



*Sundaram
Asset Management
Company Limited*

*21st Annual Report
2016-2017*

Board of Directors	Pratip Chaudhuri T T Srinivasaraghavan Rishikesh T Krishnan Arvind Sethi Harsha Viji Sunil Subramaniam	Chairman Managing Director Chief Executive Officer
Audit Committee	Pratip Chaudhuri Arvind Sethi Harsha Viji	Chairman
Nomination and Remuneration Committee	T T Srinivasaraghavan Pratip Chaudhuri Rishikesh T Krishnan Harsha Viji	Chairman
Corporate Social Responsibility Committee	Rishikesh T Krishnan T T Srinivasaraghavan Sunil Subramaniam	Chairman
Executive Committee	T T Srinivasaraghavan Harsha Viji Sunil Subramaniam	Chairman
Registered Office	21, Patullos Road, Chennai - 600 002	
Corporate Office	Sundaram Towers, I & II Floor, 46, Whites Road, Chennai - 600 014 Tel: 044-28569900/40609900, Fax: 044-28583156 Website : www.sundarammutual.com	
CIN	U93090TN1996PLC034615	
Auditors	M/s. Brahmayya & Co., Chennai Chartered Accountants	
Information Security Assurance Auditors	M/s. Tejas Brainware Systems (P) Ltd., Chennai	

Management Team

Investment Management	Equity S Krishna Kumar, CIO Shiv Chanani, Fund Manager Rahul Baijal, Fund Manager Madanagopal Ramu, Head-Research & Asst. Fund Manager Rohit Seksaria, Asst. Fund Manager S Bharath, Fund Manager - SPM	Fixed Income Dwijendra Srivastava, CIO Siddharth Chaudhary, Senior Fund Manager Sandeep Agarwal, Senior Fund Manager
Sales and Marketing	Priya A Kumar Surendra Singh Yadav Amit Kumar Ray P Nishant	National Head - Distribution National Head - Sales Head - Sales, Delhi, Uttar Pradesh, Uttaranchal & East Region Deputy Head - Sales & Head - Retail Branch & Proprietary Channel
Risk Management, Operations, Customer Service & Compliance	Lakshminarayanan Duraiswamy T S Sritharan P Sundararajan S Ravi	Chief Operating Officer Chief Financial Officer Company Secretary & Head-Compliance Head – Customer Service
International Business	R Vijayendiran Ramesh Krishnamurthy	Head - Global Business Development and Product Strategy Regional Head - Distribution, Middle East and North Africa
Subsidiary	Sundaram Asset Management Singapore Pte. Ltd. (Incorporated in Singapore)	
Bankers	AXIS Bank Ltd. HDFC Bank Ltd. ICICI Bank Ltd. Kotak Mahindra Bank Ltd. State Bank of India	

Sponsor



SUNDARAM FINANCE

Sundaram Finance Limited

Registered Office: 21, Patullos Road, Chennai 600 002. India

Sundaram Asset Management Company Limited
A subsidiary of



SUNDARAM FINANCE
Enduring values. New age thinking.

Contents

Financial Highlights	5
Directors' Report	6
Auditors' Report	21
Balance Sheet	24
Profit and Loss Statement	25
Notes to the accounts	26
Cash Flow Statement	39

Financial Highlights

Amount ₹ in crores

Year	Own Funds		Average AUM	PBT	PAT	Dividend %
	Paid-up capital	Free Reserves				
2010-11	15.33	43.94	13,946	20.81	13.36	25
2011-12	15.33	51.38	14,226	15.52	11.00	20
2012-13	15.33	62.86	13,574	24.85	16.86	30
2013-14	15.33	72.75	15,248	22.63	15.27	30
2014-15	20.00	114.05	19,477	31.93	21.69	30
2015-16	20.00	114.12	22,171	12.41	4.42	18
2016-17	20.00	144.85	26,896	47.14	30.73	35

Report of the Directors

To the Members

Your Directors have pleasure in presenting the 21st Annual Report along with the audited financial statements for the year ended March 31, 2017. The summarised financial results of your Company are given below:

(₹ in crore)

Particulars	For the year ended	
	March 31, 2017	March 31, 2016
Average AUM	28,255	23,337
Gross Income	260.54	229.88
Less: Operating Expenses	213.41	206.80
Operating Profit	47.13	23.08
Less: Diminution in value of investments	-	10.67
Profit before Tax	47.13	12.41
Provision for Taxation	16.41	7.99
Profit After Tax	30.72	4.42

Company Performance

Your company grew mutual fund average assets under management to ₹ 26,896 cr. for 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.

The Average Assets Under Portfolio Management Services grew from ₹ 1,167 cr. in 2015-16 to ₹ 1,359 cr., an increase of 16% over the previous year.

During the year, your company received an approval from SEBI for setting up a Category III Alternative Investment Fund and launched Sundaram Alternative Opportunities Fund – Nano Cap Series I, which secured a capital commitment of ₹ 556.22 cr. Your company also made an application to SEBI for registering a Category II Alternative Investment Fund.

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%. Demonetisation measures by the Government of India have increased the inflows into mutual funds.

For the quarter ended 31 March 2017, your company's mutual fund business had a market share of 1.56% of industry assets placing your company in 14th place and a market share of 2.40% of equity assets placing your company in 12th place.

Revenue grew to ₹ 260.54 cr. for the year 2016-17 when compared to ₹ 229.88 cr. during the previous year, an increase of 13%.

Your company increased its profit before tax from ₹ 12.41 cr. to ₹ 47.13 cr. after excluding diminution in value of investments provided for in the previous year.

Sundaram Asset Management Singapore Pte Ltd. (SAMS)

SAMS continues to grow rapidly - AUM as at 31 March 2017 is ₹ 779 cr. (₹ 340 cr. during the previous year). It registered income of ₹ 8.03 cr. as against ₹ 5.2 cr. during the previous year. SAMS made a maiden profit before tax of ₹ 0.35 cr. for the year ended 31 March 2017. Cumulative losses however stood at ₹ 21.38 cr. Your company made a further infusion of ₹ 1.13 cr. into the share capital of SAMS to maintain minimum regulatory capital as per the requirement of Monetary Authority of Singapore. The accounts of SAMS are not consolidated into the stand alone accounts of your company.

Dividend

Your Directors are pleased to recommend a dividend of ₹ 3.50 per share (35% on the face value of ₹ 10/- per share) for the year ended March 31, 2017. Your company's net worth stood at ₹ 164.85 cr. as at 31 March 2017, which is well above the net worth criteria of ₹ 50 cr. prescribed under SEBI (Mutual Funds) Regulations, 1996.

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	4 Star
Sundaram Select Mid Cap 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

Investors and Distributors

Your Company has 34,500 empaneled distributors of which 6,079 have actively distributed the company's schemes during the year. The company supports its investors and distributors through 47 branches in addition to over 600 locations operated by Sundaram Finance group. Sundaram Mutual schemes enrolled 1,16,581 fresh Systematic Investment Plans (SIP) during the year. The company had 14.31 lakh investors' folio as at 31 March 2017. During the year, your Company continued its investor awareness initiatives in ten adopted districts in Tamil Nadu. Your Company has been taking active steps including conducting financial literacy campaign in the districts that it has adopted. During the year, Investor Awareness Programs (IAP) were conducted in 78 centres. A sum of ₹ 3.73 cr. has been spent towards activities on investor education.

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 1 April 2014 to 31 March 2016. SEBI have also conducted detailed inspection of the accounts and records of the PMS Division for the period from 1 April 2015 to 15 March 2017. 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.

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. The fund portfolio risk and operational risk parameters are tracked regularly to ensure adherence to the risk norms and limits. The company has framed policies on various areas such as equity and fixed income risks, derivatives, Inter Fund Transfers.

Risk control and mitigation mechanisms are constantly reviewed for their effectiveness and practicality and suitable changes are introduced to adapt to a changing business environment. The overall functioning of Risk Management team is overseen by the MD and CEO and governed by the mandate provided by the audit committee and the Board.

The reports of the internal auditor and independent auditor of the schemes relating to the financials and 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 internal control systems commensurate with nature and size of its business activity with regard to efficiency of its operations, financial reporting, compliance with applicable laws and regulations. The internal control system is supplemented by audits conducted by the internal auditors.

Board of Directors

The Board of Directors of the company is vested with general power of superintendence, direction and management of the affairs. During the year under review, six Board Meetings were held.

Mr. T T Srinivasaraghavan (holding DIN: 00018247), retires at the ensuing General Meeting and being eligible, offers himself for re-appointment. Necessary resolution is submitted for your approval. Mr Harsha Viji's present term of office as Managing Director of your company expires on 30.06.2017. A resolution seeking his re-appointment for a further period of 5 years has been submitted for your approval.

Meeting of Independent Directors

During the year, the Independent Directors of the Company met on 20 March 2017 (i) to review the performance of non-independent directors and the Board as a whole, (ii) to review the performance of the Chairperson of the Company and (iii) to access the quality, quantity and timeliness of flow of

information between the company management and the Board.

The Company has received necessary declaration from each Independent Director as required to be given under Section 149(7) of the Companies Act, 2013.

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 internal audit plans, financial statements, adequacy of internal control systems and the reports, the observations of the internal / external auditors with the responses of the management.

2. Executive Committee

This Committee looks into investment strategy, fund performance and fund management guidelines for new products.

3. Nomination and Remuneration Committee

The Committee in accordance with the mandate, formulated the criteria for determining qualifications, positive attributes and independence of a director and recommended to the Board a policy relating to the remuneration for the directors, key managerial personnel and other employees, in financial year 2014-15, which is specified vide **Annexure I**.

The committee recommended to the Board the appointment and re-appointment of directors and carried out evaluation of director's performance.

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

4. Corporate Social Responsibility Committee (CSR)

In terms of Section 135 of the Companies Act, 2013, the particulars such as composition, CSR Policy and report on the CSR activities are set out in the prescribed format vide **Annexure II**.

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 in **Annexure III**.

Public Deposits

Your company has not accepted any deposits from the public.

Secretarial Audit

In terms of Section 204 of the Companies Act, 2013 and the rules thereunder, the Company has appointed M/s Damodaran & Associates as the Secretarial Auditor of the Company. Secretarial Audit Report as provided by M/s. M. Damodaran and Associates is annexed to this Report vide **Annexure IV**.

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 vide **Annexure V**.

