

SUNDARAM TRUSTEE
COMPANY LIMITED

13

ANNUAL REPORT
2016-2017

Board of Directors

M S Sundararajan

Chairman

S Viji

R Venkatraman

Soundara Kumar (Ms.)

Audit Committee

R Venkatraman

Chairman

Soundara Kumar (Ms.)

Banker

IDBI Bank Ltd

Auditors

M/s. Sundaram & Srinivasan, Chennai

Chartered Accountants

Registered Office

21, Patullos Road

Chennai 600 002

Corporate Office

Sundaram Towers,

I & II Floor, 46, Whites Road, Chennai 600 014

Tel: +91 44 4060 9900 / 2856 9900, Fax: +91 44 2858 3156

CIN: U65999TN2003PLC052058

Website: www.sundarammutual.com

SUNDARAM TRUSTEE COMPANY LIMITED

A subsidiary of



SUNDARAM FINANCE
Enduring values. New age thinking.

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Sponsor



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

DIRECTORS' REPORT

To the Members

Your Directors have pleasure in presenting the 13th Annual Report with the audited financial statement of accounts for the year ended March 31, 2017. The summarized financial results of the Company are given hereunder:

Financial Results:

(₹ In lakhs)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Total Revenue	122.5	299.51
Total Expenses	39.94	33.53
Profit Before Tax	82.58	65.98
Provision for Tax	24.74	20.01
Profit After Tax	57.84	45.97
Surplus Brought Forward	21.58	17.83
Amount available for appropriation	79.42	63.80
Less: Appropriations		
- Dividend Proposed (Final)	40.00	35.00
- Dividend Distribution Tax	8.14	7.22
Surplus carried to Balance Sheet	31.28	21.58

Company Performance

During the year under review, your Company earned a gross income of ₹122.52 lakhs by way of trusteeship fees and other income as against ₹ 99.51 lakhs reported in the previous year 2015-16. The expenditure for the year under review was ₹ 39.94 lakhs in the current financial year compared to ₹ 33.53 lakhs in 2015-16. Your company reported a Profit after tax of ₹ 57.84 lakhs for the year ended March 31, 2017 as against ₹ 45.97 lakhs in the previous year. A sum of ₹ 79.42 lakhs is available for appropriation for the financial year 2016-17. Your Directors are happy to recommend a dividend of 800% on the paid up capital of the company. The dividend together with dividend tax absorbs a sum of ₹ 48.14 lakhs. A sum of ₹ 31.28 lakhs will be retained as surplus in the profit and loss account.

During the year, your Company consented to act as Trustees of Sundaram Alternative Investment Trust, a Category III – AIF. The Trust had launched a scheme - Nano Cap Series I which secured a capital commitment of ₹ 556.22 cr. Your Company also consented to act as Trustees of Sundaram Category II Alternative Investment Trust.

Mutual Fund Industry-Broad Trends

During the year, overall assets under management of the Indian Mutual Fund industry has grown from ₹12.33 lakh cr. to ₹ 17.55 lakh cr., registering a growth of 42%. The equity assets have grown from ₹ 4.42 lakh cr. to ₹ 6.73 lakh cr. as at 31 March 2017 registering a growth of 52%. Demonetization measures by the Government of India have increased the inflows into mutual funds.

Sundaram Mutual Fund-Performance

The average assets under management of Sundaram Mutual Fund schemes grew to ₹ 26,896 cr. during the financial year ended 31 March 2017 from ₹ 22,170 cr., in the previous financial year. This represents an increase of 21% over the previous year.

For the quarter ended 31 March 2017, the schemes of Sundaram Mutual Fund had a market share of 1.56% of industry assets and a market share of 2.40% of equity assets.

Fund Performance

During the year under review, Sundaram Mutual Fund launched 7 close-ended schemes and 1 open ended scheme mobilizing ₹ 555.04 cr. Most of the company's schemes registered good performance during the year beating the benchmark and in line with our philosophy, several schemes distributed sizeable dividends. Your Directors are happy to inform you that the AUM of Sundaram Select Midcap has crossed ₹ 5000 cr., mark on 10 April 2017. Your schemes were recognised by rating agencies and the press. Some of the accolades were:

Scheme Name with Plan	Category	Rating Agency	Rating
Sundaram Rural India Fund	Equity	CRISIL	CPR-1
Sundaram Select Midcap	Equity	CRISIL	CPR-2
Sundaram Select Midcap Fund –Direct	Equity	Value Research	4Star
Sundaram Select Midcap Growth	Equity	Morning Star	4 Star
Sundaram Tax Saver Growth	ELSS	Morning Star	4 Star
Sundaram Flexible Fund – Short Term Plan	Debt	CRISIL	CPR-1
Sundaram Flexible Fund – Flexible Income Plan – Direct	Debt	Value Research	4 Star
Sundaram Monthly Income Plan	Debt	CRISIL	CPR-2
Sundaram Select Debt Short Term Asset Plan	Debt	CRISIL	CPR-2
Sundaram Money Fund	Liquid	CRISIL	CPR-2

Risk management

The Company's operations mainly relate to providing trusteeship services to Sundaram Mutual Fund Schemes. The risk management areas relating to the mutual funds operations have been extensively covered by the Enterprise Risk management Framework of the Investment Manager, Sundaram Asset Management Company Limited, which is designed to assist in the identification and assessment of risks in order that they can be managed in an efficient manner and that informed decisions can be taken to manage threats and exploit opportunities.

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

Internal Control System and Adequacy

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

Market Outlook

Capital markets were strong during the year. The Sensex moved from 25,342 points as at 31 March 2016 to 29,620 points as at 31 March 2017 and returned 17%. Nifty moved from 7,738 points to 9,174 points for the same period and returned 19%. 10 Year G-Sec yield was 6.69% when compared to 7.46% in the previous year.

