Profit)/Loss on Sale of Fixed Assets	-		(10,732)	
(Profit) loss on sale of Investments	(6,93,541)		(14,15,996)	
Interest on Income tax refund			(24,645)	
Net Gain / ( Loss) arising on Financial Assets Measured at Fair Value through P&L	(2,39,532)		3,86,188	
Interest on Advance Tax Short Paid	4,720		3,689	
		<b>97,31,420</b>		<b>1,00,86,553</b>
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>		<b>97,31,420</b>		<b>1,00,86,553</b>
(Increase) Decrease in Receivable	94,276		38,825	
(Increase) Decrease in Other Current Assets	-		-	
Increase (Decrease) in Trade Payable	(44,171)		(5,760)	
Increase (Decrease) in Other Current Liabilities	(30,832)		(4,809)	
		19,273		28,256
<b>Cash generated from Operations</b>		<b>97,51,118</b>		<b>1,01,14,809</b>
Direct Taxes Paid	(31,17,994)	(31,17,994)	(29,33,478)	(29,33,478)
<b>NET CASH FROM OPERATING ACTIVITIES (A)</b>		<b>66,33,124</b>		<b>71,81,331</b>
<b>B) CASH FLOW FROM INVESTING ACTIVITIES</b>				
Purchase of Investments	(91,50,000)		(2,05,45,821)	
Sale of Investments	97,00,000		1,94,45,821	
Sale of Fixed Assets	-		15,678	
		<b>5,50,000</b>		<b>(10,84,322)</b>
<b>NET CASH FROM INVESTING ACTIVITIES (B)</b>		<b>5,50,000</b>		<b>(10,84,322)</b>

## Statement of Cash Flow as at 31.03.2020

Particulars	31.03.2020		31.03.2019	
	₹		₹	
<b>C) CASH FLOW FROM FINANCING ACTIVITIES</b>				
Dividend paid (including Corporate Dividend Tax)	(72,33,318)	(72,33,318)	(60,27,761)	(60,27,761)
<b>NET CASH FROM FINANCING ACTIVITIES (C)</b>		<b>(72,33,318)</b>		<b>(60,27,761)</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>(50,619)</b>		<b>69,248</b>
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		1,78,052		1,08,804
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>		<b>1,27,433</b>		<b>1,78,052</b>
<b>E) COMPONENTS OF CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>				
Current Account with Banks		1,27,433		1,78,052
Cash, Stamps and Stamp Papers on Hand		-		-
Less : Bank Overdraft		-		-
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>		<b>1,27,433</b>		<b>1,78,052</b>

As per our report of even date attached.

For **Sundaram & Srinivasan**  
Chartered Accountants  
Firm Registration No. 004207S

S Usha  
Partner  
Membership No. 211785

Chennai  
May 15, 2020

For **SUNDARAM TRUSTEE COMPANY LIMITED**

**M S Sundararajan**  
Director

**S Viji**  
Director

**R Venkatraman**  
Director

**Soundara Kumar**  
Director

## Statement of Changes in Equity

a) Equity Share Capital	31.03.2020 ₹	31.03.2019 ₹
Balance at the beginning of the reporting year	5,00,000	5,00,000
Changes in Equity Share Capital during the year	-	-
Balance at the end of the reporting year	<b>5,00,000</b>	<b>5,00,000</b>

b) Other Equity	Reserves & Surplus		
	General Reserve ₹	Retained Earnings ₹	Total ₹
<b>Balance as at 01.04.2018</b>	<b>35,01,665</b>	<b>1,19,96,217</b>	<b>1,54,97,882</b>
<b>Additions during the year:</b>			
Profit for the year	-	80,36,114	80,36,114
<b>Reduction during the year</b>			
Dividend	-	(50,00,000)	(50,00,000)
Dividend Tax	-	(10,27,761)	(10,27,761)
Transfer to General Reserve	-	-	-
<b>Balance as at 31.03.2019</b>	<b>35,01,665</b>	<b>1,40,04,570</b>	<b>1,75,06,235</b>
<b>Additions during the year:</b>			
Profit for the year	-	79,87,144	79,87,569
<b>Reduction during the year</b>			
Dividend	-	(60,00,000)	(60,00,000)
Dividend Tax	-	(12,33,318)	(12,33,318)
Transfer to General Reserve	-	-	-
<b>Balance as at 31.03.2020</b>	<b>35,01,665</b>	<b>1,47,58,396</b>	<b>1,82,60,486</b>

The accompanying notes form an integral part of the financial statements.