Personnel

Your Company had 306 employees on its rolls as on 31 March 2017. During the year, your Company had carried out various employee engagement activities and welfare measures. Your Board of Directors place on record their acknowledgement for the support, dedication and unswerving commitment displayed by the employees of the Company.

Particulars of Employee Remuneration

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

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

The Company has put in place an Anti-Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee (ICC) had been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy. One complaint was received and resolved during the year 2016-17.

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

Information under Section 134 (3) (m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules 2014:

- (a) Conservation of Energy and Technology Absorption:
Your Company has taken following measures on the energy saving and technology absorption:
- i. Substantial savings in energy consumption and heat reduction were achieved by consolidation of servers, network and server virtualization; and
 - ii. Implemented video conferencing solution through cloud sharing facility thereby saving energy.
- (b) Foreign Exchange Earnings and Outgo:
During the year 2016-17, foreign exchange earnings was ₹ 1.54 cr. (2015-16: ₹ 1.12 cr.) and foreign exchange outgo during the year was ₹ 8.05 cr. (2015-16: ₹ 4.43 cr.)

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. The investment in the shares of Sundaram Asset Management Singapore Pte. Ltd., is disclosed in the report separately.

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 VII**.

The 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.

Auditors

M/s. Brahmayya & Co. Chartered Accountants, Chennai, Statutory Auditors of your Company will hold office until the conclusion of the ensuing 21st Annual General Meeting. Your Directors wish to place on record the significant contribution made by M/s. Brahmayya & Co., since inception of the Company. To comply with the provisions of Section 139(2) of the Companies Act, 2013, the Board of Directors recommend appointment of M/s. Suri & Co., Chartered Accountants, Chennai, as Statutory Auditors from the conclusion of the ensuing Annual General Meeting upto 22nd Annual General Meeting. 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 appreciation of the professional support and guidance received from the Trustees of Sundaram Mutual Fund and the Sponsors – Sundaram Finance Limited.

Your Board of Directors also thanks the Securities and Exchange Board of India, Monetary Authority of Singapore, Association of Mutual Funds of India, the Company's bankers and other intermediaries for their unstinting support.

Your Directors place on record their deep appreciation for the dedication and commitment displayed by the employees of your Company.

For and On behalf of the Board of Directors

Date: May 10, 2017

Place: Chennai

Pratip Chaudhuri

Chairman

Disclosure pursuant to Section 134 (3) (e) read with Section 178 (3) of the Companies Act, 2013

- I. *Policy on directors' appointment including criteria for determining qualifications, positive attributes and independence of a director*
 - a. Directors: Section 164 of the Companies Act, 2013 states disqualifications for appointment of any person to become Director of any Company. 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.
 - b. Independent Directors: For appointing any person as an Independent Director he/she should also possess qualifications as mentioned in Rule 5 of The Companies (Appointment and Qualification of Directors) Rules, 2014 which states the following:
An independent director shall possess appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, corporate governance, technical operations or other disciplines related to the company's business.
In addition, the director should satisfy the independence criteria as laid down in Section 149(6) of the Act and SEBI (Mutual Funds) Regulations, which states the following :
The independent directors on the Board of the AMC shall not be associate of, or associated in any manner with, the sponsor or any of its subsidiaries or the trustees.
 - c. Positive Attribute: A Director of the Company shall be a person of integrity and shall possess the ability, relevant expertise, experience and qualifications required to effectively discharge his/her duties as a Director.

II. *Remuneration Policy*

A. *Executive and Non-Executive Directors*

The Managing Director is appointed by the shareholders at a general meeting. The terms and conditions of appointment have been approved by the members at a general meeting. In terms of the appointment, his remuneration has been borne by the holding company. As such he is not drawing any remuneration from the company.

A sitting fee of Rs.10,000/- for attendance at each meeting of the Board, Audit Committee, Executive Committee, Nomination and Remuneration Committee and Corporate Social Responsibility Committee are being paid to each member of the Board / Committee

(excluding to Directors of the holding Company). The Company also reimburses expenses to Directors attending meetings held at the Registered office other than the one in which the Directors reside.

The remuneration by way of Commission to the nonexecutive directors (other than Directors of the holding Company) shall be decided by the Board of Directors and distributed to them every year.

In terms of the resolution passed by the Members at the Annual General Meeting held on 30th June 2014, the Board may decide the payment of remuneration by way of commission to the Non whole-time directors of the Company, of a sum not exceeding 1% per annum of the net profits of the Company for a period of 5 years.

B. *Key Managerial Personnel*

The remuneration of the Key Managerial Personnel of the Company (other than Managing Director) is reviewed and recommended by the Nomination and Remuneration Committee, based on criteria such as industry benchmarks, the Company's performance vis-à-vis the industry, responsibilities shouldered, performance/track record, macro-economic review on remuneration packages of heads of other organizations. The Company pays remuneration by way of salary, perquisites and allowances (fixed component), performance bonus (variable components) to its KMP. Annual increase in remuneration of the key personnel is decided by the Nomination and Remuneration Committee within the salary scale approved by the Members and is effective from April 1, every year.

C. *Other employees*

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 annual variable pay of Key personnel is linked to the Company's performance in general and their individual performance for the relevant year which is measured against a review of specific performance areas that are closely aligned to the Company's objectives.

For and On behalf of the Board of Directors

Date: May 10, 2017

Place: Chennai

Pratip Chaudhuri

Chairman

Sl.no	CSR Requirements	Particulars
1	A Brief outline of Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs	The Company's CSR policy envisages a number of community focused activities in the areas of education, healthcare and preservation of country's rich culture and heritage. The CSR activities would be carried out through: a. Collaboration with group or other companies undertaking projects/programs in CSR activities; b. Contribution / donation made to such other Organisation/Institutions as may be permitted under the applicable laws from time to time; The company had framed a CSR Policy in compliance with the provisions of the Companies Act, 2013 and the same is placed on the website at the following link: http://www.sundarammutual.com/pdf2/2015/AMC_CSR_Policy.pdf
2	The Composition of CSR Committee	Mr. Rishiksha T. Krishnan - Chairman Mr. T. T. Srinivasaraghavan - Member Mr. Sunil Subramaniam - Member
3	Average net profit of the company for the last three financial years	₹ 2550 lakhs
4	Prescribed CSR expenditure (two percent of the amount as in item 3 above)	₹ 51.00 lakhs
5	Details of CSR spent during the financial year (a) Total amount to be spent for the financial year: (b) Amount unspent, if any: (c) Manner in which the amount spent during the financial year	₹ 51 lakhs Nil ₹ 51 lakhs – Details enclosed
6	In case the company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report	Not Applicable
7	A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.	We hereby state that implementation and monitoring of CSR policy is in compliance with CSR objectives and policy of the Company.

Rishiksha T Krishnan
Chairman - CSR Committee

T T Srinivasaraghavan
Member - CSR Committee

Sunil Subramaniam
Chief Executive Officer

Place: Chennai
Date: 3rd April 2017

Manner in which the amount spent during the financial year

(₹ in lakhs)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sl. no	CSR Project or activity identified	Sector in which the Project is covered	Projects or programs: (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or program wise	Amount spent on the projects or programs Sub-heads; (1) Direct expenditure on projects or programs (2) Overheads	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency
1	Promoting education by providing financial assistance to deserving and meritorious students and also Educational Institutions which work for this cause (6 Institutions)	Educational	Tamil Nadu	44.00	44.00	44.00	44.00
2	Promoting preventive and general health care (2 Institutions)	Healthcare	Tamil Nadu	7.00	7.00	51.00	7.00
	Total			51.00	51.00		51.00

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

Annexure III

1. Board

During the year under review, 6 meetings of the Board of Directors were held. The details of directors' attendance at Board Meetings are as follows:

S. No.	Name of the Director	DIN	No. of Meetings Attended	Meeting Dates
1	Pratip Chaudhuri	00915201	5	11.05.2016,
2	S Krishnamurthy (till 11.05.2016)	00039895	1	04.07.2016, 26.08.2016,
3	T T Srinivasaraghavan	00018247	6	26.10.2016,
4	Rishiksha T Krishnan	00064067	5	23.01.2017,
5	Arvind Sethi	00001565	6	20.03.2017
6	Harsha Viji	00602484	5	
7	Sunil Subramaniam	07222050	6	

2. Audit Committee

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 Member	No. of Meetings Attended	Meeting Dates
1	S Krishnamurthy (till 11.05.2016)	1	10.05.2016, 26.08.2016,
2	Pratip Chaudhuri	4	26.10.2016,
3	Arvind Sethi (from 04.07.2016)	3	23.01.2017
4	Harsha Viji	3	

3. Nomination and Remuneration Committee

During the year under review, 1 meeting of the Nomination and Remuneration Committee was held. Attendance of the members at committee meeting is as follows:

S. No.	Name of the Member	No. of Meetings Attended	Meeting Date
1	Pratip Chaudhuri	1	20.03.2017
2	Rishiksha T Krishnan	1	
3	T T Srinivasaraghavan	1	
4	Harsha Viji	1	

4. Corporate Social Responsibility Committee

During the year under review, 3 meetings of the Corporate Social Responsibility Committee were held. Attendance of

the members at committee meetings are as follows:

S. No.	Name of the Member	No. of Meetings Attended	Meeting Date
1	Rishiksha T Krishnan	3	26.08.2016,
2	T T Srinivasaraghavan	3	23.01.2017
3	Harsha Viji	2	20.03.2017

5. Separate Meeting of Independent Directors

A separate meeting of Independent Directors was held on 20.03.2017. All the independent directors, as under, attended the meeting.

S. No.	Name of the Member
1	Pratip Chaudhuri
2	Rishiksha T Krishnan
3	Arvind Sethi

6. Executive Committee

The composition of the Executive Committee is as under and no meetings were held during the year.

S. No.	Name of the Member
1	T T Srinivasaraghavan
2	Harsha Viji
3	Sunil Subramaniam

For and On behalf of the Board of Directors
Date: May 10, 2017
Place: Chennai

Pratip Chaudhuri
Chairman

Form No. MR-3

Secretarial Audit Report

For the Financial Year Ended 31.03.2017

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Sundaram Asset Management Company Limited
CIN - U93090TN1996PLC034615
21, Patullos Road,
Chennai - 600002.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. Sundaram Asset Management Company Limited (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

Based on my verification of M/s. Sundaram Asset Management Company Limited's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31.03.2017 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by M/s. Sundaram Asset Management Company Limited for the financial year ended on 31.03.2017 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations and the company does not have foreign direct investment, Overseas Direct Investments and External Commercial Borrowings during the financial year.
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

- a) The Securities and Exchange Board of India (Mutual Fund) Regulations, 1996;
- b) The Securities and Exchange Board of India (Portfolio Managers) Regulations, 1993;
- c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- d) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

I have also examined compliance with the applicable clauses of the following:

Secretarial Standards (SS-1) – Board Meeting and Secretarial Standards (SS-2) – General Meeting issued by the Institute of Company Secretaries of India.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc., mentioned above and there are no other specific observations requiring any qualification on non-compliances.

