

**SUNDARAM TRUSTEE
COMPANY LIMITED**

14

**ANNUAL REPORT
2017-18**

Board of Directors

M S Sundararajan Chairman

S Viji

R Venkatraman

Soundara Kumar (Ms.)

Audit Committee

R Venkatraman Chairman

Soundara Kumar (Ms.)

Banker

IDBI Bank Ltd

Auditors

M/s. Sundaram & Srinivasan, Chennai Chartered Accountants

Registered Office

21, Patullos Road

Chennai 600 002

Corporate Office

Sundaram Towers,

I & II Floor, 46, Whites Road,

Royapettah, Chennai 600 014

Tel: +91 44 4060 9900 / 2856 9900,

Fax: +91 44 2858 3156

CIN: U65999TN2003PLC052058

Website: www.sundarammutual.com

SUNDARAM TRUSTEE COMPANY LIMITED

a wholly-owned subsidiary of



SUNDARAM FINANCE

Enduring values. New age thinking.

Contents

Directors' Report	5
Auditors' Report	18
Balance Sheet	22
Profit and Loss Statement	23
Notes	24
Cash Flow Statement	32

Sponsor



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

DIRECTORS' REPORT

To the Members

Your Directors have pleasure in presenting the 14th Annual Report with the audited financial statement of accounts for the year ended March 31, 2018. The summarized financial results of the Company are given hereunder:

(₹ In lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Total Revenue	150.21	122.52
Total Expenses	39.51	39.94
Profit Before Tax	110.70	82.58
Provision for Tax	30.52	24.74
Profit After Tax	80.18	57.84

Company Performance

During the year under review, your Company earned a gross income of ₹ 150.21 lakhs by way of trusteeship fees and other income as against ₹ 122.52 lakhs reported in the previous year 2016-17. The expenditure for the year under review was ₹ 39.51 lakhs in the current financial year compared to ₹ 39.94 lakhs in 2016-17. Your company reported a profit after tax of ₹ 80.18 lakhs for the year ended March 31, 2018 as against ₹ 57.84 lakhs in the previous year. A sum of ₹ 111.46 lakhs is available for appropriation for the financial year 2017-18. Your Directors are happy to recommend a higher dividend of 1000% on the paid up capital of the company as against 800% declared during 2016-17. The dividend amounting to ₹ 50 lakhs together with dividend tax of ₹ 10.28 lakhs absorbs a sum of ₹ 60.28 lakhs.

During the year, your Company consented to act as Trustees of Sundaram Category II Alternative Investment Trust. The Trust had launched a scheme - Sundaram Alternative Opportunities Series – High Yield Secured Debt Fund which secured a capital commitment of ₹ 223.65 cr.

Mutual Fund Industry

During the year, overall assets under management of the Indian mutual fund industry have grown from ₹ 17.55 Trillion to ₹ 21.36 Trillion, registering a growth of 22%. The equity assets have grown from ₹ 6.73 Trillion to ₹ 9.95 Trillion as at 31 March 2018, registering a growth of 48%.

Sundaram Mutual Fund

The average assets of mutual funds under management grew to ₹ 34,164 cr. for the financial year ended 31 March 2018 from ₹ 26,896 cr., in the previous financial year. This represents an increase of 27% over the previous year. Your Directors are happy to note that during the course of the year, the combined assets under management exceeded ₹ 40,000 cr.

Fund Performance

During the year under review, Sundaram Mutual Fund launched 16 close-ended schemes mobilizing ₹ 1,374 cr. Most of the schemes registered good performance during the year beating the benchmark and in line with our philosophy, several schemes distributed sizeable dividends.

In October 2017, Sundaram Asset Management Company Limited (Sundaram AMC) was awarded Asia's Top 100 Money Managers by Institutional Investor Magazine and in January 2018, Sundaram AMC was awarded one of the Best BFSI Brands 2018 by Economic Times.

Your Directors are happy to inform you that the AUM of Sundaram Select Midcap touched ₹ 6,000 cr., mark on 2 November 2017. On a fifteen year annualized return, Sundaram Select Midcap returned 29.9% and on a ten year annualized return, Sundaram Select Midcap returned 17.3% as on 31 March 2018. Sundaram Rural India has grown tremendously and secured CPR No. 1 ranking from CRISIL.

