Sundaram Alternate Assets Limited

2020-21

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

SUNDARAM ALTERNATES

Sundaram Alternate Assets Limited

A wholly-owned subsidiary of

Sundaram Asset Management Company Limited

Contents

DIRECTORS' REPORT

To the Members

Your Directors take pleasure in presenting the 4th Annual Report with the audited financial statement of accounts for the year ended March 31, 2021. The summarized financial results of the Company are given hereunder:

(Amount in ₹ crore)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Total Revenue	67.40	60.16
Total Expenses	54.28	53.37
Profit Before Tax	13.12	6.79
Provision for Tax	3.23	1.73
Profit After Tax	9.89	5.06

The Company's revenue grew by 12% over the year with a 2% increase in expenses. The Net profit grew from ₹ 5.06 cr. to ₹ 9.89 cr. during the period recording a gain of 95%.

Dividend

Your Company in March 2021 has declared an Interim Dividend of ₹ 2.75 per equity share (27.5%) for the financial year 2020-21 on the paid-up share capital of ₹ 39 cr., consisting of 3,90,00,000 equity shares of ₹10/- each.

Company Performance

PMS

The average assets under discretionary Portfolio Management Services and advisory segments grew by 26% from ₹1,147 cr. to ₹ 1,440 cr., for the financial year 2020-21.

AIF

As of March 31, 2021 your Company manages 4 Category III and 2 Category II AIF schemes with average assets under management of ₹1,728.05 cr. (₹1,265.26 cr. as on March 31, 2020).

Under Category III, your Company has raised total capital commitments of ₹ 1,126.32 cr. Your Company has raised ₹ 160.74 cr. worth commitments in ACORN as of March 31, 2021 and the fund continues to remain open to investors for subscriptions.

Under Category II AIF, your Company manages 2 AIF schemes, with total capital commitments of ₹ 831.61 cr. as of March 31, 2021.

High Yield Secured Debt Fund – I closed with capital commitments amounting to ₹ 403 cr. in FY 2019. As of March 31, 2021, the fund has deployed around ₹ 540.08 cr. (including re-investments) and has distributed approximately 53% (including capital repayments of ₹ 89.70 cr. of the capital drawn) to its investors.

Your company's High Yield Secured Debt Fund – II, a category II AIF, launched in April 2019 had its final closure in February 2021 and has raised capital commitments of ₹ 434.77 cr. 75% of the capital has been called of which ₹192 cr. has been invested in 4 investee companies. The fund has made quarterly payouts amounting to approximately 10.25% to its investors.

Industry

The total AUM of the portfolio management industry under discretionary and advisory services was ₹ 3.39 Trillion as of October 31, 2020.

With aggregate commitments of ₹0.47 Trillion under Category III AIF, ₹0.42 Trillion have been raised of which ₹ 0.38 Trillion was invested as of December 31, 2020.

Under Category II AIF, out of the commitments of ₹ 3.53 Trillion, ₹ 1.48 Trillion have been raised and ₹ 1.28 Trillion was invested as of December 31, 2020. Majority of the money was raised through private equity.

Fund Performance

Performance of the key strategies of PMS as of March 31, 2021:

Portfolio	Inception	Return since inception (Model Portfolio)%	Benchmark %	Excess over Benchmark %
Sundaram India Secular Opportunities Portfolio (SISOP)	February 2010	18.6	10.4	8.2
Sundaram Emerging Leadership Fund (SELF)	June 2010	17.6	10.4	7.2
Multi Cap	October 2011	21.01	12.67	8.34
Rising stars	November 2009	13.1	9.2	3.9
SUNOPP	November 2016	6.3	14.5	-8.2
PACE	March 2009	12.9	16.2	-3.4

Performance of the Category III AIF schemes as of March 31, 2021:

Scheme	Benchmark	Inception date	IRR (since inception)	
			Class A Unitholders	NSE Small Cap
Nano cap I	NSE Smallcap	February 10, 2017	-5.20%	1.47%
Nano cap II	NSE Smallcap	May 5, 2017	-4.11%	0.49%
Sundaram India Premier Fund	Nifty India Consumption	October 11, 2018	14.15%	1.81%
ACORN	NSE Midcap	February 12, 2020	40.23%	42.11%

Investors and Distributors

Your Company has 2,104 investors under its PMS business and 1,046 investors under its AIF business as of March 31, 2021.

Your Company has over 380 empaneled distributors. The company supports its investors and distributors across 85 locations.

Market Outlook

Equity

FY2021 took off with the first wave of the COVID-19 infections in India and the resulting lockdown. The Indian equity markets witnessed significant momentum right through the financial year largely driven by global developments. The significant fiscal and monetary announcements made by the US government/Federal Reserve and subsequent domestic announcements by the Indian government/RBI carried the Indian markets all through the year. The economy saw a sharp drop in activity in Q1 however subsequently posted a V-shaped recovery on the back of Unlock India. As a result, the narrow market (Sensex) recorded an annual return of 68% and the broad market (BSE500) delivered 77%. The mid and small cap index returns were much higher at 91% and 115% respectively.

Debt

Last year, we pointed to the significant uncertainties around macro-economic factors underlying the Indian real estate sector due to a variety of reasons. While many of these risks and concerns continue to exist, the sector has shown remarkable resilience, particularly in the self-liquidating residential vertical since the Covid Wave 1 lock downs were lifted. Sales, new launches and inventory absorptions across our focus markets such as Bengaluru, Hyderabad and Chennai showed a positive trend driven by pent-up demand for housing, “work from home” requirements, a rise in NRI demand, etc. that positively impacted our funds’ portfolio in terms of cash generation, collections and investor distributions.

However, the overall concerns and liquidity issues surrounding the real estate companies on the one hand and large parts of the organised financing community on the other, continue to place liquidity at a premium in this sector. This benefits your company’s asset-backed credit funds but at the same time, necessitates more intensive risk management and tighter underwiring standards. We expect the impact of Covid-19 to play out for the next 12-18 months in the least, in terms of business disruptions, operational issues, counter-party / key-man risks and enterprise level ALM mismatches which we will stay prepared for. As we indicated last year, businesses will have to adapt to this new normal and work with their various stakeholders to try and minimise the impact of Covid-19 and related issues.

Accordingly, we continue to tighten our asset monitoring as well as investment criteria. We reiterate that the choice of South India as our principal investment geography is serving our funds well with saleable inventory, shorter project timelines, more affordable end-unit prices and relatively conservative counter-parties versus other geographies like MMR and NCR. Over the next few quarters, we will continue to focus on capital preservation and tight asset monitoring to ensure that the funds keep returning cash back to our investors. The current scenario is also creating significant opportunities for new business and your company will endeavour to take advantage of these opportunities through launching new credit funds during the coming financial year.

Impact of Covid-19 on the Company

The first wave of COVID-19 infections in India spanned nearly the entire fiscal year. However, the sizeable stimulus measures in the western economies resulted in continuous money flow into emerging economies. India stood differentiated and received continuous FII and FDI inflows. This stabilised the rupee that saw an appreciation of 3.2% against the dollar, ending the fiscal year at 73.1.

The fiscal deficit for the year 2020-21 was projected at 3.5% at the start of the year. However, the substantial loss of revenue for the centre due to the stringent COVID-19 related restrictions during the year had led the government to target a substantial slippage of 9.5% GDP. However, pickup in tax revenue during the last quarter is likely to bring down this deficit closer to just under 8%. Into the fiscal year 2021-22, while the government has projected a fiscal deficit target of 6.8%, the ongoing second wave is likely to exert upward pressure on the fiscal target yet again.

The first wave of infections had taken a toll on India's GDP growth in FY21 that is likely to record a contraction of close to (8)%y/y. The year saw a number of government initiatives in the fiscally prudent Atma Nirbhar Bharat announcements. However, the RBI more than compensated for the lack of substantial fiscal support, through monetary policy. Into FY22, markets were initially projecting an appreciable growth bump-up in the range of 11-13%y/y. However, the ongoing second wave and the lockdowns/restrictions triggered in the states is likely to shave-off 150-200bps from this projection.

Most of the western world is witnessing the end of their respective third wave of COVID-19 infections. As a result, they are in the process of easing restrictions and normalising activity. Many other parts of the world are seeing rising infections, implying that it would take longer for them to ease COVID-related restrictions. The second wave of infections, India in particular, appears to be more transmissive in nature with a higher rate of mortality. Experts indicate that India's infections curve could peak appreciably by early June alongside a pick-up expected in India's vaccination drive. Having said that, this two-speed world with the growth in the US picking up speed, is expected to exert upward pressure on inflation and as a result on the Federal Reserve. This is currently a risk the markets are trying to grapple with; in addition to the sharp and consistent rise in commodity prices that continue into FY22. The markets track the above two variables very closely as they appear to be key risks to the positive momentum seen in equity markets.

Your company has resumed its business continuity plans and enabled work from home for its employees. Our constant focus continues to be investing in quality names to emerge stronger.

Risk management

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

Internal Financial Controls

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

Board of Directors / Key Managerial Personnel

The Board of Directors of the company is vested with general power of superintendence, direction and management of the affairs. During the year ended March 31, 2021, five Board Meetings were held.

Mr. Harsha Viji (holding DIN: 00602484) and Mr. Arvind Sethi (holding DIN:0001565) retire by rotation and being eligible, offer themselves for re-election. Necessary resolutions are submitted for your approval.

During the year, your Company had appointed Mr S Parthasarathy as Chief Financial Officer in the place of Mrs Kalpana Ashok.

Annual Evaluation by the Board

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

Board Committees

1. **Audit Committee**

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

2. **Nomination and Remuneration Committee**

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

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

   The salient features of the policy are as under:

   - Any person who in the opinion of the Board is not disqualified to become a Director, and in the opinion of the Board, possesses the ability, integrity and relevant expertise and experience, can be appointed as Director of the Company.
   - The Chief Executive Officer is appointed by the shareholders at a general meeting.
   - The Company pays remuneration by way of salary, perquisites and allowances, performance bonus to its Key Managerial Personnel based on the recommendation of Nomination and Remuneration Committee.
   - The remuneration of other employees mainly consists of basic remuneration, perquisites, allowances and performance bonus. The components of the total remuneration vary for different employee grades and are governed by industry patterns, qualifications and experience of the employee, responsibilities handled by them, their individual performances, etc.