I further report that the Board of Directors of the Company is duly constituted with Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, the agenda were sent at least seven days in advance and detailed notes on agenda in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions have been carried unanimously.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period there was no major/specific events in the company.

Place: Chennai.
Date: 10.05.2017

For M. Damodaran & Associates
M. Damodaran
(FCS No. 5837)
(C. P No. 5081)

Form No. MGT 9

**Extract of Annual Return as on the
financial year ended on 31st March 2017**

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

I. REGISTRATION AND OTHER DETAILS

i) C I N	U93090TN1996PLC034615
ii) Registration Date	26th February 1996
iii) Name of the Company	Sundaram Asset Management 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:044-28569900; Email: sundararajan@sundarammutual.com
vi) Whether listed company	No
vii) Name, address and contact details of Registrar and Transfer agent, if any	Cameo Corporate Services Limited, 'Subramanian Building' No.1, Club House Road, Chennai 600 002 Tel: 044 28460390 to 0395

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	Investment Management and Advisory Services	66301	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No	Name and address of the company	CIN/GLN	Holding/Subsidiary/Associate	% of shares Held	Applicable Section
1	Sundaram Finance Limited, 21, Patullos Road, Chennai 600002.	L6519TN1954PLC002429	Holding Company	100%	Sec. 2(46)
2	Sundaram Asset Management Singapore Pte Limited 47 Hill Street, #03-01, SCCC Building, Singapore 179365		Subsidiary Company	100%	Sec. 2 (87)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**i) Category-wise Share Holding**

Category of Shareholders	No of Shares held at the beginning of the year				No of shares held at the end of the year				% Change During the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A) Promoter									
1) Indian									
a) Individual / HUF	—	—	—	—	—	—	—	—	—
b) Central Govt	—	—	—	—	—	—	—	—	—
c) State Govt(s)	—	—	—	—	—	—	—	—	—
d) Bodies Corp.	1,24,85,000	75,15,000	2,00,00,000	100%	1,24,85,000	75,15,000	2,00,00,000	100%	Nil
e) Banks / FI	—	—	—	—	—	—	—	—	—
f) Any Other	—	—	—	—	—	—	—	—	—
Sub Total A(1)	1,24,85,000	75,15,000	2,00,00,000	100%	1,24,85,000	75,15,000	2,00,00,000	100%	Nil

2) Foreign									
a) NRIs - Individuals	—	—	—	—	—	—	—	—	—
b) Other Individuals	—	—	—	—	—	—	—	—	—
c) Bodies Corp.	—	—	—	—	—	—	—	—	—
d) Banks / FI	—	—	—	—	—	—	—	—	—
e) Any Other	—	—	—	—	—	—	—	—	—
Sub Total A(2)	—	—	—	—	—	—	—	—	—
Total Shareholding of promoter (A) = A(1) + (A)(2)	1,24,85,000	75,15,000	2,00,00,000	100%	1,24,85,000	75,15,000	2,00,00,000	100%	Nil
B. Public Shareholding									
1) Institutions	—	—	—	—	—	—	—	—	—
a) Mutual Funds	—	—	—	—	—	—	—	—	—
b) Banks / FI	—	—	—	—	—	—	—	—	—
c) Central Govt	—	—	—	—	—	—	—	—	—
d) State Govt	—	—	—	—	—	—	—	—	—
e) Venture Capital Funds	—	—	—	—	—	—	—	—	—
f) Insurance Companies	—	—	—	—	—	—	—	—	—
g) FIs	—	—	—	—	—	—	—	—	—
h) Foreign Venture Capital Funds	—	—	—	—	—	—	—	—	—
i) Others(Specify)	—	—	—	—	—	—	—	—	—
Sub Total B (1)	—	—	—	—	—	—	—	—	—
2) Non-Institutions									
a) Bodies Corp.	—	—	—	—	—	—	—	—	—
i) Indian	—	—	—	—	—	—	—	—	—
ii) Overseas	—	—	—	—	—	—	—	—	—
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 Lakh	—	—	—	—	—	—	—	—	—
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 Lakh	—	—	—	—	—	—	—	—	—
c) Others Specify	—	—	—	—	—	—	—	—	—
Sub Total B(2)	—	—	—	—	—	—	—	—	—
Total Public Shareholding (B) = B(1) + (B)(2)	—	—	—	—	—	—	—	—	—
C. Shares held by custodian for GDRs & ADRs	—	—	—	—	—	—	—	—	—
Grand Total (A) + (B) + (C)	1,24,85,000	75,15,000	2,00,00,000	100%	1,24,85,000	75,15,000	2,00,00,000	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	2,00,00,000	100%	Nil	2,00,00,000	100%	Nil	Nil

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

Sr.No.	Shareholder's Name	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No of Shares	% of total shares of the company	No of Shares	% of total shares of the company
1	Sundaram Finance Limited				
	At the beginning of the year:	2,00,00,000	100%	2,00,00,000	100%
	Date wise / increase Decrease	No Change			
	At the end of the year			2,00,00,000	100%

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

Sr.No.	Shareholder's Name	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No of Shares	% of total shares of the company	No of Shares	% of total shares of the company
	At the beginning of the year	Nil	Nil	Nil	Nil
	Date wise / increase Decrease	Nil			
	At the End of the year			Nil	Nil

v) Shareholding pattern of Directors and Key Managerial Personnel

Sr.No.	Name of the Directors and KMP	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No of Shares	% of total shares of the company	No of Shares	% of total shares of the company
		Mr T T Srinivasaraghavan, Director			
1					
	At the beginning of the year	1	Negligible	1	Negligible
	Date wise increase / Decrease	Nil			
	At the End of the year			1	Negligible

Sr.No.	Name of the Directors and KMP	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No of Shares	% of total shares of the company	No of Shares	% of total shares of the company
		Mr Harsha Viji (KMP) as joint holder with others			
2					
	At the beginning of the year	1	Negligible	1	Negligible
	Date wise increase / Decrease	Nil			
	At the End of the year			1	Negligible

Sr.No.	Name of the Directors and KMP	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No of Shares	% of total shares of the company	No of Shares	% of total shares of the company
		Mr P Sundararajan (KMP) as joint holder with others			
3					
	At the beginning of the year	1	Negligible	1	Negligible
	Date wise increase / Decrease	Nil			
	At the End of the year			1	Negligible

V) Indebtedness

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

(₹ in Lakhs)

Sr.No.		Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
	Indebtedness at the beginning of the financial year				
	i) Principal Amount	1360.61	—	—	1360.61
	ii) Interest due but not paid	—	—	—	—
	III) Interest accrued but not due	—	—	—	—
	Total (i)+(ii)+(iii)	1360.61	—	—	1360.61
	Change in Indebtedness during the financial year				
	Addition	—	—	—	—
	Reduction	1,360.61	—	—	1,360.61
	Net Change	(1,360.61)	—	—	(1,360.61)
	Indebtedness at the end of the financial year				
	i) Principal Amount	—	—	—	—
	ii) Interest due but not paid	—	—	—	—
	III) Interest accrued but not due	—	—	—	—
	Total (i)+(ii)+(iii)	—	—	—	—

VI) Remuneration of Directors and Key Managerial Personnel.

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

(in ₹)

Sl. No	Particulars of Remuneration	Name of MD/WTD/Manager		Total Amount
		Mr. Harsha Viji, Managing Director	Mr. Sunil Subramaniam, Chief Executive Officer	
1	Gross Salary			
	a) Salary as per provisions contained in Section 17(1) of the Income tax Act, 1961	Nil	69,30,000	69,30,000
	b) Value of Perquisites u/s 17(2) of the Income Tax Act, 1961	Nil	1,04,09,500*	1,04,09,500
	c) Profits in Lieu of salary under Section 17(3) of the Income tax Act, 1961.	Nil	Nil	Nil
2	Stock Option	Nil	Nil	Nil
3	Sweat Equity	Nil	Nil	Nil
4	Commission			
	- as % of Profits	Nil	1,00,00,000	1,00,00,000
	- others, specify	Nil	Nil	Nil
5	Others, Please specify	Nil	Nil	Nil
	Total (A)	Nil	2,73,39,500	2,73,39,500
	Ceiling as per the Act (10% of Net Profits)			4,56,37,847

*Includes deferred bonus

B) Remuneration to Other Directors

(in ₹)

Name of Directors	Particulars of Remuneration			Total
	Fee for attending Board / Committee Meetings	Commission	Others, please specify	
Independent Directors				
Mr Pratip Chaudhuri	1,10,000	4,00,000	—	5,10,000
Mr S Krishnamurthy (upto May 2016)	20,000	—	—	20,000
Mr Rishiksha T Krishnan	1,00,000	4,00,000	—	5,00,000
Mr Arvind Sethi	1,00,000	4,00,000	—	5,00,000
Other Non-Executive Director				
Mr T T Srinivasaraghavan	—	—	—	—
Total (B)	3,30,000	12,00,000	—	15,30,000
Total Managerial Remuneration (A) + (B) excluding Sitting Fee				12,00,000
Overall ceiling as per the Act (11% of Net Profits)				5,02,01,631

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

(in ₹)

Sl. No	Particulars of Remuneration	Key Managerial Personnel		
		Company Secretary	CFO	Total
1	Gross Salary			
	a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	37,24,320	39,52,157	76,76,477
	b) Value of Perquisites u/s Section 17(2) of the Income Tax Act, 1961	50,800	40,501	91,301
	c) Profits in Lieu of salary under Section 17(3) of the Income tax Act, 1961	—	—	—
2	Stock Option	Nil	Nil	Nil
3	Sweat Equity	Nil	Nil	Nil
4	Commission			
	- as % of Profits	Nil	Nil	Nil
	- Others, Please Specify	Nil	Nil	Nil
5	Others, Please specify	Nil	Nil	Nil
	Total	37,75,120	39,92,658	77,67,778

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.