India started the fiscal on a positive note and appeared to be on the path of recovery. The government's move to demonetise high denomination notes worked to stall this momentum. While the demonetisation impact is seen to be

transitory, it has taken a while for the remonetisation to start and would take another couple of quarters for the economy to reach pre- demonetisation levels of currency in circulation. However, demonetisation has initiated a positive shift towards cashless/digital. The cash intensive sectors of the economy took a hit during the demonetisation phase and with remonetisation, these very sectors are likely to see a pickup during the start of FY18. This would then translate into discretionary consumption. The driver of growth therefore in FY18 is likely to be consumption led. Industry drivers are likely to follow consumption. A July GST roll out is expected to ease the bottlenecks around business, the centre's fiscal consolidation to contain inflation and reforms are expected to spur infrastructure spends by the government.

All of the above would see some traction in the current fiscal, but in a gradual and stable manner. Consumption could see a pickup in the first half of the year. The budget has seen a boost for public sector capex with an increase in infrastructure spending in the areas of roads, railways and power. With good execution, the precondition for an investment recovery could be in place by the end of the fiscal. Continued structural reforms, smooth implementation of the GST and the bankruptcy code would enable this growth. At this stage, NPA resolution would also be key to spark a sustained recovery in the capex space. Affordable housing is another focus seen in the budget that could act as a push for the construction sector and lead to well needed job creation. The economy is stable at the moment and appears to have weathered the impact of demonetisation better than expectations.

FY18 is likely to see contained retail inflation that could average 4.8% during the year. Wholesale inflation is likely to tag global commodity prices and see an increase from current levels, averaging to just under 6%. The RBI is set to stay on hold right through FY18 as it focuses its energies to normalize the system of excess liquidity and attempt at addressing the issue of NPAs in the system. FDI has seen strong inflows in the past year with a bias towards manufacturing sectors. This is likely to continue into the current fiscal as well. The strength seen in the rupee in Q4 of the last fiscal is directly linked to foreign investor interest in India as an Emerging Market destination. With the RBI unlikely to intervene, the pace of inflows are likely to dictate the direction of the rupee. The fiscal deficit is likely to remain contained and the current account deficit would remain range bound and contained in FY18 as well. This containment of the twin deficits could give further comfort to the rupee.

Risks exist to the domestic growth story. While growth appears stable and set to recover driven by consumption, the sustainability of this growth would depend on reform delivery on the ground. A poor monsoon during the year could exert pressure on inflation. Further a GST roll out would also have upside risks to the RBI's trajectory of inflation. The play out of the above events could indicate an early emergence of rate hike talks during the fiscal. Global risks on the other hand can come from aggressive rate hikes from the Fed., the emergence of protectionism and a slip in the momentum of global growth.

Regulation

Pursuant to SEBI's advise to fund houses to review and merge their existing schemes, your company has continued to merge funds viz. (i) Sundaram Select Thematic Funds – PSU Opportunities Fund and Sundaram Entertainment Opportunities Fund with Sundaram Equity Multiplier (ii) Sundaram Growth Fund with Sundaram Select Focus, (iii) Sundaram Monthly Income Plan – Moderate Plan with Sundaram Monthly Income Plan – Aggressive Plan and (iv) Sundaram Banking & PSU Debt Fund with Sundaram Flexible Fund Short-Term Plan in the investor interest. This takes the total schemes merged to 12.

SEBI appointed auditors have conducted detailed inspection of the accounts and records of the mutual fund for the period from 1st April 2014 to 31st March 2016. Your Directors wish to state that there are no significant observations made by the inspection team. As always, your company complied with SEBI (Mutual Funds) Regulations, 1996.

During the year, SEBI has issued circulars mainly on the following areas to protect the interest of the investors:

- Imposing conditions on the Fund Houses while prescribing restriction on redemption of Mutual Fund units;
- Increasing the additional exposure limits provided for Housing Finance Companies;
- Disclosure of actual commission paid by AMC/Mutual Funds, scheme's average Total Expense Ratio and total purchase value / cost of investment in the Consolidated Account Statement;
- Allowing celebrity endorsements of Mutual Funds at industry level and issuing new guidelines for mutual fund advertisements;
- Permitting investment in the units of Infrastructure Investment Trust and Real Estate Investment Trust by Mutual Fund schemes; and
- Allowing instant access facility for credit of redemption proceeds to the bank account of the investor on the same day of redemption request and use of e-wallet for investment in mutual funds.

Board of Directors

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

Directorship

Mr. M S Sundararajan (DIN:00169775) retires at the ensuing General Meeting and being eligible, offers himself for re-appointment. Necessary resolution is submitted for your approval.

Audit Committee

The Audit Committee of the Board is constituted as per the SEBI Regulations. Mr. M S Sundara Rajan, Mr R Venkatraman and Ms Soundara Kumar are the members of the Committee till 18th December 2016. During the year, four meetings of the Committee were held. The Committee reviews the internal audit plans, financial statements, adequacy of internal control systems. The Committee reviews the reports, the observations of the internal / external auditors and the responses of the management on the reports. The Audit Committee was re-constituted on 19th December 2016 as follows:

Mr R Venkatraman, Chairman
Ms Soundara Kumar, Member

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

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

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

AMC Directors

Mr S Krishnamurthy stepped down as Director of Sundaram Asset Management Company Limited (AMC) on 11th May 2016.

Your Directors wish to place on record the significant contribution made by him to the growth of AMC and Sundaram Mutual Fund through his vast knowledge, experience and commitment.

Public Deposits

Your company has not accepted any deposits from the public.

Particulars of Employee Remuneration

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

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

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

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

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

Your Company has no activity relating to conservation of energy or technology absorption. The Company had no foreign exchange earnings or outgo during the year 2016-17 and in 2015-16.

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

The Company has not given any loan or guarantee to any person or body corporate nor invested in securities of any other body corporate during the year 2016-17.