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

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

3. **Corporate Social Responsibility Committee (CSR)**

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

   The Board monitors the Policy of the Company from time to time and endeavours to ensure that the requisite amount is spent on CSR activities as per the framework. A Report on CSR Activities undertaken by the Company for the Financial Year 2020-21 are set out in the prescribed format vide **Annexure I**.

   The composition of the committees constituted by the Board under Companies Act, 2013 is furnished vide **Annexure II**.

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

The Directors have devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards and that such systems are adequate and operating effectively.

Public Deposits

Your company has not accepted any deposits from the public.

Extract of Annual Return

As required under Section 92 (3) of the Companies Act, 2013 and Rule 12 (1) of the Companies (Management and Administration) Rules, 2014, an extract of the Annual Return in MGT-9 is available in our website under the following link:

https://www.sundaramalternates.com/Documents/AnnualExtract/Extract_of_Annual_Return_MTG_9_2020_21.pdf

Personnel

Your Company had 30 employees on its rolls as of March 31, 2021. Your Board of Directors place on record their acknowledgement for the support, dedication and unswerving commitment displayed by the employees towards the Company.

Particulars of Employee Remuneration

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

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

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy. No complaint was received during the year 2020-21.

Significant and Material Orders

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

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

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

During 2020-21, expenditure in foreign currencies amounted to ₹ 2.24 cr. Foreign currency earnings amounted to ₹ 0.82 cr.

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

The Company has not given any loans or made investments or provided any guarantee or security as envisaged under Section 186 of the Companies Act, 2013.

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

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

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

Your directors confirm that:

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

Acknowledgement

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

For and on behalf of the Board of Directors

Place: Chennai

Harsha Viji

Date: May 18, 2021

Chairman

Annexure I

Annual Report on CSR Activities for the Financial Year 2020-21

1. **Brief outline on CSR Policy of the Company**

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

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

2. **Composition of CSR Committee**

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr Arvind Sethi	Director	Nil *	Not Applicable
2.	Mr D Lakshminarayanan	Director		
3.	Mr R Vijayendiran	Chief Executive Officer		

* However, circular resolutions were passed on 2 occasions.

As per Section 135 (9) of the Companies Act, 2013, where the amount to be spent by a company does not exceed ₹ 50 lakhs, the requirement of constituting the CSR Committee shall not be applicable and the functions of such Committee shall, in such cases, be discharged by the Board itself.

As the CSR spending for the last two financial years of the Company is less than ₹ 50 lakhs, CSR Committee was dissolved with effect from 15th February 2021 and the functions of such Committee are being discharged by the Board itself.

3. **Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.**

   The required information is available in our website under the following link:

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

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

4. **Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report).**

   Not Applicable

5. **Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any**

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be setoff for the financial year, if any (in ₹)
Nil			

6. **Average net profit of the company as per Section 135(5)**

   ₹ 475.65 lakhs

7. (a) **Two percent of average net profit of the company as per Section 135(5)**

   ₹ 9.51 lakhs

   (b) **SuÏrplus arising out of the CSR projects or programmes or activities of the previous financial years.**

   Nil

   (c) **Amount required to be set off for the financial year, if any**

   Nil

   (d) **Total CSR obligation for the financial year (7a+7b-7c).**

   ₹ 9.51 lakhs

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount	Date of Transfer	Name of the Fund	Amount	Date of Transfer
₹ 10 lakhs	Nil		Nil		

(b) Details of CSR amount spent against ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No.	Location of the project.		Project duration	Amount allocated for the project (in ₹)	Amount spent in the current financial Year (in ₹)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹)	Mode of Implementation - Direct (Yes/No).	Mode of Implementation - Through Implementing Agency	
				State	District						Name.	CSR Registration Number
Nil												

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No.	Location of the project.		Amount allocated for the project (in ₹)	Mode of Implementation- Direct (Yes/No).	Mode of Implementation- Through Implementing Agency	
				State	District			Name.	CSR Registration Number
1.	Education	Clause (ii) Promoting education	Yes	Tamil Nadu	Chennai	₹ 10 lakhs	No	Laxmi Charities	CSR00005940

(d) Amount spent in Administrative Overheads

Nil

(e) Amount spent on Impact Assessment, if applicable

Nil

(f) Total amount spent for the Financial Year (8b+8c+8d+8e)

₹ 10 lakhs

(g) Excess amount for set off, if any

Sl.No.	Particular	Amount (in ₹)
(i)	Two percent of average net profit of the company as per section 135(5)	Nil
(ii)	Total amount spent for the Financial Year	
(iii)	Excess amount spent for the financial year [(ii)-(i)]	
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹.).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in ₹)
				Name of the Fund	Amount (in ₹).	Date of transfer.	
Nil							

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl.No.	Project ID	Name of the Project.	Financial Year in which the project was commenced.	Project duration	Total amount allocated for the project (in ₹.)	Amount spent on the project in the reporting Financial Year (in ₹.)	Cumulative amount spent at the end of reporting Financial Year. (in ₹.)	Status of the project - Completed / Ongoing.
Nil								

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details).

(a) Date of creation or acquisition of the capital asset(s).

(b) Amount of CSR spent for creation or acquisition of capital asset.

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).

Not Applicable

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per Section 135(5).

Not Applicable

R Vijayendiran
Chief Executive Officer

Harsha Viji
Chairman

Place: Chennai
Date: 18th May 2021

Annexure - II

Composition of the committees constituted by the Board under Companies Act, 2013

1. Audit Committee

S. No.	Name of the Member	DIN
1	Harsha Viji	00602484
2	Lakshminarayanan Duraiswamy	07988186
3	R Vijayendiran	07997232

2. Nomination and Remuneration Committee

S. No.	Name of the Member	DIN
1	Arvind Sethi	00001565
2	Harsha Viji	00602484
3	Lakshminarayanan Duraiswamy	07988186

3. Corporate Social Responsibility Committee

Please refer to the Annual Report on CSR Activities for the composition of the Committee.

For and on behalf of the Board of Directors

Place: Chennai
Date: May 18, 2021

Harsha Viji
Chairman

Annexure - III

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

1. **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.

2. **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 32 to the annual accounts.

For and on behalf of the Board of Directors

Place: Chennai
Date: May 18, 2021

Harsha Viji
Chairman

INDEPENDENT AUDITOR'S REPORT

To the Members of Sundaram Alternate Assets Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Sundaram Alternate Assets Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as the standalone financial statements).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on thatdate.

Basis for Opinion

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

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

The Company's Board of Directors are responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

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

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

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

Management's Responsibility for the Standalone Financial Statements

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the

Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:
   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
   c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
   d) In our opinion, the aforesaid standalone financial statements comply with the IndAS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
   e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
   f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
   g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended:

      In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act.
   (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
      i. the Company does not have any pending litigations which would impact it's financial position.
      ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
      iii. the Company is not required to transfer any amount to the Investor Education and Protection Fund.
2. 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.

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

P. Babu
Partner
Membership No.203358
UDIN: 21203358AAAAIR6226

Place: Chennai
Date: 18th May,2021

"Annexure A" to the Auditors' Report referred to in our Report of even date

1. a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.

   b) Fixed assets have been physically verified by the Management during the year, in accordance with an annual plan of verification, which is in our opinion is reasonable having regard to the size of the Company and the nature of the fixed assets. The discrepancies noticed on such verification were not material and have been properly dealt with in the books of account.

   c) The Company does not own any immovable property.

2. In our opinion and according to the information and explanations given to us, the Company has not granted any loans secured or unsecured to companies, firms, Limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, clauses (iii)(a), (b) and (c) of paragraph 3 of the Order are not applicable to the Company for the year.

3. In our opinion and according to the information and explanations given to us, the Company has not granted any loan to its Director(s) and has not made any investment, provided any guarantee or security as envisaged in Section 185 and Section 186 of the Companies Act, 2013, respectively.

4. The Company has not accepted any deposits from the public.

5. The Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act.

6. i) In our opinion and according to the information and explanations given to us, undisputed statutory dues, including Provident Fund, Income tax, Goods and Service Tax, and other material statutory dues have been regularly deposited during the year with the appropriate authorities. According to the information and explanations given to us, there are no arrears of statutory dues which are outstanding as at 31st March 2021 for a period of more than six months from the date they became payable.

   ii) In our opinion and according to the information and explanations given to us, there are no dues of Income tax and Goods and Service Tax which have not been deposited on account of any dispute.

7. The Company has not defaulted in repayment of installments in respect of term loans availed from the bank. Apart from the above, company has not availed any borrowings from Banks, financial institutions, Government or by issue of debentures.

8. The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) and the term loans were applied for the purposes for which the loans were obtained.

9. To the best of our knowledge and belief and according to the information and explanations given to us, during the year, no fraud by the Company and no fraud on the Company by its officers or employees were noticed or reported during the year.

10. The company has paid/provided for managerial remuneration within the limits of Sec 197 read with Schedule V to the Act.

11. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with related parties are in compliance with Section 177 and Section 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

12. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

13. In our opinion and according to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them.

14. In our opinion and according to the information and explanations given to us, the nature of the Company's business / activities during the year has been such that clause (ii), clause (xii) and clause (xvi) of paragraph 3 of the Companies (Auditor's Report) Order, 2016 is not applicable to the Company for the year.