For SUNDARAM TRUSTEE COMPANY LIMITED

For Sundaram & Srinivasan  
Chartered Accountants  
Firm Registration No. 004207S

M S Sundararajan  
Director

S Viji  
Director

S Usha  
Partner  
Membership No. 211785

R Venkatraman  
Director

Soundara Kumar  
Director

Chennai  
May 15, 2020

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

### Note No. 1 Property, Plant and Equipment

(In ₹)

Sl. No.	Description	Gross Carrying Value				Depreciation				Net Carrying Value	
		As at 1.4.19	Additions	Deductions	As at 31.03.20	As at 1.4.19	Additions	Deductions	As at 31.03.20	As at 31.03.20	As at 31.03.19
1	Office Equipments	83,812	-	-	83,812	77,036	2,583	-	79,619	4,193	6,776
	Total	83,812	-	-	83,812	77,036	2,583	-	79,619	4,193	6,776

(In ₹)

Sl. No.	Description	Gross Carrying Value				Depreciation				Net Carrying Value	
		As at 1.4.18	Additions	Deductions	As at 31.03.19	As at 1.4.20	Additions	Deductions	As at 31.03.19	As at 31.03.19	As at 31.03.18
1	Computers	2,33,900	-	2,33,900	-	2,28,954	-	2,28,954	-	-	4,946
2	Office Equipments	83,812	-	-	83,812	72,330	4,706	-	77,036	6,776	11,482
	Total	3,17,712	-	2,33,900	83,812	3,01,284	4,706	2,28,954	77,036	6,776	16,428

### Note No. 2 Other Non- Current Tax Asset (Net)

Particulars	31.03.2020 ₹	31.03.2019 ₹
Advance Income Tax and Tax Deducted at Source (Net of provisions)	14,45,930	12,41,864
<b>Total</b>	<b>14,45,930</b>	<b>12,41,864</b>

### Note No. 3 Investments

Particulars	31.03.2020 ₹	31.03.2019 ₹
<b>Investment in Mutual Fund: Quoted</b>		
Sundaram Money Fund-Direct Plan Growth 4,23,938.52 units (Previous year 440663.024 Units) of Rs.10/- each	1,77,50,263	1,73,67,191
<b>Total</b>	<b>1,77,50,263</b>	<b>1,73,67,191</b>
Aggregate amount of Quoted Investments	1,77,50,263	1,73,67,191
Aggregate amount of impairment in value of Investments	-	-

**Note No. 4**  
**Trade Receivables**

Particulars	31.03.2020 ₹	31.03.2019 ₹
Trade receivable considered good - Unsecured	11,87,901	12,82,177
Trade receivable which have significant increase in Credit Risk and Credit impaired	-	-
<b>Total</b>	<b>11,87,901</b>	<b>12,82,177</b>

**Note No. 5**  
**Cash and Cash Equivalents**

Particulars	31.03.2020 ₹	31.03.2019 ₹
Balance with Banks in Current Account	1,27,433	1,78,052
<b>Total</b>	<b>1,27,433</b>	<b>1,78,052</b>

**Note No. 6**  
**Other Current Asset**

Particulars	31.03.2020 ₹	31.03.2019 ₹
Balances with Service Tax Department	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**Note No. 7**  
**Equity Share Capital**

Particulars	31.03.2020 ₹	31.03.2019 ₹
<b>Authorised</b> 2,50,000 Equity Shares of Rs.10/- each	<b>25,00,000</b>	<b>25,00,000</b>
<b>Issued, Subscribed and Fully Paid up</b> 50,000 Equity Shares of Rs.10/- each	<b>5,00,000</b>	<b>5,00,000</b>
<b>Total</b>	<b>5,00,000</b>	<b>5,00,000</b>