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

Scheme Name	Category	Value Research	CRISIL	Morning Star
Sundaram Equity Multiplier Fund	Equity	4 Stars		4 Stars
Sundaram Select Midcap Fund - Direct Plan	Equity	4 Stars		
Sundaram Rural India Fund	Equity		Rank 1	4 Stars
Sundaram Select Focus	Equity		Rank 2	
Sundaram Infrastructure Advantage Fund	Equity		Rank 2	4 Stars
Sundaram Flexible Fund - Flexible Income Plan - Direct Plan	Debt	4 Stars		
Sundaram Money Fund	Debt	4 Stars	Rank 2	
Sundaram Monthly Income Plan - Aggressive Plan	Debt	4 Stars		4 Stars
Sundaram Select Debt Short Term Asset Plan	Debt	4 Stars		4 Stars
Sundaram Ultra Short Term Fund	Debt	4 Stars		4 Stars
Sundaram Flexible Fund – Flexible Income Plan	Debt		Rank 2	5 Stars
Sundaram Monthly Income Plan	Debt		Rank 2	
Sundaram Income Plus - Direct Plan - Growth Option	Ultrashort Bond			5 Stars
Sundaram Banking & PSU Debt Fund - Bonus Option	Short-Term Bond			4 Stars
Sundaram Bond Saver - Direct Plan - Growth Option	Intermediate Bond			4 Stars
Sundaram Gilt Fund - Direct Plan - Growth Option	Intermediate Government Bond			4 Stars
Sundaram Regular savings- Direct Plan - Growth Option	Conservative Allocation			4 Stars

Risk Management

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

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

Internal Control System and Adequacy

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

Capital Market Outlook

In FY '18 Nifty 50 rose 10.55% from 9237 to 10212. The Nifty 50 hit a high of 11,130 on 29 January before retracting following the introduction of tax on equity investments in the Union Budget. The year featured two major reformatory steps – announcement by the Government of a ₹ 2.1 Trillion recapitalization plan to boost the Balance Sheets of Public Sector Banks that were struggling with high NPAs and introduction of the GST framework. The Union Budget for FY19 which was presented on 30 January showed a great amount of fiscal restraint especially coming as it did in a pre-election year. The budget narrative continues to focus on agriculture and rural India. India also witnessed a positive sovereign rating upgrade from Moody's of one notch above the current rating. It is important to note here that this rating upgrade comes after a period of 13 years.

The consensus view of equity markets for FY '19 is one of consolidation. Given that this is a pre-election year with chatter that general elections can be advanced towards the end of the year the equity markets will most likely wait out the outcome of the elections before making its next move. The markets will also closely watch the fiscal deficit numbers though the Government has indicated that there will be no slippage on this front.

On the Fixed income front, the benchmark 10 year G-Sec moved from 6.68% to 7.3% on the back of higher inflation and increase in prices of crude oil. The yields further increased in the 1Q of FY '19 to cross the 8% mark before falling back to around 7.8% levels currently. Hence, return from fixed income investments for FY'18 and for the 1Q of FY '19 has been disappointing. However, the outlook for interest rates and by extension Fixed Income investments is slightly positive if only because the fixed income markets seem to have fully discounted inflation expectations and the probability of yields moving down is thoughts to be higher than their moving up. How well the Government is able to manage inflation expectations will prove crucial for the economy and for the markets. Despite the above, we don't expect the RBI to raise rates till at least October this year and are not expecting further rate hikes for FY '19 given the fragility of economic growth.

In conclusion, while growth appears to be recovering in pockets, both the sustainability and the breadth of this growth remain to be seen. High crude prices, rising global yields, sustained high inflation, possibility of a full blown mutually destructive trade war, rupee depreciation, shortfall in GST.

Regulation

SEBI has driven a change in fund rationalisation that reduces the fund overlap across the industry. SEBI driven fund rationalisation also gives scope to introduce new categories of funds. Sundaram AMC will continue to focus on introducing new products, keeping in mind the long term interest of the investors. With the continued support of the equity markets, good performance of the funds and adopting appropriate product and distribution strategy, your directors hope to continue the good performance in the coming years.

During the year, SEBI had also issued circulars on the following aspects:

- As a part of Green Initiative, SEBI has decided to dispense with the requirement of publication of daily NAV, sale / repurchase prices in newspapers and of sending (i) physical copies of scheme annual reports or abridged summary to all the investors whose email addresses are not available and (ii) statement of scheme portfolios to unit holders on half-yearly basis.
- Benchmarking of scheme's performance to Total Return Index in the place of price return index effective from February 2018;

SEBI has also decided to reduce the expense ratio in the following manner:

- Additional TER of upto 30 basis points would be allowed for inflows from beyond top 30 cities instead of beyond top 15 cities effective from April 2018;
- AMCs shall not be eligible to charge additional expenses of upto 0.20% of daily net assets in respect of mutual fund schemes including close ended schemes wherein exit load is not levied / not applicable;
- Reduction in the additional expenses of upto 0.20% of the daily net assets of MF Schemes in lieu of the exit load to 0.05%.