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

P. Babu
Partner

Place: Chennai — Membership No.203358
Date: 18th May,2021 — UDIN: 21203358AAAAIR6226

"Annexure B" to the Auditors' Report referred in our report of even date

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

We have audited the internal financial controls over financial reporting of Sundaram Alternate Assets Limited ("the Company") as of 31st March 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

P. Babu
Partner
Membership No.203358
UDIN: 21203358AAAAIR6226

Place: Chennai
Date: 18th May,2021

Balance Sheet

As at 31st March, 2021 (Amount in ₹)

Particulars	Note No.	As at 31.03.2021	As at 31.03.2020
ASSETS			
1 Financial Assets			
a. Cash and cash equivalents	2A	84,47,016	15,17,537
b. Bank Balance other than (a) above		-	-
c. Receivables			
(i) Trade Receivables	2B	10,24,60,017	7,10,99,208
(ii) Other Receivables		1,97,83,625	37,72,232
d. Loans	3	2,91,113	12,19,539
e. Investments	4	21,98,85,522	7,53,18,312
f. Other Financial assets	5	4,26,098	4,26,861
2. Non-Financial Assets			
a. Current Tax Assets (Net)	6	1,83,37,438	2,75,91,703
b. Deferred Tax Assets (Net)	7	3,22,610	13,24,748
c. Property, plant and equipment	8	13,95,065	19,19,162
d. Right of Use Assets	9	-	9,29,727
e. Other Intangible assets	10	3,67,641	9,83,709
f. Other Non-Financial Assets	11	31,00,28,468	49,31,14,322
TOTAL ASSETS		**68,17,44,613**	**67,92,17,060**
LIABILITIES AND EQUITY			
Liabilities			
(1) Financial Liabilities			
a. Payables			
(I) Trade payables			
i) Total outstanding dues of micro enterprises and small enterprises	12A	-	-
ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		2,00,26,252	1,62,69,383
(II) Other payables			
i) Total outstanding dues of micro enterprises and small enterprises	12B	-	-
ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		77,38,918	77,43,015
b. Borrowings	13	12,29,06,770	12,69,84,138
c. Other Financial Liabilities	14	-	9,56,611
(2) Non-Financial Liabilities			
a. Provisions	15	2,36,85,321	2,41,52,576
b. Other Non-Financial Liabilities	16	2,24,64,486	1,03,62,249
Equity			
a Equity Share capital	17	39,00,00,000	39,00,00,000
b Other equity	18	9,49,22,866	10,27,49,088
TOTAL LIABILITIES AND EQUITY		**68,17,44,613**	**67,92,17,060**

Refer Note 1 for Significant Accounting Policies.

See accompanying Notes to financial statements

Vide our report of even date attached.

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

P Babu
Partner
Membership No. 203358

Date: 18th May, 2021
Place: Chennai

For and on behalf of the Board of Directors

D. Lakshminarayanan
Director

R Vijayendiran
Chief Executive Officer

S Parthasarathy
Chief Financial Officer

K Rajagopal
Secretary & Compliance Officer

Statement of Comprehensive Income

for the year ended 31st March 2021 (Amount in ₹)

Particulars	Note No.	2020-21	2019-20
Revenue from operations	19	65,77,02,162	59,70,14,898
Other Income	20	1,62,55,350	46,14,604
Total income		**67,39,57,512**	**60,16,29,501**
Expenses:			
Finance costs	21	99,47,221	1,33,33,201
Brokerage & Marketing Expenses	22	39,59,83,343	37,68,70,527
Employee benefits expense	23	8,50,47,775	8,56,42,920
Depreciation and amortization expense	8, 9, 10	18,72,142	33,02,465
Administrative and other expenses	24	4,99,25,711	5,45,17,891
Total expenses		**54,27,76,192**	**53,36,67,005**
Profit before Tax		**13,11,81,320**	**6,79,62,497**
Tax expense:			
Current Tax	25	3,12,67,772	1,76,50,000
Deferred Tax		10,02,138	(3,34,419)
Profit / (Loss) for the period		**9,89,11,410**	**5,06,46,916**
Other Comprehensive Income, Net of Taxes			
Items that will not be reclassified to Statement to Profit & Loss			
i) Remeasurement of Defined Benefit Plans		6,84,691	(2,00,553)
ii) Income tax impact on the above		(1,72,323)	50,475
Total Other comprehensive Income		**5,12,368**	**(1,50,078)**
Total Comprehensive Income		**9,94,23,778**	**5,04,96,838**
Earnings per equity share of ₹ 10 each			
Basic & Diluted		2.54	1.30

See accompanying Notes to financial statements

Vide our report of even date attached

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

P Babu
Partner
Membership No. 203358

Date: 18th May, 2021
Place: Chennai

For and on behalf of the Board of Directors

D. Lakshminarayanan
Director

R Vijayendiran
Chief Executive Officer

S Parthasarathy
Chief Financial Officer

K Rajagopal
Secretary & Compliance Officer

Cash Flow Statement

for the year ended 31st March 2021 (Amount in ₹)

		2020-21		2019-20	
A)	**CASH FLOW FROM OPERATING ACTIVITIES:**				
	Profit/(Loss) before tax	13,11,81,320		6,79,62,497	
	Add:Profit on sale of assets	-		(6,484)	
	Finance Cost	99,47,221		1,33,33,201	
	Profit on sale of Investments	(60,15,239)		(24,13,777)	
	Net (Gain) / Loss arising on Financial Assets Measured at Fair Value through P&L	(71,45,686)		10,09,071	
	Depreciation	18,72,142		33,02,465	
	Gain on Lease Termination	(1,05,128)		-	
	Remeasurement of defined Benefit Obligation	6,84,691		(2,00,553)	
	Income from investments in AIF	(20,23,517)			
	OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		**12,83,95,804**		**8,29,86,420**
	(Increase) / Decrease in Loans	9,28,426		(10,20,287)	
	(Increase) / Decrease in Other Financial Assets	760		(14,21,977)	
	(Increase) / Decrease in Other Non financial assets	18,30,85,854		(7,68,07,428)	
	(Increase) / Decrease in Trade Receivables	(4,73,72,202)		(95,36,191)	
	Increase / (Decrease) in Provisions	(4,67,255)		97,49,791	
	Increase / (Decrease) in Trade Payables	37,52,772		46,24,394	
	Increase / (Decrease) in Other Financial Liabilities	-		(2,77,25,962)	
	Increase / (Decrease) in Other Non financial Liabilities	1,21,02,238		40,53,124	
			15,20,30,591		**(9,80,84,536)**
	Cash generated from Operations		**28,04,26,395**		**(1,50,98,117)**
	Direct Taxes Paid	(2,21,62,853)		(3,07,15,754)	
	NET CASH FROM OPERATING ACTIVITIES		**25,82,63,542**		**(4,58,13,871)**
B)	**CASH FLOW FROM INVESTING ACTIVITIES**				
	Proceeds from Sale of Investments	59,86,33,499		33,90,06,356	
	Purchase of Investments	(72,99,82,701)		(40,58,74,067)	
	Purchase of PPE	(3,10,527)		(27,33,206)	
	Proceeds from Sale of PPE	-		26,732	
	Income received from AIF investments	20,23,517		-	
	NET CASH FROM INVESTING ACTIVITIES		**(12,96,36,212)**		**(6,95,74,185)**
C)	**CASH FLOW FROM FINANCING ACTIVITIES**				
	Principal Payment towards Lease liabilities	(3,63,917)		(4,41,153)	
	Interest payment towards Lease liabilities	(59,345)		(1,20,177)	
	Increase / (Decrease) in Borrowings	(40,77,368)		12,69,84,138	
	Dividend Paid	(10,72,50,000)		-	
	Finance Cost Paid	(99,47,221)		(1,32,13,024)	
NET CASH FROM FINANCING ACTIVITIES			**(12,16,97,851)**		**11,32,09,784**
NET INCREASE / (DECREASE) IN CASH & CASH EQUIVALENTS - (A) + (B) + (C)			**69,29,480**		**(21,78,271)**
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR			**15,17,537**		**36,95,808**
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR			**84,47,016**		**15,17,537**
Note : Cash & Cash Equivalents comprise the following :					
a.	Cash on hand		8,694		9,865
b.	Balances with Banks in Current accounts		84,38,322		15,07,672
	Total		**84,47,016**		**15,17,537**

See accompanying Notes to financial statements

Vide our report of even date attached

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

P Babu
Partner
Membership No. 203358

Date: 18th May, 2021
Place: Chennai

For and on behalf of the Board of Directors

D. Lakshminarayanan
Director

R Vijayendiran
Chief Executive Officer

S Parthasarathy
Chief Financial Officer

K Rajagopal
Secretary & Compliance Officer

Statement of changes in equity as at 31 March 2021

(Amount in ₹)

(a) Equity Share Capital	Amount (₹)
Balance as at 1st April 2019	**39,00,00,000**
Add: Shares issued	NIL
Balance as at 31st March 2020	**39,00,00,000**
Balance as at 1st April 2020	**39,00,00,000**
Add: Shares issued	NIL
Balance as at 31st March 2021	**39,00,00,000**

(b) Other Equity

Particulars	Share application money pending allotment	Reserves and Surplus					Items of Other Comprehensive Income		Total Other Equity
		General reserve	Securities Premium	Capital Reserve	Employees Stock Options Reserve	Retained earnings	Impairment of investment in subsidiary	Remeasurement of Defined benefit plans through Other Comprehensive Income	
Balance as at 1st April 2019	-	-	-	(2,12,518)	-	5,24,64,768	-	-	**5,22,52,250**
Profit for the year	-	-	-	-	-	5,06,46,916	-	-	**5,06,46,916**
Other Comprehensive Income	-	-	-	-	-	-	-	(1,50,078)	**(1,50,078)**
Dividends and Tax thereon	-	-	-	-	-	-	-	-	**-**
Employee Compensation Expense recognised	-	-	-	-	-	-	-	-	**-**
Balance as at 31st March 2020	**-**	**-**	**-**	**(2,12,518)**	**-**	**10,31,11,684**	**-**	**(1,50,078)**	**10,27,49,088**
Balance as at 1st April 2020	**-**	**-**	**-**	**(2,12,518)**	**-**	**10,31,11,684**	**-**	**(1,50,078)**	**10,27,49,088**
Profit for the year	-	-	-	-	-	9,89,11,410	-	-	**9,89,11,410**
Other Comprehensive Income	-	-	-	-	-	-	-	5,12,368	**5,12,368**
Dividends and Tax thereon	-	-	-	-	-	(10,72,50,000)	-	-	**(10,72,50,000)**
Employee Compensation Expense recognised	-	-	-	-	-	-	-	-	**-**
Balance as at 31st March 2021	**-**	**-**	**-**	**(2,12,518)**	**-**	**9,47,73,094**	**-**	**3,62,290**	**9,49,22,866**

Notes to the Accounts

Note 1: Significant Accounting Policies:

1. Corporate information

Sundaram Alternate Assets Limited ("SA" or "the Company") is a public limited company incorporated in India having its registered office at No.21, Patullos Road, Chennai 600002 and is a wholly owned subsidiary of Sundaram Asset Management Company Limited (SAMC) that caters the Investment need of High Net-worth Individuals (HNIs), Sundaram Portfolio Managers (SPM) and Alternate Investment Funds (AIF) are the divisions under the SA umbrella.