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

During the year, the Company did not enter into any material transaction with related parties under Section 188 of the Companies Act, 2013. All transactions entered into by the Company with the related parties were in the ordinary course of business and on an arm's length basis. Form AOC-2, as required under Section 134 (3) (h) of the Act, read with Rule 8 (2) of the Companies (Accounts) Rules 2014, is attached as part of this report vide **Annexure II**.

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

Your directors confirm that:

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

Extract of Annual Return

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

Auditors

M/s. Sundaram & Srinivasan, Chartered Accountants, Chennai, Statutory Auditors of your Company will hold office until the conclusion of the ensuing Annual General Meeting and are recommended for re-appointment. The Company has received a certificate from them pursuant to Section 139 confirming their eligibility under Section 141 of the Companies Act, 2013 and rules issued thereunder.

Acknowledgement

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

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

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

For and On behalf of the Board of Directors

Place: Chennai
Date : 25.04.2017

M S Sundararajan
Chairman

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

During the year under review, 7 meetings of the Board of Directors were held. The details of directors' attendance at Board Meetings are as follows:

S. No.	Name of the Director	DIN	No. of Meetings attended	Meetings Dates
1	M S Sundararajan	00169775	7	29.04.2016, 10.06.2016, 30.06.2016, 29.08.2016, 21.10.2016, 19.12.2016, 27.01.2017
2	S Viji	00139043	7	
3	R Venkatraman	07119686	7	
4	Soundara Kumar (Mrs.)	01974515	6	

During the year under review, 4 meetings of the Audit Committee were held. Attendance of the members at Committee meetings are as follows:

S. No.	Name of the Director	No. of Meetings attended	Meetings Dates
1	M S Sundararajan (till December 2016)	3	30.06.2016, 29.08.2016, 21.10.2016, 27.01.2017
2	R Venkatraman	4	
3	Soundara Kumar (Mrs.)	4	

For and On behalf of the Board of Directors

Place: Chennai
Date : 25.04.2017

M S Sundararajan
Chairman

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 transactions entered into by the Company during the year with related parties on an arm's length basis were not material in nature.

For and On behalf of the Board of Directors

Place: Chennai
Date : 25.04.2017

M S Sundararajan
Chairman

FORM NO MGT-9

Extract of Annual Return as on the financial year ended on 31st March 2017
 [Puruant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies
 (Management and Administration Rules, 2014)]

I REGISTRATION AND OTHER DETAILS

i) C I N	U65999TN2003PLC052058
ii) Registration Date	2-Dec-03
iii) Name of the Company	Sundaram Trustee Company Limited
iv) Category / Sub-category of the company	Public Company / Company having share capital
v) Address of the Registered office and contact details	21 Patullos Road, Chennai 600 002. Tel: +91 44 4060 9900 / 2856 9900
vi) Whether listed company	No
vii) Name, address and contact details of Registrar and Transfer agent, if any	Not applicable

II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name & description of main products / services	NIC Code of the product/ services	% to total turnover of the company
1	Trusteeship Services	65999	100%

III. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

(I) Category-wise Share Holding

	Category of Shareholders	No of Shares held at the beginning of the year				No of shares held at the end of the year				% Change During the year
		Demat	Physical Total	Total	% of Total Shares	Demat	Physical Total	Total	% of Total Shares	
A.	Promoter									
1)	Indian									
a)	Individual / HUF	-	-	-	-	-	-	-	-	-
b)	Central Govt	-	-	-	-	-	-	-	-	-
c)	State Govt(s)	-	-	-	-	-	-	-	-	-
d)	Bodies Corp.	-	50,000	50,000	100%	-	50,000	50,000	100%	Nil
e)	Banks / FI	-	-	-	-	-	-	-	-	-
f)	Any Other	-	-	-	-	-	-	-	-	-
	Sub Total A(1)	-	50,000	50,000	100%	-	50,000	50,000	100%	Nil
2)	Foreign									
a)	NRIs - Individuals	-	-	-	-	-	-	-	-	-
b)	Other Individuals	-	-	-	-	-	-	-	-	-
c)	Bodies Corp.	-	-	-	-	-	-	-	-	-
d)	Banks / FI	-	-	-	-	-	-	-	-	-
e)	Any Other	-	-	-	-	-	-	-	-	-
	Sub Total A(2)	-	-	-	-	-	-	-	-	-
	Total Shareholding of promoter (A) = A(1) + A(2)	-	50,000	50,000	100%	-	50,000	50,000	100%	Nil
B.	Public Shareholding									
1)	Institutions	-	-	-	-	-	-	-	-	-
a)	Mutual Funds	-	-	-	-	-	-	-	-	-
b)	Banks / FI	-	-	-	-	-	-	-	-	-
c)	Central Govt	-	-	-	-	-	-	-	-	-
d)	State Govt	-	-	-	-	-	-	-	-	-
e)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
f)	Insurance Companies	-	-	-	-	-	-	-	-	-
g)	FIs	-	-	-	-	-	-	-	-	-
h)	Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i)	Others(Specify)	-	-	-	-	-	-	-	-	-
	Sub Total B(1)	-	-	-	-	-	-	-	-	-

	Category of Shareholders	No of Shares held at the beginning of the year				No of shares held at the end of the year				% Change During the year
		Demat	Physical Total	Total	% of Total Shares	Demat	Physical Total	Total	% of Total Shares	
2)	Non-Institutions									
a)	Bodies Corp.	-	-	-	-	-	-	-	-	-
i)	Indian	-	-	-	-	-	-	-	-	-
ii)	Overseas	-	-	-	-	-	-	-	-	-
b)	Individuals									
i)	Individual shareholders holding nominal share capital upto Rs.1 Lakh	-	-	-	-	-	-	-	-	-
ii)	Individual shareholders holding nominal share capital in excess of Rs.1 Lakh	-	-	-	-	-	-	-	-	-
c)	Others Specify	-	-	-	-	-	-	-	-	-
	Sub Total B(2)	-	-	-	-	-	-	-	-	-
	Total Public Shareholding (B) = B(1) + B(2)	-	-	-	-	-	-	-	-	-
C.	Shares held by custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
	Grand Total (A) + (B) + (C)	-	50,000	50,000	100%	-	50,000	50,000	100%	Nil

ii) Shareholding of Promoters

Sl. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No of Shares	% of total shares of the company	% of shares pledged / encumbered to total shares	No of Shares	% of total shares of the company	% of shares pledged / encumbered to total shares	
1	Sundaram Finance Limited	50,000	100%	Nil	50,000	100%	Nil	Nil