The above measures will adversely impact the fund mobilisation and profitability of Sundaram AMC in the long run.

Board of Directors

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

Directorship

Mr. R Venkatraman (DIN:07119686) retires at the ensuing General Meeting and being eligible, offers himself for re-appointment. Necessary resolution is submitted for your approval.

Audit Committee

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

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

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

The number and dates of Meetings of the Board and Committees held during the financial year indicating the number of Meetings attended by each Director is furnished vide **Annexure I**. Your Company has complied with applicable Secretarial Standards issued by Institute of Company Secretaries of India.

Public Deposits

Your company has not accepted any deposits from the public.

Particulars of Employee Remuneration

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

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

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

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

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

Your Company has no activity relating to conservation of energy or technology absorption. The Company had no foreign exchange earnings or outgo during the year 2017-18 and in 2016-17.

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

The Company has not given any loan or guarantee to any person or body corporate nor invested in securities of any other body corporate during the year 2017-18.

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

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

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

Your directors confirm that :

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

Extract of Annual Return

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

Auditors

M/s. Sundaram & Srinivasan, Chartered Accountants, Chennai, Statutory Auditors of your Company will hold office until the conclusion of the ensuing Annual General Meeting. Your directors recommend the re-appointment of M/s. Sundaram & Srinivasan, Chartered Accountants, Chennai, as Statutory Auditors of the Company in accordance with the provisions of Sections 139, 141 and other applicable provisions of the Companies Act, 2013 to hold office from the conclusion of 14th Annual General Meeting until the conclusion of 19th Annual General Meeting, subject to the approval of the shareholders at the 14th Annual General Meeting and ratification at every Annual General Meeting thereafter. The Company has received a certificate from them pursuant to Section 139 confirming their eligibility under Section 141 of the Companies Act, 2013 and rules issued thereunder.

Acknowledgement

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

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

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

For and On behalf of the Board of Directors

Place: Chennai
Date: 27.04.2018

M S Sundararajan
Chairman

Annexure - I

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

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

Sl. No.	Name of the Director	DIN	No. of Meetings attended	Meeting Dates
1	M S Sundara Rajan	00169775	4	25.04.2017 23.06.2017
2	S Viji	00139043	6	30.08.2017
3	R Venkatraman	07119686	6	30.10.2017 12.12.2017
4	Soundara Kumar (Mrs.)	01974515	6	19.02.2018

During the year under review, 5 meetings of the Audit Committee were held. Attendance of the members at Committee meetings are as follows:

S. No.	Name of the Member	No. of Meetings Attended	Meeting Dates
1	R Venkatraman	5	25.04.2017 23.06.2017 30.08.2017
2	Soundara Kumar (Mrs.)	5	30.10.2017 19.02.2018

For and On behalf of the Board of Directors

Place: Chennai
Date: 27.04.2018

M S Sundararajan
Chairman

Annexure - II

Form No. AOC-2

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

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

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

For and On behalf of the Board of Directors

Place: Chennai
Date: 27.04.2018

M S Sundararajan
Chairman

FORM NO MGT-9**Extract of Annual Return as on the financial year ended on 31st March 2018**

[Puruant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration Rules, 2014)]

I REGISTRATION AND OTHER DETAILS

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

II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

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

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

(I) Category-wise Share Holding

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

	Category of Shareholders	No of Shares held at the beginning of the year				No of shares held at the end of the year				% Change During the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
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)	-	50,000	50,000	100%	-	50,000	50,000	100%	Nil

ii) Shareholding of Promoters

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

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

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

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

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

v) Shareholding pattern of Directors and Key Managerial Personnel

Name of Director and KMP	Shareholding at the beginning of the year		Cummulative shareholding during the year	
	No of Shares	% of total shares of the company	No of Shares	% of total shares of the company
Mr S Viji, Director				
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

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

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

B. Remuneration to Other Directors

Name of Directors	Particulars of Remuneration			Total Amount (₹)
	Fee for attending board/ committee meetings	Commission	Others, Please Specify	
Independent Directors :				
Other Non-Executive Directors:	-	-	-	-
Mr. M.S. Sundararajan	1,00,000	3,50,000	-	4,50,000
Mr. S. Viji	-	-	-	-
Mr. R. Venkatraman	2,75,000	3,50,000	-	6,25,000
Ms. Soundara Kumar	2,75,000	3,50,000	-	6,25,000
Total (B)				17,00,000
Total Managerial Remuneration (A) + (B) excluding Sitting Fee				10,50,000
Overall Ceiling as per the Act (11% of Net Profits)				13,14,156

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

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

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

VII PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES

There were no penalties / punishment / compounding of offences against the Company, Directors and other Officers in Default during the year ended 31st March 2018.