- a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period:**  
There is no change in the holding pattern of the Share Capital during the year ended 31.03.2020 and the previous year.
- b. Terms/rights attached to Equity Shares:**  
The Company has only one class of equity shares having a par value of Rs.10/- per share. Each Member is entitled to one vote by show of hands and while on polls, every shareholder is entitled to vote in proportionate to their holdings. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company. The distribution will be in proportion to the number of equity shares held by the shareholders.
- c. Shares held by the Holding Company:**  
50,000 shares (Previous year 50,000 shares) are held by M/s.Sundaram Finance Ltd, the holding company and its nominees.
- d. Details of shareholders holding more than 5% of the Equity Shares of Rs.10 each in the Company:**  
M/s Sundaram Finance Ltd, the holding company and its nominees held 100% of the Equity Share Capital of the Company as on 31.03.2020 and the previous year.

**Note No. 8**  
**Other Equity**

Particulars	31.03.2020 ₹	31.03.2019 ₹
General Reserve	35,01,665	35,01,665
Retained Earnings	1,47,58,396	1,40,04,570
<b>Total</b>	<b>1,82,60,061</b>	<b>1,75,06,235</b>

Refer Statement of Changes in Equity for detailed movement.

**Note No. 9**  
**Income Taxes**

a. Amount recognized in Statement of Profit and Loss

Particulars	31.03.2020 ₹	31.03.2019 ₹
<b>Current Tax</b>		
Current Period	26,29,000	32,10,000
<b>Deferred Tax</b> : Attributable to origination and reversal of temporary difference	41,046	-1,02,771
<b>Income Tax expense recognised in the Statement of Profit and Loss</b>	<b>26,70,046</b>	<b>31,07,229</b>

b. Reconciliation of Tax expenses

Particulars	31.03.2020 ₹	31.03.2019 ₹
<b>Profit before tax</b>	1,06,57,615	1,11,43,343
<b>Tax Rate</b>	25.17%	27.82%
Tax using the Company's domestic tax rate	26,82,309	31,00,078
<b>Tax Effect</b>		
Rate Difference	(20,044)	3,039
Non deductible expenditure	1,188	1,026
Others	6,700	3,086
<b>Tax expenses as per Statement of Profit and Loss</b>	<b>26,70,046</b>	<b>31,07,229</b>

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

**As at 31st March 2020**

Particulars	Balance Sheet	Profit and Loss	OCI
	01.04.2019	2019-20	2019-20
Difference between written down of fixed assets as per the books of accounts and Income Tax Act, 1961	7,191	(1,647)	-
Difference in carrying value and tax base of investment in Mutual Fund measured at FVTPL	(2,58,507)	(39,399)	-
Deferred tax (Expense) / benefit			
<b>Net Deferred tax liabilities</b>	<b>(2,51,316)</b>	<b>(41,046)</b>	<b>-</b>

## As at 31st March 2019

Particulars	Balance Sheet	Profit and Loss	OCI
	01.04.2018	2018-19	2018-19
Difference between written down of fixed assets as per the books of accounts and Income Tax Act, 1961	8,838	(1,527)	-
Difference in carrying value and tax base of investment in Mutual Fund measured at FVTPL	(2,19,108)	1,04,298	-
Deferred tax ( Expense ) / benefit			
Net Deferred tax liabilities	(2,10,270)	1,02,771	-

**Note No. 10**  
**Trade Payable**

Particulars	31.03.2020 ₹	31.03.2019 ₹
For Services		
a) Total Outstanding dues of micro enterprises and small enterprises; and	-	-
b) Total Outstanding dues of creditors other than micro enterprises and small enterprises	1,74,000	2,18,171
<b>Total</b>	<b>1,74,000</b>	<b>2,18,171</b>