For and On behalf of the Board of Directors

Date: May 10, 2017

Place: Chennai

Pratip Chaudhuri

Chairman

Annexure - VII

Form No. AOC-2

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

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

- Details of contracts or arrangements or transactions not at arm's length basis
All transactions entered into by the Company during the year with related parties were on an arm's length basis.
- Details of material contracts or arrangement or transactions at arm's length basis
The 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

Date: May 10, 2017

Place: Chennai

Pratip Chaudhuri

Chairman

INDEPENDENT AUDITOR'S REPORT

To the Members of Sundaram Asset Management Company Limited

1. Report on the Financial Statements

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

2. 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 accounting principles generally accepted 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 judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

3. 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 the 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.

4. Opinion

In our opinion and to the best of our information and according to the explanations given to us, the 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.

5. Report on Other Legal and Regulatory Requirements

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

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

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

(b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

(c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

(d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

(e) On the basis of the written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the Operating Effectiveness of such controls, refer to our separate report in "Annexure B"

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. the Company has disclosed the effect of the pending legal proceedings against it in its financial statements as mentioned in Note 21.8 of the Notes to the Accounts;

ii. the Company did not have any long term contracts including derivative contracts;

iii. there was no amount to be transferred to the Investor Education and Protection Fund by the Company.

iv. the Company has provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 as mentioned in Note 21.15 to the financial statements and the details are in accordance with the books of accounts maintained by the Company.

For BRAHMAYYA & CO.,
Chartered Accountants
Firm Regn. No.000511S

Place: Chennai
Date: 10-05-2017

P. BABU
Partner
Membership No.203358

“ANNEXURE A” TO THE AUDITORS’ REPORT REFERRED TO IN PARAGRAPH 5 OF OUR REPORT OF EVEN DATE

1. a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
- b) Fixed assets have been physically verified by the Management during the year, in accordance with an annual plan of verification, which in our opinion is reasonable having regard to the size of the Company and the nature of the fixed assets. The discrepancies noticed on such verification were not material and have been properly dealt with in the books of account.
- c) The Company does not own any immovable property.
2. In our opinion and according to the information and explanations given to us, the Company has not granted any loans secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, clauses (iii)(a), (b) and (c) of paragraph 3 of the Order are not applicable to the Company for the year.
3. In our opinion and according to the information and explanations given to us, the Company has not granted any loan to its Director(s) and has not made any investment, provided any guarantee or security as envisaged in Section 185 and Section 186 of the Companies Act, 2013, respectively
4. The Company has not accepted any deposits from the public.
5. The Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act.
6. i) In our opinion and according to the information and explanations given to us, undisputed statutory dues, including Provident Fund, Employees State Insurance, Income tax, sales tax, service tax, value added tax, cess 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 2017 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 Sales tax which have not been deposited on account of any dispute. The details of Service tax which have not been deposited on account of dispute is as follows:

Nature of dues	Amount (₹)	Period to which the amount relates	Forum where the dispute is pending
Service Tax	18,19,26,430/-	2010-11 to 2014-15	Appellate Tribunal

7. The Company has not defaulted in the repayment of dues to banks. The Company does not have any borrowings from 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 material fraud on the Company by its employees or officers were noticed or reported during the course of our audit.
10. The Company has paid/provided for managerial remuneration within the limits of Section 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

Place: Chennai
Date : 10-05-2017

P. BABU
Partner
Membership No.203358

“ANNEXURE B” TO THE AUDITORS’ REPORT REFERRED TO IN PARAGRAPH 5 OF OUR REPORT OF EVEN DATE**Report on the Internal Financial Controls under Clause (i) of Sub-Section 3 of Section 143 of the Companies, Act, 2013 (“the Act”)**

We have audited the internal financial controls over financial reporting of Sundaram Asset Management Company Limited (“the Company”) as of 31 March 2017 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 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 BRAHMAYYA & CO.,
Chartered Accountants
Firm Regn. No.000511S

Place: Chennai
Date : 10-05-2017

P. BABU
Partner
Membership No.203358

Balance Sheet

As at 31st March, 2017

(Amount in ₹)

Particulars	Note	31.03.17	31.03.16
I. Equity and Liabilities			
1. Shareholders' Funds			
(a) Share Capital	2	20,00,00,000	20,00,00,000
(b) Reserves and Surplus	3	144,84,73,021	114,11,67,327
(c) Money received against share warrants		—	—
		164,84,73,021	134,11,67,327
2. Share Application Money Pending Allotment		—	—
3. Non-Current Liabilities			
(a) Deferred Tax Liabilities	4	11,34,49,974	7,63,74,652
(b) Other Long Term Liabilities	5	—	30,00,000
		11,34,49,974	7,93,74,652
4. Current Liabilities			
(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	6	15,95,18,567	21,93,81,572
(b) Other Current Liabilities	7	11,75,21,096	23,93,17,587
(c) Short Term Provisions	8	1,67,63,852	5,16,19,583
		29,38,03,515	51,03,18,742
Total		205,57,26,510	193,08,60,721
II. Assets			
1. Non-Current Assets			
(a) Fixed Assets			
(i) Tangible Assets	9	2,55,61,603	2,38,96,201
(ii) Intangible Assets	9	65,87,144	1,99,602
(b) Non-Current Investments	10	17,91,51,545	19,98,31,795
(c) Long Term Loans and Advances	11	89,85,67,654	80,83,74,214
		110,98,67,946	103,23,01,812
2. Current Assets			
(a) Current Investments	12	28,42,36,537	19,79,87,018
(b) Trade receivables	13	10,81,34,904	10,08,09,089
(c) Cash and Bank Balances	14	1,79,71,395	1,25,99,103
(d) Short Term Loans and Advances	15	53,55,15,728	58,71,63,699
		94,58,58,564	89,85,58,909
Total		205,57,26,510	193,08,60,721

Significant Accounting Policies and Notes to Accounts 1 to 21

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

P. Babu
Partner
Membership No.203358

Chennai
10th May, 2017

T T Srinivasaraghavan
Director

Sunil Subramaniam
Chief Executive Officer

P. Sundararajan
Company Secretary

Harsha Viji
Managing Director

T.S.Sritharan
Chief Financial Officer

Profit and Loss Statement

For the year ended 31st March 2017

(Amount in ₹)

Particulars	Note	2016-17	2015-16
Income			
Revenue from operations	16	257,28,20,249	228,07,71,220
Other Income	17	3,26,24,814	1,80,56,858
Total	(A)	<u>260,54,45,063</u>	<u>229,88,28,078</u>
Expenditure			
Employee Benefit expenses	18	51,96,83,782	41,18,46,399
Administrative and other expenses	19	43,61,36,379	37,82,13,499
Brokerage & Marketing Expenses	20	115,66,94,516	123,06,64,571
Finance Cost - Interest		50,96,422	3,09,39,638
Depreciation	9	1,64,52,948	1,63,56,346
Provision for Diminution in value of Investments		—	10,67,13,308
Total	(B)	<u>213,40,64,047</u>	<u>217,47,33,761</u>
Profit before tax	(A-B)	<u>47,13,81,016</u>	<u>12,40,94,317</u>
Less : Tax Expense			
Current Tax		12,70,00,000	4,86,00,000
Deferred Tax		3,70,75,322	16,40,75,322
		3,13,06,640	7,99,06,640
Profit after Tax		<u>30,73,05,694</u>	<u>4,41,87,677</u>
Earnings per Equity Share			
Number of Equity Shares (Face Value Rs.10/- Per Share)		2,00,00,000	2,00,00,000
Weighted Average Number of Shares (Face Value Rs.10/- Per Share)		2,00,00,000	2,00,00,000
Basic & Diluted Earnings per Equity Share		15.37	2.21

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

P. Babu
Partner
Membership No.203358

Chennai
10th May, 2017

T T Srinivasaraghavan
Director

Sunil Subramaniam
Chief Executive Officer

P. Sundararajan
Company Secretary

Harsha Viji
Managing Director

T.S.Sritharan
Chief Financial Officer

NOTES TO THE ACCOUNTS

1. SIGNIFICANT ACCOUNTING POLICIES

1.1 The financial statements are prepared and presented under the historical cost convention on the accrual basis of accounting and comply with the relevant provisions of the Companies Act, 2013.

The preparation of the 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 year and disclosure of contingent liabilities as at that date. The estimate and assumptions used in the financial statements are based upon the management's evaluation of the relevant facts and circumstances as on the date of the financial statements. The assets and liabilities have been classified as current and non-current based on a twelve month operating cycle.

1.2 **Income Recognition:**

Investment Management Fees, Advisory Fees and Portfolio Management Service Fees are accounted on accrual basis.

1.3 **Fixed Assets and Depreciation:**

Fixed Assets are stated at historical cost less accumulated depreciation.

Depreciation on assets is provided on the Written down Value Method at rates prescribed in Schedule II to the Companies Act, 2013. Assets costing Rs.5000 or less acquired during the year are written down to Re.1. Expenditure incurred towards renovation, interior decoration etc. in respect of leased office premises is capitalised under "Improvement to rented premises" and amortised over the primary lease period.

Vehicles taken on lease:

Operating Lease payments are recognised as expenditure in the Profit and Loss Account on a straight line basis over the lease term.

1.4 **Valuation of Investments:**

Long Term investments are carried at cost and provision for decline in value, other than temporary is considered wherever necessary.

Current Investments are valued at lower of cost and market value/ net asset value.

1.5 **Transactions in Foreign Currency:**

Transactions in foreign currency are accounted for at the rates prevailing on the date of the transaction. Monetary items denominated in foreign currencies are restated at the Prevailing rates of exchange at the Balance Sheet date. Gain or loss arising out of fluctuations in exchange rates is accounted for in the Profit and Loss Statement.

1.6 **Employee Benefits:**A) **Short Term Employee Benefits:**

Short Term Employee Benefits to be paid for the services rendered by employees are recognized during the period when the services are rendered.

B) **Post-employment benefits:**Defined Contribution Plani) Provident Fund

The Company contributes to a Government-administered Provident Fund and Pension Fund.

Defined Benefit Plani) Gratuity

The Company contributes annually to a Gratuity Fund administered by trustees and managed by Life Insurance Corporation of India. The company accounts its liability for future gratuity benefits based on actuarial valuation, as at Balance Sheet date, determined every year by Life Insurance Corporation of India using the Projected Unit Credit method.

ii) Leave Encashment

The Company contributes to a staff leave encashment scheme managed by Life Insurance Corporation of India. The Company accounts its liability based on an actuarial valuation, as at the Balance Sheet date, determined every year, using the Projected Unit Credit method.