1.1 Overall considerations

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

1.2 Basis of Preparation of Financial statements

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

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

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

1.3 Property, plant and equipment

Recognition and measurement

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

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

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

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

Subsequent expenditure

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

Depreciation

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

Estimated useful lives of Tangible Assets

Sl.No	Nature of Asset	Useful Life
1.	Office Equipment	5 Years
2.	Electrical Equipment	10 Years
3.	Computers	3 to 6 Years
4.	Vehicle	10 Years
5.	Improvements to Rented Premises	3 Years

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate. Based on technical evaluation and consequent advice, the management believes that its estimates of useful lives as given above best represent the period over which management expects to use these assets.

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

Intangible assets

Initial recognition and measurement

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

Subsequent expenditure

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

Amortisation

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

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

Asset Block	Management estimate of useful life
Software	3 years

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

1.4 Impairment

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

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

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

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

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

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

1.5 Financial instruments

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

Financial assets

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

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

Subsequent measurement

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

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

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

i. Financial assets measured at amortized cost

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

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

b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

ii. Financial assets measured at FVTOCI

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

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

b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

iii. Financial assets measured at FVTPL

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

De-recognition of financial assets

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

Impairment of financial assets

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

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

Expected Credit Loss

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

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

Financial Liabilities

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

i) Initial Recognition

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

ii) Subsequent measurement

Financial liabilities are measured subsequently at amortized cost.

iii) De-recognition

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

1.6 Cash and cash equivalents

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

1.7 Revenue

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

Revenue from Services:

Portfolio Management, Alternate investment fund and Advisory Services:

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

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

Other income:

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

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

1.8 Employee benefits

Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

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

Defined contribution plans

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

Defined benefit plans

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

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

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

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

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

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

Other long-term employee benefits

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

1.9 Income Taxes

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

Current tax

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

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

Deferred tax

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

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

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

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

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

1.10 Provisions, Contingent liabilities and Contingent assets

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation.

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

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

1.11 Segment reporting

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

1.12 Earnings per share

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

1.13 Cash flow statement

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

1.14 Leases

The Company has applied Ind AS 116 Leases using the modified retrospective approach. At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company uses the definition of a lease in Ind AS 116.

As a lessee

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

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

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

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

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

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

Lease modifications

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

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

1.15 Distribution Cost

Portfolio Management Services

Distribution cost for Portfolio Management Services are charged to Statement of Profit and Loss on accrual basis. Distribution cost paid in advance is amortised over the contractual period. In respect of Portfolio Management Services, the Company has paid/accrued commission to the distributors and has the right of recovery of such commission under pre-defined circumstances (which includes investor exit up-to the "commitment period" as per the respective agreement entered with investor). On this account, an asset (prepaid expenses) is recognised at the time of actual payment or becoming due for payment and charged evenly to the Statement of Profit and Loss over the commitment period of the respective investor.

Alternate Investment Fund Services

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

1.16 Foreign currency transactions

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

1.17 Borrowing cost

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

Notes forming part of the financial statements

for the year ended 31st March 2021

(Amount in ₹)

Particulars	As at 31-03-2021	As at 31-03-2020
Financial assets		
Note 2.		
(A) Cash and cash equivalents		
a. Cash on hand	8,694	9,865
b. Balances with banks:		
- In current accounts	84,38,322	15,07,672
Total	**84,47,016**	**15,17,537**
Note 2B		
(i) Trade Receivables		
- Unsecured, Considered good	10,24,60,017	7,10,99,208
Less: Expected Credit loss	-	-
Total	**10,24,60,017**	**7,10,99,208**
(ii) Other receivables		
- Unsecured, Considered good	1,97,83,625	37,72,232
Less: Expected Credit loss	-	-
Total	**1,97,83,625**	**37,72,232**
Note 3. Loans		
Unsecured,considered good		
Staff Loans	2,91,113	12,19,539
Total	**2,91,113**	**12,19,539**

Financial assets

Note 4 Investments

Particulars	As at 31-03-2021		As at 31-03-2020	
	No. of shares/units	Fair Value	No. of shares/units	Fair Value
In Mutual Funds				
Unquoted				
Sundaram Money Fund - Growth Plan - Direct	34,95,135	15,16,81,500	38,489	16,11,522
Sundaram Ultra Short Term Fund	26,58,368	2,94,22,548	46,03,423	4,85,62,432
In Alternate Investments Funds				
Unquoted				
Sundaram High Yield Secured Debt Fund Series 1	100	77,97,851	100	88,74 067
Sundaram High Yield Secured Debt Fund Series 2	75	75,00,000	50	50,00 035
Sundaram India Premier Fund	10,000	1,40,69,286	10,000	92,98 941
Sundaram ACORN Fund	67	93,99,088	25	19,71 315
In Equity Instruments				
Unquoted				
Sundaram Alternative Opportunities Fund Mauritius Ltd*	100	7,625	-	-
Sundaram Alternative Opportunities Fund II Mauritius Ltd*	100	7,625	-	-
		21,98,85,522		**7,53,18,312**
Aggregate Value of Unquoted Investments		**21,98,85,522**		**7,53,18,312**
Market Value of Unquoted Investments		**21,98,85,522**		**7,53,18,312**

*Due to non- availability of fair market value, the above investments are stated at cost

Note 5. Other Financial Assets

Particulars	As at 31-03-2021	As at 31-03-2020
Security Deposits	4,26,098	4,26,861
Total	**4,26,098**	**4,26,861**

Notes forming part of the financial statements

for the year ended 31st March 2021

(Amount in ₹)

Particulars	As at 31-03-2021	As at 31-03-2020
Non-Financial assets		
Note 6. Current Tax Assets (Net)		
Advance tax and Tax deducted at source net of provision for taxation ₹ 5,46,48,095/- (Previous year -₹ 2,32,08,000/-)	1,83,37,438	2,75,91,703
Total	**1,83,37,438**	**2,75,91,703**
Note 7. Deferred Tax Assets (Net)		
Deferred Tax Asset	3,22,610	13,24,748
Total	**3,22,610**	**13,24,748**

Note 8 Property, Plant and Equipment

Reconciliation of the gross carrying amounts and net carrying amounts at the beginning and at the end of the year

Particulars	Computers	Office equipments	Vehicles	Electrical Equipment	Improvements to rented premises	Total
Gross carrying value						
At April 1, 2019	**9,78,009**	**51,655**	**55,385**	**4,10,176**	**11,89,233**	**26,84,458**
Additions	3,39,052	25,423	14,43,028	-	-	18,07,503
Disposals	40,254	-	-	-	-	40,254
Other Adjustments	-	-	-	-	-	-
Translation Adjustments	-	-	-	-	-	-
At March 31, 2020	**12,76,807**	**77,078**	**14,98,413**	**4,10,176**	**11,89,233**	**44,51,707**
At April 1, 2020	**12,76,807**	**77,078**	**14,98,413**	**4,10,176**	**11,89,233**	**44,51,707**
Additions	2,59,027	3,500	-	48,000	-	3,10,527
Disposals	-	-	-	-	-	-
Other Adjustments	-	-	-	-	-	-
Translation Adjustments	-	-	-	-	-	-
At March 31, 2021	**15,35,834**	**80,578**	**14,98,413**	**4,58,176**	**11,89,233**	**47,62,234**
Accumulated depreciation						
At April 1, 2019	**6,27,061**	**18,187**	**46,483**	**1,97,440**	**8,46,622**	**17,35,793**
Depreciation expense	3,11,715	26,344	81,010	55,077	3,42,611	8,16,758
Disposals	20,006	-	-	-	-	20,006
Other Adjustments	-	-	-	-	-	-
Translation Adjustments	-	-	-	-	-	-
At March 31, 2019	**9,18,771**	**44,531**	**1,27,493**	**2,52,517**	**11,89,233**	**25,32,545**
At April 1, 2020	**9,18,771**	**44,531**	**1,27,493**	**2,52,517**	**11,89,233**	**25,32,545**
Depreciation expense	2,97,688	18,167	4,29,973	88,798	-	8,34,626
Disposals	-	-	-	-	-	-
Other Adjustments	-	-	-	-	-	-
Translation Adjustments	-	-	-	-	-	-
At March 31, 2021	**12,16,459**	**62,698**	**5,57,466**	**3,41,315**	**11,89,233**	**33,67,170**
Net carrying value						
March 31, 2021	**3,19,376**	**17,880**	**9,40,948**	**1,16,861**	**-**	**13,95,065**
Net carrying value						
March 31, 2020	**3,58,036**	**32,547**	**13,70,920**	**1,57,659**	**-**	**19,19,162**

Notes forming part of the financial statements

for the year ended 31st March 2021

(Amount in ₹)

Particulars	As at 31-03-2021	As at 31-03-2020

Note 9 Right-Of-Use Assets

Reconciliation of the gross carrying amounts and net carrying amounts at the beginning and at the end of the year

Particulars	Buildings	Total
Gross carrying value		
At April 1, 2019	**-**	**-**
Additions	14,78,466	14,78,466
Disposals	-	-
Other Adjustments	-	-
At March 31, 2020	**14,78,466**	**14,78,466**
At April 1, 2020	**14,78,466**	**14,78,466**
Additions	-	-
Disposals	-	-
Other Adjustments (Termination)	5,48,519	5,48,519
At March 31, 2021	**9,29,947**	**9,29,947**
Accumulated depreciation		
At April 1, 2019	**-**	**-**
Depreciation expense	5,48,739	5,48,739
Disposals	-	-
Other Adjustments	-	-
At March 31, 2020	**5,48,739**	**5,48,739**
At April 1, 2020	**5,48,739**	**5,48,739**
Depreciation expense	3,81,208	3,81,208
Disposals	-	-
Other Adjustments (Termination)	-	-
At March 31, 2021	**9,29,947**	**9,29,947**
Net carrying value March 31, 2021	**-**	**-**
Net carrying value March 31, 2020	**9,29,727**	**9,29,727**