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

Sl. No	Shareholder's Name	Shareholding at the beginning of the year		Cummulative shareholding during the year	
		No of Shares	% of total shares of the company	No of Shares	% of total shares of the company
1	Sundaram Finance Limited At the beginning of the year	50,000	100%	50,000	100%
	Date wise / increase Decrease in Promotor Share holding during the year specifying the reasons for increase / decrease (e.g Allotment / Transfer/Bonus/ sweat equity etc.)	No Change			
	At the End of the year			50,000	100%

iv) Shareholding pattern of top ten shareholders

(Other than Directors, Promoters and Holders of GDR and ADR)

Sl. No	Shareholder's Name	Shareholding at the beginning of the year		Cummulative shareholding during the year	
		No of Shares	% of total shares of the company	No of Shares	% of total shares of the company
1	At the beginning of the year	Nil	Nil	Nil	Nil
	Date wise / increase decrease in Promotor Share holding during the year specifying the reasons for increase / decrease (e.g Allotment / Transfer/Bonus/ sweat equity)	Nil			
	At the End of the year (or on the date of seperation, if seperated during the year)			Nil	Nil

v) Shareholding pattern of Directors and Key Managerial Personnel

Sl. No	Shareholder's Name	Shareholding at the beginning of the year		Cummulative shareholding during the year	
		Mr S Viji, Director			
	For each of the Directors and KMP	No of Shares	% of total shares of the company	No of Shares	% of total shares of the company
1	At the beginning of the year	1	Negligible	1	Negligible
	Date wise / increase Decrease in Promotor Share holding during the year specifying the reasons for increase / decrease (e.g Allotment / Transfer/Bonus/ sweat equity)	Nil			
	At the End of the year			1	Negligible

V. INDEBTEDNESS

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

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

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl. No	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount (Rs.)
1	Gross Salary		
	a) Salary as per provisions contained in section 17(1) of the Income tax Act, 1961	Nil	Nil
	b) Value of Perquisites u/s 17(2) of the Income Tax Act, 1961	Nil	Nil
	c) Profits in Lieu of salary under section 17(3) of the Income tax Act, 1961.	Nil	Nil
2	Stock Option	Nil	Nil
3	Sweat Equity	Nil	Nil
4	Commission		
	- as % of Profits	Nil	Nil
	- others, specify		
5	Others, Please specify	Nil	Nil
	Total (A)	Nil	Nil
	Ceiling as per the Act (10% of Net Profits)		9,40,206

B. Remuneration to Other Directors

Name of Directors	Particulars of Remuneration			Total Amount (Rs.)
	Fee for attending board / committee meetings	Commission	Others, Please Specify	
Independent Directors (A) :				
Other Non-Executive Directors:	-	-	-	-
Mr. M.S. Sundararajan	2,50,000	3,00,000	-	5,50,000
Mr. S. Viji	-	-	-	-
Mr. R. Venkatraman	2,75,000	3,00,000	-	5,75,000
Ms. Soundara Kumar (with effect from 29th April 2016)	2,50,000	3,00,000	-	5,50,000
Total (B)				16,75,000
Total Managerial Remuneration (A) + (B) excluding Sitting Fee				9,00,000
Overall Ceiling as per the Act (11% of Net Profits)				10,34,227

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

Sl. No	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary*	CFO	Total
1	Gross Salary				
	a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	Nil	Nil	Nil	Nil
	b) Value of Perquisites u/s Section 17(2) of the Income Tax Act, 1961	Nil	Nil	Nil	Nil
	c) Profits in Lieu of salary under Section 17(3) of the Income tax Act, 1961	Nil	Nil	Nil	Nil
2	Stock Option	Nil	Nil	Nil	Nil
3	Sweat Equity	Nil	Nil	Nil	Nil
4	Commission				
	- as % of Profits	Nil	Nil	Nil	Nil
	- Others, Please Specify	Nil	Nil	Nil	Nil
5	Others, Please specify	Nil	Nil	Nil	Nil
	Total (A)	Nil	Nil	Nil	Nil
	Ceiling as per the Act				NA

* Mr Ashwani Kumar Dalal, Company Secretary has been nominated by Sundaram Asset Management Company Limited and no remuneration is borne by this Company.

VII PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES

There were no penalties / punishment / compounding of offences against the Company, Directors and other Officers in Default during the year ended 31st March 2017.

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF SUNDARAM TRUSTEE COMPANY LIMITED

Report on Financial Statements

We have audited the accompanying financial statements of Sundaram Trustee Company Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Generally Accepted Accounting Principles in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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 judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the company's directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

(a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2017;

- (b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure "A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

As required by Section 143(3) of the Act, we report that:

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- c. The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement, dealt with by this Report are in agreement with the books of account;
- d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e. on the basis of written representations received from the directors as on March 31, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, from being appointed as a director in terms of sub-section (2) of section 164 of the Companies Act, 2013.
- f. With respect to the adequacy of internal financial controls over financial reporting of the company, and the operating effectiveness of such controls, refer to our separate report in Annexure "B".
- g. With respect to 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 explanation given to us:-
 - (i) The Company does not have any pending litigations which would impact its financial position.
 - (ii) The Company did not have any long term contracts including derivatives contracts for which there were any material foreseeable losses.
 - (iii) There were no amounts that were required to be transferred to the Investor Education and Protection Fund by the Company.
 - (iv) The Company did not have any holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016.