The expenses and actuarial gain / loss on account are recognised in the Profit and Loss on the basis of actuarial valuation.

1.7 **Taxation:**

Current tax is provided on the taxable income for the year. Deferred tax liabilities on the timing differences are fully provided for. Deferred tax assets are recognised on the consideration of prudence.

1.8 **Intangible Assets:**

Computer Software acquired is recorded as an intangible asset and the cost is amortised over the expected useful life.

1.9 **Impairment of Assets:**

The carrying amounts of assets are reviewed at each balance sheet date to ascertain impairment based on internal / external factors. An impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount. The amount recoverable is higher of the net selling price of assets and their value in use.

1.10 **Provisions:**

Provisions are recognised when the company has present legal or constructive obligations, as a result of past events, for which it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made for the amount of the obligation.

1.11 **Scheme Expenses**

New Fund Offer Expenses – Equity Schemes

- Open Ended - Expenses incurred in relation to new fund offer are amortized over a period of 24 Months.
- Close Ended - Expenses incurred in relation to new fund offer are amortized over the tenor of the Scheme.
- New Fund Offer Expenses – Debt Schemes
Expenses incurred in relation to new fund offer are amortized over the tenor of the scheme.
- Amortization Policy on Brokerage Expenses – Mutual Fund:

Incurred Towards	Amortized over a period of
Equity Linked Savings Schemes	36 Months
Open Ended Equity Schemes-Lumpsum	12 Months
Open Ended Equity Schemes-SIP	36 Months

- Amortization Policy on Brokerage Expenses – AIF:
Brokerage expenses are amortized over the tenor the scheme.

Notes to the Accounts

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

(Amount in ₹)

Note 2

Share Capital :

Particulars	31.03.17	31.03.16
Share Capital		
Authorised		
4,00,00,000 Equity Shares of ₹ 10/- each	40,00,00,000	40,00,00,000
5,00,000 Redeemable Preference Shares of ₹ 100/- each	5,00,00,000	5,00,00,000
	45,00,00,000	45,00,00,000
Issued, Subscribed and fully paid up		
2,00,00,000 Equity Shares of ₹ 10/- each	20,00,00,000	20,00,00,000
	20,00,00,000	20,00,00,000

Details of number of Shares held by shareholders holding more than 5% shares are set out below:

Name of the Shareholder	Status	No. of Shares #	% held as at 31.03.2017
Sundaram Finance Limited	- Holding Company	2,00,00,000	100%

Includes six equity shares held by nominees of Sundaram Finance Limited.

Reconciliation of the number of equity shares outstanding at the beginning and at the end of financial year are as follows:

Particulars	31.03.17	31.03.16
Opening number of Shares outstanding	2,00,00,000	2,00,00,000
Add : Shares issued	—	—
Less: Shares bought back	—	—
Closing number of shares outstanding	2,00,00,000	2,00,00,000

Note 3

Reserves And Surplus

Particulars	31.03.17	31.03.16
a) Securities Premium Account		
Opening balance	31,20,29,769	31,20,29,769
Add: Received during the year	—	—
	31,20,29,769	31,20,29,769
b) General Reserve		
Opening balance	12,62,68,158	12,62,68,158
Add: Transfer from Surplus in the Profit and Loss Statement	—	—
	12,62,68,158	12,62,68,158
c) Surplus in the Profit and Loss Statement		
Opening balance	70,28,69,400	70,22,28,064
Less: Transition provision for Depreciation	—	—
Add: Profit for the year	30,73,05,694	4,41,87,677
	101,01,75,094	74,64,15,741
Less: Appropriations:		
Dividend		
Final (Proposed)	—	3,60,00,000
Dividend Distribution Tax	—	75,46,341
General Reserve	—	—
	101,01,75,094	70,28,69,400
	144,84,73,021	114,11,67,327

Notes to the Accounts

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

(Amount in ₹)

Note 4

Deferred Tax Liability

Particulars	31.03.17	31.03.16
Deferred Tax Liability: Amortisation of Brokerage	11,50,71,818	7,85,10,154
Deferred Tax Asset: Depreciation	16,21,844	21,35,502
	<u>11,34,49,974</u>	<u>7,63,74,652</u>

Note 5

Other Long Term Liabilities

Particulars	31.03.17	31.03.16
Long term employee benefits	—	30,00,000
	<u>—</u>	<u>30,00,000</u>

Note 6

Trade Payables

Particulars	31.03.17	31.03.16
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		
For Expenses	15,90,10,939	21,83,50,114
For Others	5,07,628	10,31,458
	<u>15,95,18,567</u>	<u>21,93,81,572</u>

No amounts due and outstanding to be credited to Investor Education & Protection Fund

Note 7

Other Current Liabilities

Particulars	31.03.17	31.03.16
Current Maturities of Long Term Loan from Bank	—	13,60,60,619
Statutory dues Payable	1,49,62,740	4,10,68,968
Others	10,25,58,356	6,21,88,000
	<u>11,75,21,096</u>	<u>23,93,17,587</u>

Note 8

Short Term Provisions

Particulars	31.03.17	31.03.16
Provision for Employee Benefits	1,67,63,852	82,90,830
Others		
Dividend	—	3,60,00,000
Dividend Distribution Tax	—	73,28,753
	<u>1,67,63,852</u>	<u>5,16,19,583</u>

Note: 9
Fixed Assets

(Amount in ₹)

Description	Gross Block At Cost			Depreciation				Netblock		
	As at 01.04.2016	Additions	Deductions	As at 31.03.2017	As at 31.03.2016	Additions	Deductions	Upto 31.03.2017	As at 31.03.2017	As at 31.03.2016
Tangible Assets										
Computers	7,60,96,395 (7,26,40,461)	90,15,237 (39,97,426)	— (5,41,492)	8,51,11,632 (7,60,96,395)	6,75,77,874 (5,97,79,246)	73,75,496 (83,06,291)	— (5,07,663)	7,49,53,370 (6,75,77,874)	1,01,58,262 (85,18,521)	85,18,521 (1,28,61,215)
Furniture and fixtures	1,62,38,990 (1,52,53,073)	6,76,258 (12,34,450)	— (2,48,533)	1,69,15,248 (1,62,38,990)	1,42,89,475 (1,39,62,564)	5,93,600 (5,75,617)	— (2,48,706)	1,48,83,075 (1,42,89,475)	20,32,173 (19,49,515)	19,49,515 (12,90,509)
Office Equipment	1,99,17,987 (1,93,95,546)	11,90,684 (7,40,349)	— (2,17,908)	2,11,08,671 (1,99,17,987)	1,80,31,563 (1,69,24,536)	9,84,192 (12,46,157)	— (1,39,130)	1,90,15,755 (1,80,31,563)	20,92,916 (18,86,424)	18,86,424 (24,71,010)
Electrical Equipment	2,04,63,124 (1,86,87,835)	14,85,800 (18,88,560)	78,725 (1,13,271)	2,18,70,199 (2,04,63,124)	1,50,59,954 (1,28,63,716)	18,58,472 (22,76,888)	73,172 (80,650)	1,68,45,254 (1,50,59,954)	50,24,945 (54,03,170)	54,03,170 (58,24,119)
Vehicles	28,20,179 (28,64,179)	— —	— (44,000)	28,20,179 (28,20,179)	17,95,204 (13,98,983)	3,02,354 (4,35,444)	— (39,223)	20,97,558 (17,95,204)	7,22,621 (10,24,975)	10,24,975 (14,65,196)
Improvement to rented premises	3,37,40,959 (3,09,99,504)	38,98,978 (27,41,455)	— —	3,76,39,937 (3,37,40,959)	2,86,27,363 (2,53,00,904)	34,81,887 (33,26,459)	— —	3,21,09,250 (2,86,27,363)	55,30,687 (51,13,596)	51,13,596 (56,98,600)
Total Tangible Assets	16,92,77,634	1,62,66,957	78,725	18,54,65,866	14,53,81,434	1,45,96,001	73,172	15,99,04,263	2,55,61,603	2,38,96,201
Intangible Assets										
Computer Software	3,04,58,579 (3,02,53,829)	82,44,489 (2,04,750)	— —	3,87,03,068 (3,04,58,579)	3,02,58,977 (3,00,69,487)	18,56,947 (1,89,490)	— —	3,21,15,924 (3,02,58,977)	65,87,144 (1,99,602)	1,99,602 (1,84,342)
Total Intangible Assets	3,04,58,579	82,44,489	—	3,87,03,068	3,02,58,977	18,56,947	—	3,21,15,924	65,87,144	1,99,602
Grand Total	19,97,36,213	2,45,11,446	78,725	22,41,68,934	17,56,40,412	1,64,52,948	73,172	19,20,20,188	3,21,48,746	2,40,95,803
Previous Year (31.03.2016)	(19,00,94,427)	(1,08,06,990)	(11,65,204)	(19,97,36,213)	(16,02,99,436)	(1,63,56,346)	(10,15,372)	(17,56,40,411)	(2,40,95,802)	(2,97,94,991)

Notes to the Accounts

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

(Amount in ₹)

Note 10

Non - Current Investments

Particulars	31.03.17	31.03.16
Un-Quoted		
Non Trade:		
Investments in Mutual Funds (Net Asset Value as at 31.03.17 - Rs.82,39,131/-)	72,61,833	3,92,61,833
Investment in Equity Instruments : Fully paid		
- Subsidiary Company		
Sundaram Asset Management Singapore Pte. Ltd		
Number of Shares Holding : 58,55,001		
Face Value : 1 SGD	27,81,03,020	26,67,83,270
Less: Provision for Diminution in Value of Investments	<u>10,67,13,308</u>	<u>10,67,13,308</u>
- Others		
MF Utilities India Private Limited		
Number of Shares Holding : 5,00,000	5,00,000	5,00,000
Face Value : Rs.1		
	<u>17,91,51,545</u>	<u>19,98,31,795</u>

Particulars	Face Value	As at 31.03.17		As at 31.03.16	
		Holding (Number)	Cost (₹)	Holding (Number)	Cost (₹)
Investments in Mutual Funds					
Sundaram Hybrid C - Growth Option	—	—	—	35,00,000	3,50,00,000
Sundaram FTP GJ - Growth Option	10	3,00,000	30,00,000	3,00,000	30,00,000
Sundaram World Brand Fund Series I - Growth Option	10	2,490	24,900	2,490	24,900
Sundaram Small Cap Series 2 - Growth Option	10	2,500	25,000	2,500	25,000
Sundaram Global Advantage Fund - Growth Option	10	1,93,762	27,06,933	81,827	12,06,933
Sundaram FTP GY - Growth Option	10	500	5,000	500	5,000
Investments in Alternative Investment Funds					
Sundaram Alternative Investment Opp Fund - Nano Cap Sr 1 (Commitment Amount : ₹ 1,00,00,000)	1,00,000	15	15,00,000	—	—
Total			<u>72,61,833</u>		<u>3,92,61,833</u>

The commencement of business of Sundaram Asset Management Singapore Pte. Ltd., subsidiary company was delayed due to Regulatory approvals and the global financial crisis, resulting in an extended gestation period and accumulated losses. The company, as a matter of prudence and in line with Accounting Standards, has provided a sum of ₹10.67 crores during the previous year 2015-16, towards diminution in the value of its investment.