For and On behalf of the Board of Directors

Place: Chennai
Date: 27.04.2018

M S Sundararajan
Chairman

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SUNDARAM TRUSTEE COMPANY LIMITED

Report on Financial Statements

We have audited the accompanying financial statements of Sundaram Trustee Company Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2018, 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.

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 of 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.

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 Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the 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, 2018;
- b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- c) in the case of the Cash Flow statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

- 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 "Annexure - A", a statement on the matters specified in the paragraphs 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 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 March 31, 2018, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018, from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of internal financial controls over financial reporting with reference to financial statements 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 explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long term contracts including derivatives contracts for which there were any material foreseeable losses.
 - iii. There was no amount to be transferred to Investor Education and Protection Fund by the Company.

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

S. Usha
Partner
Membership No.211785

Place: Chennai
Date: 27.04.2018

**“Annexure A” to the Auditor’s Report referred to in
Paragraph 5 our report of Even Date**

1. a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b) The fixed assets have been physically verified by the Management, in accordance with the regular programme of verification, which in our opinion is reasonable having regard to the size of the Company and the nature of the fixed assets. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
 - c) The Company does not have any immovable properties. Hence this clause not applicable.
2. The Company does not have any inventory and hence reporting under Clause 3(ii) of the Order is not applicable.
3. In our opinion and according to the information and explanations given to us, the Company has not granted any loans secured or unsecured to companies, firms Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Therefore, clauses (iii) (a), (b) and (c) of paragraph 3 of the Order are not applicable for the year.
4. In our opinion and according to the information and explanations given to us, the company has not granted any loans, made any investments or provided any\ guarantee or security which will attract the provisions\ of Section 185 and 186 of the Companies Act, 2013 respectively.
5. In our opinion and according to the information and explanations given to us, the company has not accepted deposits from the public.
6. The Central Government has not prescribed the maintenance of cost records for the Company u/s. 148(1) of the Companies Act, 2013.
7. i) The company is regular in depositing undisputed statutory dues names Income Tax ad Service Tax Goods and Service Tax with appropriate authorities. The other statutory dues are not applicable to the company.

According to the information and explanations given to us, there are no arrears of statutory dues which are outstanding as at 31st March 2018 for a period of more than six months from the date they became due.

 - ii. There are no disputed statutory dues by the company.
8. The company does not have any borrowings from financial institution, Banks, Government or debenture holders and hence this clause is not applicable to the company.
9. The company has not raised any money by the way of initial public offer or further public offer (including debt instruments) and the term loans. Hence this clause is not applicable.
10. To the best of our knowledge and belief and according to the information and explanations given to us, during the year, no fraud by the Company or fraud on the company by its employees or officers were noticed during the course of our audit.
11. The Company has paid / provided for managerial remuneration within limits of Section 197 read with schedule V to the Companies Act, 2013.
12. The Company is not a Nidhi Company and hence reporting under Clause 3 (xii) of the Order is not applicable.
13. According to the information and explanations given to us and based on our examination of the records of the company, the transactions with related parties are in compliance with Section 177 and Section 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
14. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Hence this clause is not applicable
15. In our opinion and according to the information and explanations given to us and based on our examination of records of the company, the Company has not entered into non-cash transactions with Directors or persons connected with them.
16. The Company is not required to be registered under Section 45 IA of the Reserve Bank of India. Hence this clause is not applicable.

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

Place: Chennai
Date: 27.04.2018

S. Usha
Partner
Membership No.211785

“Annexure B” to the Auditor’s Report referred to in paragraph 5 of our Report of Even Date

Report on the Internal Financial Controls with reference to Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting with reference to financial statements of Sundaram Trustee Company Limited, Chennai (“the Company”) as of March 31, 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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

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

Auditor’s Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

A company’s internal financial control over financial reporting with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting with reference to financial statements includes those policies and procedures that;

- i. pertain to the maintenance of records, that in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- ii. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- iii. provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting with reference to Financial Statements

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting with reference to financial statements and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Place: Chennai
Date: 27.04.2018