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

Place: Chennai
Date : 25.04.2017

S. Usha
Partner
Membership No.211785

Annexure "A" to The Auditor's Report

- i. a) The Company is maintaining proper records showing full particulars including quantitative details and the situation of fixed assets.
- b) These fixed assets were physically verified by the management at reasonable intervals. We are informed that no material discrepancies were noticed on such verification.
- c) The Company does not have any immovable property. Hence this clause is not applicable.
- ii. The company does not hold any inventory. Hence this clause is not applicable.
- iii. The company has neither granted nor taken any loans, secured or unsecured, to/and from Companies, Firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Hence the clause (iii) (a), (b) and (c) of the order are not applicable.
- iv. The Company has not granted any loans, made any investment and provided any guarantee or security. Hence the provisions of section 185 and 186 of the Act are not applicable.
- v. The Company has not accepted any deposits from the public. Hence this clause is not applicable.
- vi. The Central Government has not prescribed maintenance of cost records under sub-section (1) of Section 148 of the Act and hence this clause is not applicable.
- vii. a. The company is regular in depositing undisputed statutory dues namely Income Tax and Service Tax with appropriate authorities. The other statutory dues are not applicable to the company.
- b. There are no disputed statutory dues by the company.
- viii. The company has not availed any loans from any financial institution, bank, Government or debenture holders and hence this clause is not applicable to the company.
- ix. The company had not raised any monies by way on Initial Public Offer or further public offer (Including Debt Instruments) and term loans. Hence this clause is not applicable.
- x. No fraud by the company or any fraud on the company by its officers or employees has been noticed or reported during the year. Hence this clause is not applicable.
- xi. The Managerial remuneration has been provided in accordance with the requisite approvals mandated by the provisions of the Section 197, read with schedule V to the Act.
- xii. The company is not a Nidhi company. Hence this clause is not applicable.
- xiii. The transactions with the related parties are in compliance with Section 177 and Section 188 of the Act and details have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- xiv. The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Hence this clause is not applicable.
- xv. The company has not entered into any non cash transactions with directors or persons connected with them. Hence this clause is not applicable.
- xvi. The company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Hence this clause is not applicable.

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

S. Usha
Partner

Place: Chennai
Date : 25.04.2017

Membership No.211785

Annexure “B” to The Auditor’s Report

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 Trustee Company Limited (“the Company”) as at 31st March, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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.

Auditor’s 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 (‘the Standards’), issued by the 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 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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 31st March, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Place: Chennai
Date : 25.04.2017

S. Usha
Partner
Membership No.211785

Balance Sheet

as at 31st March 2017

Particulars	Note No.	31.03.17 ₹	31.03.16 ₹
I. EQUITY AND LIABILITIES			
(1) Shareholders' Fund			
(a) Share Capital	1	5,00,000	5,00,000
(b) Reserves and Surplus	2	1,14,43,361	56,59,445
(2) Non- Current Liabilities			
(a) Deferred Tax Liabilities (Net)	3	-	-
(3) Current Liabilities			
(a) Trade Payables:-			
(A) Total outstanding dues of micro enterprises and small enterprises; and			
(B) Total outstanding dues of creditors other than micro enterprises and small enterprises	4	2,33,533	1,68,750
(b) Other Current Liabilities	5	10,63,000	6,64,464
(C) Short term Provisions	6	-	42,12,518
		12,96,533	50,45,732
TOTAL		<u>1,32,39,894</u>	<u>1,12,05,177</u>
II ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets			
Tangible Assets	7	24,996	41,290
(b) Long term Loans and Advances	8	11,92,488	9,51,674
(c) Deferred Tax Asset (Net)	3	9,660	8,418
(2) Current Assets			
(a) Current Investments	9	1,05,88,426	90,41,090
(b) Trade Receivables	10	11,51,714	9,02,986
(c) Cash and Cash Equivalents	11	2,49,889	2,34,825
(d) Short term Loan and Advances	12	22,721	24,894
		1,20,12,750	1,02,03,795
TOTAL		<u>1,32,39,894</u>	<u>1,12,05,177</u>
Significant Accounting Policies and other Notes forming part of accounts	17	-	

As per our report of even date attached.
For **Sundaram & Srinivasan**
Chartered Accountants
Firm Registration No. 004207S

S Usha
Partner
Membership No. 211785

R. Venkatraman
Director

Soundara Kumar
Director

For **SUNDARAM TRUSTEE COMPANY LIMITED**

S Viji
Director

Ashwani Kumar Dalal
Company Secretary

Chennai
April 25, 2017

Profit and Loss Statement

for the period ended 31st March 2017

Particulars	Note No.	2016-2017 ₹	2015-2016 ₹
I Revenue from Operations			
Sale of Services			
- Trusteeship Fee	13	1,17,04,796	97,29,574
II Other Income	14	5,47,335	2,21,911
III Total Revenue (A)		1,22,52,131	99,51,485
IV Expenses			
Finance Cost	15	1,842	5,942
Depreciation	7	15,599	29,203
Administrative and Other Expenses	16	39,77,016	33,18,236
Total Expenses (B)		39,94,457	33,53,381
V Profit before Tax (C)= (A-B)		82,57,674	65,98,104
VI Tax Expense			
Current Tax		24,75,000	20,04,040
Deferred Tax		(1,242)	(2,618)
Total - Tax Provisions (D)		24,73,758	20,01,422
VII Profit after tax (E) =(C-D)		57,83,916	45,96,682
Basic and diluted Earnings per Share			
[Ref 2.6 of Note No 17]	17	115.68	91.93
Significant Accounting Policies and other Notes forming part of accounts	17		

As per our report of even date attached.
For **Sundaram & Srinivasan**
Chartered Accountants
Firm Registration No. 004207S

For SUNDARAM TRUSTEE COMPANY LIMITED

S Usha
Partner
Membership No. 211785

R. Venkatraman
Director

S Viji
Director

Soundara Kumar
Director

Ashwani Kumar Dalal
Company Secretary

Chennai
April 25, 2017

Notes forming part of the Balance Sheet as at March 31, 2017

Note No. 1 SHARE CAPITAL

Authorised

2,50,000 Equity Shares of ₹ 10/- each

Issued, Subscribed and Fully Paid up

50,000 Equity Shares of ₹ 10/- each

Total

31.03.17 ₹	31.03.16 ₹
25,00,000	25,00,000
5,00,000	5,00,000
5,00,000	5,00,000

- a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period:**
There is no change in the holding pattern of the Share Capital during the year ended 31st March 2017 (previous year NIL).