**Note 10.1 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. 11**  
**Other Current Liabilities**

Particulars	31.03.2020 ₹	31.03.2019 ₹
Commission to Director Payable	9,45,000	9,45,000
Audit Fees Payable	1,53,000	1,35,000
Statutory Dues	2,29,593	2,78,675
Others	2,750	2,500
<b>Total</b>	<b>13,30,343</b>	<b>13,61,175</b>

**Note 12**  
**Current Tax Liability (Net)**

Particulars	31.03.2020 ₹	31.03.2019 ₹
Advance Income Tax and Tax Deducted at Source (Net of provisions)	-	2,80,209
<b>Total</b>	<b>-</b>	<b>2,80,209</b>

**Note 13**  
**Revenue from Sale of Services**

Particulars	31.03.2020 ₹	31.03.2019 ₹
<b>Services Rendered</b>		
Trusteeship Fees - Sundaram Mutual Fund	1,31,99,315	1,35,31,628
Trusteeship Fees - Sundaram Alternative Investment Fund (Cat III)	4,94,713	3,66,992
Trusteeship Fees - Sundaram Alternative Investment Fund (Cat II)	2,34,939	1,16,949
<b>Total</b>	<b>1,39,28,967</b>	<b>1,40,15,569</b>

**Note 14**  
**Other Income**

Particulars	31.03.2020 ₹	31.03.2019 ₹
a) Interest on Income Tax Refund	-	24,645
b) Profit on Sale of Assets	-	10,732
c) Other Non-Operating Income ( Refer Note 14.1 )	9,33,073	10,29,808
<b>Total</b>	<b>9,33,073</b>	<b>10,65,185</b>

**Note 14.1 - Net Gain (Loss) on Fair Value Change**

Particulars	31.03.2020 ₹	31.03.2019 ₹
a) Net Gain / ( Loss) arising on Financial Assets Measured at Fair Value through P&L	2,39,532	(3,86,188)
b) Profit on Sale of Investment	6,93,541	14,15,996
<b>Total Net Gain / (Loss) on Fair Value Change</b>	<b>9,33,073</b>	<b>10,29,808</b>

**Note 15  
Finance Cost**

Particulars	31.03.2020 ₹	31.03.2019 ₹
Interest on Shortfall in Payment of Advance Income Tax	4,720	3,689
<b>Total</b>	<b>4,720</b>	<b>3,689</b>

**Note 16  
Administrative Expenses**

Particulars	31.03.2020 ₹	31.03.2019 ₹
Administrative expenses	18,00,000	18,00,000
Directors Sitting Fees	7,00,000	5,25,000
Commission to Directors	10,50,000	10,50,000
Insurance	2,43,000	2,43,000
Payments to the Auditor:		
- Statutory Audit fees	1,50,000	1,40,000
- Tax Audit fees	30,000	20,000
Travel Expenses - Directors	93,837	37,431
Printing and Stationery	76,310	18,000
Professional Fees	51,400	85,120
ROC Filing charges	3,000	9,000
Swachh Bharat Cess	-	-
Other Expenses	-	1,465
<b>Total</b>	<b>41,97,547</b>	<b>39,29,016</b>

For SUNDARAM TRUSTEE COMPANY LIMITED

For **Sundaram & Srinivasan**  
Chartered Accountants  
Firm Registration No. 004207S

S Usha  
Partner  
Membership No. 211785

Chennai  
May 15, 2020

**M S Sundararajan**  
Director

**R Venkatraman**  
Director

**S Viji**  
Director

**Soundara Kumar**  
Director

## NOTES ON ACCOUNTS

### Company Overview

Sundaram Trustee Company Limited ("STCL" or "the Company") is a public limited company incorporated under the provisions of the Companies Act, 1956. It is a fully owned subsidiary of M/s. Sundaram Finance Ltd.

The Company is engaged in the business of Trusteeship services to M/s. Sundaram Mutual Fund, Sundaram Cat III Alternative Investment Trust and Sundaram Cat II Alternative Investment Trust.

### Note no. 1. Significant accounting policies

#### 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.

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

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

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

#### 1.3 Property, plant and equipment

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

Depreciation and amortization:

- i. Depreciation is recognized on written down value basis, over the useful life of the assets as prescribed under Schedule II of the Companies Act, 2013.
- ii. On tangible fixed assets added / disposed off during the year, depreciation is charged on pro-rata basis from the date of addition / till the date of disposal.