S. Usha
Partner
Membership No.211785

Balance Sheet

as at 31st March 2018

Particulars	Note No.	31.03.2018		31.03.2017	
		₹	₹	₹	₹
I. EQUITY AND LIABILITIES					
(1) Shareholders' Fund					
(a) Share Capital	1		5,00,000		5,00,000
(b) Reserves and Surplus	2		1,46,47,507		1,14,43,361
(2) Non- Current Liabilities					
(a) Deferred Tax Liabilities (Net)	3		-		-
(3) Current Liabilities					
(a) Trade Payables:-					
A) Total outstanding dues of micro enterprises and small enterprises; and			-		-
(B) Total outstanding dues of creditors other than micro enterprises and small enterprises	4	2,23,931		2,33,533	
(b) Other Current Liabilities	5	13,65,984		10,63,000	
(c) Short term Provisions		-		-	
			15,89,915		12,96,533
TOTAL			1,67,37,422		1,32,39,894
II ASSETS					
(1) Non-Current Assets					
(a) Fixed Assets					
Tangible Assets	6		16,428		24,996
(b) Long term Loans and Advances	7		12,17,221		11,92,488
(c) Deferred Tax Asset (Net)	3		10,365		9,660
(2) Current Assets					
(a) Current Investments	8	1,40,63,602		1,05,88,426	
(b) Trade Receivables	9	13,21,002		11,51,714	
(c) Cash and Cash Equivalents	10	1,08,804		2,49,889	
(d) Short term Loan and Advances	11	-		22,721	
			1,54,93,408		1,20,12,750
TOTAL			1,67,37,422		1,32,39,894

Significant Accounting Policies and other Notes forming part of accounts

16

As per our report of even date attached.

For SUNDARAM TRUSTEE COMPANY LIMITED

For **Sundaram & Srinivasan**
Chartered Accountants
Firm Registration No. 004207S
S Usha
Partner
Membership No. 211785

M S Sundararajan
Director

S Viji
Director

R Venkatraman
Director

Soundara Kumar
Director

Ashwani Kumar Dalal
Company Secretary

Chennai
April 27, 2018

Profit and Loss Statement

for the year ended 31st March 2018

Particulars	Note No.	2017-18		2016-17	
		₹	₹	₹	₹
I Revenue from Operations					
Sale of Services					
- Trusteeship Fee	12		1,48,46,286		1,17,04,796
II Other Income	13		1,75,182		5,47,335
III Total Revenue	(A)		1,50,21,468		1,22,52,131
IV Expenses					
Finance Cost	14		9,464		1,842
Depreciation	7		8,568		15,599
Administrative and Other Expenses	15		39,32,689		39,77,016
Total Expenses	(B)		39,50,721		39,94,457
V Profit before Tax	(C)= (A-B)		1,10,70,747		82,57,674
VI Tax Expense					
Current Tax		30,53,000		24,75,000	
Deferred Tax		(705)		(1,242)	
Total - Tax Provisions	(D)		30,52,295		24,73,758
VII Profit after tax	(E) =(C-D)		80,18,452		57,83,916
Basic and diluted Earnings per Share [Ref 2.6 of Note No 16]	16		160.37		115.68

Significant Accounting Policies and other Notes forming part of accounts 16

As per our report of even date attached.

For **Sundaram & Srinivasan**
Chartered Accountants
Firm Registration No. 004207S
S Usha
Partner
Membership No. 211785

Chennai
April 27, 2018

For **SUNDARAM TRUSTEE COMPANY LIMITED**

M S Sundararajan
Director

S Viji
Director

R Venkatraman
Director

Soundara Kumar
Director

Ashwani Kumar Dalal
Company Secretary

Notes forming part of the Balance Sheet as at March 31, 2018

Note No. 1 SHARE CAPITAL	31.03.18 ₹	31.03.17 ₹
Authorised 2,50,000 Equity Shares of ₹10/- each	25,00,000	25,00,000
Issued, Subscribed and Fully Paid up 50,000 Equity Shares of ₹10/- each	5,00,000	5,00,000
Total	5,00,000	5,00,000

a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period:

There is no change in the holding pattern of the Share Capital during the year ended 31st March 2018 (previous year NIL).

b. Terms/rights attached to Equity Shares:

The Company has only one class of equity shares having a par value of ₹10/- per share. Each Member is entitled to one vote by show of hands and while on polls, every shareholder is entitled to vote in proportionate to their holdings.

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

the number of equity shares held by the shareholders.

c. Shares held by the Holding Company:

50,000 shares (Previous year 50,000 shares) are held by M/s.Sundaram Finance Ltd, the holding company and its nominees.

d. Details of shareholders holding more than 5% of the Equity Shares of ₹ 10 each in the Company:

M/s Sundaram Finance Ltd, the holding company and its nominees held 100% of the Equity Share Capital of the Company as on 31.03.18 & also on 31.03.17.