Note 10 - Other Intangible Assets

Particulars	Computer Software	Total
Gross carrying value		
At April 1, 2019	**1,01,31,975**	**1,01,31,975**
Additions	8,45,000	8,45,000
Disposals	-	-
Other Adjustments	-	-
At March 31, 2020	**1,09,76,975**	**1,09,76,975**
At April 1, 2020	**1,09,76,975**	**1,09,76,975**
Additions	-	-
Disposals	-	-
Other Adjustments	-	-
At March 31, 2021	**1,09,76,975**	**1,09,76,975**
Accumulated Amortisation		
At April 1, 2019	**80,56,297**	**80,56,297**
Amortisation expense	19,36,969	19,36,969
Disposals	-	-
Other Adjustments	-	-
At March 31, 2020	**99,93,267**	**99,93,267**
At April 1, 2020	**99,93,267**	**99,93,267**
Amortisation expense	6,16,069	6,16,069
Disposals	-	-
Other Adjustments	-	-
At March 31, 2021	**1,06,09,336**	**1,06,09,336**
Net carrying value March 31, 2021	**3,67,641**	**3,67,641**
Net carrying value March 31, 2020	**9,83,709**	**9,83,709**

Notes forming part of the financial statements

for the year ended 31st March 2021

(Amount in ₹)

Particulars	As at 31-03-2021	As at 31-03-2020
Note 11. Other Non-Financial assets		
Advances other than Capital Advances		
Prepaid Expenses	30,89,99,805	48,97,58,456
Advance for Expenses	5,67,335	992
Others	4,61,328	33,54,874
Total	**31,00,28,468**	**49,31,14,322**
Financial Liabilities		
Note 12.		
(A) Trade payables		
i) Total outstanding dues of micro enterprises and small enterprises	-	-
ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	2,00,26,252	1,62,69,383
Total	**2,00,26,252**	**1,62,69,383**
Note 12.		
(B) Other payables		
i) Total outstanding dues of micro enterprises and small enterprises	-	-
ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	77,38,918	77,43,015
Total	**77,38,918**	**77,43,015**
Note 13 Borrowings		
Unsecured		
Axis Bank Limited	12,29,06,770	12,69,84,138
Repayment Terms		
Payable in 13 monthly instalments commencing from April 2021;		
Rate of Interest - 8.15% P.A.		
Period and amount of continuing default - NIL		
Total	**12,29,06,770**	**12,69,84,138**
Note 14. Other financial Liabilities		
Lease liabilties	-	9,56,611
Total	**-**	**9,56,611**
Non Financial Liabilities		
Note 15. Provisions		
Provision for Employee Benefits		
Gratuity Payable (Net)	5,30,754	8,75,803
Compensated Absences (Leave encashment)	17,87,487	19,98,740
Provision for other employee benefits	2,13,67,080	2,12,78,033
Total	**2,36,85,321**	**2,41,52,576**
Note 16. Non financial liabilities		
Statutory dues	2,24,64,486	1,03,62,249
Total	**2,24,64,486**	**1,03,62,249**

Notes forming part of the financial statements

for the year ended 31st March 2021

(Amount in ₹)

Note 17 - Share Capital

Particulars	As at 31-03-2021	As at 31-03-2020
A) Authorised, Issued, Subscribed and Paid up Share capital		
Authorised:		
4,00,00,000 Equity Shares of ₹ 10/- each	40,00,00,000	40,00,00,000
Issued & Subscribed & Paid-up:		
3,90,00,000 Equity Shares of ₹ 10/- each	39,00,00,000	39,00,00,000
Total	**39,00,00,000**	**39,00,00,000**

	As at 31-03-2021		As at 31-03-2020	
Name of the shareholder held in the company	**Number of shares shares held**	**Percentage of held in the company**	**Number of shares shares held**	**Percentage of**
Sundaram Asset Management Company Limited- Holding Company	**3,90,00,000**	**100.00%**	**3,90,00,000**	**100.00%**

Particulars	As at 31-03-2021	As at 31-03-2020
Note 18 - Other equity		
I.Reserves and Surplus		
A) Securities Premium		
Amounts received (on issue of shares) in excess of the par value has been classified as securities premium.		
Opening balance	-	-
Add: Securities premium received during the year	-	-
Closing balance	**-**	**-**
B) General Reserve		
Opening balance	-	-
Adjustments	-	-
Closing Balance	**-**	**-**
C) Capital Reserve		
Opening balance	(2,12,518)	(2,12,518)
Closing Balance	**(2,12,518)**	**(2,12,518)**
D) Employee Stock Options Reserve		
Opening balance	-	-
Adjustments	-	-
Closing Balance	**-**	**-**
E) Retained Earnings		
Opening balance	10,31,11,684	5,24,64,768
Appropriations:		
Dividend paid	(10,72,50,000)	-
Dividend Distribution Tax paid	-	-
	(10,72,50,000)	**-**
Total Profit for the period	9,89,11,410	5,06,46,916
Closing Balance	**9,47,73,094**	**10,31,11,684**
Foreign Currency Translation Reserve		
II. Other items of other comprehensive income		
Opening balance	(1,50,078)	-
Other items of other comprehensive income consist of re-measurement of net defined liability/asset and gains and losses arising from translating the financial statements of a foreign operation	5,12,368	(1,50,078)
Closing Balance	**3,62,290**	**(1,50,078)**
TOTAL	**9,49,22,866**	**10,27,49,088**

Notes forming part of the financial statements

for the year ended 31st March 2021

(Amount in ₹)

Particulars	2020-21	2019-20
Note 19. Revenue From Operations		
Investment Management Fees - Alternative Investment Fund	31,81,74,528	29,93,19,676
Portfolio Management Service Fees	32,41,94,784	28,13,20,788
Advisory Fees & Others	1,53,32,850	1,63,74,434
Total	**65,77,02,162**	**59,70,14,898**
Note 20. Other Income		
(A) Income from investments		
Profit on Sale of Investments	60,15,239	24,13,777
Profit on Fair Valuation of Investments	71,45,686	-
Dividends from Mutual Funds/AIF schemes	1,25,378	1,23,043
Interest income	18,98,139	16,43,944
Total (A)	**1,51,84,442**	**41,80,765**
(B) Others		
Interest on Income Tax Refund	9,07,365	-
Gain on Lease Termination	1,05,128	-
Profit on Sale of Assets	-	6,484
Provision no longer required written back	5,620	3,87,072
Gain on exchange fluctuation	7,795	-
Interest on amortised deposit	45,000	40,283
Total (B)	**10,70,908**	**4,33,839**
Total	**1,62,55,350**	**46,14,604**
Note 21. Finance Costs		
Interest on term loan	98,87,876	1,32,13,024
Interest on Lease Liabilities	59,345	1,20,177
Total	**99,47,221**	**1,33,33,201**
Note 22. Brokerage & Marketing Expenses		
Portfolio Management Services	20,09,41,850	18,12,03,069
Alternate Investment Funds	18,64,90,451	18,71,97,737
Operating Expenses of schemes of AIF	55,08,270	41,03,954
Marketing & Other Expenses	30,42,772	43,65,767
Total	**39,59,83,343**	**37,68,70,527**
Note 23. Employee Benefits Expense		
Salaries, allowances and bonus	7,76,47,794	7,80,11,580
Company's contribution to Provident Fund, NPS, ESI Scheme	39,58,093	39,31,244
Gratuity & Leave Encashment	26,63,781	30,93,210
Staff Welfare Expenses	7,78,107	6,06,886
Total	**8,50,47,775**	**8,56,42,920**

Notes forming part of the financial statements

for the year ended 31st March 2021

(Amount in ₹)

Note 24. Administrative & Other Expenses	2020-21	2019-20
Rent	12,00,000	11,99,762
Loss on Fair Valuation of Investments	-	10,09,071
Outsourcing Cost	2,14,61,788	1,98,77,203
Subscription	45,76,006	42,72,083
Electricity Charges	1,25,940	1,70,831
Communication Expenses	7,11,670	11,38,416
Professional and Consultancy Fees	1,07,83,864	46,39,306
Travelling and Conveyance	2,37,336	43,38,195
Database and Networking Expenses	10,000	1,400
Business Development Expenses	19,92,031	35,89,893
Repairs and Maintenance		
- Building	1,77,433	77,030
- Others	16,85,689	13,69,379
Audit Fees	4,50,000	4,50,000
Printing & Stationery	7,11,009	34,85,671
Insurance	6,19,503	8,93,477
Rates and Taxes	13,85,439	24,42,350
Director's Sitting Fees and Commission	5,90,000	5,70,000
Corporate Social Responsibility	10,00,000	15,00,000
Loss on exchange fluctuation	-	2,44,715
Miscellaneous expenses	22,08,003	32,49,109
Total	**4,99,25,711**	**5,45,17,891**

Particulars	2020-21	2019-20
Note 25. Income tax		
Income tax expense in the statement of profit and loss consists of:		
Current income tax:		
In respect of the current year	3,12,67,772	1,76,50,000
In respect of the previous years	-	-
Deferred tax:		
In respect of the current year	10,02,138	(3,34,419)
Income tax expense recognised in the statement of profit or loss:	**3,22,69,910**	**1,73,15,581**

The reconciliation between the provison for income tax of the Company and amounts computed by applying the Indian statutory income tax rates to profit before taxes is as follows:

a. Amount recognized in Statement of Profit and Loss

Particulars	2020-21	2019-20
Current Tax		
Current Period	3,12,67,772	1,76,50,000
Deferred Tax: Attributabe to origination and reversal of temporary difference	10,02,138	(3,34,419)
Income Tax expense recongnised in the Statement of Profit and Loss	**3,22,69,910**	**1,73,15,581**
Deferred Tax Asset	3,22,610	13,24,748

b. Reconciliation of Tax expenses

Particulars	2020-21	2019-20
Profit before tax	13,18,66,011	6,77,61,944
Tax Rate	25.17%	25.17%
Tax using the Company's domestic tax rate	3,31,88,038	1,70,54,326
Tax Effect		
Tax Impact Depreciation	60,148	2,89,444
Tax impact on Preliminary Expenses	(2,34,680)	(2,34,680)
Tax impact on Fair value changes	(17,98,569)	2,70,902
Others	2,25,159	2,19,533
Deferred Tax	10,02,138	(3,34,418)
Tax expenses as per Statement of Profit and Loss	**3,24,42,233**	**1,72,65,106**
Effective tax rate	**24.60%**	**25.48%**

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

As at 31st Mar 2021

Particulars	Balance Sheet As at 31.03.2021	Profit and (Loss) 2020-21	OCI 2020-21	Balance Sheet As at 31.03.2020
Preliminary expenses not Written-off	8,02,956	(2,34,680)	-	5,68,275
Difference between written down of fixed assets as per the books of account and Income Tax Act, 1961	2,60,999	60,148	-	3,21,147
Tax impact on Fair value changes in respect of Security deposit, leases and Investments	2,60,794	(17,98,569)	-	(15,37,775)
Remeasurement of defined benefit obligation	-	-	-	-
Deferred tax (Expense) / benefit	-	-	-	-
Net Deferred tax (asset)	13,24,748	(19,73,102)	-	(6,48,353)

Note 26: Capital Management

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

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

Particulars	As at 31-03-2021	31-03-2020
Total equity attributable to equity share holders of the Company	**48,49,22,866**	**49,27,49,088**
Borrowings	12,29,06,770	12,69,84,138
Total debt held by the Company	**12,29,06,770**	**12,69,84,138**
Total capital (Equity and Debt)	**60,78,29,636**	**61,97,33,226**
Equity as a percentage of total capital	80%	80%
Debt as a percentage of total capital	20%	20%

The Company is predominantly equity financed which is evident from the capital structure table above. The Company’s risk management committee reviews the capital structure of the Company on an ongoing basis. As part of this review, the committee considers the cost of capital and the risks associated with each class of capital.