#### 1.4 Impairment

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

## 1.5. Financial instruments

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

### Financial assets

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

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.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial asset. 12-month ECL are a portion of the lifetime ECL which result from default events that are possible within 12 months from the reporting date.

ECL are measured in a manner that they reflect unbiased and probability weighted amounts determined by a range of outcomes, taking into account the time value of money and other reasonable information available as a result of past events, current conditions and forecasts of future economic conditions.

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

#### Financial Liabilities

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

##### i) Initial Recognition

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

##### ii) Subsequent measurement

Financial liabilities are measured subsequently at amortized cost.

##### iii) De-recognition

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

#### **1.6. Cash and cash equivalents**

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

#### **1.7. Revenue**

Revenue is recognized when it is probable that economic benefits associated with a transaction flows to the Company in the ordinary course of its activities and the amount of revenue can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment.

##### Revenue from Services:

Revenue from rendering of services is recognized based on agreements/ arrangements entered with the customers.

##### Other income:

Interest income (excluding interest on income tax refund) is recognized on time proportion basis, taking into account the amount outstanding and effective interest rate. Interest on income tax refund is accounted on receipt basis.

#### **1.8. Income Taxes**

##### Current tax:

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

##### Deferred tax:

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

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

#### **1.9. Provisions and contingencies**

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

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources embodying economic benefits or the amount of such obligation cannot be measured reliably. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources embodying economic benefits is remote, no provision or disclosure is made.

#### 1.10. Earnings per share

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.

For the purpose of calculating diluted earnings per share, the net profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

#### 1.11. Dividend

Dividend on shares is recorded as a liability on the date of approval by share holders.

#### 1.12. Segment reporting

The Company has identified Trusteeship Services as the only business segment.

#### 1.13. Cash flow statement

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

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

### 2. Earnings per share

Particulars		2019-20	2018-19
Profit after Tax	₹	79,87,144	80,36,114
Total Equity Share Outstanding at the end of the year	Nos.	50,000	50,000
Earnings per share (Basic and Diluted)	₹	159.74	160.72
Face Value per Share	₹	10.00	10.00

### 3. Fair Value Measurement

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

Particulars	As at 31.03.2020			
	Total Carrying (Cost)	FVTPL	FVOCI	Amortized Cost
	₹	₹	₹	₹
<b>Financial Assets</b>				
Mutual Fund Investments	1,67,23,138	1,77,50,263	-	-
Trade Receivable	11,87,901	-	-	11,87,901
Cash and Cash Equivalents	1,27,433	-	-	1,27,433
<b>Financial Liabilities</b>				
Borrowings	-	-	-	-
Trade Payables	1,74,000	-	-	1,74,000
Other Current Liabilities	13,30,343	-	-	13,30,343

Particulars	As at 31.03.2019			
	Total Carrying (Cost)	FVTPL	FVOCI	Amortized Cost
	₹	₹	₹	₹
<b>Financial Assets</b>				
Mutual Fund Investments	1,65,79,597	1,73,67,191	-	-
Trade Receivable	12,82,177	-	-	12,82,177
Cash and Cash Equivalents	1,78,052	-	-	1,78,052
<b>Financial Liabilities</b>				
Borrowings	-	-	-	-
Trade Payables	2,18,171	-	-	2,18,171
Other Current Liabilities	13,61,175	-	-	13,61,175

### 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>			
Equity Shares	-	-	-
Mutual Fund Investments	1,77,50,263	-	-
As at Mar 31, 2019			
<b>Financial Assets at FVTPL:</b>			
Equity Shares	-	-	-
Mutual Fund Investments	1,73,67,191	-	-