Note No. 2 RESERVES AND SURPLUS	31.03.18 ₹		31.03.17 ₹	
1. General Reserve				
As per the last Balance Sheet	35,01,665		35,01,665	
Add: Transfer from surplus during the year	-		-	
		35,01,665		35,01,665
		35,01,665		35,01,665
2. Surplus				
As per the last Balance Sheet	79,41,696		21,57,780	
Add: Profit for the year	80,18,452		57,83,916	
Subtotal (a)	1,59,60,148		79,41,696	
Less: Appropriation				
(i) Dividend	40,00,000		-	
(ii) Dividend Distribution Tax	8,14,306		-	
(iii) Transfer to General Reserve	-		-	
Subtotal (b)	48,14,306		-	
Balance (a) -(b)		1,11,45,842		79,41,696
Total		1,46,47,507		1,14,43,361

Notes forming part
of the Balance Sheet as at March 31, 2018

Note No. 3	31.03.18	31.03.17
DEFERRED TAX LIABILITIES / ASSETS	₹	₹
Income tax on the difference between depreciation as per books of account and depreciation as per the Income Tax Act, 1961.		
- Liabilities	-	-
- Assets	10,365	9,660
Total	10,365	9,660

Note No. 4	31.03.18	31.03.17
CURRENT LIABILITIES - TRADE PAYABLE	₹	₹
For Services		
a) total outstanding dues of micro enterprises and small enterprises; and	-	-
b) total outstanding dues of creditors other than micro enterprises and small enterprises		
– Sundaram Asset Management Company Ltd (An associate)	2,23,931	2,33,533
Total	2,23,931	2,33,533

Note No. 5	31.03.18	31.03.17
OTHER CURRENT LIABILITIES	₹	₹
Commission to Director Payable	9,45,000	8,10,000
Audit Fees payable	1,35,000	1,26,000
Statutory Dues	2,85,984	1,09,000
Others	-	18,000
Total	13,65,984	10,63,000

Notes forming part of the Balance Sheet as at March 31, 2018

Note No. 6**FIXED ASSETS - TANGIBLE ASSETS**

(in Rupees)

Sl No	Description	Gross Block at Cost				Depreciation				Net Block	
		As at 01.04.17	Additions	Deductions	As at 31.03.18	As at 01.04.17	Additions	Deductions	As at 31.03.18	As at 31.03.18	As at 31.03.17
1	Computers	2,33,900	-	-	2,33,900	2,28,954	-	-	2,28,954	4,946	4,946
2	Office Equipments	83,812	-	-	83,812	63,762	8,568	-	72,330	11,482	20,050
	Total	3,17,712	-	-	3,17,712	2,92,716	8,568	-	3,01,284	16,428	24,996
	Previous year Figures (31.03.2017)	3,31,618	-	13,906	3,17,712	2,90,328	15,599	13,211	2,92,716	24,996	41,219

Note No. 7**LONG TERM LOANS AND ADVANCES**

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

Total

31.03.18

₹

12,17,221

12,17,221

31.03.17

₹

11,92,488

11,92,488**Note No. 8****CURRENT INVESTMENTS**

(Valued at lower of cost and fair value)

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

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

45,88,420

45,88,420

Sundaram Income Plus Fund- Direct Plan - Growth at Cost:-
307098.808 units (Previous year 180345.072 units) of ₹ 10/- each.

77,75,182

43,00,000

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

17,00,000

17,00,000

Sundaram Money Fund - Unclaimed Redemption More than 3 Years - Growth at Cost: NIL(Previous year 0.62 Units) of ₹10/- each

-

6

Total

1,40,63,602

1,05,88,426

Aggregate value of unquoted Investments - Current

[Net asset value - ₹1,52,37,383/-,(Previous Year [₹ 1,10,98,591/-)]

1,40,63,602

1,05,88,426

Total**1,40,63,602****1,05,88,426**

Notes forming part of the Balance Sheet as at March 31, 2018

Note No. 9	31.03.18	31.03.17
TRADE RECEIVABLES - CURRENT	₹	₹
Unsecured, considered good (Less than 6 months)		
Sundaram Mutual Fund (Associate)	12,54,312	11,48,472
Sundaram Alternative Investment Fund - Cat III (Associate)	34,925	3,242
Sundaram Alternative Investment Fund - Cat II	31,765	-
Total	13,21,002	11,51,714