Notes forming part of the financial statements

for the year ended 31st March 2021

(Amount in ₹)

Note No 27: Financial Risk Management

The Company is exposed to a variety of financial risks; credit risk, liquidity risk and market risk,viz; foreign currency risk and interest rate risk. The Company has a risk management policy to manage & mitigate these risks.

The Company's risk management policy aims to reduce volatility in financial statements and aims to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance.

The Board of Directors reviews and agrees policies for managing each of these risks as summarized below

Credit risk:

Credit risk is the risk of financial loss to the Company if a customer or counterparty to the financial instrument fails to meet its contractual obligations and arises principally from the Company's receivables from customers and investment securities.

Financial instruments that potentially subject the Company to concentration of credit risk consists of trade receivables, investments, loans, cash and cash equivalents and other financial assets. The maximum exposure to credit risk is equal to the carrying value of the financial assets. By their nature, all such financial assets involve risks, including the credit risk of non-performance by counterparties.

The Company periodically assesses the credit quality of the counterparties by taking into account their financial position, past experience, ageing of accounts receivables and any other factor determined by individual characteristic of the counterparty.

The maximum amount of exposure to credit was as follows:

Particulars	Balance As at	Balance As at
	March 31, 2021	March 31, 2020
Investments	21,98,85,522	7,53,18,312
Trade receivables	10,24,60,017	7,10,99,208
Other receivables	1,97,83,625	37,72,232
Cash and cash equivalents	84,47,016	15,17,537
Loans	2,91,113	12,19,539
Other financial assets	4,26,098	4,26,861
TOTAL	**35,12,93,390**	**15,33,53,689**

Liquidity Risk:

Liquidity risk is the risk that the Company will not be able to encounter its financial obligations associated with financial liabilities as they become due. The Company manages its liquidity risk by ensuring, as far as possible, to maintain sufficient liquid funds to meet its liabilities on the due date. The Company consistently generates sufficient cash flows from operations (with adequate reserves) and has access to multiple sources of funding (banking facilities and loans from promoter company) to meet the financial obligations and maintain adequate liquidity for use.

The processes and policies related to such risks are overseen by Senior Management.

Maturity profile of the Company's non-derivative financial liabilities based on contractual payments is as below:

Particulars	Year 1	1 - 2 years	2 years and above	Total
As at March 31, 2021				
Borrowings	94,54,402	11,34,52,368	-	12,29,06,770
Trade Payables	2,00,26,252	-	-	2,00,26,252
Other payables	77,38,918	-	-	77,38,918
Other financial liabilities	-	-	-	-
As at March 31, 2020				
Borrowings	5,67,32,634	7,02,51,504	-	12,69,84,138
Trade Payables	1,62,69,383	-	-	1,62,69,383
Other payables	77,43,015	-	-	77,43,015
Other financial liabilities	9,56,611	-	-	9,56,611

Notes forming part of the financial statements

for the year ended 31st March 2021

(Amount in ₹)

Market risk:

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the foreign currency exchange rates, interest rates, credit, liquidity and other market changes. The Company's exposure to market risk is primarily on account of foreign currency exchange rate risk and price risk.

Sensitivity Analysis:

The table below summarises the impact of increases/decreases of the Net Asset Value (NAV) on the Company's investment in Mutual fund and profit for the period. The analysis is based on the assumption that the NAV increased by 5% or decreased by 5% with all other variables held constant, and that all the Company's investments in mutual funds moved in line with the NAV.

Particulars	Sensitivity of Profit or loss	
	As at March 31, 2021	As at March 31, 2020
NAV - Increase 5%	1,09,94,276	37,65,916
NAV - decrease 5%	(1,09,94,276)	(37,65,916)

Foreign Currency Risk:

The fluctuation in foreign currency exchange rates may have potential impact on the Statement of Profit or Loss and Other Comprehensive Income and equity, where any transaction references more than one currency or where assets / liabilities are denominated in a currency other than the functional currency of the Company.

The Company's exchange risk arises its exposure to foreign currency assets and liabilities (primarily in SGD and AUD). The exchange rate between the Indian rupee and these foreign currencies has changed substantially in recent periods and may continue to fluctuate substantially in the future.

The Company periodically determines its strategy to mitigate foreign currency risk. The Company evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks.

The maximum amount of exposure to foreign currency risk is as follows:

Particulars	As at March 31, 2021	As at March 31, 2020
Trade Receivables	-	-
In Singapore Dollars	5,000	5,000
In Australian Dollars	38,312	35,445
Investments		
In US Dollars	200	-
	43,512	**40,445**

Sensitivity Analysis:

A reasonably possible strengthening/ weakening of SGD and AUD against INR would have affected the measurement of financial instruments denominated in foreign currency and affected equity and Statement of Profit or Loss by the amounts shown below. This analysis assumes that all other variables remain constant.

Notes forming part of the financial statements

for the year ended 31st March 2021

(Amount in ₹)

Particulars	Statement of Profit or Loss		Equity, net of tax	
	Increase	Decrease	Increase	Decrease
31-Mar-21				
Trade receivables (5% movement)	1,34,492	(1,34,492)	1,00,643	(1,00,643)
31-Mar-20				
Trade receivables (5% movement)	95,629	(95,629)	71,561	(71,561)

Interest rate risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates arises on Company's debt obligations. The Company's borrowings are primarily at fixed rate of interest, which do not expose it to significant interest rate risk.

Note 28: Financial Instruments

The carrying value and fair value of financial instruments by categories as at March 31, 2021 and March 31, 2020 is as follows:

Particulars	As at 31-03-2021	As at 31-03-2020
Financial Assets		
Amortized Cost		
Trade receivables	10,24,60,017	7,10,99,208
Other receivables	1,97,83,625	37,72,232
Cash and cash equivalents	84,47,016	15,17,537
Loans	2,91,113	12,19,539
Others financial assets	4,26,098	4,26,861
Fair Value through profit and loss		
Investments in Mutual Funds	21,98,70,272	7,53,18,312
At Cost		
Investments in subsidiaries, associates and joint ventures	15,250	-
TOTAL ASSETS	**35,12,93,390**	**15,33,53,689**
Financial Liabilities		
Amortized Cost		
Borrowings	12,29,06,770	12,69,84,138
Other financial liabilities	-	9,56,611
Trade Payables	2,00,26,252	1,62,69,383
Other payables	77,38,918	77,43,015
TOTAL LIABILITIES	**14,29,33,022**	**14,42,10,132**

Notes:

The Management assessed the fair value of cash and short-term deposits, trade receivables and trade payables, book overdrafts, and other current financial assets and liabilities as approximately equal to the carrying amounts largely due to the short-term maturities of these instruments.

Investments in Mutual Funds has been valued using the Net Asset Value (NAV) of the investee which falls under Level I hierarchy of inputs used in valuation techniques.

Security Deposits receivable have been valued using the unobservable inputs which falls under Level III hierarchy of valuation techniques.

Lease Liabilities have been valued using incremental borrowing rate which falls under Level II hierarchy of valuation techniques.

Note No 29: Corporate Social Responsibility (CSR) Expenditure:

Particulars	2020-21	2019-20
Amount required to be spent for the year	9,51,303	14,73,133
Amount spent during the year (in cash)		
(i) Construction / acquisition of any asset	-	-
(ii) On purposes other than (i) above	10,00,000	15,00,000
Total (i) + (ii)	**10,00,000**	**15,00,000**

Notes forming part of the financial statements

for the year ended 31st March 2021

(Amount in ₹)

Note 30 : Disclosure of provisions and contingencies as per Ind AS - 37

Particulars	2020-21	2019-20
Provisions	-	-
Contingent Liability provided for	-	-
Total	-	-

There are no contingent liabilities and contingent assets during the year.

Note 31. Employee Benefits

Defined Contribution Plans:

During the year, the company has recognized the following amounts in the Profit and Loss Statement, which are included in Employee benefits expense in Note No.23

Particulars		2020-21	2019-20
Contribution to Superannuation Fund	₹	-	-
Contribution to Pension Fund	₹	24,88,243	29,45,996
Contribution to Employees State Insurance - ESI	₹	-	-
Contribution to Provident Fund	₹	5,81,320	1,38,292
Total		**30,69,563**	**30,84,288**

Defined Benefit Plans :

Particulars	Year ended 31.03.2021	Year ended 31.03.2020
1) Amount Recogonised in Balance Sheet:		
The Total Amount of net liability/asset to be recorded in the balance sheet of the Company, along with the comparative figures for previous period, is shown in the below table:		
Present Value of the funded defined benefit obligation	1,23,38,925	1,08,93,889
Fair Value of plan assets	1,18,08,171	1,00,18,086
Net funded obligation	5,30,754	8,75,803
Present value of unfunded defined benefit obligation	-	-
Amount not recognised due to asset limit	-	-
Net defined benefit liability/ (asset) recognised in balance sheet	5,30,754	8,75,803
Net defined benefit liability/ (asset) bifurcated as follows:		
Current	-	-
Non-Current	5,30,754	8,75,803
2) Profit & Loss Account Expense:	**Year ended 31.03.2021**	**Year ended 31.03.2020**
The expenses charged to the profit & loss account for period along with the corresponding charge of the previous period is presented in the table below:		
Current Service cost	11,96,220	10,24,504
Past service cost		-
Administration expenses		-
Interest on net defined benefit liability / (asset)	60,868	(21,579)
(Gains) / Losses on settlement		-
Total expense charged to profit and loss account	**12,57,088**	**10,02,925**