### Valuation Technique to Management of Credit Risk

**Note No : 4**

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

## Related Parties

## a) Related Party where control exists

<b>Name of the Related Party</b>	<b>Relationship</b>
a) Sundaram Finance Limited	Holding Company
b) Sundaram Alternate Investment Trust Cat III	Associates
c) Sundaram Alternate Investment Trust Cat II	Associates
d) Sundaram Mutual Fund	Associates
e) Sundaram Asset Management Company Limited	Fellow Subsidiary
f) Sundaram Alternate Assets Limited	Fellow Subsidiary
g) Royal Sundaram General Insurance Co Limited [ Upto 22.02.19 ]	Fellow Subsidiary
h) Sundaram Finance Holdings Ltd	Fellow Subsidiary
i) Sundaram Asset Management Singapore Pte.Ltd	Fellow Subsidiary
j) LGF Services Limited	Fellow Subsidiary

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

<b>Name of the Related Party</b>	<b>Relationship</b>
a) Sundaram Finance Limited	Holding Company
b) Sundaram Alternate Investment Trust Cat III	Associates
c) Sundaram Alternate Investment Trust Cat II	Associates
d) Sundaram Mutual Fund	Associates
e) Sundaram Asset Management Company Limited	Fellow Subsidiary
f) Royal Sundaram General Insurance Co. Limited [ Upto 22.02.19 ]	Fellow Subsidiary



## c) Transactions with related party

Name	Relationship	Nature of Transaction	2019-20 ₹	2018-19 ₹
Sundaram Finance Ltd	Holding Company	Dividend Paid	60,00,000	40,00,000
Sundaram Asset Management Company Ltd	Fellow Subsidiary	Expenses	18,00,000	18,00,000
		Reimbursement	-	29,41,778
Sundaram Mutual Fund	Associate	Investments in Units	91,50,000	2,05,45,821
		Sale of Units	97,00,000	1,94,45,821
		Income	1,31,99,315	1,35,31,628
Sundaram Alternative Investment Fund - Cat III	Associate	Income	4,94,952	3,66,992
Sundaram Alternative Investment Fund - Cat II	Associate	Income	2,34,939	1,16,949
Royal Sundaram General Insurance Co. Limited [ Upto 22.02.19 ]	Fellow Subsidiary	Insurance	2,43,000	2,43,000
Outstanding Receivable as on 31st Mar 2020				
i) Sundaram Mutual Fund			10,80,440	11,91,781
ii) Sundaram Alternative Investment Fund - Cat III			68,161	40,870
iii) Sundaram Alternative Investment Fund - Cat II			39,101	49,581
iv) Sundaram Alterate Assets Limited			-	-
Outstanding Payable as on 31st Mar 2020 - Sundaram Asset Management Company Limited			1,74,000	2,18,169

**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.

**Valuation Technique**

Investment in Mutual Funds were measured at Closing NAV.

**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 ₹1,77,50,263/-.

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 31.03.2019 would increase/decrease by Rs.8,87,513/-.

#### 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 the rolling forecasts and the 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	1,74,000	2,18,171
Borrowing - Cash Credit	-	-

#### 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 : Concentration of credit risk with respect to trade receivable are limited as the customers are reviewed, assessed and monitored regularly on a monthly basis with pre determined credit limits assessed based on their payment capacity. Our historical experience of collecting receivables demonstrates that credit risk is low. 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 and term deposits 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.

5. **Contingent Liability** - Nil [ Previous Year "Nil" ]

#### 6. Note on COVID

The Novel coronavirus (COVID-19) pandemic is spreading around the globe rapidly. The virus has taken its toll on not just human life, but businesses and financial markets too, the extent of which is currently indeterminate.

##### Impact of COVID-19 on the Company

The company's primary fee income is the fees from trusteeship services to the schemes of Sundaram Mutual funds and Sundaram Alternate Investment Funds. The trusteeship fee income is dependent on Asset under Management (AUM) of those schemes. The Sensex fell over 8,800 Pts in March owing to uncertainties triggered by COVID, consequently, the Closing AUM of the company dropped by 24%. This fall in AUM has impacted the revenues for the month of March and more notably will have an impact on the Trusteeship Fees income in FY 2020-21.

**The situation is evolving and the assessment of impact due to COVID-19 is a continuous process, given the uncertainties.**