- b. Terms/rights attached to Equity Shares:**
The Company has only one class of equity shares having a par value of Rs.10/- per share. Each Member is entitled to one vote by show of hands and while on polls, every shareholder is entitled to vote in proportionate to their holdings.

The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company. The distribution will be in proportion to the number of equity shares held by the shareholders.

- c. Shares held by the Holding Company:**
50,000 shares (Previous year 50,000 shares) are held by M/s.Sundaram Finance Ltd, the holding company and its nominees.

- d. Details of shareholders holding more than 5% of the Equity Shares of Rs.10 each in the Company:**
M/s Sundaram Finance Ltd, the holding company and its nominees held 100% of the Equity Share Capital of the Company as on 31.03.17 & also on 31.03.16.

Note No. 2 RESERVES AND SURPLUS

1. General Reserve

As per the last Balance Sheet

Add: Transfer from surplus during the year

31.03.17 ₹	31.03.16 ₹
35,01,665	35,01,665
-	-
35,01,665	35,01,665
35,01,665	35,01,665
2. Surplus	
21,57,780	17,82,807
57,83,916	45,96,682
79,41,696	63,79,489
Less: Appropriation	
-	35,00,000
-	7,21,709
-	-
-	42,21,709
79,41,696	21,57,780
1,14,43,361	56,59,445

2. Surplus

As per the last Balance Sheet

Add: Profit for the year

Subtotal (a)

Less: Appropriation

(i) Dividend

(ii) Dividend Distribution Tax

(iii) Transfer to General Reserve

Subtotal (b)

Balance (a) -(b)

Total

Notes forming part of the Balance Sheet as at March 31, 2017

Note No. 3**DEFERRED TAX LIABILITIES / ASSETS**

Income tax on the difference between depreciation as per books of account and depreciation as per the Income Tax Act, 1961.

- Liabilities

- Assets

Total

31.03.17 ₹	31.03.16 ₹
-	-
9,660	8,418
9,660	8,418

Note No. 4**CURRENT LIABILITIES - TRADE PAYABLE**

For Services

a) total outstanding dues of micro enterprises and small enterprises; and

b) total outstanding dues of creditors other than micro enterprises and small enterprises

– Sundaram Asset Management Company Ltd (An associate)

Total

31.03.17 ₹	31.03.16 ₹
-	-
2,33,533	1,68,750
2,33,533	1,68,750

Note No. 5**OTHER CURRENT LIABILITIES**

Commission to Director Payable

Audit Fees payable

Statutory Dues

Others

Total

31.03.17 ₹	31.03.16 ₹
8,10,000	4,72,500
1,26,000	1,17,000
1,09,000	56,964
18,000	18,000
10,63,000	6,64,464

Note No. 6**SHORT TERM PROVISIONS**

Proposed Dividend

Dividend Distribution tax

Total

31.03.17 ₹	31.03.16 ₹
-	35,00,000
-	7,12,518
-	42,12,518

Notes forming part

of the Balance Sheet as at March 31, 2017

Note No. 7

FIXED ASSETS - TANGIBLE ASSETS

(in Rupees)

Description	Gross Block at Cost				Depreciation				Net Block	
	As at 01.04.16	Additions	Deductions	As at 31.03.17	As at 01.04.16	Additions	Deductions	As at 31.03.17	As at 31.03.17	As at 31.03.16
Computers	2,33,900	-	-	2,33,900	2,28,954	-	-	2,28,954	4,946	4,946
Furniture and Fixtures	13,906	-	13,906	-	13,211	-	13,211	-	-	695
Office Equipments	83,812	-	-	83,812	48,163	15,599	-	63,762	20,050	35,649
Total	3,31,618	-	13,906	3,17,712	2,90,328	15,599	13,211	2,92,716	24,996	41,290
Previous year figures(31.03.16)	3,20,618	63,000	52,000	3,31,618	3,10,525	29,203	49,400	2,90,328	41,290	-

Note No. 8

LONG TERM LOANS AND ADVANCES

Advance Income Tax and Tax Deducted at Source
(Net of provisions)

Total

31.03.17	31.03.16
₹	₹
11,92,488	9,51,674
11,92,488	9,51,674

Note No. 9

CURRENT INVESTMENTS

(Valued at lower of cost and fair value)

Investments in Mutual Funds - Sundaram Mutual Fund (an Associate)

Sundaram Ultra Short Term Fund- Direct Plan - Growth at Cost:-
214048.504 units (Previous year 364356.804 units) of Rs.10/- each.

Sundaram Income Plus Fund- Direct Plan - Growth at Cost:-
180345.072 units (Previous year Nil units) of Rs.10/- each.