Notes forming part of the financial statements

for the year ended 31st March 2021

(Amount in ₹)

Amount recorded in other Comprehensive Income:	Year ended 31.03.2021	Year ended 31.03.2020
The total amount of reimbursement items and impact of liabilities assumed or settled if any, which is recorded immediately in Other Comprehensive Income during the period is shown in the table below:		
Opening amount recognised in OCI outside profit and loss account	1,69,090	(31,463)
Remeasurements during the period due to		
Changes in financial assumptions	1,11,166	4,00,313
Changes on demogarphic assumptions	-	-
Experience adjustments	(7,40,003)	1,40,235
Actual return on plan assets less interest on plan assets	(55,854)	(3,39,995)
Adjustment to recogonize the effect on asset ceiling	-	-
Closing amount recognized in OCI outside profit and loss account	**(5,15,601)**	**1,69,090**

3) Reconciliation of Net Liability / Asset:	Year ended 31.03.2021	Year ended 31.03.2020
The movement of net liability / asset from the beginning to the end of the accounting period as recognised in the balance sheet of the company is shown below:		
Opening net defined benefit liability / (asset)	8,75,803	(2,87,728)
Expenses charged to profit & loss account	12,57,088	10,02,925
Amount recognised outside profit & loss account	(6,84,681)	2,00,553
Employer contributions	(18,48,849)	(39,947)
Impact of liability assumed or (settled)*	9,31,403	-
Closing net defined benefit liability / (asset)	**5,30,764**	**8,75,803**

Movement in Benefit Obligations:		
A reconciliation of the benefit obligation during the inter-valuation period is given below:		
Opening of defined benefit obligation	1,08,93,889	86,88,354
Current service cost	11,96,220	10,24,504
Past service cost	-	-
Interest on defined benefit obligation	7,30,288	6,40,483
Remeasurements due to:		
Acturial loss / (gain) arising from change in financial assumptions	1,11,166	4,00,313
Acturial loss / (gain) arising from change in demographic assumptions	-	-
Acturial loss / (gain) arising on account of experience changes	(7,40,003)	1,40,235
Benefits paid	(13,24,038)	-
Liabilities assumed/ (settled)	14,71,403	-
Liabilities extinguished on settlements	-	-
Closing of defined benefit obligation	**1,23,38,925**	**1,08,93,889**

Notes forming part of the financial statements

for the year ended 31st March 2021

(Amount in ₹)

4) Movement in Plan Assets:	Year ended 31.03.2021	Year ended 31.03.2020
The fair value of the assets as at the balance sheet date has been estimated by us based on the latest date for which a certified value of assets is readily available and the cash flow information to and from the fund between this date and the balance sheet date allowing for estimated interest for the period:		
A reconciliation of the plan assets during the inter-valuation period is given below:		
Opening fair value of plan assets	1,00,18,086	89,76,082
Employer contributions	18,48,849	39,947
Interest on plan assets	6,69,420	6,62,062
	Year ended 31.03.2021	**Year ended 31.03.2020**
Administration expenses	-	-
Remeasurements due to:		
Actual return on plan assets less interest on plan assets	55,854	3,39,995
Benefits paid	(13,24,038)	-
Assets acquired / (settled)*	5,40,000	-
Assets distributed on settlements	-	-
Closing fair value of plan assets	**1,18,08,171**	**1,00,18,086**
Movement in Asset Ceiling:		
A reconciliation of the asset ceiling during the inter-valuation perios is given below:		
Opening value of asset ceiling	-	-
Interest on opening balance of asset ceiling	-	-
Remeasurements due to:		
Change in surplus/deficit	-	-
Closing value of asset ceiling	**-**	**-**

5) Disaggregation of Plan Assets:	Year ended 31.03.2021 Quoted Value	Year ended 31.03.2021 Unquoted value	Year ended 31.03.2021 Total	Year ended 31.03.2020 Quoted Value	Year ended 31.03.2020 Unquoted value	Year ended 31.03.2020 Total
A split of plans asset between various asset classes as well as segregation 'between quoted and unquoted values is presented below:						
Property	-	-	-	-	-	-
Government debt instruments	-	-	-	-	-	-
Other debt instruments	-	-	-	-	-	-
Equity instruments	-	-	-	-	-	-
Insurer managed funds	-	1,18,08,171	1,18,08,171	-	1,00,18,086	1,00,18,086
Others	-	-	-	-	-	-
Grand Total	**-**	**1,18,08,171**	**1,18,08,171**	**-**	**1,00,18,086**	**1,00,18,086**

Notes forming part of the financial statements

for the year ended 31st March 2021

(Amount in ₹)

Key Acturial Assumptions:

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

a) Discount rate (p.a.)	6.80%	6.95%
b) Salary escalation rate (p.a.)	7.00%	7.00%

c) Retirement Age:

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

d) Mortality:

Published rates under the Indian Assured Lives Mortality (2012-14) Ut table.

Rates of Indian Assured Lives Mortality table at specimen ages are as shown below:

Age (years)	Rates (p.a.)	Age (years)	Rates (p.a.)
18	0.000874	18	0.000874
23	0.000936	23	0.000936
28	0.000942	28	0.000942
33	0.001086	33	0.001086
38	0.001453	38	0.001453
43	0.002144	43	0.002144
48	0.003536	48	0.003536
53	0.006174	53	0.006174
58	0.009651	58	0.009651

e) Leaving Service:

Rates of leaving service at specimen ages are as shown below:

Age (years)	Rates (p.a.)	Age (years)	Rates (p.a.)
21-30	10%	21-30	10%
31-40	5%	31-40	5%
41-50	3%	41-50	3%
51-57	2%	51-57	2%

f) Disability:

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

7) Sensitivity Analysis:	**Year ended 31.03.2021**		**Year ended 31.03.2020**	
	Discount Rate	**Salary Escalation Rate**	**Discount Rate**	**Salary Escalation Rate**
Gratuity is a lump sum plan and the cost of providing these benefits is typically less sensitive to small changes in demographic assumptions. The Key acturial assumptions to which the benefit obligation results are particularly sensitive to are discount rate and future salary escalation rate. The following table summarizes the change in defined benefit obligation and impact in percentage terms compared with the reported defined benefit obligation at the end of the reporting period arising on account of an increase or decrease in the reported assumption by 50 basis points.				
Defined benefit Obligation on increase in 50bps	1,19,76,905	1,27,23,648	1,05,28,685	1,12,84,384
Impact of increase in 50bps on DBO	-2.93%	3.12%	-3.35%	3.58%
Defined benefit obligation on decrease in 50bps	1,27,26,256	1,19,75,919	1,12,86,467	1,05,27,197
Impact of decrease in 50bps on DBO	3.14%	-2.94%	3.60%	-3.37%

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

Notes forming part of the financial statements

for the year ended 31st March 2021

(Amount in ₹)

Details of Related Parties Transactions for the year ended 31.03.2021

Note No.32 - Disclosures in accordance with Ind AS 24 - Related Parties

Ultimate Holding Company

Sundaram Finance Limited

Holding Company

Sundaram Asset Management Company Limited

Subsidiaries

Sundaram Alternative Opportunities Fund Mauritius Ltd

Sundaram Alternative Opportunities Fund II Mauritius Ltd

Associates of a fellow subsidiary

Sundaram Alternative Investment Trust Cat III

Sundaram Alternative Investment Trust Cat II

Associate of ultimate holding company

Royal Sundaram General Insurance Co Ltd

Fellow Subsidiaries

Sundaram Finance Holding Limited

Sundaram Asset Management Singapore Pte.Ltd

Sundaram Home Finance Ltd

Sundaram Fund Services Limited

LGF Services Limited

Sundaram Trustee Company Limited

Entity in which Director is interested:

HD Ventures LLP

Key Management Personnel

Mr Vijayendiran Rao - Chief Executive Officer

Transactions with related parties were made on terms equivalent to those that prevail in an arm's length transactions.

Particulars	Holding Company		Subsidiaries/Fellow Subsidiaries/Associates		Key Management Personnel/Entity in which Director is interested	
	2020-21	**2019-20**	**2020-21**	**2019-20**	**2020-21**	**2019-20**
INCOME						
Management Fees						
Sundaram Alternative Investment Trust - Cat III	-	-	22,65,88,386	21,90,71,932		
Sundaram Alternative Investment Trust - Cat II	-	-	9,14,17,444	8,18,89,638		
Advisory Fees						
Sundaram Home Finance Limited	-	-	24,61,567	-		
Sundaram Asset Management Singapore Pte.Ltd			10,88,500	10,39,500		
TOTAL	**-**	**-**	**32,15,55,897**	**30,20,01,070**	**-**	
EXPENSE						
Shared Services						
Sundaram Asset Management Company Ltd	2,07,36,000	1,92,00,000				
Rent						
Sundaram Asset Management Company Ltd	12,00,000	12,00,000				
Research Cost						
Sundaram Alternative Investment Trust - Cat III			19,22,123	24,00,000		
PMS Brokerage						
Sundaram Finance Limited	1,05,27,002	1,30,83,016				
AIF Brokerage						
Sundaram Finance Limited	68,08,000	1,00,31,100				