Note No. 10	31.03.18	31.03.17
CASH AND CASH EQUIVALENTS	₹	₹
Balance with Scheduled Banks		
- In Current Accounts	1,08,804	2,49,889
Total	1,08,804	2,49,889

Note No. 11	31.03.18	31.03.17
SHORT TERM LOANS AND ADVANCES	₹	₹
Unsecured -Considered Good		
Service tax credit receivable	-	21,210
Krishi Kalyan Cess Credit receivable	-	1,511
Total	-	22,721

Notes forming part of the Profit and Loss Statement for the year 2017-18

Note No. 12	2017-18	2016-17
REVENUE FROM SALE OF SERVICES	₹	₹
Services Rendered		
Trusteeship Fees - Sundaram Mutual Fund	1,45,66,102	1,17,01,976
Trusteeship Fees - Sundaram Alternative Investment Fund (Cat III)	2,50,772	2,820
Trusteeship Fees - Sundaram Alternative Investment Fund (Cat II)	29,412	-
Total	1,48,46,286	1,17,04,796

Notes forming part
of the Profit and Loss Statement for the year 2017-18

Note No. 13 OTHER INCOME	2017-18 ₹	2016-17 ₹
Profit on Sale of Current Investments	1,75,182	5,47,329
Others	-	6
Total	1,75,182	5,47,335

Note No. 14 FINANCE COST	2017-18 ₹	2016-17 ₹
Interest on shortfall in payment of advance income tax	9,464	1,842
Total	9,464	1,842

Note No. 15 ADMINISTRATIVE AND OTHER EXPENSES	2017-18 ₹	2016-17 ₹
Administrative expenses	18,00,000	18,00,000
Directors Sitting Fees	6,50,000	7,75,000
Commission to Directors	10,50,000	9,00,000
Insurance	1,71,000	1,71,000
Payments to the Auditor:		
- Statutory Audit fees	1,40,000	1,40,000
- Tax Audit fees	10,000	-
Travel Expenses - Directors	54,036	86,889
Printing and Stationery	17,600	29,810
Professional Fees	27,630	35,300
ROC Filing charges	2,000	5,000
Swachh Bharat Cess	8,876	17,240
Krishi Kalyan	-	-
Other Expenses	1,547	16,717
Bank Charges	-	60
Total	39,32,689	39,77,016

NOTE NO. 16**A. Corporate Information**

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

B. Significant Accounting Policies and Notes Forming Part of the Accounts for the year ended Mar 31, 2018**1 Significant Accounting Policies****1.1 Accounting Policies**

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

1.2 Income Recognition

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

1.3 Investments

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

1.4 Valuation of Fixed Assets

Fixed assets are carried at historical cost less accumulated depreciation.

1.5 Depreciation Policy

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

2 Other Notes and Disclosures

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

2.2 Contingent Liability

Nil (Previous year Nil)

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

Enclosed as Annexure A

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

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

2.5 Related Party Disclosures

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

Sl. No.	Name	Relationship	Nature of Transaction	2017-18	2016-17
				₹	₹
1	Sundaram Finance Ltd	Holding Company	Dividend Paid	40,00,000	35,00,000
2	Sundaram Asset Management Company Ltd	Fellow Subsidiary	Expenses	18,00,000	18,00,000
3	Sundaram Mutual Fund	Associate	Investments in Units	76,00,000	83,50,006
			Sale of Units	43,00,000	73,50,000
			Income	1,45,66,102	1,17,01,976
4	Sundaram Alternative Investment Fund - Cat III	Associate	Income	2,50,772	2,820
5	Sundaram Alternative Investment Fund - Cat II	Associate	Income	29,412	Nil
6	Sundaram BNP Paribas Home Finance Ltd.	Fellow Subsidiary		Nil	Nil
7	LGF Services Limited	Fellow Subsidiary		Nil	Nil
8	Royal Sundaram General Insurance Company Limited	Fellow Subsidiary	Insurance	1,71,000	1,71,000
9	Sundaram BNP Paribas Funds Services Ltd	Fellow Subsidiary		Nil	Nil
10	Sundaram Alternate Assets Limited	Fellow Subsidiary		Nil	Nil
11	Sundaram Asset Management Singapore Pte.Ltd	Fellow Subsidiary		Nil	Nil
Outstanding Receivable as on 31st Mar 2018 - Sundaram Mutual Fund				12,54,312	11,48,472
Outstanding Receivable as on 31st Mar 2018 - Sundaram Alternative Investment Fund - Cat III				34,925	3,242
Outstanding Receivable as on 31st Mar 2018 - Sundaram Alternative Investment Fund - Cat II				31,765	Nil
Outstanding Payable as on 31st Mar 2018 - Sundaram Asset Management Company Limited				2,23,931	2,33,533