Note 11

Long Term Loans and Advances

Particulars	31.03.17	31.03.16
Unsecured, Considered Good :		
Advance Income tax and Tax Deducted at Source(Net)	40,32,94,650	32,75,57,612
Brokerage Recoverable from Mutual Fund Schemes	20,93,07,608	32,39,00,658
Prepaid Expenses	21,98,92,278	13,90,47,962
Security Deposit	61,67,781	1,62,24,539
Advance for AIF Upfront Brokerage	5,87,88,999	—
Others	11,16,338	16,43,443
	<u>89,85,67,654</u>	<u>80,83,74,214</u>

Advance Income tax and Tax deducted at source is net of provision for taxation ₹ 77,51,33,918/- (31.03.16 ₹ 64,81,33,918 /-).

Notes to the Accounts

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

(Amount in ₹)

Note 12

Current Investments

Particulars	31.03.17	31.03.16
Un-Quoted		
Non Trade:		
Investments in Mutual Funds	28,42,36,537	19,79,87,018
	<u>28,42,36,537</u>	<u>19,79,87,018</u>

Particulars	Face Value	As at 31.03.17		As at 31.03.16	
		Holding (Number)	Cost (₹)	Holding (Number)	Cost (₹)
Investments in Mutual Funds					
Sundaram Money Fund - Growth Plan - Direct	10	16,36,642	1,37,63,266	62,83,262	19,78,07,018
Sundaram Income Plus-Growth	10	77,38,568.48	27,02,88,156	—	—
Sundaram MIP(A)-Direct Plan-Monthly Dividend	10	368.85	5,115	—	—
HDFC Liquid Fund - Growth - Direct	1,000	4.30	10,000	4.30	10,000
Invesco Liquid Fund - Growth - Direct	1,000	6.17	10,000	6.17	10,000
ICICI Liquid Fund - Growth - Direct	100	57.38	10,000	57.38	10,000
DHFL Pramerica Insta Cash Plus Fund	100	65.25	10,000	65.25	10,000
Canara Rebecco Liquid Fund - Growth - Direct	1,000	6.97	10,000	6.97	10,000
DSP Blackrock Liquidity Fund - Growth - Direct	1,000	5.93	10,000	5.93	10,000
Birlasunlife Cash Plus - Growth - Direct	100	52.99	10,000	52.99	10,000
IDFC Cash Fund - Growth - Direct	1,000	6.98	10,000	6.98	10,000
L&T Liquid Fund - Growth - Direct	1,000	6.19	10,000	6.19	10,000
Axis Liquid Fund - Growth - Direct	1,000	7.65	10,000	7.65	10,000
JM High Liquidity Fund - Growth - Direct	10	311.02	10,000	311.02	10,000
SBI Magnum Insta Cash Fund - Growth - Direct	1,000	3.84	10,000	3.84	10,000
Tata Liquid Fund - Growth - Direct	1,000	6.27	10,000	6.27	10,000
Edelweiss Liquid Fund - Growth - Direct	10	654.62	10,000	654.62	10,000
Reliance Liquid Fund - Growth - Direct	1,000	5.64	10,000	5.64	10,000
Kotak Liquid Scheme - Growth - Direct	1,000	4.18	10,000	4.18	10,000
LIC Nomura Liquid Scheme - Growth - Direct	1,000	4.68	10,000	4.68	10,000
IDBI Liquid Fund - Growth - Direct	1,000	7.91	10,000	7.91	10,000
Total			<u>28,42,36,537</u>		<u>19,79,87,018</u>

Particulars	31.03.17	
	Cost	Net Asset Value
Aggregate of Quoted Investments	—	—
Aggregate of Unquoted Investments	28,42,36,537	28,80,25,190

Note 13

Trade Receivables

Particulars	31.03.17	31.03.16
Unsecured, Considered Good :		
Investment Management Fee	7,84,09,763	6,78,97,026
Advisory Fee	99,45,719	46,73,393
Portfolio Management Fee & Reimbursements	1,97,79,422	2,82,38,670
Total	<u>10,81,34,904</u>	<u>10,08,09,089</u>

Notes to the Accounts

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

(Amount in ₹)

Note 14

Cash and Bank Balances

Particulars	31.03.17	31.03.16
Cash and Bank Balances		
Cash on Hand	67,857	78,626
Balances with Scheduled Banks in		
Current Accounts	1,63,11,915	1,12,71,002
Balances with Bank held in abroad		
Current Accounts	6,22,287	2,59,297
Deposit Accounts - More than 12 months	9,69,336	9,90,178
(A lien has been created on the deposit in favour of a Bank for Guarantee issued)		
Total	1,79,71,395	1,25,99,103

Note 15

Short Term Loans and Advances

Particulars	31.03.17	31.03.16
Unsecured, Considered Good :		
Brokerage Recoverable from Mutual Fund Schemes	22,43,22,255	28,66,70,198
Prepaid Expenses	24,92,90,219	22,18,94,427
Security Deposit	1,21,44,498	18,82,792
Others	4,97,48,030	7,63,92,952
Amount receivable from Subsidiary Company	10,726	3,23,330
Total	53,55,15,728	58,71,63,699

Notes to the Accounts

forming part of the Profit and Loss Statement

Note 16

Revenue from Operations

Particulars	2016-17	2015-16
Services Rendered:		
Investment Management Fees - Mutual Fund (Net)	247,56,99,647	218,78,63,861
Investment Management Fees - AIF (Net)	10,36,308	—
Portfolio Management Service Fees (Net)	7,43,81,538	7,16,01,149
Advisory Fees	2,17,02,756	2,13,06,210
Total	257,28,20,249	228,07,71,220

1) Investment Management fees - Mutual Fund is net of advisory fees paid ₹ 3,94,135/- (31.03.16- ₹ 4,30,058/-).

2) Investment Management fees - AIF fees is Net of Setup Fees paid ₹55,25,000/-

3) Portfolio Management Services fees is Net of brokerage paid ₹17,51,60,461/- (31.03.16- ₹17,60,11,773/-).

Notes to the Accounts

forming part of the Profit and Loss Statement

(Amount in ₹)

Note: 17

Other Income

Particulars	2016-17	2015-16
Interest receipts	3,29,647	4,53,171
Dividend Income	115	—
Profit on Sale of Tangible Assets	6,788	1,03,761
Profit on Sale of Current Investment	2,99,18,077	1,50,48,732
Gain on Exchange Fluctuation	54,352	2,10,646
Miscellaneous income	23,15,835	22,40,548
Total	3,26,24,814	1,80,56,858

Note: 18

Employee Benefit Expenses

Particulars	2016-17	2015-16
Salaries, allowances and bonus	47,35,51,758	38,19,05,537
Company's contribution to Provident Fund, NPS, ESI Scheme	2,00,42,966	1,59,07,812
Contribution to Gratuity Fund	1,65,91,237	52,69,134
Staff welfare expenses	94,97,821	87,63,916
Total	51,96,83,782	41,18,46,399

1. Defined Contribution Plan:

(In ₹)

Company Contribution to	2016-17	2015-16	2014-15	2013-14	2012-13
1. Provident Fund	1,31,34,217	1,09,17,274	1,04,77,868	1,07,90,984	1,29,75,694
2. Pension Fund	40,15,525	38,68,697	26,85,280	16,83,992	18,09,040
3. Employees State Insurance	23,306	8,244	9,824	27,672	65,856

2. Defined Benefit Plan:

Gratuity

A. Reconciliation of opening and closing balances of present value of the defined benefit obligation

	2016-17	2015-16
Present Value of obligations at the beginning of the Year	3,47,84,971	3,13,29,992
Interest Cost	27,82,798	25,06,399
Current Service Cost	45,61,084	45,12,423
Benefit Paid	(24,40,385)	(47,99,999)
Actuarial (Gain) / Loss on obligation	1,25,41,656	12,36,156
Present value of obligation at the end of the Year	5,22,30,124	3,47,84,971

B. Reconciliation of opening and closing balances of fair value of the Plan Assets Fund Maintained by LIC

	2016-17	2015-16
Fair Value of Plan asset at the beginning of the Year	3,42,82,269	2,85,38,941
Expected return on plan assets	33,05,884	27,53,639

Contribution	78,89,217	77,89,689
Benefit Paid	(24,40,385)	(47,99,999)
Actuarial Gain on obligation	Nil	Nil
Fair Value of plan asset at the end of the Year	4,30,36,985	3,42,82,269

C. Reconciliation of present value of defined benefit obligation and fair value of plan assets of the assets and liabilities

	2016-17	2015-16
Present Value of obligations at end of the Year	3,42,82,269	2,85,38,941
Actual return on plan assets	33,05,884	27,53,639
Contribution	78,89,217	77,89,689
Benefit Paid	(24,40,385)	(47,99,999)
Fair Value of Plan asset at the end of the Year	4,30,36,985	3,42,82,269
Net Liability recognised in the balance sheet	91,93,140	(5,02,702)

D. Expenses recognised in the profit and loss account

	2016-17	2015-16
Current Service Cost	45,61,084	45,12,423
Interest Cost	27,82,798	25,06,399
Expected return on plan assets	(33,05,884)	(27,53,639)
Net Actuarial loss recognised in the year	1,25,41,656	(12,36,156)
Expenses to be recognised in the Profit and Loss Account	1,65,79,654	55,01,339

E. Actuarial Gain / Loss recognised

	2016-17	2015-16
Actuarial (gain) / loss on obligation	(1,25,41,656)	(12,36,156)
Actuarial gain on plan assets		
Actuarial (gain) / Loss for the year	(1,25,41,656)	(12,36,156)

F. Actuarial Assumption Per Annum

Actuarial Assumption*	31.03.2017	31.03.2016
Discount Rate	8.00%	8.00%
Salary Increment	7.00%	7.00%
Expected Rate of Return	8.25%	8.35%
Attrition Rate	1-3%	1-3%

* The estimates of future salary increases, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors like supply and demand in the employment market.