Sundaram Money Fund - Direct Plan - Growth at Cost:
54034.889 units (Previous year 54034.889 Units) of Rs.10/- each

Sundaram Money Fund - Unclaimed Redemption More than 3 Years -
Growth at Cost: 0.62 units (Previous year Nil) of Rs.10/- each

Total

Aggregate value of unquoted Investments - Current

[Net asset value - Rs. 11,098,591/-] Previous Year Rs.93,70,626/-

Total

31.03.17	31.03.16
₹	₹
45,88,420	73,41,090
43,00,000	-
17,00,000	17,00,000
6	-
1,05,88,426	90,41,090
1,05,88,426	90,41,090
1,05,88,426	90,41,090

Notes forming part of the Balance Sheet as at March 31, 2016

Note No. 10**TRADE RECEIVABLES - CURRENT**

Unsecured, considered good (Less than 6 Months)	
Sundaram Mutual Fund (Associate)	
Sundaram Alternative Investment Fund - Cat III (Associate)	
Total	

31.03.17	31.03.16
₹	₹
11,48,472	9,02,986
3,242	-
11,51,714	9,02,986

Note No. 11**CASH AND CASH EQUIVALENTS**

Balance with Scheduled Banks	
- In Current Accounts	
Total	

31.03.17	31.03.16
₹	₹
2,49,889	2,34,825
2,49,889	2,34,825

Note No. 12**SHORT TERM LOANS AND ADVANCES**

Unsecured -Considered Good	
Service tax credit receivable	
Krishi Kalyan Cess Credit receivable	
Total	

31.03.17	31.03.16
₹	₹
21,210	24,894
1,511	-
22,721	24,894

Notes forming part of the Profit and Loss Statement for the year 2016-17

Note No. 13**REVENUE FROM SALE OF SERVICES**

Services Rendered	
Trusteeship Fees - Sundaram Mutual Fund	
Trusteeship Fees - Sundaram Alternative Investment Fund	

Total

2016-17	2015-16
₹	₹
1,17,01,976	97,29,574
2,820	-
1,17,04,796	97,29,574

Notes forming part of the Profit and Loss Statement for the year 2016-17

Note No. 14**OTHER INCOME**

Profit on Sale of Current Investments	
Dividend from Current Investments	
Profit on Sale of Fixed Assets	
Others	
Total	

2016-17 ₹	2015-16 ₹
5,47,329	20,398
-	1,94,113
-	7,400
6	-
5,47,335	2,21,911

Note No. 15**FINANCE COST**

Interest on shortfall in payment of advance income tax	
Total	

2016-17 ₹	2015-16 ₹
1,842	5,942
1,842	5,942

Note No. 16**ADMINISTRATIVE AND OTHER EXPENSES**

Administrative expenses	
Directors Sitting Fees	
Commission to Directors	
Insurance	
Payments to the Auditor:	
- Statutory Audit fees	
- Others	
Donations	
Travel Expenses	
- Directors	
Printing and Stationery	
Professional Fees	
ROC Filing charges	
Swachh Bharat Cess	
Other Expenses	
Bank Charges	

Total

2016-17 ₹	2015-16 ₹
18,00,000	18,00,000
7,75,000	3,25,000
9,00,000	5,25,000
1,71,000	1,71,000
1,40,000	1,30,000
-	10,000
-	2,50,000
86,889	16,109
29,810	26,810
35,300	49,000
5,000	9,500
17,240	5,253
16,717	-
60	564
39,77,016	33,18,236

NOTE NO. 17

A. Corporate Information

Sundaram Trustee Company Limited (the company) is a public limited company incorporated under the provisions of the Companies Act, 1956. It is a fully owned subsidiary of M/s.Sundaram Finance Ltd. The Company is engaged in the business of Trusteeship services to M/s. Sundaram Mutual Fund.

B. SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED MAR 31, 2017

1 SIGNIFICANT ACCOUNTING POLICIES

1.1 Accounting Policies

These accounts have been prepared in accordance with historical cost convention and in accordance with the generally accepted accounting principles.

1.2 Income Recognition

Trusteeship Fee and income from investments are accounted for on accrual basis.

1.3 Investments

Investments, which are readily realisable and intended to be held for not more than one year from the date on which such investments are made, are classified as Current investments. All other investments are classified as Non-Current Investments. Current investments are carried in the financial statements at lower of cost and fair value determined on individual investment basis. Non-current investments are carried at cost. However, a part of Non-current investments which is expected to be realized within twelve months from the balance sheet will be treated as current investments.

1.4 Valuation of Fixed Assets

Fixed assets are carried at historical cost less accumulated depreciation.

1.5 Depreciation Policy

Depreciation on all fixed assets has been provided in accordance with the Schedule II of the Companies Act, 2013 on Written down value method.

2 Other Notes and Disclosures

2.1 Sundry Creditors do not include any amount payable to Micro, Small and Medium Enterprises.

2.2 Contingent Liability

Nil (Previous year Nil)

2.3 Cashflow Statement in accordance with the Accounting Standard 3 issued by the Institute of Chartered Accountants of India:

Enclosed as Annexure A

2.4 Segment Reporting in accordance with the Accounting Standard 17 issued by the Institute of Chartered Accountants of India:

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

2.5 Related Party Disclosures

Related Party Disclosures, as required by Accounting Standard 18, 'Related Party Disclosures', issued by the Institute of Chartered Accountants of India are given below

Sl No.	Name	Relationship	Nature of Transaction	2016-17 ₹	2015-16 ₹
1	Sundaram Finance Ltd	Holding Company	Dividend Paid	35,00,000	25,00,000
2	Sundaram Asset Management Company Ltd	Fellow Subsidiary	Expenses	18,00,000	18,00,000
3	Sundaram Mutual Fund	Associate	Investments in Units	83,50,006	99,39,803
			Sale of Units	73,50,000	86,45,691
			Income	1,17,01,976	99,23,687
4	Sundaram Alternative Investment Fund - Cat III	Associate	Income	2,820	Nil
5	Sundaram BNP Paribas Home Finance Ltd.	Fellow Subsidiary		Nil	Nil
6	Sundaram Finance Holdings Limited	Fellow Subsidiary		Nil	Nil
7	Sundaram Infotech Solutions Ltd	Fellow Subsidiary		Nil	Nil
8	LGF Services Limited	Fellow Subsidiary		Nil	Nil
9	Sundaram Business Services Ltd	Fellow Subsidiary		Nil	Nil
10	Royal Sundaram General Insurance Company Limited	Fellow Subsidiary	Insurance	1,71,000	1,71,000
11	Infreight Logistics Solutions Limited	Fellow Subsidiary		Nil	Nil
12	Sundaram BNP Paribas Funds Services Ltd	Fellow Subsidiary		Nil	Nil
13	Sundaram Insurance Broking Services Ltd	Fellow Subsidiary		Nil	Nil
14	Sundaram BPO India Ltd	Fellow Subsidiary		Nil	Nil
15	Sundaram Asset Management Singapore	Fellow Subsidiary		Nil	Nil
Outstanding Receivable as on 31st March 2017 - Sundaram Mutual Fund				11,48,472	9,02,986
Outstanding Receivable as on 31st Mar 2017 - Sundaram Alternative Investment Fund - Cat III				3,242	-
Outstanding Payable as on 31st Mar 2017 - Sundaram Asset Management Company Limited				2,33,533	1,68,750