Particulars	Holding Company		Subsidiaries/Fellow Subsidiaries/Associates		Key Management Personnel/Entity in which Director is interested	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
Internal Audit Fees						
Sundaram Finance Limited	5,00,000	5,00,000				
Payroll Processing						
Sundaram Finance Holdings Limited			2,88,000	2,88,000		
Insurance						
Royal Sundaram General Insurance Co Ltd			-	62,337		
Document Storage Charges						
Sundaram Home Finance Limited			1,42,500	-		
Fund Accounting						
Sundaram Fund Services Limited			-	15,48,276		
Professional & Consultancy Charges						
HD Ventures LLP					1,36,36,684	1,32,74,266
REMUNERATION TO KEY MANAGERIAL PERSONNEL OF THE COMPANY						
Remuneration						
Key Personnel of the Company						
Mr.Vijayendiran Rao - Chief Executive Officer					1,50,37,450	1,32,00,000
Total	**3,97,71,002**	**4,40,14,116**	**23,52,623**	**42,98,613**	**2,86,74,134**	**2,64,74,266**
ASSETS						
INVESTMENT IN SECURITIES AT THE END OF THE YEAR						
Sundaram Alternative Investment Trust - Cat III			1,75,00,000	1,25,00,000		
Sundaram Alternative Investment Trust - Cat II			1,52,97,851	1,38,74,102		
Sundaram Mutual Fund			18,08,94,994	4,99,12,505		
Sundaram Alternative Opportunities Fund Mauritius Ltd			7,625	-		
Sundaram Alternative Opportunities Fund II Mauritius Ltd			7,625	-		
TRADE RECEIVABLES						
Outstanding Receivable - Sundaram Alternative Investment Trust - Cat III			4,84,48,520	2,53,78,024		
Outstanding Receivable - Sundaram Alternative Investment Trust - Cat II			3,01,31,359	1,55,83,219		
Outstanding Receivable - Sundaram Asset Management Company Limited	3,21,329	33,20,001				
Outstanding Receivable - Sundaram Home Finance Limited			9,11,199	-		
Outstanding Receivable - Sundaram Asset Management Singapore Pte.Ltd			5,49,350	2,64,750		
Total	**3,21,329**	**33,20,001**	**29,37,48,523**	**11,75,12,600**	**-**	**-**
LIABILITIES						
TRADE PAYABLES						
Outstanding Payable - Sundaram Asset Management Company Limited	18,31,680	19,90,063				
Outstanding Payable - Sundaram Finance Limited			14,25,310	5,82,609		
Outstanding Payable - Sundaram Finance Holdings Limited			24,000	25,920		
Outstanding Payable - Sundaram Home Finance Limited			7,500	-		
Outstanding Payable - HD Ventures LLP					10,91,862	12,21,585
Total	**18,31,680**	**19,90,063**	**14,56,810**	**6,08,529**	**10,91,862**	**12,21,585**

Notes forming part of the financial statements

for the year ended 31st March 2021

(Amount in ₹)

Note No.33: Disclosures in accordance with Ind AS 108 - Operating Segments

The CEO of the Company has been identified as the Chief Operating Decision Maker. The CODM has considered only Investment Management Business as the operating segment as defined under Ind AS 108. The Company's operations primarily relate to providing Investment Management services.

Note No.34: Disclosures in accordance with Ind AS 115 - Revenue from contracts with customers

Performance Obligations

The performance obligations in the entity's contract with customers are satisfied upon completion of service. The contracts with customers have no significant financing components. Revenue is recognised on time proportion basis using agreed rates. Other revenues are recognised when the customer obtains control of services rendered by the company.

A. Disaggregation of revenue from contracts with customers based on geographical location

In the following table, revenue from contracts with customers is disaggregated by major service lines, timing of revenue recognition and primary geographical market.

Particulars	2020-21	2019-20
I. Major service lines:		
Investment Management Fees - Alternative Investment Fund	31,81,74,528	29,93,19,676
Portfolio Management Service Fees	32,41,94,784	28,13,20,788
Advisory Fees & Others	1,53,32,850	1,63,74,434
Total	**65,77,02,162**	**59,70,14,898**
II. Timing of revenue recognition:		
- Revenue recognised at a point in time	65,77,02,162	59,70,14,898
- Revenue recognised over a period of time	-	-
Total	**65,77,02,162**	**59,70,14,898**
III. Primary geographical market:		
India	64,95,44,721	58,83,31,326
Singapore	10,88,500	10,39,500
Australia	70,68,941	76,44,072
Total	**65,77,02,162**	**59,70,14,898**

B. Contract Balances

The following table provides information about contract assets and liabilities from contracts with customers.

(i) Contract Assets

Particulars	As at 31-03-2021	As at 31-03-2020
Opening balance	-	-
Invoice raised during the year	-	-
Unbilled revenue recognized during the year	-	-
Closing balance	-	-

(ii) Contract Liabilities

Particulars	As at 31-03-2021	As at 31-03-2020
Opening balance	-	-
Invoice raised during the year	-	-
Revenue recognized during the year	-	-
Closing balance	-	-

The contract assets primarily relate to the Company's rights to consideration for work completed but not billed at the reporting date for services rendered. The contract assets are transferred to receivables when the rights become unconditional. This usually occurs when the Company issues an invoice to the customer.

Notes forming part of the financial statements

for the year ended 31st March 2021

(Amount in ₹)

The contract liabilities includes income received in advance and pending to be recognized as income since obligation is yet to be performed and invoice raised against unearned revenue.

Non-Current Assets used in the Company's business, assets or liabilities contracted, other than those specifically identifiable are located in the company's country of domicile.

Note No.35 - Covid-19 Impact disclosure

COVID-19 virus continues to spread across the globe including India, resulting in significant volatility in financial markets and a significant decrease in global economic activities including that of India's. Both Central and state governments had imposed the lock down for a few months and gradually relaxed with measures for controlling. Govt has also initiated vaccination drive to mitigate the pandemic situation. Though economic revival was gradually improving during the last two quarters, the recent second wave of the Covid 19 is currently spreading very fast and casts concerns among all stakeholders.

Impact of COVID-19 on the Company

The company's primary fee income is Investment Management Fees from the schemes of Sundaram Alternative Investment Funds, Portfolio Management Services and Advisory Income. The Investment Management Fees income is dependent on Asset under Management (AUM) which fluctuates with the performance of the stock market and also the net inflows into the schemes/PMS.

In an unprecedented comeback, BSE Sensex has jumped 20,754 points or 70.8 per cent in 2020-21. This excellent run got strength with the progressive unlocking and sharp rebound in the economy. Discovery of vaccines and optimism it generated gave further strength to the market.

While performance of the stock market has risen the AUM which will improve the Investment Management Fees income in FY 2021-22, the second wave of COVID 19 which is spreading across the globe including India, might result in significant volatility in financial markets and a significant decrease in global economic activities including that of India's.

Company has been able to sustain its operations during lockdown period and is fully equipped with all necessary resources to continue operations in coming times as well. The recent second wave across country will have impact in the coming few quarters on companies' business but recovery can be equally faster post tampering virus pandemic primarily after nationwide vaccination and medical care.

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of investments, trade receivables and other assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company, as at the date of approval of these financial statements has used internal and external sources of information including subsequent recoveries, credit risk profile, macroeconomic forecasts etc. Based on the above assessment, the Company is of the view that the carrying amounts of the assets will be realised. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements, and the Company will continue to closely monitor the developments.

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

Note No.36 - Proposed Dividend

The Board of Directors of the Company at their meeting held on 18th May 2021 has not recommended any final dividend to the shareholders of the company.

Note No.37 - Disclosures in accordance with Ind AS 33 - Earnings Per Share

Sl. No	Particulars		2020-21	2019-20
1	Total Comprehensive Income	(A)	9,94,23,778	5,04,96,838
2	Other Comprehensive Income	(B)	5,12,368	(1,50,078)
3	Profit / (Loss) for the period	(C)=(A)-(B)	9,89,11,410	5,06,46,916
4	Number of shares (nominal value of ₹10/- each)	(D)	3,90,00,000	3,90,00,000
5	Earnings per share (Basic & Diluted) – ₹	(C)/(D)	2.54	1.30
6	Dividend distributed (including TDS)– ₹		10,72,50,000	NIL
7	Dividend per share – ₹		2.75	NIL

Note No.38: Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006

The Company has initiated the process of obtaining confirmation from suppliers who have registered under the Micro, Small and Medium Enterprises Development Act, 2006. Based on the information available with the company there is no amount outstanding as on 31st March 2021. There are no overdue principle amounts and therefore no interest is paid or payable.

Notes forming part of the financial statements

for the year ended 31st March 2021

(Amount in ₹)

The information required to be disclosed under the Micro, Small And Medium Enterprises Development Act,2006('the MSMED Act"") has been determined to the extent such parties have been identified on the basis of information received from such parties and available with the Company. There are no overdue to parties on account of principal amount and / or interest as disclosed below:

Particulars	For the year ended	
	March 31,2021	March 31,2020
The Principal amount and interest thereon, remaining unpaid to any supplier at the end of each accounting year.	NIL	
The amount of interest paid by the buyer in terms of Section 16 of the MSMED Act 2006		
The amount of payment made to suppliers beyond the appointed day during each accounting year		
The amount of interest due and payable for the period of delay in making payment(which have been paid beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006 The amount of interest accrued and remaining unpaid at the end of each accounting year		
The amount of further interest remaining due and payable even in the succeeding years until such dates when the interest due above are actually paid to all the small enterprises, for the purpose of disallowance as a deductible expenditure under Section 23 of the MSMED Act 2006		

Note No.39 Remuneration to Auditors:

Particulars	2020-21	2019-20
Statutory Audit Fee	3,50,000	3,50,000
Tax Audit Fee	1,00,000	1,00,000
Others	2,45,000	41,300
Total	**6,95,000**	**4,91,300**

Note No. 40

The pending litigations as on 31st March 2021 have been compiled by the company and reviewed by the Statutory Auditors. The current position of the litigations has been evaluated and the effect thereof has been disclosed in the financial statements, where appropriate.

Note No. 41

There is no capital commitments as on 31st March 2021.

Note No. 42

Based on the current assessment of the long-term contracts in the ordinary course of business, the Company has made adequate provision for losses wherever required. The Company has not entered into any derivative contracts during the year.

Note No.43 Sundaram Alternate Assets Limited has invested USD 100 each in the Management Class Shares of Sundaram Alternative Opportunities Fund Mauritius Ltd and Sundaram Alternative Opportunities Fund II Mauritius Ltd. The Management Class of Shares have been created due to regulatory requirements of the jurisdiction in which these entities are incorporated and the company has no bearing on the operations of these entities. Sundaram Alternate Assets Limited plays the role of an a agent and therefore it is not required to consolidate these entities with the accounts of the company under IND AS 110-Consolidated Financial Statements .

Note No. 44

Comparative figures have been regrouped/ reclassified wherever necessary to correspond with the current period's classification / disclosure.

See accompanying Notes to financial statements

Vide our report of even date attached

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

P Babu
Partner
Membership No. 203358

Date: 18th May, 2021
Place: Chennai

For and on behalf of the Board of Directors

D. Lakshminarayanan
Director

R Vijayendiran
Chief Executive Officer

S Parthasarathy
Chief Financial Officer

K Rajagopal
Secretary & Compliance Officer