Particulars	31-03-2017	31-03-2016	31-03-2015	31-03-2014	31-03-2013
Defined Benefit Obligation	5,22,30,124	3,47,84,971	3,13,29,992	2,84,67,546	3,03,16,459
Plan Asset	4,30,36,985	3,42,82,269	2,85,38,940.57	2,67,57,282	2,43,15,678
Surplus / Deficit	91,93,140	(5,02,702)	27,91,051.43	17,10,264	(60,00,781)
Expenses Adjustment on Plan Liabilities	(1,25,41,656)	(12,36,156)	(78,055)	(30,63,271)	38,00,707
Expenses Adjustment on Plan Asset	Nil	Nil	Nil	Nil	Nil

3. The Present value of obligation towards compensated absences, as per actuarial certificate as on 31.03.17 was ₹ 3,30,62,921/- (31.03.16 ₹ 2,65,23,881/-) and is recognised in the books of accounts.

Notes to the Accounts

forming part of the Profit and Loss Statement

(Amount in ₹)

Note: 19**Administrative and other expenses**

Particulars	2016-17	2015-16
Rent	5,22,60,323	4,96,05,019
Outsourcing Cost	4,51,26,660	4,32,24,328
Subscription	3,62,40,498	3,31,22,747
Fund Accounting Charges	5,09,36,545	4,25,49,957
Electricity Charges	85,21,761	82,46,165
Communication Expenses	2,14,11,848	1,94,89,967
Professional and Consultancy Fees	2,12,62,423	1,52,14,817
Travelling and Conveyance	3,91,48,999	2,97,86,051
Database and Networking Expenses	2,18,11,192	2,10,36,720
Business Development Expenses	2,60,64,629	2,28,36,833
Repairs and Maintenance		
- Building	1,02,62,699	79,68,368
- Others	99,40,693	83,35,748
Printing & Stationery	74,75,925	82,32,497
Insurance	31,30,094	22,58,006
Rates and Taxes	24,55,796	27,14,094
Lease Rental	33,08,652	33,44,971
Director's Sitting Fees and Commission	15,30,000	16,10,000
Corporate Social Responsibility	51,00,000	56,00,000
Loss on Sale of Asset	—	69,095
Loss on exchange fluctuation	2,47,855	2,38,127
Investment Advisory Fees	1,59,16,800	1,55,11,321
Miscellaneous expenses	5,39,82,987	3,72,18,668
Total	43,61,36,379	37,82,13,499

Note: 20**Scheme expenses borne by the company**

Particulars	2016-17	2015-16
Registrar and Transfer Agent Fees	18,74,17,394	15,94,18,252
Upfront Brokerage - Mutual Fund	24,28,36,832	37,20,32,805
Upfront Brokerage - AIF	6,29,452	—
Trail Brokerage	52,57,75,842	49,42,02,019
Marketing & Other Expenses	20,00,34,996	20,50,11,495
Total	115,66,94,516	123,06,64,571

Note: 21**GENERAL:**

21.1 The Company has identified Asset Management, Investment Advisory Service and Portfolio Management Service as the only business segment.

21.2 Disclosures in respect of operating lease contracts as per AS 19 – “Leases”

The future minimum lease payments payable under non-cancellable operating lease are as follows:

	(In ₹)	
Particulars	31.03.2017	31.03.2016
Not later than one year	19,29,965	31,44,545
Later than one year and not later than five years	35,49,955	39,25,810
Later than five years	Nil	Nil

The leases can be renewed on expiry of the primary lease period, after mutually discussing the renewal terms with the lessor.

21.3 Miscellaneous Income includes NIL amount pertaining to provision created in an earlier year, no longer required and written back (Previous Year – ₹ 21,39,118/-)

21.4 Miscellaneous expenses in Note 20 Includes Remuneration to Auditors:-

	(In ₹)	
Particulars	2016-17	2015-16
Statutory Audit	8,50,000	8,50,000
Tax Audit	3,40,000	3,40,000
Certification Fees	3,80,000	3,72,500
Total	15,70,000	15,62,500

21.5 Related Parties**Holding Company:**

Sundaram Finance Limited

Subsidiary Company:

Sundaram Asset Management Singapore Pte Limited

Fellow Subsidiaries:

Sundaram BNP Paribas Home Finance Limited

Sundaram Trustee Company Limited

LGF Services Limited

Sundaram Infotech Solutions Limited

Sundaram Business Services Limited

Infreight Logistics Solutions Limited

Sundaram BNP Paribas Fund Services Limited

Sundaram Insurance Broking Services Limited

Sundaram BPO India Limited

Royal Sundaram General Insurance Company Limited

(w.e.f.29.07.2015)

Sundaram Finance Holdings Ltd. (formerly known as -

Sundaram Finance Investment Limited)

Associate: Sundaram Mutual Fund

Sundaram Alternative Investment Trust – Cat. III

Key Management Personnel: **Mr Harsha Viji**

Managing Director

Mr. Sunil Subramaniam

Chief Executive Officer

21.6 a) The Managing Director Mr. Harsha Viji has been nominated by M/s. Sundaram Finance Limited the Holding company and no remuneration is borne by this company.

c) During the year, Sundaram Finance Ltd the holding company has incurred ₹ 14,45,000/- towards employee stock option scheme issued under M/s Sundaram Finance Stock Option Scheme, 2008 to employees of the company.

Details of Related Parties Transactions for the year ended 31.03.2017

(Amount in ₹)

Particulars	Holding Company		Fellow / Subsidiaries / Associates		Key Management Personnel	
	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16
Income						
Investment Management and Advisory Fees						
Sundaram Mutual Fund	—	—	2,47,60,93,782	2,18,82,93,919	—	—
Sundaram Alternative Investment Funds - Cat III	—	—	10,36,308	—	—	—
Sundaram Asset Management Singapore Pte. Ltd (Grouped under Note 17 – Revenue from Operations)	—	—	9,56,661	9,42,850	—	—
Service Income	—	—	18,00,000	18,00,000	—	—
Sundaram Trustee Company Limited (Grouped under Note 19 – Employee Benefits)	—	—	—	—	—	—
Total	—	—	2,47,98,86,751	2,19,10,36,769	—	—
Expenses						
Rent and Office Maintenance						
Sundaram Finance Ltd (Grouped under Note 20 - Administrative Expenses - Rent)	2,13,00,812	2,11,63,910	—	—	—	—
PMS Brokerage (Grouped under Note 17 - Portfolio Management Service Fees - Net)	1,25,57,381	1,99,91,857	—	—	—	—
Additional Incentive	2,47,44,969	1,73,89,747	—	—	—	—
Mutual Fund Brokerage*	4,20,39,913	2,68,89,030	—	—	—	—

Particulars	Holding Company		Fellow Subsidiaries / Associates		Key Management Personnel	
	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16
(Grouped under Note 21 - Brokerage & Marketing Expenses)						
Vehicle Lease Rental Sundaram Finance Ltd	35,81,715	30,26,970	—	—	—	—
(Grouped under Note 20 - Administrative Expenses – Lease Rent)						
Remuneration Key Personnel of the Company	—	—	—	—	1,73,39,500	1,58,42,200
Payroll processing and AMC Accounting Charges Sundaram BPO India Ltd	—	—	19,05,360	19,68,000	—	—
(Grouped under Note 20 - Administrative Expenses – Miscellaneous Expenses)						
Fund Accounting, Registrar and Transfer fees and Call Centre Charges Sundaram BNP Paribas Fund Services Ltd	—	—	24,28,56,546	24,15,69,228	—	—
(Grouped under Note 20 - Administrative Expenses)						
Collection Centre Charges & Training Centre Charges Sundaram Finance Ltd	—	7,000	—	—	—	—
(Grouped under Note 20 - Administrative Expenses – Repairs and Maintenance Cost)						
System Services Cost Sundaram Finance Ltd (Sundaram Infotech Solutions)	15,64,861	14,47,652	—	—	—	—
(Grouped under Note 20 - Administrative Expenses – Repairs and Maintenance Cost)						
Internal, Concurrent and Audit Fees Sundaram Finance Ltd	5,00,000	10,00,000	—	—	—	—
(Grouped under Note 20 - Administrative Expenses – Miscellaneous Expenses)						
Investment Advisory Fees Sundaram Asset Management Singapore Pte. Ltd	—	—	1,59,16,800	1,55,11,321	—	—
(Grouped under Note 20 - Administrative Expenses)						
Total	10,62,89,651	9,09,16,166	26,06,78,706	25,90,48,549	1,73,39,500	1,58,42,200
Assets						
Receivable from Sundaram Trustee Co. Ltd	—	—	2,33,533	1,77,748	—	—
Receivable from Sundaram Asset Management Singapore Pte. Ltd	—	—	2,29,699	—	—	—
(Grouped under Note 16 – Short Term Loans and Advances- Others)						
Investment in Trust Securities at the end of the year Sundaram Mutual Fund	—	—	28,98,18,370	23,70,68,851	—	—
Sundaram Alternative Investment Funds - Cat III	—	—	15,00,000	—	—	—
Investment in Subsidiary Company Sundaram Asset Management Singapore Pte. Ltd	—	27,81,03,020	26,67,83,270	—	—	—
(Grouped under Note 13 – Current Investment)						
Total	—	56,98,84,622	50,40,29,869	—	—	—
Liabilities						
Other Liabilities Sundaram Finance Ltd	81,67,533	3,79,175	—	—	—	—
(Grouped under Note 7 – Trade Payables)						
Sundaram BPO India Ltd	—	—	1,92,000	7,01,840	—	—
Sundaram BNP Paribas Fund Services Ltd	—	—	2,52,92,754	2,83,99,670	—	—
(Grouped under Note 7 – Trade Payables)						
Final Dividend	—	3,60,00,000	—	—	—	—
Total	81,67,533	3,63,79,175	2,54,84,754	2,91,01,510	—	—

*Amount partly paid by the company and the mutual fund. The amount debited to the P&L of the company is based on the amortization policy adopted by the company.