2.6 Earnings per Share (EPS) in accordance with the Accounting Standard 20 issued by the Institute of Chartered Accountants of India:

	31.03.17 ₹	31.03.16 ₹
Profit as per Profit and Loss Account	57,83,916	45,96,682
Weighted average number of equity shares	50,000	50,000
Basic and diluted earnings per share	115.68	91.93
Nominal Value of Shares	10	10

2.7 Remittances during the year in foreign currency - Nil (Previous year Nil)

2.8 Expenditure in foreign exchange - Nil (Previous year Nil)

2.9 Earnings in foreign exchange - Nil (Previous year Nil)

2.10 Details of Specified Bank Notes (SBN) held and transacted during the period 08/11/2016 to 30/12/2016 are as under:

	SBNs	Other Denominations	Total
Closing cash in hand as on 08.11.2016	Nil	Nil	Nil
(+) Permitted Receipts	Nil	Nil	Nil
(-) Permitted Payments	Nil	Nil	Nil
(-) Amount Deposited in Banks	Nil	Nil	Nil
Closing cash in hand as on 30.12.2016	Nil	Nil	Nil

2.11 Proposed Dividend:

Board of Directors of the Company at their meeting held on 25th April 2017 have recommended a dividend of Rs.80/- per share to the shareholders of the company subject to the approval of Members at the ensuing Annual General Meeting. As required by the revised Accounting Standard 4 - Contingencies and Events Occurring after the Balance sheet date (AS4), no provision has been made in respect of the aforesaid dividend proposed for the year ended 31st March 2017. Had the company continued with creation of provision for proposed dividend, at the Balance sheet date, its Reserves & Surplus would have been lower by Rs.48,14,306/- and Short term Provision would have been higher by Rs. 48,14,306/- (including dividend distribution tax of Rs.8,14,306/-).

As per our report of even date attached.

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

For **SUNDARAM TRUSTEE COMPANY LIMITED**

S Usha
Partner
Membership No. 211785

R. Venkatraman
Director

S Viji
Director

Soundara Kumar
Director

Ashwani Kumar Dalal
Company Secretary

Chennai
April 25, 2017

Cash Flow Statement

ANNEXURE A

in accordance with the Accounting Standard 3 issued by the
Institute of Chartered Accountants of India

	2016-17		2015-16	
	₹	₹	₹	₹
A) CASH FLOW FROM OPERATING ACTIVITIES:				
Net Profit	57,83,916		45,96,682	
Add: Lease Equalisation Account	-		-	
Provision for Taxation	24,73,758		20,01,422	
		82,57,674		65,98,104
Add: Financial Expenses	-		-	
Depreciation	15,599		29,203	
Add: (Profit)/Loss on Sale of Fixed Assets	-		(7,400)	
(Profit) loss on sale of Investments	(5,47,329)		(20,398)	
Interest / Dividend Income	-		(1,94,113)	
Finance cost - Provision for Interest on advance tax short paid	1,842		5,942	
		(5,29,888)		(186,766)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		77,27,786		64,11,338
(Increase) Decrease in Long Term Loans and Advances	-		-	
(Increase) Decrease in Short Term Loans and Advances	2,173		3,066	
(Increase) Decrease in Other Current Assets	(2,48,728)		(75,492)	
Increase (Decrease) in Other Current Liabilities	4,63,319		(76,600)	
		2,16,764		(1,49,026)
Cash generated from Operations		79,44,550		62,62,312
Financial Expenses	-		-	
Direct Taxes Paid	(27,17,657)	(27,17,657)	(19,21,474)	(19,21,474)
NET CASH FROM OPERATING ACTIVITIES (A)		52,26,893		43,40,838
B) CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of current investments	(83,50,006)		(99,39,803)	
Sale of current Investments	73,50,000		86,45,691	
Purchase of Fixed Assets	-		(63,000)	
Sale of Fixed Assets	695		10,000	
Dividend Received	-		1,94,113	
		(9,99,311)		(11,52,999)
NET CASH FROM INVESTING ACTIVITIES (B)		(9,99,311)		(11,52,999)

Cash Flow Statement (Contd...)

in accordance with the Accounting Standard 3 issued by the
Institute of Chartered Accountants of India

	2016-17 ₹		2015-16 ₹	
C) CASH FLOW FROM FINANCING ACTIVITIES				
Increase (Decrease) in Long Term Borrowings	-		-	
Interest Income	-		-	
Dividend paid (including Corporate Dividend Tax)	(42,12,518)	(42,12,518)	(30,08,941)	(30,08,941)
NET CASH FROM FINANCING ACTIVITIES (C)		(42,12,518)		(30,08,941)
D) Effect of Foreign Exchange rates on Cash and Cash Equivalents(D)		-		-
NET INCREASE IN CASH AND CASH EQUIVALENTS (A)+(B)+(C) - (D)		15,064		1,78,898
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		2,34,825		55,927
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		2,49,889		2,34,825
E) COMPONENTS OF CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR				
Current Account with Banks		2,49,889		2,34,825
Cash, Stamps and Stamp Papers on Hand		-		-
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		2,49,889		2,34,825

As per our report of even date attached.

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

For **SUNDARAM TRUSTEE COMPANY LIMITED**

S Usha
Partner
Membership No. 211785

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April 25, 2017