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

	31.03.2018 ₹	31.03.2017 ₹
Profit as per Profit and Loss Account	80,18,452	57,83,916
Weighted average number of equity shares	50,000	50,000
Basic and diluted earnings per share	160.37	115.68
Nominal Value of Shares	10	10

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

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

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

2.10 Dividend :

The members at the AGM held on 30/06/2017 had approved the dividend of ₹80/- Per Share to the Share holders of the company. Accordingly a sum of ₹48,14,306/- (Incl Dividend Distribution Tax) has been appropriated from the reserves account (Ref Note No 2).

2.11 Proposed Dividend:

The Board of Directors at the meeting held on 27/04/2018 have recommended a dividend of ₹100 Per Share to the share holders of the company subject to the approval of Members at the ensuing annual general meeting.

As per our report of even date attached.

For **Sundaram & Srinivasan**
Chartered Accountants
Firm Registration No. 004207S
S Usha
Partner
Membership No. 211785

Chennai
April 27, 2018

For **SUNDARAM TRUSTEE COMPANY LIMITED**

M S Sundararajan
Director

S Viji
Director

R Venkatraman
Director

Soundara Kumar
Director

Ashwani Kumar Dalal
Company Secretary

Cash Flow Statement

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

	2017-18 ₹		2016-17 ₹	
A) CASH FLOW FROM OPERATING ACTIVITIES:				
Net Profit	80,18,452		57,83,916	
Add: Lease Equalisation Account	-		-	
Provision for Taxation	30,52,295		24,73,758	
		1,10,70,747		82,57,674
Add: Financial Expenses	-		-	
Depreciation	8,568		15,599	
Add: (Profit)/Loss on Sale of Fixed Assets	-		-	
(Profit) loss on sale of Investments	(1,75,182)		(5,47,329)	
Interest / Dividend Income	-		-	
Finance cost - Provision for Interest on advance tax short paid	9,464		1,842	
		(1,57,150)		(5,29,888)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		1,09,13,597		77,27,786
(Increase) Decrease in Long Term Loans and Advances	-		-	
(Increase) Decrease in Short Term Loans and Advances	22,721		2,173	
(Increase) Decrease in Other Current Assets	(1,69,288)		(2,48,728)	
Increase (Decrease) in Other Current Liabilities	2,93,382		4,63,319	
		1,46,815		2,16,764
Cash generated from Operations		1,10,60,412		79,44,550
Financial Expenses	-		-	
Direct Taxes Paid	(30,87,191)	(30,87,191)	(27,17,657)	(27,17,657)
NET CASH FROM OPERATING ACTIVITIES (A)		79,73,221		52,26,893
B) CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of current investments	(76,00,000)		(83,50,006)	
Sale of current Investments	43,00,000		73,50,000	
Purchase of Fixed Assets	-		-	
Sale of Fixed Assets	-		695	
Dividend Received	-		-	
		(33,00,000)		(9,99,311)
NET CASH FROM INVESTING ACTIVITIES (B)		(33,00,000)		(9,99,311)

Cash Flow Statement

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

	2017-18 ₹		2016-17 ₹	
C) CASH FLOW FROM FINANCING ACTIVITIES				
Increase (Decrease) in Long Term Borrowings	-		-	
Interest Income	-		-	
Dividend paid (including Corporate Dividend Tax)	(48,14,306)	(48,14,306)	(42,12,518)	(42,12,518)
NET CASH FROM FINANCING ACTIVITIES (C)		(48,14,306)		(42,12,518)
D) Effect of Foreign Exchange rates on Cash and Cash Equivalents (D)		-		-
NET INCREASE IN CASH AND CASH EQUIVALENTS (A)+(B)+(C) - (D)		(1,41,085)		15,064
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		2,49,889		2,34,825
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		1,08,804		2,49,889
E) COMPONENTS OF CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR				
Current Account with Banks		1,08,804		2,49,889
Cash, Stamps and Stamp Papers on Hand		-		-
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		1,08,804		2,49,889

As per our report of even date attached.

For **Sundaram & Srinivasan**
Chartered Accountants
Firm Registration No. 004207S
S Usha
Partner
Membership No. 211785

Chennai
April 27, 2018

For **SUNDARAM TRUSTEE COMPANY LIMITED**

M S Sundararajan
Director

S Viji
Director

R Venkatraman
Director

Soundara Kumar
Director

Ashwani Kumar Dalal
Company Secretary