21.7 Earnings per Share (Basic and diluted)

Sl. No	Particulars		2016-2017	2015-2016
1.	Profit after tax ₹	(A)	30,73,05,694	4,41,87,677
2.	Number of shares (nominal value of ₹10/- each)	(B)	2,00,00,000	2,00,00,000
3.	Earnings per share (Basic and diluted) – ₹	(A)/(B)	15.37	2.21
4.	Dividend proposed to be distributed – ₹		7,00,00,000	3,60,00,000
5.	Dividend per share – ₹		3.50	1.80

21.8 The Pending Litigation as of 31.03.2017 have been compiled by the company and reviewed by the Statutory Auditors. The effect of the current position of the litigation have been evaluated and appropriately considered and disclosed in the financial statement.

21.9 Contingent Liabilities (In ₹)

Claims against the Company not acknowledged as debts	31.03.2017	31.03.2016
-Service Tax matters	₹ 18,19,26,430/-	₹ 43,02,372/-

21.10 During the year, an amount of ₹ 1,40,00,000/- has been charged to the Profit and Loss A/c out of the total amount of ₹ 2,78,98,990/- quantified as recoverable (PMS Incident) as of 31.03.2016. The company is taking steps to recover the entire amount.

21.11 During the year the Sundaram Mutual Fund (SMF) has received orders from Income Tax Appellate Tribunal, Mumbai deleting the demand pertaining to FY 2011-12 and FY 2012-13 in respect of Pass Through Certificates (PTCs) subscribed by the schemes of SMF during the FY 2008-09, wherein, IL & FS Trustee Company Limited was the trustee for the securitisation transaction.

21.12 There are no amounts due to Small Scale Industries in terms of "The Micro, Small and Medium Enterprises Development Act, 2006".

21.13 Expenditure in foreign Currency on payments towards Salary, Rent, Travelling etc., – ₹ 8,04,95,358/- (31.03.16 – ₹ 4,43,07,036/-)

21.14 Earnings in Foreign Currency – Advisory fees earned ₹ 1,54,09,026/- (31.03.16 – ₹ 1,12,47,602/-)

21.15 Disclosure of Specified Bank Notes (SBN) – Pursuant to Ministry

of Corporate Affairs notification G.S.R. 308(E) dated 30th March, 2017.

Particulars	SBNs	Other Denomination Notes	Total
Closing cash in hand as on 08.11.2016	20,500	45,303	65,803
(+) Permitted receipts	-	5,20,000	5,20,000
(-) Permitted payments	-	4,21,087	4,21,087
(-) Amount deposited in Banks	20,500	-	20,500
Closing cash in hand as on 30.12.2016	-	1,44,216	1,44,216

21.16 During the year, the Company has changed its amortisation policy in respect of Brokerage paid on Open Ended Equity schemes – Systematic Investment Plans (SIPs). The Company amortises the brokerage paid on these schemes over a period of 36 months from the month of payment as against the earlier policy of amortisation over a period of 12 months from the month of payment which was followed upto Financial Year 2015-16.

As a result of this change in the method of accounting, the profit before depreciation and tax of the company for the year is higher by ₹ 1,27,73,895 and Brokerage and Commission expenses under 'Brokerage and Marketing Expenses' are lower by the corresponding amount.

21.17 Proposed Dividend:

Board of Directors of the Company at their meeting held on 10th May 2017 have recommended a dividend of ₹ 3.50 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 ₹ 8,42,50,353/- and Short term Provision would have been higher by ₹ 8,42,50,353/- (including dividend distribution tax of ₹ 1,42,50,353/-).

21.18 Previous year figures have been regrouped / reclassified wherever necessary to conform to the current year's presentation.

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

P. Babu
Partner
Membership No.203358

Chennai
10th May, 2017

T T Srinivasaraghavan
Director

Sunil Subramaniam
Chief Executive Officer

P. Sundararajan
Company Secretary

Harsha Viji
Managing Director

T.S.Sritharan
Chief Financial Officer

Cash Flow Statement

For the Year ended 31.03.2017

(Amount in ₹)

Particulars	2016-2017	2015-2016	
A Cash Flow from Operating Activities :			
Profit/(Loss) after tax	30,73,05,694	4,41,87,677	
Add: Profit on sale of tangible assets	(6,788)	(1,03,761)	
Financial Cost	50,96,422	3,09,39,638	
Diminution in Value of Non Current Investments	—	10,67,13,308	
Profit on sale of Non Current Investments	(2,99,18,077)	(1,50,48,732)	
Loss on Sale of tangible Assets	—	69,095	
Depreciation	1,64,52,948	1,63,56,346	
Income Tax	12,70,00,000	4,86,00,000	
Deferred Tax	3,70,75,322	3,13,06,640	
Interest Income	(3,29,647)	(4,53,171)	
Effect of foregin exchange rates on cash and cash equivalents	1,93,503	27,481	
Operating Profit Before Working Capital Changes	<u>46,28,69,377</u>	<u>26,25,94,522</u>	
(Increase) / Decrease in Current Assets	—	—	
(Increase) / Decrease in Long Term Loan and Advances	2,51,37,192	15,00,96,160	
(Increase) / Decrease in Short Term Loan and Advances	(11,60,54,220)	(16,06,56,581)	
(Increase) / Decrease in Trade Receivables	(75,19,318)	(4,29,36,984)	
Increase / (Decrease) in Current Liabilities (Trade Payables)	(5,98,63,006)	16,32,17,166	
Increase / (Decrease) in Other Long Term Liabilities	(30,00,000)	(62,26,000)	
Increase / (Decrease) in Long Term Liabilities Borrowings	—	(13,60,60,611)	
Increase / (Decrease) in Current Liabilities (Other current liabilities)	(8,10,94,300)	(9,12,16,926)	
Increase / (Decrease) in Current Liabilities (Short Term Provisions)	84,93,864	15,61,040	(12,22,22,737)
Cash generated from Operations	<u>22,89,69,590</u>	<u>14,03,71,785</u>	
Financial Cost	(50,96,422)	(3,09,39,638)	
Direct Taxes Paid	(11,53,30,632)	(14,07,97,055)	
Net Cash From Operating Activities	<u>10,85,42,536</u>	<u>(3,13,64,908)</u>	

Cash Flow Statement

For the Year ended 31.03.2017

(Amount in ₹)

Particulars	2016-2017	2015-2016
B Cash flow from investing activities		
Purchase / Sale of Current Investments	(8,62,49,519)	12,46,39,003
Purchase / Sale of Non Current Investments	2,06,80,250	(4,50,87,933)
Purchase of Fixed Assets - Tangible	(1,62,66,957)	(1,06,02,240)
Purchase of Fixed Assets - Intangible	(82,44,489)	(2,04,750)
Sale of Fixed Assets - Tangible	12,342	1,84,498
Profit on Sale of Non-Current Investments	2,99,18,077	1,50,48,732
Interest Income	3,29,647	4,53,171
Net Cash From Investing Activities	(5,98,20,649)	8,44,30,481
C Cash Flow From Financing Activities		
Dividend paid (including corporate dividend tax)	(4,33,28,753)	(7,22,14,588)
Net Cash From Financing Activities	(4,33,28,753)	(7,22,14,588)
Net Increase / (Decrease) In Cash & Cash Equivalents - (A) + (B) + (C)	53,93,134	(1,91,49,015)
Cash and Cash Equivalents at the beginning of the year	1,16,08,925	3,07,57,940
Cash and Cash Equivalents at the end of the year	1,70,02,059	1,16,08,925
Note : Cash & Cash Equivalents comprise the following :		
a. Cash on hand	67,857	78,626
b. Balances with Banks in Current accounts	1,69,34,202	1,15,30,299
c. Fixed Deposits	—	—
Total	1,70,02,059	1,16,08,925

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

P. Babu
Partner
Membership No.203358

Chennai
10th May, 2017

T T Srinivasaraghavan
Director

Sunil Subramaniam
Chief Executive Officer

P. Sundararajan
Company Secretary

Harsha Viji
Managing Director

T.S.Sritharan
Chief Financial Officer

FORM AOC - 1

[Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of the Companies (Accounts) Rules, 2014]
Statement containing salient features of the financial statement of subsidiaries / associate companies/ joint ventures
PART "A" : Subsidiaries

₹ in Lakhs

1	Sl. No	1
2.	Name of the Subsidiary	M/s Sundaram Asset Management Singapore Pte Ltd.
3.	The date since when subsidiary was acquired	NA
4.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period.	NA
5.	Reporting Currency and Exchange Rate as of the last date of the relevant Financial Year in the case of foreign subsidiaries	SGD
5.	Share Capital	58,55,001
6.	Reserves & Surplus	-46,07,604
7.	Total Assets	18,57,588
8.	Total Liabilities	18,57,588
9.	Investments	2,54,393
10.	Turnover	16,60,897
11.	Profit before Taxation	72,979
12.	Provision for Taxation	-
13.	Profit after Taxation	72,979
14.	Proposed Dividend	-
15.	% of Shareholding	100%

PART "B" : Associates & Joint Ventures

Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

	Name of Associates / Joint Ventures	
1.	Latest Audited Balance Sheet Date	Not Applicable
2.	Share of Associate / Joint Ventures held by the company on the year end.	
	Number	
	Amount of Investment in Associates / Joint Ventures	
	Extent of Holding %	
3.	Description of how there is significant influence	
4.	Reason why the associate/joint venture is not consolidated	
5.	Networth attributable to share holding as per latest audited balance sheet.	
6.	Profit / Loss for the year	
	i. Considered in Consolidation.	
	ii. Not Considered in Consolidation.	

T T Srinivasaraghavan
Director

Harsha Viji
Managing Director

Sunil Subramaniam
Chief Executive Officer

P. Sundararajan
Company Secretary

T.S.Sritharan
Chief Financial Officer

Chennai
10th May, 2017

Branches

Ahmedabad	Kanpur
Bangalore	Kolkatta - 2
Baroda	Lucknow
Bhilai	Ludhiana
Bhopal	Madurai
Bhubaneshwar	Mangalore
Calicut	Mumbai - 4
Chandigarh	Mysore
Chennai	Nagpur
Cochin	Nasik
Coimbatore	Patna
Dehradun	Pondy
Delhi - 2	Pune
Durgapur	Raipur
Goa	Rajkot
Guwahati	Ranchi
Hyderabad	Salem
Indore	Surat
Jaipur	Trichy
Jamshedpur	Trivandrum
Jodhpur	Vijayawada

This page is left blank intentionally

